

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight & Programs Branch**

**RESOLUTION T-17765
June 2, 2022**

R E S O L U T I O N

Resolution T-17765. This Resolution revokes the operating authority of telephone corporations for failing to comply with Commission-mandated Annual Reporting requirements and/or Annual Performance Bond requirements.

SUMMARY

This Resolution approves the revocation of the operating authority of eleven (11) telephone corporations (carriers) for failure to comply with one or more California Public Utilities Commission (Commission or CPUC) annual compliance requirements for calendar year (CY) 2020 with respect to: a) Annual Operational and Financial Information report; b) Annual Affiliate Transaction report (collectively known as Annual Reports), or c) Annual Performance Bond requirement. The revocation of the operating authority is effective thirty (30) calendar days from the approval of this Resolution. Appendix A of this Resolution lists the eleven (11) carriers subject to revocation of their operating authority.

BACKGROUND

The Commission has broad regulatory authority and grants telephone corporations operating authority in California. The operating authority of a wireline carrier is granted through a Certificate of Public Convenience and Necessity (CPCN) application pursuant to Public Utilities Code Section 1001 or a Simplified Registration pursuant to Pub. Util. Code § 1013.¹ Commercial Mobile Radio Service (CMRS) providers (also known as wireless carriers) are required to file a Wireless Identification Registration (WIR) pursuant to Decision (D.) 94-10-031.² In each of these instances, the applicant is authorized to operate in California as a "telephone corporation" pursuant to Pub. Util. Code § 234 once it receives its operating authority under Pub. Util. Code § 1001 or Pub. Util. Code § 1013, or once it files its WIR if it is a wireless corporation.

¹ The authority conferred through the CPCN application and Simplified Registration is identical, and in each instance the applicant receives a "utility" or "U" number, acknowledging the authority granted and the responsibilities that come attendant with that authority. The CPCN process is a formal process, while the Simplified Registration is ministerial.

² A different process applies to wireless carriers due to applicable federal statutes.

All carriers are subject to compliance filings attendant to their operating authority including, but not limited to, submission of various annual reporting obligations. Among the annual reporting obligations due from carriers are the following:

1. Annual Report on Carrier's Operations and Financials on a CY basis pursuant to General Order (GO) 104-A due March 31 of the following year.
2. Annual Affiliate Transaction Reports on a CY basis pursuant to D.93-02-019 due May 1 of the following year.
3. Annual Performance Bond requirement pursuant to D.13-05-035 and/or D.11-09-026 due March 31 of each year.

These obligations are identified in the CPCN Decision³ or WIR approval letter that granted the carriers' operating authority. The Commission may suspend or revoke the operating authority of telephone corporations that fail to make required annual compliance filings per D.93-05-010.

On June 21, 2018, the Commission adopted Resolution T-17601 authorizing Communications Division (CD) to implement a citation program for enforcing telecommunications carrier compliance with the Commission's Resolutions, Decisions, Orders, and the Public Utilities Code. Resolution T-17601 adopted the citation procedure, a list of violations, and associated penalty amounts.

DISCUSSION

The Commission informs all carriers of their reporting obligations in one of three ways: (1) as part of the final Commission Decision granting a CPCN to operate as a telephone corporation in California; (2) through the Executive Director Decision granting a Registration License; (3) or via a WIR approval letter from the Director of CD. Also, CD annually notifies all carriers of their reporting obligations by sending an e-mail to each carrier's primary regulatory contact person.⁴ A copy of the annual reminder notice to all carriers is posted on the Commission CD website.⁵ Additionally, CD sends an e-mail notice to a carrier who fails to meet the deadlines associated with the reporting requirements.

³ Registration Licenses are obtained through a Simplified Registration process pursuant to Pub. Util. Code § 1013 and issued via an Executive Director decision.

⁴ Carriers are obligated to provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) of their designated regulatory/official contact person(s). This information must be provided electronically, using the "Communications Utility Contact Update Form" found at https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/communications_-_telecommunications_and_broadband/11-22-19-updated-ucs-form.pdf. This information must be updated if the name(s), address(es), and telephone number(s) change, or at least annually by June 1 of each calendar year.

⁵ The annual reminder notice to all carriers posted and available at the Commission website at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements>

In November 2021, Communications Division issued citations to carriers that failed to comply with the annual reporting requirements. Of the carriers cited, eleven (11) failed to resolve the citation issued. In order to resolve a citation, the carrier must correct the outstanding violation (e.g., submit the outstanding reporting requirement) and pay the penalty amount. Appendix A of this resolution provides the list of the carriers that failed to comply with citations. The list provides the carrier's name, utility ID number, the citation number, violation, and total penalty amount owed to the Commission. The following is a summary of the list by carrier type:

- Four (4) wireline carriers failed to comply with three annual obligations, consisting of (a) Annual Operational and Financial Information reports for CY 2020 and (b) Annual Performance Bond requirement, both due by March 31, 2021; and (c) Annual Affiliate Transaction reports for CY 2020 due by May 1, 2021.
- One (1) wireline carrier failed to comply with two annual obligations, consisting of (a) Annual Operational and Financial Information report for CY 2020 and (b) Annual Performance Bond requirement, both due by March 31, 2021
- Two (2) wireless carriers and one (1) wireline carrier failed to comply with two annual obligations, consisting of (a) Annual Performance Bond requirement, due by March 31, 2021, and (b) Annual Affiliate Transaction reports for CY 2020 due by May 1, 2021
- One (1) wireline carrier failed to comply with the Annual Performance Bond requirement due by March 31, 2021
- One (1) wireless carrier and one (1) wireline carrier failed to comply with the Annual Affiliate Transaction report requirement for CY 2020 due by May 1, 2021

Communications Division took the following steps to communicate to and remind carriers about their annual reporting obligations:

1. On January 7, 2021, CD e-mailed and posted on the Commission's website notices to all telecommunications carriers to submit Annual Reports and Annual Performance Bonds. The notice required that all Interexchange Carriers (Wholesale and Reseller) and all Competitive Local Carriers (Wholesale and Reseller) must submit an Annual Operational and Financial Information report for CY 2020 (due by March 31, 2021), an Annual Performance Bond (due by March 31, 2021), and an Annual Affiliate Transaction report for CY 2020 (due by May 1, 2021). Additionally, all Cellular Telephone Utilities (Wholesale and Reseller), all Personal Communications Carriers, and all Radio Telephone Utilities must submit an Annual Performance Bond (due by March 31, 2021), and an Annual Affiliate Transaction report (due by May 1, 2021).
2. On February 8, 2021, CD sent an e-mail reminder to all carriers about their reporting obligations, including but not limited to submission of the Annual

Operational and Financial Information report for CY 2020 (due by March 31, 2021), Annual Performance Bond (due by March 31, 2021), and/or Annual Affiliate Transaction report for CY 2020 which was due by May 1, 2021.

3. On August 2, 2021, CD sent an e-mail notice of noncompliance to all carriers that failed to submit their Annual Reports and Annual Performance Bond by the due dates established. Noncompliant carriers were informed of potential enforcement action by the Commission, including penalties and/or fines.
4. On November 15, 2021, and November 23, 2021, CD issued its first citation to carriers that were noncompliant with submitting Annual Reports and Annual Performance Bond. Carriers were given 30 calendar days to address the citation. The citation package comprised of the citation notice letter with information on the violation and the penalty amount of \$1000 per violation, instructions on how to pay the penalty, information on potential ten percent (10%) late payment fees, and instructions on how to submit an appeal of the citation. The citation package for each carrier was delivered via United States Postal Service (USPS) certified mail using the primary regulatory contact information. The same package was sent in PDF format via e-mail to the primary regulatory contact.
5. On January 5, 2022, CD issued its second citation to carriers that continued to be noncompliant with submitting Annual Reports and Annual Performance Bond. Carriers were given 30 calendar days to address the citation. The citation package contained the citation notice letter with information on the violation and an increased penalty amount by \$200 per violation from the original amount, instructions on how to pay the penalty, information on potential ten percent (10%) late payment fees, and instructions on how to submit an appeal of the citation. The citation package for each carrier was delivered via USPS certified mail using the primary regulatory contact information. The same package was sent in PDF format via e-mail to the primary regulatory contact.
6. The draft Resolution and associated Notice of Availability for 30-day comment period constitutes the final notice to carriers who have not complied with submitting Annual Reports and Annual Performance Bond.

CD undertook the necessary measures to notify and remind carriers of the obligation to comply with the Commission's Annual Reports and Annual Performance Bond requirements for telecommunications carriers and provided ample time and opportunity for these carriers to comply. Despite all of these efforts, the carriers failed to address and/or comply with the citation issued.

SAFETY IMPACT

This Resolution seeks to achieve carrier compliance in submitting required annual compliance filings. This promotes transparency and reduces the risk of financial harm to California customers, thereby promoting public safety.

CONCLUSION

The carriers listed in Appendix A failed to resolve the outstanding citation issued. Staff recommends that the operating authority of all the carriers listed in Appendix A be revoked effective thirty (30) calendar days from the approval of this Resolution.

If a carrier continues to be in default beyond thirty (30) calendar days from the effective date of this Resolution, the carrier's CPCN and/or registration license will be revoked. To the extent that any of these carriers have customers in California, we direct them to notify their customers within five (5) days from the effective date of their revocation that their operating authority in California has been revoked and that they are no longer authorized to provide service.

We also hereby direct all telephone corporations to notify CD staff via e-mail to cdcompliance@cpuc.ca.gov if they provide services to any of the carriers listed in Appendix A and to cease from conducting business with any carrier that has had its license revoked by this Resolution.

After revocation of its operating authority, a wireline carrier seeking to continue operating in California must file a Pub. Util. Code § 1001 application for a new operating authority, even if the Commission previously granted a carrier operating authority under the Simplified registration process pursuant to Pub. Util. Code § 1013. In its application, the carrier must disclose the previous revocation via a sworn affidavit. Similarly, a wireless carrier seeking to resume operations must apply for a new WIR and disclose the previous revocation via a sworn affidavit. The carriers are also obligated to pay any outstanding penalties, interest, and fees owed to the Commission before the CPUC will grant new operating authority in the state of California.

Carriers that continue to operate after revocation of their operating authority and fail to obtain the requisite operating authority will be subject to enforcement action by the Commission, including possible fines or other sanctions.

COMMENTS ON THE DRAFT RESOLUTION

In compliance with Pub. Util. Code § 311 (g), a Notice of Availability was e-mailed on April 29, 2022, to all telephone carriers informing these parties that the draft of this Resolution is available at the Commission's website <http://www.cpus.ca.gov/> and is available for public comments. An itemized list of carriers was also posted on the CPUC's Daily Calendar for 30 days. In addition, CD informed these parties of the

subsequent availability of the conformed resolution, when adopted by the Commission, at the same Commission's website. The Commission received no public comments.

FINDINGS AND CONCLUSIONS

1. The Commission has broad regulatory authority and grants operating authority to telephone corporations via the Certificate of Public Convenience and Necessity Application process (pursuant to Pub. Util. Code § 1001), the Simplified Registration process (pursuant Pub. Util. Code § 1013), or the Wireless Identification Registration process (pursuant to D.94-10-031).
2. On June 21, 2018, the Commission adopted Resolution T-17601 that authorized CD Staff to implement a citation program for enforcing compliance by telecommunications carriers with the Commission's Resolutions, Decisions, Orders, and the Public Utilities Code. Resolution T-17601 adopted the citation procedure, a list of violations and associated penalty amounts.
3. Carriers are subject to compliance filings attendant to their operating authority.
4. All Interexchange Carriers (Wholesale and Reseller) and all Competitive Local Carriers (Wholesale and Reseller) are obligated to submit an Annual Operational and Financial Information report for CY 2020 and Annual Performance Bond, which were due by March 31, 2021, and must submit an Annual Affiliate Transaction report, which was due by May 1, 2021, pursuant to General Order (GO) 104-A, D.93-02-019, D.13-05-035 and/or D.11-09-026.
5. All Cellular Telephone Utilities (Wholesale and Reseller), all Personal Communications Carriers and all Radio Telephone Utilities are obligated to file an Annual Performance Bond, which was due by March 31, 2021, and to submit an Annual Affiliate Transaction report for CY 2020, which was due by May 1, 2021, pursuant to General Order (GO) 104-A, D.93-02-019, D.13-05-035 and/or D.11-09-026.
6. The Commission may suspend or revoke the operating authority of telephone carriers that fail to make required annual reports, per D.93-05-010.
7. Communications Division staff undertook proper and reasonable measures to inform and remind the eleven (11) telephone corporations listed in Appendix A of their obligations to comply with Commission Annual Reports and Annual Performance Bond requirements for telecommunication carriers.
8. The operating authority granted to the carriers who failed to address their citations will be revoked thirty (30) calendar days after the effective date of this Resolution.
9. Carriers in default beyond thirty (30) calendar days from the effective date of this Resolution are directed to notify their customers within five (5) days from the

effective date of their revocation that their operating authority in California has been revoked and that they are no longer authorized to provide service.

10. All telephone corporations must notify CD staff via e-mail to cdcompliance@cpuc.ca.gov if they provide services to any of the carriers listed in Appendix A and to cease from conducting business with the carriers whose licenses have been revoked by this Resolution.
11. If a carrier's operating authority is revoked, the carrier seeking to continue operating in the State of California must file a request with the CPUC via a CPCN application or a new WIR request. If the CPUC has revoked a carrier's operating authority, the carrier cannot use the Simplified Registration process pursuant to Pub. Util. Code § 1013. All carriers shall disclose the previous revocation via a sworn affidavit and pay all outstanding penalties, interest, or fines owed to the Commission in order to be granted authority to operate in California.
12. Carriers that continue to operate after revocation of their operating authority and fail to obtain the requisite operating authority should be subject to enforcement action by the Commission, including possible fines or other sanctions.
13. The Commission e-mailed a Notice of Availability of this Resolution on April 29, 2022, to all telephone carriers informing these parties that the draft of this Resolution is available at the Commission's website <http://www.cpus.ca.gov/> and is available for public comment. The Commission received no public comments.

THEREFORE, IT IS ORDERED THAT:

1. The CPUC shall revoke the operating authority of carriers listed in Appendix A thirty (30) calendar days after the effective date of this Resolution and the carriers shall cease operations in the State of California.
2. Carriers in default beyond thirty (30) calendar days from the effective date of this Resolution shall notify their customers within five (5) days from the effective date of their revocation that their operating authority in California has been revoked and that they are no longer authorized to provide service.
3. All telephone corporations shall notify CD staff via e-mail to cdcompliance@cpuc.ca.gov if they provide services to any of the carriers listed in Appendix A and cease from conducting business with the carriers whose licenses have been revoked by this Resolution.
4. Carriers seeking to continue operations in the state of California must file a new request with the Commission. Wireline carriers shall file a CPCN application and cannot use the Simplified Registration process pursuant to Pub. Util. Code § 1013. Wireless carriers shall file a new WIR request. All carriers shall disclose the previous

revocation via a sworn affidavit and pay all outstanding penalties, interest, or fines owed to the Commission to be granted authority to operate in California.

5. Carriers that continue to operate after revocation of their operating authority and fail to obtain the requisite operating authority shall be subject to enforcement action by the Commission, including possible fines or other sanctions.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on June 2, 2022, the following Commissioners voting favorable thereon:

/s/ RACHEL PETERSON

RACHEL PETERSON

Executive Director

ALICE REYNOLDS

President

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE L. HOUCK

JOHN REYNOLDS

Commissioners

Appendix A
List of Carriers for Revocation of Operating Authority

Count	Citation Number	Corporate ID Number	Utility Name	Total Penalty Amount (including 10% Late Payment)
Wireline Carriers that Did Not Submit an (a) Annual Operational and Financial Information Report for CY 2020, (b) Annual Performance Bond, and (c) Annual Affiliate Transaction Report for CY 2020				
1	CD-2021-11-012	U-7374-C	HFA of California LLC	\$3,960
2	CD-2021-11-013	U-6914-C	Global Connect Telecommunications, Inc	\$3,960
3	CD-2021-11-016	U-7046-C	Silv Communication, Inc	\$3,960
4	CD-2021-11-022	U-7136-C	Dollar Phone Enterprise, Inc.	\$3,960
Wireline Carrier that Did Not Submit an (a) Annual Operational and Financial Information Report for CY 2020, (b) Annual Performance Bond for CY 2020				
5	CD-2021-11-009	U-6046-C	LCR Telecommunications, LLC ⁶	\$2,640
Wireless Carriers that Did Not Submit (a) an Annual Performance Bond and (b) Annual Affiliate Transaction Report for CY 2020				
6	CD-2021-11-001	U-3092-C	Planet Networks CA LLC	\$2,640
7	CD-2021-11-003	U-4410-C	TC Telephone, LLC.	\$2,640
Wireline Carriers that Did Not Submit (a) an Annual Performance Bond and (b) Annual Affiliate Transaction Report for CY 2020				
8	CD-2021-11-030	U-6065-C	O1 Communications, Inc	\$2,640
Wireline Carrier that Did Not Submit an Annual Performance Bond				
9	CD-2021-11-029	U-7276-C	Look International, Inc.	\$1,320
Wireless Carrier that Did Not Submit an Annual Affiliate Transaction Report for CY 2020				
10	CD-2021-11-005	U-4515-C	Wing Tel Inc.	\$1,320
Wireline Carrier that Did Not Submit an Annual Affiliate Transaction Report for CY 2020				
11	CD-2021-11-017	U-7050-C	Integrated Services Inc.	\$1,320

End of Appendix A

⁶ LCR Telecommunications, LLC (U6046-C) was issued a citation, CD-2021-11-009, and filed the outstanding report and paid the citation penalty amount (with 10% late fee) on May 23, 2022; however, it did not fulfill the Performance Bond requirement.