

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Digital Future UCC
LLC for Registration as an
Interexchange Carrier Telephone
Corporation Pursuant to Provisions of
Pub. Util. Code Section 1013.

Application 22-10-005

**DECISION GRANTING DIGITAL FUTURE UCC LLC A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE
RESOLD INTEREXCHANGE SERVICES**

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**DECISION GRANTING DIGITAL FUTURE UCC LLC A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE
RESOLD INTEREXCHANGE SERVICES**

Summary

Pursuant to Public Utilities Code Section 1001, the Commission grants Digital Future UCC LLC (Digital Future) a Certificate of Public Convenience and Necessity (CPCN) to provide resold interexchange services in California subject to the terms and conditions set forth in the Ordering Paragraphs.¹

Application 22-10-005 is closed.

1. Background

On October 5, 2022, Digital Future UCC LLC (Digital Future) filed Application (A.) 22-10-005 for registration to provide resold interexchange services in California. Digital Future proposes to offer interconnected (Voice over Internet Protocol) VoIP services with their current product offerings such as telephone equipment and software solutions to business customers in California.

Digital Future's principal place of business is located at 530 Technology Drive, Suite 100, Irvine, California 92618.

On November 10, 2022, the Consumer Protection Enforcement Division (CPED) of the Commission, filed a protest. On January 19, 2023, Digital Future filed and served an amendment to Exhibit E to its application. On January 20, 2023, Digital Future informed the assigned Administrative Law Judge (ALJ) by email that the name used on its application was incorrect.

¹ Although its application was filed pursuant to Public Utilities (Pub. Util.) Code Section 1013, an expedited and ministerial registration process, the Commission's Communications Division staff determined it did not qualify for the registration process. The resulting assignment to an ALJ removed it from the registration track. It has therefore been evaluated as a CPCN under Pub. Util. Code Section 1001.

On January 24, 2023, the assigned ALJ indicated that the applicant could correct the name through an amended application by procedural email. On January 27, 2023, the assigned ALJ issued a ruling requesting information, to which Digital Future responded on March 3, 2023 along with a motion for confidential treatment of the response, filed on April 5, 2023. The prehearing conference (PHC), originally scheduled for February 3, 2023, was taken off-calendar by ruling dated January 31, 2023. On March 1, 2023, the assigned ALJ held a status conference in order to discuss the status of the pending amended application and the pending response to ALJ ruling. On March 10, 2023, Digital Future filed and served an amended application, which amended the caption and Attachments D, E, and F. On April 12, 2023, the assigned ALJ issued a ruling approving the caption change and requiring its use in future filings. On April 25, 2023, the assigned ALJ issued a ruling requesting additional information, to which Digital Future filed a response on May 1, 2023.

On June 6, 2023, a PHC was held on, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. At the PHC, the CPED stated that it planned on withdrawing its protest.

On June 6, 2023, the assigned ALJ issued a ruling requesting additional information, to which Digital Future responded on June 16, 2023. On June 12, 2023, CPED withdrew its protest to the application. On July 17, 2023, the assigned Commissioner issued a scoping memo and ruling. On July 21, 2023, the assigned ALJ issued a Ruling Requesting Information, to which Digital Future responded on July 24, 2023.

2. Submission Date

This matter was submitted on October 4, 2023, upon Digital Future's filing of its response to the ALJ's ruling issued on September 27, 2023.

3. Jurisdiction

The Commission has broad jurisdiction over "public utilities,"² as defined in Pub. Util. Code Section 216.³ California's constitution extends the Commission's jurisdiction to companies engaged in "the transmission of telephone and telegraph messages," which includes both public utility services and facilities.⁴ The Commission classifies entities providing two-way voice communications service for compensation within California as "telephone corporations"⁵ and regulates them as public utilities.^{6,7}

As part of its regulatory authority over "telephone corporations," the Commission authorizes certificates of public convenience and necessity to "telephone corporations" seeking to construct a "line, plant, or system, or any extension thereof" in California.⁸ Pub. Util. Code Section 233 defines a "telephone line" to include "all conduits, ducts, poles, wires, cables, instruments, and appliances, and other real estate, fixtures, and personal property owned or controlled, operated, or managed in connection with or to facilitate communication by telephone, whether such communication is had with or

² Pub. Util. Code § 216.

³ Pub. Util. Code § 234.

⁴ See Decision (D.) 20-07-011, at 14-15, See Cal. Const., Art. XII, §§ 1-6; Pub. Util. Code § 701.

⁵ Pub. Util. Code §§ 216, 233, and 234; D.22-10-002 at 68.

⁶ Pub. Util. Code § 216(a).

⁷ Telephone corporations are required to file annual affiliate transaction reports and pay surcharges and user fees.

⁸ Pub. Util. Code § 1001.

without the use of transmission wires.” This includes services delivered over any technology, including but not limited to, traditional copper lines, coaxial cable, fiber optic cable, and mobile or fixed wireless radios.

Providers of interconnected VoIP service are telephone corporations subject to the Commission’s jurisdiction.⁹ In 2021, the Commission’s Communication’s Division directed interconnected VoIP carriers operating in California to apply for either a registration pursuant to Pub. Util. Code Section 1013 or a Certificate of Public Convenience and Necessity pursuant to Pub. Util. Code Section 1001. The Commission is currently considering the licensing obligations for interconnected VoIP carriers in Rulemaking 22-08-008.

Digital Future proposes to offer interconnected VoIP services with their current product offerings such as telephone equipment and software solutions to business customers in California. Digital Future is a telephone corporation and a public utility subject to the Commission’s jurisdiction.

4. California Environmental Quality Act (CEQA)

Pursuant to the CEQA¹⁰ and Rule 2.4 of the Commission’s Rules of Practice and Procedure (Rules), the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to the Commission’s approval to determine any potential environmental impacts, to avoid adverse effects, investigate alternatives, and ensure that any affected environmental impact is restored or otherwise mitigated to the fullest extent possible under CEQA. Since Digital Future states that it does not intend to construct any facilities in existing buildings or structures, it can be seen with

⁹ Pub. Util. Code §§ 216, 233, 234; D.22-10-021 at 68, citing R.22-08-008.

¹⁰ Public Resources Code § 21000 *et seq.*

certainty that there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities, including equipment to be installed in existing buildings or structures, Digital Future must file for additional authority, and submit to any necessary CEQA review.

5. Financial Qualifications

To be granted a CPCN for authority to provide resold interexchange services, an applicant must demonstrate that it has a minimum of \$25,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses.¹¹

In the application, Digital Future provided its confidential financial information under seal in Exhibit E that it has at least \$25,000 that is reasonably liquid and available. Since Digital Future has provided documentation that it possesses a minimum of \$25,000 that is reasonably liquid and available, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement.¹² The Digital Future's financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds are available.

In addition to demonstrating financial fitness, Digital Future must also demonstrate it has an additional \$25,000 or that an amount equal to the deposit required to operate statewide for one year following certification. In response to the assigned ALJ Ruling dated January 27, 2023, Digital Future affirmatively stated that it requested deposit amounts from carriers and was told no deposit

¹¹ The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

¹² Digital Future, Response to ALJ's Ruling Requesting Additional Information (showing line of credit established).

would be necessary. Therefore, no additional resources are required at this time to cover deposits.

6. Technical Qualifications

To be granted a CPCN for authority to provide competitive local exchange and/or interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.¹³ Digital Future supplied biographical information on its management in Attachment C to its application that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

In its application, Digital Future verified that no one associated with or employed by Digital Future as an affiliate, officer, director, partner, or owner of more than 10 percent of Digital Future, or anyone acting in a management capacity for Digital Future:

(a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been (to his/her knowledge) the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of [Sections] 17000 *et seq.*, [Sections] 17200 *et seq.*, or [Sections] 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public

¹³ D.95-12-056 at Appendix C, Rule 4.A.

utilities or other regulated industries; or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.¹⁴

Also, to the best of Digital Future's knowledge, neither Digital Future, nor any affiliate, officer, director, partner, nor owner of more than 10 percent of Digital Future, or any person acting in such capacity whether or not formally appointed, is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.¹⁵

For the foregoing reasons, this decision finds that Digital Future is in compliance with the requirements of D.13-05-035.

7. Tariffs

Digital Future requested detariffed status and may be exempt from the requirement to file tariffs provided that Digital Future complies with the consumer protection rules identified in D.98-08-031.

Detariffed status is not available for carriers providing residential local exchange service. Based on the application, it does not appear that Digital Future intends to provide residential local exchange service at this time. Pursuant to D.12-12-038, Appendix A, Section II, parts a and b, basic service must be tariffed or scheduled. In the future, if Digital Future decides to offer services that require a tariff or schedule, such as basic service, Digital Future must submit proposed tariffs and/or user guides to the Commission's Communications

¹⁴ These certifications are required by D.13-05-035, OP 14.

¹⁵ *Id.*

Division via Tier 2 Advice Letters using the General Order 96-B advice letter process at least 30 days before initiation of service.

8. Expected Customer Base

Digital Future provided its estimated customer base for the first and fifth years of operation in response to the assigned ALJ Ruling dated July 21, 2023. Therefore, Digital Future has complied with this requirement.

9. Environmental and Social Justice (ESJ) Action Plan

On September 27, 2023, the ALJ issued a ruling requiring that Digital Future explain how the authority sought is consistent with the Commission's ESJ Action plan. On October 4, 2023, Digital Future filed a response to ALJ Inquiry and explained that Digital Future has familiarized itself with ESJ Action Plan. Digital Future "will remain mindful of the current regulations of the California Public Utilities Commission ("CPUC") and its desire to further inclusion, diversity, and environmental concerns as set forth in the ESJ." Based on the information provided in the Application and Response to ALJ Inquiry (if applicable), this decision finds that approval of the application is consistent with the Commission's ESJ goals.

10. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Pub. Util. Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. The Commission considered the potential safety implications here and is satisfied that Digital Future will meet the Commission's minimum safety goals and expectations of CLECs because: (1) Digital Future has taken steps to meet the financial requirements as set forth in this decision for a facilities-based CLEC, and (2) Digital Future is a public utility that is required pursuant to Pub. Util.

Code Section 451 to “... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

11. Conclusion

Digital Future’s application conforms with the Commission’s rules to provide resold interexchange services pursuant to Pub. Util. Code Section 1001. Accordingly, the Commission grants Digital Future’s CPCN to provide resold interexchange services in California subject to compliance with the terms and conditions set forth in the OPs.

The CPCN granted by this decision provides benefits Digital Future and corresponding obligations. Digital Future receives authority to operate in the prescribed service territory, and this authority enables Digital Future, pursuant to Section 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act (47 U.S.C. Section 251), to interconnect with telecommunications carriers.¹⁶ This authority also enables Digital Future to obtain access to public rights-of-way in California as set forth in D.98-10-058, and approved in *T-Mobile West LLC v. City and County of San Francisco*, 6 Cal. 5th 1107 (2019) - subject to the CEQA requirements set forth in this decision.

In return, Digital Future is obligated to comply with all Pub. Util. Code provisions, Commission rules, GOs, and decisions applicable to telephone corporations providing approved services. The applicable statutes, rules, GOs, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, Digital Future is obligated to pay all

¹⁶ The California Pub. Util. Code uses the term “telephone corporation.” Its counterpart in federal law is a “telecommunications carrier.”

Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B of this decision, to comply with CEQA, and to adhere to Pub. Util. Code Section 451 which states that every public utility “...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

12. Request to File Under Seal

Pursuant to Rule 11.4, Digital Future has filed motions for leave to file Exhibit 1 to the application as confidential materials under seal on March 3, 2023. Digital Future represents that the information is sensitive, and disclosure could place Digital Future at an unfair business disadvantage. The Commission granted similar requests in the past and does so here.

13. Summary of Public Comments

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the “Public Comment” tab of the online Docket Card for that proceeding on the Commission’s website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. No public comments were posted to the docket card for this proceeding.

14. Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Pub. Util. Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

15. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Kieu Chinh Tran and Seaneen Wilson are the assigned ALJs for the proceeding.

Findings of Fact

1. Digital Future is a telephone corporation and a public utility as defined in Pub. Util. Code Sections 234(a) and 216(a).
2. Digital Future submitted an application for registration as an interexchange telephone corporation which is being evaluated under Pub. Util. Code Section 1001.
3. Digital Future will not construct any facilities.
4. Digital Future's authority to provide telecommunications services will not have a significant adverse effect upon the environment.
5. Digital Future has a minimum of \$25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
6. Digital Future is not required to have additional resources to cover deposits because no deposit is required by other telephone corporations in order to provide the proposed service.
7. Digital Future's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
8. No one associated with or employed by Digital Future as an affiliate, officer, director, partner, agent, or owner (directly or indirectly) of more than 10 percent of Digital Future, or anyone acting in a management capacity for Digital Future: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony;

(d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of Section 17000 *et seq.*, Section 17200 *et seq.*, or Section 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

9. To the best of Digital Future's knowledge, neither Digital Future, or any affiliate, officer, director, partner, nor owner of more than 10 percent of Digital Future, or any person acting in such capacity whether or not formally appointed, is being, or has been investigated by the FCC or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

10. Digital Future requested and is eligible for exemption from tariffing requirements and must observe the consumer protection rules adopted in D.98-08-031.

11. Digital Future provided an estimate of its customer base for the first and fifth year of operation.

12. Digital Future provided information regarding how the authority sought is consistent with the Commission's ESJ Action Plan.

13. Pursuant to Rule 11.4, Digital Future filed motions for leave to file confidential materials under seal, including Exhibit 1.

Conclusions of Law

1. Digital Future should be granted a CPCN to provide resold interexchange services in California, subject to the terms and conditions set forth in the OPs.
2. Digital Future, once granted a CPCN, should be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.
3. Digital Future should be granted an exemption from the requirement to file tariffs.
4. Digital Future's motion to file under seal its Exhibit E to the application, should be granted for three years.
5. This proceeding should be closed.

O R D E R**IT IS ORDERED** that:

1. A Certificate of Public Convenience and Necessity is granted to Digital Future to provide resold interexchange services in California, subject to the terms and conditions in this decision.
2. The certificate granted, and the authority for Digital Future to render service to customers under the rates, charges, and rules authorized, will expire if not exercised, by offering or actively providing service on a wholesale and/or resale basis, after 12 months from the effective date of this decision. Digital Future is responsible for seeking approval for an extension of time to comply with this decision pursuant to Rules of Practice and Procedure Rule 16.6.
3. Digital Future is assigned utility identification number U-7429-C and is responsible for using this as its corporate identification number in the caption of all original filings with this Commission, in the titles of other pleadings filed in existing cases, and informal submissions to the Commission.

4. Digital Future must file in this docket a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this decision.

The written acceptance filed in this docket does not reopen the proceeding.

5. Digital Future must provide the name, address, email address, and telephone number of its designated primary regulatory/official contact person to the California Public Utilities Commission's Communications Division within five (5) days of written acceptance of its certificate. Refer to Attachment B for additional information related to updating contact information.

6. Digital Future must provide the name, address, email address, and telephone number of its designated contact person for purposes of resolving consumer complaints to the California Public Utilities Commission's Consumer Affairs Branch within five (5) days of written acceptance of its certificate. Refer to Attachment B for additional information related to updating contact information.

7. Digital Future must submit a Tier-1 Advice Letter containing a copy of the license holder's executed performance bond in accordance with Decision 13-05-035 to the California Public Utilities Commission's Communications Division within five (5) days of the effective date of this decision. Digital Future is responsible, if needed, for seeking approval for an extension of time to submit the Tier-1 Advice Letter containing a copy of the performance bond. Digital Future is responsible for ensuring that the performance bond is active for all periods of its operations and complies with the annual performance bond filing on or before March 31 of each year. Refer to Attachment B for additional information on performance bond requirements.

8. Digital Future must submit its compliance with Public Utilities Code Section 708, Employee Identification Cards, to the California Public Utilities

Commission's Director of the Communications Division, in writing, by email to cdcompliance@cpuc.ca.gov, within 60 days of the effective date of this decision.

9. Digital Future is subject to California public purpose program surcharges (surcharges) and user fees; and is responsible for timely reporting and remittance of surcharges and user fees using the California Public Utilities Commission's proprietary Telecommunications and User Fee Filing System. Refer to Attachment B for additional information on surcharges and user fees requirements.

10. Digital Future is responsible for submitting an annual report in accordance with General Order 104-A to the California Public Utilities Commission's Director of the Communications Division, by e-mail to cdcompliance@cpuc.ca.gov, no later than March 31 of the year following the calendar year for which the annual report is submitted. Refer to Attachment C for additional information on annual report requirements.

11. Digital Future is responsible for submitting its annual affiliate transaction report in accordance with Decision 93-02-019 to the California Public Utilities Commission's Director of the Communications Division, by email to cdcompliance@cpuc.ca.gov, no later than May 1 of the year following the calendar year for which the annual affiliate transaction report is submitted. Refer to Attachment D for additional information on annual affiliate transaction report requirements.

12. Digital Future is subject to all the current requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision; all Consumer Protection Rules contained in General Order 168; and all applicable California Public Utilities

Commission rules, decisions, General Orders, and statutes that pertain to California public utilities on an ongoing basis.

13. Digital Future's motion to file under seal its Exhibit 1 is granted for a period of three years after the date of this decision. During this three-year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If Digital Future believes that it is necessary for this information to remain under seal for longer than three years, Digital Future may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

14. Application 22-10-005 is closed.

This decision is effective today.

Dated _____, at Sacramento, California.

ATTACHMENT A

TARIFF DEFICIENCIES

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(END OF ATTACHMENT A)

ATTACHMENT B**REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS (Carrier)**

1. Carrier is subject to all the current applicable California Public Utilities Commission (CPUC or Commission) rules, decisions, General Orders, and statutes that pertain to California public utilities and telephone corporations on an ongoing basis.

2. Carrier is responsible for rendering services to customers under the rates, charges and rules authorized by the Commission within 12 months from the date of the decision. Rendering services may include but are not limited to offering and/or actively providing services to its customers on a wholesale and/or resale basis.

3. Carrier is responsible for keeping all contact information up to date with the Commission. Changes to its primary regulatory and/or complaint contact information must be provided electronically, using the "Contact Information Request Update" form at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone> under Service Provider Requirements and Programs. Carrier is responsible for updating this information within 30 days of the change, or at least annually by June 1 of each calendar year.

4. Carrier is subject to California public purpose program surcharges and user fees. Pursuant to Decision (D.) 22-10-021, all telephone corporations operating in California must assess, collect, report and remit public purpose program surcharges based on the number of active access lines. For definition of access line, see Section 5.2.2 of D.22-10-021. The surcharge funds the following California public purpose programs:

- a. The Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 277);
- b. The California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 275.6); D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (Pub. Util. Code § 276.5), D.96-10-066, at 191, App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (Pub. Util. Code § 281; D.07-12-054); and
- f. The California Teleconnect Fund (Pub. Util. Code § 280; D.96-10-066, at 88, App. B, Rule 8.G).

User Fees must be assessed and collected based on intrastate telecommunications revenues. The User Fee funds the CPUC's annual operating budget for regulating the telecommunications corporations under its jurisdiction (Pub. Util. Code §§ 431-435).

5. Carrier is responsible for obtaining guidance and directive from the Commission's Communications Division for timely reporting and remitting of public purpose program surcharges and the user fees through the Commission's proprietary Telecommunications and User Fee Filing System (TUFFS).

Additional information about telecommunications surcharges and user fees is available from the CPUC website: <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees>.

6. Carrier is responsible for timely and accurately reporting its number of access lines and remitting the resulting public purpose program surcharges through TUFFS even if there is zero (0) access line to report and zero (0) resulting surcharges to remit. Carriers that report and/or remit surcharge funds after the

due date will be charged a penalty equal to an annual rate of 10%. Send an email to Telcosurcharge@cpuc.ca.gov for questions related to surcharges and access to TUFFS. Current and historical surcharge rates can be found at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees/surcharge-rates>.

7. Carrier is responsible for timely and accurately reporting and remitting the user fees based on a standard user fee remittance rate applied to the gross intrastate revenue or an annual minimum user fee of \$100, whichever is greater. The user fee remittance rate is determined annually by the Commission and posted on the Commission's webpage. The reporting and remittance of user fees must be through TUFFS within 15 days after the end of each calendar quarter (March 31, June 30 and September 30, and December 31) or January 15 due date for those paying the annual minimum user fee of \$100. TUFFS will automatically adjust the minimum user fee amount due to \$100 when the annual gross intrastate revenue is zero (\$0) or less than the annual minimum user fee of \$100. Under Pub. Util. Code Section 405, carriers that are in default of reporting and submitting user fees more than 30 days after the quarterly user fee payment due dates of April 15, July 15, October 15, and January 15, or more than 30 days after the January 15 due date for those utilities paying the annual minimum user fee of \$100, will be subject to automatic penalties including suspension or revocation of their authority to operate in California. Send an email to userfees@cpuc.ca.gov for questions related to user fees. Current and historical user fee rates can be found at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees/user-fee-rates>.

8. In compliance with Resolution T-16901, December 2, 2004, Carrier is responsible for checking the joint tariff for public purpose program surcharges

and user fees filed by Pacific Bell (dba AT&T California) and apply the current public purpose program surcharges and user fees amounts in that joint tariff on end-user bills until further revised.

9. Carrier is responsible for ensuring that its tariff filings reflect all surcharges and fees to which it is subject to, as identified above.

10. If Carrier is a competitive local exchange carrier, the effectiveness of its future competitive local exchange carrier tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

11. If Carrier is a non-dominant interexchange carrier, the effectiveness of its future non-dominant interexchange carrier tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

12. Carrier providing competitive local exchange service is responsible for submitting a service area map as part of its initial tariff filed via Advice Letter to the Communications Division.

13. Carrier is responsible for submitting a copy of its complete tariff in use to the California Public Utilities Commission's Director of the Communications Division, by e-mail to cdcompliance@cpuc.ca.gov, in compliance with Public Utilities Codes Section 489(a), no later than February 15 of each year. If Carrier is de-tariffed, it is responsible for providing an annual certification that it is granted exemption from tariff filing or is a de-tariffed carrier and identify the authorization granting such status.

14. Carrier is responsible for obtaining a performance bond of at least \$25,000 in accordance with Decision 13-05-035. Within five business days after the effective date of CPCN authority, carrier is required to submit a Tier-1 advice letter to the Director of the Communications Division with a copy of the license holder's executed bond. The performance bond must be a continuous bond (*i.e.*,

there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Pursuant to Decision 13-05-035, the Commission must revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

15. Carrier is required to submit a Tier-1 Advice Letter on an annual basis, no later than March 31 of each year, with a copy of the executed performance bond. Carrier is responsible for ensuring that its performance bond does not lapse during any period of its operation. Additional information regarding performance bond requirement is available at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/performance-bond-requirements>.

16. Carrier is responsible for ensuring that its employees comply with the provisions of Pub. Util. Code Section 2889.5 regarding solicitation of customers.

17. If Carrier is 90 days or more late in complying with its reporting obligations to the Commission including but not limited to filing its annual reports (e.g., Operations and Financials, and Affiliated Transaction Reports), submitting Performance Bonds, reporting and remitting surcharges and user fees; and has not received written permission from the Commission or Communications Division to file or remit late, the Communications Division may issue a citation pursuant to Resolution T-17601. Failure to comply with the issued citation or timely appeal the citation may result in a revocation of the company's operating authority and/or a referral to the Commission's Consumer Protection

and Enforcement Division (CPED) for enforcement action, which could result in additional fines, penalties, or other sanctions.

18. Carrier is exempt from Rule 3.1(b) of the Commission's Rules of Practice and Procedure.

19. Carrier is exempt from Pub. Util. Code Sections 816-830.

20. If Carrier decides to discontinue service or file for bankruptcy, it must immediately notify the California Public Utilities Commission's Director of the Communications Division, by e-mail to cdcompliance@cpuc.ca.gov.

(END OF ATTACHMENT

ATTACHMENT C

ATTACHMENT C
ANNUAL REPORT

In addition to the annual reports requirement pursuant to General Order 104-A, submit the following information electronically via email to cdcompliance@cpuc.ca.gov no later than March 31 of the year following the calendar year for which the annual report is submitted.

Failure to submit this information on time may result in a penalty as provided for in Pub. Util. Code Sections 2107 and 2108.

Required information:

1. Exact legal name and Utility ID number of the reporting utility.
2. Address of the reporting utility.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).

If incorporated, specify:

- a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
 7. Date operations were begun.
 8. Description of other business activities in which the utility is engaged.
 9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:

- a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
 11. Income statement for California operations for the calendar year for which information is submitted.
 12. Cash Flow statement as of December 31 of the calendar year for which information is submitted, for California operations only.

Additional information about the reporting requirements is available at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/annual-report-forms>. For any questions concerning this report, please send an email to cdcompliance@cpuca.ca.gov with a subject line that includes: "CD Annual Reports."

(END OF ATTACHMENT C)

ATTACHMENT D

ATTACHMENT D**CALENDAR YEAR AFFILIATE TRANSACTION REPORT**

Submit the following information electronically using the Annual Affiliate Transaction Report Form¹⁷ via e-mail to cdcompliance@cpuc.ca.gov no later than May 1 of the year following the calendar year for which the annual affiliate transaction report is submitted.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the Annual Affiliate Transaction Report.
 - Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
 - Brief description of business activities engaged in;
 - Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
 - Ownership of the utility (including type and percent ownership)
 - Voting rights held by the utility and percent; and
 - Corporate officers.
2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in item 1 above. The chart must have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.
3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of item 1 and item 2 above any affiliated entity that either (a) is

¹⁷ An Annual Affiliate Report form (in PDF format) has been developed to help facilitate the submission of this reporting obligation and it is available at: https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/communications-division/documents/licensing-compliance/annual-reporting-requirements/annual-affiliate-transaction-report-form_.pdf.

a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.
5. Any required information, documents, or other material that a utility is unable to provide must be reasonably described and the reasons they cannot be obtained, as well as the efforts expended to obtain them, must be set forth in the utility's Annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.
6. Utilities that do not have affiliated entities must submit, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

Additional information about the reporting requirements is available at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/annual-report-forms>. For any questions concerning this report, please send an e-mail to cdcompliance@cpuca.ca.gov with a subject line that includes: "CD Annual Reports."

(END OF ATTACHMENT D)