

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Communications Division  
Carrier Oversight & Programs Branch**

**RESOLUTION T-17815  
April 18, 2024**

**R E S O L U T I O N**

**Resolution T-17815. This Resolution revokes the operating authority of two (2) telephone corporations for failing to comply with Commission-mandated Annual Reports and/or Annual Performance Bond requirements.**

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**SUMMARY**

This Resolution approves the revocation of the operating authority of two (2) 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) 2022 with respect to: a) Annual Operational and Financial Information report; b) Annual Affiliate Transaction report (collectively known as Annual Reports), and/or c) Annual Performance Bond requirement. The revocation of the operating authority is effective 30 calendar days from the date of approval of this Resolution. This Resolution, however, allows any of the carriers identified to fully resolve their outstanding compliance obligations, including paying all penalties before the revocation becomes effective. Appendix A of this Resolution lists the 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 (Pub.) Utilities (Util.) Code Section (§) 1001 or a Simplified Registration pursuant to Pub. Util. Code § 1013.<sup>1</sup> 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.<sup>2</sup> In each of these

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<sup>1</sup> 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.

<sup>2</sup> A different process applies to wireless carriers due to applicable federal statutes.

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 § 1013, or once its registration has been accepted if it is a wireless corporation.

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 on March 31 of each year.

These obligations are identified in the CPCN Decision<sup>3</sup> 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 email to each carrier’s primary regulatory contact person.<sup>4</sup> A copy of the annual reminder notice to all

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

<sup>4</sup> 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”

carriers is posted on the Commission CD website.<sup>5</sup> Additionally, CD sends an email notice to a carrier who fails to meet the deadlines associated with the reporting requirements.

Communications Division issued citations to carriers that failed to comply with the Annual Reports and/or Annual Performance Bond requirements. Of the carriers cited, two (2) failed to resolve the citation issued. In order to resolve a citation, within 30 days from the issuance of the citation, the carrier must correct the outstanding violation (e.g., submit the outstanding reporting requirement) and pay the penalty amount or file an appeal pursuant to ALJ-377. 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 information of the list by carrier type:

- One (1) wireline carrier failed to comply with three annual obligations, consisting of (a) Annual Operational and Financial Information reports for CY 2022 and (b) Annual Performance Bond requirements, both due March 31, 2023, and (c) Annual Affiliate Transaction reports for CY 2022 due May 1, 2023.
- One (1) wireline carrier failed to comply with the Annual Performance Bond requirement due March 31, 2023.

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

1. On January 6, 2023, CD emailed 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 2022 (due March 31, 2023), an Annual Performance Bond (due March 31, 2023), and an Annual Affiliate Transaction report for CY 2022 (due May 1, 2023). Additionally, all Wireless carriers including Cellular Telephone Utilities (Wholesale and Reseller), all Personal Communications Carriers, and all Radio

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found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/licensing-compliance/contact-information-update-request-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.

<sup>5</sup> 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>

Telephone Utilities must submit an Annual Performance Bond (due March 31, 2023), and an Annual Affiliate Transaction report for CY 2022 (due May 1, 2023).

2. On February 6, 2023, CD sent an e-mail reminder to all carriers about their reporting obligations including but not limited to submission of an Annual Operational and Financial Information report for CY 2022 due March 31, 2023, an Annual Performance Bond due March 31, 2023, and an Annual Affiliate Transaction report for CY 2022 due May 1, 2023.
3. On June 8, 2023, CD sent an e-mail notice of noncompliance to all carriers that failed to submit their Annual Reports and/or Annual Performance bond by the due dates established.<sup>6</sup> Noncompliant carriers were informed of potential enforcement action by the Commission that includes penalties and/or fines.
4. On July 11, 2023, CD issued its first citation to carriers that were noncompliant with submitting Annual Reports and/or Annual Performance bond requirements.<sup>7</sup> Carriers were given 30 calendar days to address the citation. The citation package comprised 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 email to the primary regulatory contact information.
5. On September 6, 2023, CD issued its second citation to carriers that continued to be noncompliant with submitting Annual Reports and/or Annual Performance Bond requirements.<sup>8</sup> 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

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<sup>6</sup> On September 22, 2023, CD issued an additional notice of noncompliance to one carrier.

<sup>7</sup> On November 14, 2023, CD issued an additional first citation to one carrier.

<sup>8</sup> On September 28, 2023, CD issued additional second citations to three carriers.

package was sent in PDF format via email to the primary regulatory contact information.

6. The draft Resolution and associated Notice of Availability for a 30-day comment period constitutes the final notice to carriers who have not complied with submitting Annual Reports and Annual Performance Bond requirements.

CD undertook the necessary measures to notify and remind carriers of the obligation to comply with the Commission's Annual Reports and/or Annual Performance Bond requirements for carriers and provided ample time and opportunity for these carriers to comply. Despite all 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. For any carrier listed in Appendix A to retain its operating authority or registration it must resolve the citation within thirty (30) calendar days from the effective date of this resolution by submitting the outstanding Annual Reports and/or Annual Performance Bond requirement(s) and paying the outstanding penalty. If a carrier continues to be in default beyond 30 calendar days from the effective date of this Resolution, the carrier's CPCN and/or registration license will be revoked.

We also hereby direct telephone corporations to notify CD staff via email to [cdcompliance@cpuc.ca.gov](mailto: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 or registration 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 comply with the Commission's registration requirements must apply for a new WIR and disclose the previous revocation via a sworn affidavit. All outstanding penalties, interest, surcharges, and

user fees owed to the Commission shall be paid before any new CPCN or registration is approved.

Carriers that continue to operate after revocation of their operating authority or registration and fail to obtain the requisite operating authority or registration 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 March 12, 2024, to all telephone carriers informing these parties that the draft of this Resolution is available at the Commission's website <http://www.cpuc.ca.gov/> and is available for public comments. 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 to 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 2022, and Annual Performance Bond (both due March 31, 2023), and must submit an Annual Affiliate Transaction report for CY 2022 (due May 1, 2023), pursuant to General Order (GO) 104-A, D.93-02-019, D.13-05-035 and/or D.11-09-026.
5. All Wireless carriers including all Cellular Telephone Utilities (Wholesale and Reseller), all Personal Communications Carriers and all Radio Telephone Utilities are obligated to file an Annual Performance Bond (due March 31, 2023), and to

submit an Annual Affiliate Transaction report (due May 1, 2023), 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 carriers listed in Appendix A of their obligations to comply with Commission Annual Reports and Annual Performance Bond requirements for telecommunication carriers.
8. If the carriers listed in Appendix A continue to be in noncompliance beyond thirty (30) calendar days from the effective date of this Resolution, it is reasonable to revoke each carrier's CPCN or registrations.
9. All telephone corporations must notify CD staff via email to [cdcompliance@cpuc.ca.gov](mailto: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 or registration have been revoked by this Resolution.
10. If a carrier's operating authority or registration 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.
11. Carriers that continue to operate after revocation of their operating authority or registration and fail to obtain the requisite operating authority or registration should be subject to enforcement action by the Commission, including possible fines or other sanctions.
12. The Commission e-mailed a Notice of Availability of this Resolution on March 12, 2024, 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. The Commission received no public comments.

**THEREFORE, IT IS ORDERED THAT:**

1. Within thirty (30) days of the effective date of this Resolution, each of the carriers listed in Appendix A shall fully comply with the citation issued by submitting

the outstanding Annual Reports and/or Annual Performance Bond requirements and paying the outstanding penalty.

2. Failure by any carrier listed in Appendix A to comply with Ordering paragraph 1 of this Resolution shall result in immediate revocation of its operating authority or registration from the Commission and it no longer will be authorized to provide service in California.
3. All telephone corporations shall notify CD staff via email to [cdcompliance@cpuc.ca.gov](mailto: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 for operating authority or registration 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 a registration or authority to operate in California.
5. Carriers that continue to operate after revocation of their operating authority or registration and fail to obtain the requisite operating authority or registration shall be subject to enforcement action by the Commission, including possible fines or other sanctions.



Resolution T-17815  
CD/JHY

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, April 18, 2024, the following Commissioners voting favorable thereon:

/s/RACHEL PETERSON

Rachel Peterson

Executive Director

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

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)
<b>Wireline Carrier Did Not Submit an (a) Annual Operational and Financial Information Report for CY 2022, (b) Annual Performance Bond and (c) Annual Affiliate Transaction Report for CY 2022</b>				
1	CD-2023-07-064	U-7207-C	XYN Communications of California, LLC	\$3,960
<b>Wireline Carrier Did Not Submit an Annual Performance Bond</b>				
2	CD-2023-07-035	U-7373-C	EcoVate, Inc.	\$1,320

**End of Appendix A**