

#### COMMUNICATIONS DIVISION - DECISION (D.) 24-11-003 ADOPTED NOVEMBER 7, 2024

# INTERCONNECTED VOIP REGULATORY FRAMEWORK PURSUANT TO D.24-11-003 Frequently Asked Questions

#### A. Interconnected VoIP Provider Licensing and Registration Requirements

#### 1. Where can I find the required forms to obtain an operating authority or registration?

Please visit Information for Telecommunications Applicants and Registrants in California.

#### 2. What are the fees to obtain an operating authority or registration?

Fees can be found here: Practitioner's Page.

Pursuant to <u>Res. ALJ-464</u> and <u>D.24-11-003</u> the Commission will adjust the application fee on an annual basis. The fee will be updated on July 1 of each year, unless the Commission makes a finding stating otherwise. The new fee will be posted on the Commission's website by July 15 of each year and will be effective on August 1 of each year.

# 3. I also have a wireline operating authority. Am I required to keep both my wireline operating authority and fixed interconnected VoIP operating authorities?

Providers subject to the migration process may elect to consolidate their Utility ID Numbers into the existing wireline authority or maintain separate Utility ID Numbers each with unique utility type designation. Providers must comply with all reporting obligations associated with each Utility ID Number.

After the completion of the migration process, providers with a DVF utility type may request approval to discard the Utility ID Number associated with the DVF utility type designation by filing a Tier 2 advice letter. Upon approval, Communications Division staff will update Commission records to reflect the change, including deactivating the provider's Utility ID Number (i.e., the one originally issued through the Section 285 registration process that underwent the migration) and adding the DVF utility type into the wireline Utility ID Number.

# 4. I have a pending CPCN or Section 1013 application for only nomadic interconnected VoIP services. Will there be any changes to how my application will be handled?

Any pending CPCN or Section 1013 applications from telecommunications providers offering only nomadic interconnected VoIP service will be dismissed. Prior to dismissal, the applicant must file in the pending docket an attestation that its service meets the qualifications for the DVN utility type, such as the one provided in Appendix A of D.24-11-003. Consistent with this decision, these companies must now obtain a Nomadic Registration approval by filing a Nomadic Registration form.

#### 5. What if I would like to cease operations in California?

Interconnected VoIP carriers seeking to voluntarily surrender their authority or approval and cease to operate in California after the conclusion of the 45-day opt out period are required to comply with <u>Res. T-17723</u>.





# 6. Do I need to obtain a registration or operating authority if I am already operating and providing service in California?

All interconnected VoIP carriers are required to obtain the requisite operating authority or approval through the Commission's licensing and registration processes prior to offering services in California.

To allow interconnected VoIP carriers ample time to comply with the licensing requirement before becoming subject to a penalty for unlicensed provision of service, the Commission has granted a one-time grace period of 180 days from the issuance date of <u>D.24-03-003</u> to file either a CPCN application, Section 1013 registration, or Nomadic Registration.

After the 180-day grace period applicants without operating authority or registration will be subject to penalty for noncompliance. The Commission will determine the applicable penalty for the violation associated with unlicensed provision of service of Fixed Interconnected VoIP applicants. For Nomadic Registrations, the Communications Division is authorized to issue a citation pursuant to <u>Res. T-17601</u> for unregistered provision of service (*i.e.*, \$1,000 penalty per month of operation without a registration).

# 7. Where can I find out more information regarding licensing and registration?

More information regarding registration as a telecommunications carrier can be found here: Internet and Phone.

## B. New Compliance Requirements/Regulatory Obligations

#### **1. PUC User Fees**

- a. Are both fixed and nomadic interconnected VoIP providers required to comply with this requirement? Yes.
- b. When does the User Fee obligation begin? July 1, 2025
- c. Where can I find additional information? For additional information refer to Telecommunications Surcharges and User Fees.

#### 2. Annual Report on Operations and Financials

- a. Are both fixed and nomadic interconnected VoIP providers required to comply with this requirement? No. Only Fixed Interconnected VoIP providers are required to comply.
- **b. When does the filing obligation begin?** The filing obligation begins on March 31, 2026, and continues annually thereafter.
- c. Where can I find additional information? Additional Information may be found by selecting "Annual Reporting Requirements" here: <u>Carrier Reporting Requirements</u>

#### 3. Annual Affiliate Transaction Report

- a. Are both fixed and nomadic Interconnected VoIP providers required to comply with this requirement? Yes.
- **b. When does the filing obligation begin?** The filing obligation begins on May 1, 2026, and continues annually thereafter.



c. Where can I find additional information? Additional Information may be found by selecting "Annual Reporting Requirements" here: <u>Carrier Reporting Requirements</u>

## 4. Transfer of Control/Assets

- a. Are both fixed and nomadic interconnected VoIP providers required to comply with this requirement? Yes.
- b. What are the transfer requirements for:
  - i. **Fixed Interconnected VoIP carriers:** Fixed interconnected VoIP carriers may, with certain exceptions, file a Tier 2 advice letter seeking approval of the transaction. For more information refer to <u>Appendix G of D.24-11-003</u> and <u>Transfers of Ownership or Control</u>.
  - ii. **Nomadic interconnected VoIP carriers** Nomadic interconnected VoIP carriers are required to file an information only filing submittal setting forth changes in the provider's registration information. For more information refer to <u>D.24-11-003</u> and <u>Transfers of Ownership or Control</u>.

#### 5. Performance bonds

- a. Are both fixed and nomadic interconnected VoIP providers required to comply with this requirement? Yes.
- b. When is the initial performance bond due for:
  - i. **Migrated Carriers**: Initial performance bonds must be filed between March 1, 2025 and May 31 2025.
  - ii. **New Carriers**: Initial performance bonds must be filed within 30 days of being granted an operating authority or nomadic registration.

# c. What if I am unable to secure and file an initial performance bond by the established due date?

Carriers may request a one-time extension of up to 60 days to file an initial performance bond by submitting the <u>Performance Bond Filing Extension Request form</u> via email to <u>cdcompliance@cpuc.ca.gov</u>. If filing a request for an extension, please submit prior to May 1, 2025.

#### d. What is the purpose of the performance bond?

The performance bond is a mechanism to facilitate the collection of fines, fees, surcharges, taxes, penalties, and restitution.

#### e. Where can I obtain a performance bond?

You may obtain a performance bond through any surety who is licensed to provide bonds in California. A list of sureties can be found here: <u>Lines of Insurance Search</u>

f. Is there a specific template performance bonds must follow?

A template can be found here: Performance Bond Requirements

# g. What is the amount of the performance bond? \$25,000



## h. How do I file a performance bond?

Performance bonds must be filed as a Tier 1 Advice Letter. More information including filing instructions can be found here: <u>Advice Letter Information</u>.

## i. Where can I find more information?

Information can be found here: <u>Performance Bond Requirements.</u>

### 6. Advice Letter Requirements

# a. As an Interconnected VoIP do I need to use the Advice Letter process?

All telephone corporations including interconnected VoIP providers are required to file advice letters.

## b. How do I file an advice letter?

Advice letter filing instructions can be found here: Advice Letter Information.

## c. Are interconnected VoIP providers subject to enforcement actions?

All telephone corporations including interconnected VoIP that fail to comply with Commission rules and requirements may be subjected to enforcement action by the Commission including but not limited to a citation pursuant to <u>Res. T-17601</u>. For additional information refer to: <u>CD Citation Program for Carriers.</u>

## 7. Where can I find out more information regarding compliance requirements?

More information can be found here: Internet and Phone.

For additional questions, please email <u>cdcompliance@cpuc.ca.gov</u>. For questions regarding the automatic migration refer to the Automatic Migration FAQ document here: <u>https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/information-for-telecommunications-applicants-and-registrants-in-california</u>.