









CPUC REGULATORY FRAMEWORK FOR TELEPHONE CORPORATIONS OFFERING INTERCONNECTED VOICE OVER INTERNET PROTOCOL (VOIP) SERVICES

Why did the California Public Utilities Commission (CPUC) open a rulemaking to address which telephone corporation rules should apply for Interconnected VoIP service providers doing business in California?

For over 20 years, telephone corporations providing interconnected Voice over Internet Protocol (VoIP) service to California consumers benefitted from California's extensive communications network and consumer market without being subject to essential regulations applicable to other traditional wireline and wireless voice service providers. Traditional wireline and wireless telephone companies must obtain certain licenses or registrations, pay universal service surcharges and CPUC user fees, and comply with critical consumer protection and safety rules. Interconnected VoIP service providers, by contrast, have enjoyed access to the California market as telephone corporations without the same oversight or consumer protection and safety obligations. The CPUC needed to establish a regulatory framework applicable to Interconnected VoIP telephone corporations to create a technology-neutral level playing field for all providers of voice service, to ensure interconnected VoIP customers have access to safe and reliable voice services, and to provide interconnected VoIP providers with clear rules and guidance as telephone corporations.

What is the Regulatory Framework for Interconnected VoIP Service Providers?

Nomadic-Only Interconnected VoIP Service Providers (offer voice service not registered location) Nomadic Registration DIGITAL VOICE FIXED (DVF) Fixed Interconnected VoIP Service Providers voice service tied to physical address associated with subscriber's primary place of use or registered location) CPCN Application (facilities based)/1013 Registration (non-facilities based)

What happens to Interconnected VoIP Service Providers that Currently have DVS2 status?

All DVS providers are going to be migrated to either DVF or DVN status and must comply with all **existing** and **new** compliance requirements.

NEW COMPLIANCE REQUIREMENTS	DVF	DVN
PUC User Fees	√	√
Performance Bond (Initial and Annual)	√	√
Annual Report on Operations and Finances	√	×
Annual Affiliate Transaction Report	√	V
Transfer of Control/Assets	√	√

What are the Compliance Requirements for all Interconnected VoIP Service Providers?

All Interconnected VoIP service providers must continue to comply with existing requirements (i.e., universal service surcharges, as well as public safety, network resiliency, and consumer protection rules). In addition, both DVF and DVN providers must comply with new requirements (see table above).

More information about the VoIP Rulemaking (R.22-08-008) is available <u>here</u> and the decision is available <u>here</u>. For additional questions, please send to <u>cdcompliance@cpuc.ca.gov</u>.

Protecting California since 1911











¹ Any fixed VoIP provider that offers California customers voice service at their primary location (i.e., address associated with subscriber) plus the additional capability to use the voice service at other locations through the provider's mobile application or other technologies will be categorized as DVF.

² Digital Voice Services or DVS are Interconnected VoIP service providers that informally registered between November 2011 and April 2021 with the Commission to comply with Pub. Util. Code Section 285 requirements.