



STATE OF CALIFORNIA

# PUBLIC PURPOSE PROGRAM SURCHARGE PERFORMANCE AUDIT

DISH Wireless LLC  
(U-4533-C)

April 1, 2023, through June 30, 2024

Utility Audits, Risk and Compliance Division  
Utility Audits Branch  
June 24, 2026



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**You can contact our office at:**

**California Public Utilities Commission  
Utility Audits, Risk and Compliance Division  
400 R Street, Suite 221  
Sacramento, CA 95811**

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



Transmitted via e-mail

June 24, 2026

Paul Orban, Executive Vice President  
Chief Financial Officer  
DISH Wireless, LLC  
9601 S Meridian Boulevard  
Englewood, CO 80112

Dear Paul Orban:

**Final Report Transmittal Letter—Audit of DISH Wireless, LLC’s Public Purpose Program Surcharges for the Period of April 1, 2023, Through June 30, 2024**

The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) has completed its audit of Dish Wireless, LLC’s (Dish) Public Purpose Program surcharges for the period of April 1, 2023, through June 30, 2024. The final audit report is enclosed.

We issued the draft audit report on May 14, 2026. DISH’s response to the draft report findings and our evaluation of the response are incorporated into this final report. In addition, as outlined in General Order (G.O.) 66-D and the California Public Records Act (Government Code [GC] Sections 6250-6276.48.), DISH requested confidential treatment of specific information and tables summarizing DISH’s access line counts contained in this report. As a result, the confidential information contained in the final public report is redacted. We will post the final redacted audit report on our website at [Audit Reports by Industry \(ca.gov\)](https://www.cpuc.ca.gov/Audit-Reports-by-Industry).

Please provide a Corrective Action Plan (CAP) addressing the findings and recommendations required to be submitted by August 8, 2026. The CAP should include specific steps and target dates to correct the findings identified. Please submit the CAP to the Utility Audits Branch at [UtilityAudits@cpuc.ca.gov](mailto:UtilityAudits@cpuc.ca.gov).

We appreciate DISH’s assistance and cooperation during the engagement, and its willingness to implement corrective actions. If you have any questions regarding this report, please contact Sharmin Wellington, Supervisor, at (916) 928-9838.

Sincerely,

*Angie Williams*

Angie Williams, Director  
Utility Audits, Risk and Compliance Division

cc: See next page

Paul Orban, Executive Vice President  
Chief Financial Officer  
DISH Wireless, LLC  
June 24, 2026  
Page 2

cc: Sola Lee, Senior Corporate Counsel, Gen Mobile Brand  
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## EXECUTIVE SUMMARY

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The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) conducted a performance audit of the DISH Wireless, LLC (DISH) Public Purpose Program (PPP) surcharges for the audit period of April 1, 2023, through June 30, 2024.

Our audit objectives were to determine whether DISH:

- accurately assessed, classified, and reported to CPUC the number of access lines,
- accurately assessed, collected, and reported to CPUC the PPP surcharges, and
- timely reported and remitted the PPP surcharges collected to CPUC,

in accordance with Public Utilities (PU) Code section 879, CPUC's Decisions (D.) 22-10-021 and D.98-01-023, and other applicable rules, regulations, and requirements.

Based on the procedures performed, samples tested, and evidence gathered, we found instances of noncompliance with requirements for the audit period April 1, 2023, through June 30, 2024. These instances are described in the Findings and Recommendations section of this audit report. The audit findings are summarized as follows:

- **Finding 1: Failure to Implement the New Access Line Flat Rate Mechanism**  
DISH did not comply with CPUC D.22-10-021 by not implementing the new access line reporting mechanism as required by CPUC.
- **Finding 2: Under Remitted Surcharges of at Least [REDACTED] Due to Not Capturing all Customers and/or Access Lines**  
DISH under remitted at least [REDACTED] for PPP surcharges due to not fully capturing all customers and/or access lines in its reporting to CPUC.

We issued a draft report on May 14, 2026. DISH responded by letter dated June 12, 2026, disagreeing with the audit results. DISH's response is included in this final report as an attachment in Appendix A—Utility's Response to Draft Audit Report and our evaluation of the response is included in Appendix B—UAB's Evaluation of Utility's Response.

## AUDIT REPORT

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### Background

#### Public Purpose Program Surcharges

Several surcharges and taxes are assessed on communications services by the State of California, city and county governments, and federal agencies to support various public programs and public safety. Communications carriers collect these taxes and surcharges from their customers and remit these funds to the appropriate agencies or authorities that administer these public programs.

The California Public Utilities Commission (CPUC) is responsible for administering the state's six Public Purpose Programs (PPPs). The PPPs, set forth in Public Utilities (PU) Code sections 270–281, include Universal LifeLine Telephone Service, Deaf and Disabled Telecommunications Program, California High-Cost Funds A and B, the California Teleconnect Fund, and California Advanced Services Fund. These PPPs provide support for the cost of communications services to approved participants, with a focus on supporting low-income households, schools, and underserved communities. The PPPs are funded by a surcharge assessed on telecommunications services. Communication carriers collect the surcharges from their customers and remit them to CPUC to fund these programs, including the user fees, which support the CPUC's operational costs.

#### Flat Rate Surcharge Mechanism

Previously the PPP surcharges and the user fees were assessed as a portion of the revenue from intrastate telecommunications services sold in California. However, CPUC adopted the new surcharge mechanism utilizing a flat rate to fund California's PPPs effective April 1, 2023. CPUC's Decision (D.) 22-10-021 adopted the new mechanism that assesses surcharges as a flat rate based on the number of active access lines that a telephone corporation operates in California. The Decision also consolidated the individual surcharge line items for each of the six PPPs on a customer's bill into a single flat-rate surcharge amount. The flat rate during the audit period was \$1.11 per active access line. The Decision did not change the mechanism of collecting and reporting the surcharges and user fees through utilizing CPUC's Telecommunications and User Fees Filing System (TUFFS). Communication carriers are required to log into TUFFS and report the number of active access lines monthly for the system to compute the amount of surcharges to be remitted based on the number of access lines reported. CPUC's D.22-10-021 defines an access line as a wire or wireless connection that provides a real time two-way voice telecommunications service or VoIP service to or from any device utilized by an end user, regardless of technology, which is associated with a 10-digit NPA-NXX number or other unique identifier and a service address or Place of Primary Use in California.

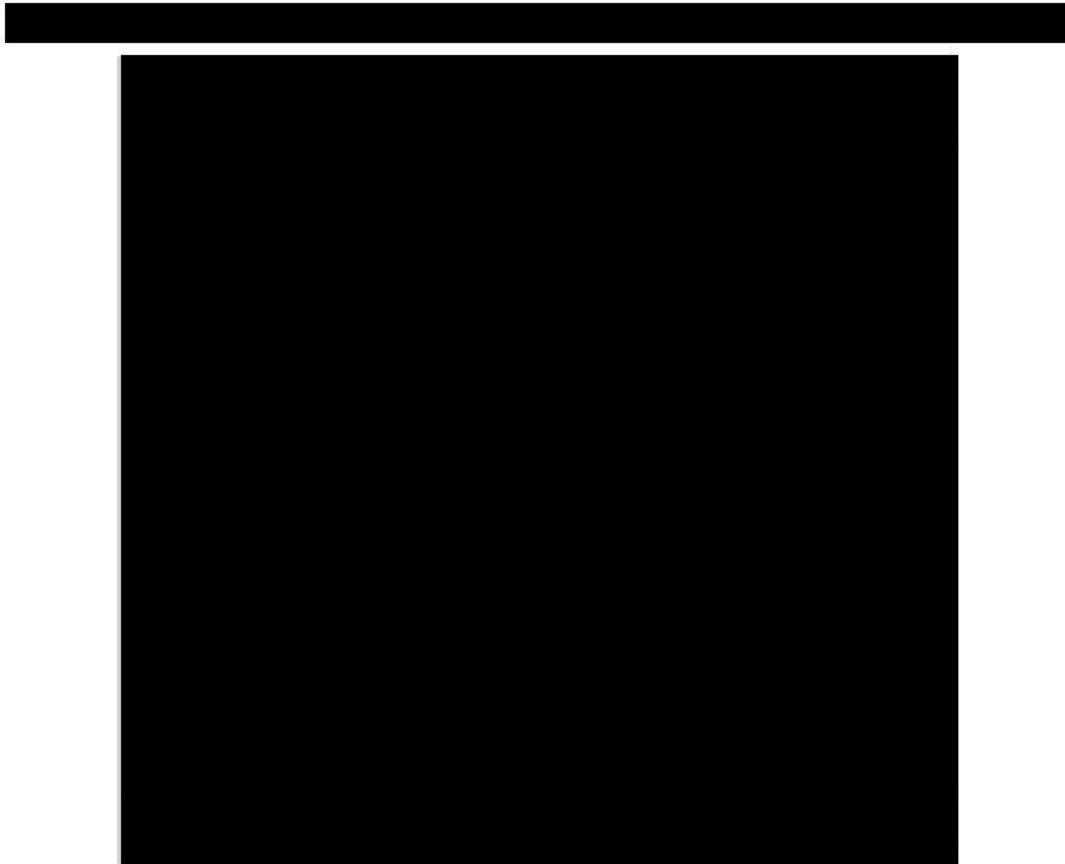
#### DISH Wireless LLC (DISH)<sup>1</sup>

DISH was an indirect, wholly owned subsidiary of DISH Network Corporation (DISH Network) for the first part of the audit period. DISH subsequently became a wholly owned subsidiary of EchoStar Corporation (EchoStar) following a merger between DISH Network and EchoStar that closed on December 31, 2023. DISH wireless network is comprised of national telecom service providers it acquired including Boost Mobile (Boost), Gen Mobile (Gen), Ting Mobile (Ting), and Republic Wireless (Republic), all of which offer wireless services in California.

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<sup>1</sup>DISH's Form 10-K for fiscal year ending December 31, 2023, provided by DISH in January 2025 and company history obtained via DISH's website <https://about.dish.com/company-info> and <https://www.echostar.com/company/history>

DISH reported access lines ranging between approximately [REDACTED] access lines per month combined for its four brands and remitted a total of [REDACTED] in PPP surcharges during the audit period of April 1, 2023, through June 30, 2024, as outlined in the table below.



**Audit Authority**

UAB conducted this audit under the general authority outlined in the PU Code sections 270-274, 314.5, 314.6, 581, 582, and 584. Furthermore, pursuant to CPUC’s D.22-10-021, UAB is authorized to verify the PPP surcharges for the purposes of ensuring communication carriers’ regulatory compliance.

**Objective and Scope**

Our audit objectives were to determine whether DISH:

- accurately assessed, classified, and reported to CPUC the number of access lines,
- accurately assessed, collected, and reported to CPUC the PPP surcharges, and
- timely reported and remitted the PPP surcharges collected to the CPUC,

in accordance with PU Code section 879, D.22-10-021 and D.98-01-023, and other applicable rules, regulations, and requirements.

The scope of our audit covered DISH access lines reported and corresponding surcharges remitted in the amount totaling [REDACTED] for the audit period of April 1, 2023, through June 30, 2024.

## Methodology

In planning our audit, we gained an understanding of the PPP surcharges and DISH's operations and identified relevant criteria, by reviewing DISH's policies and procedures, relevant PU Code sections, rules, regulations, CPUC decisions, resolutions, orders, directives, and interviewing DISH's personnel.

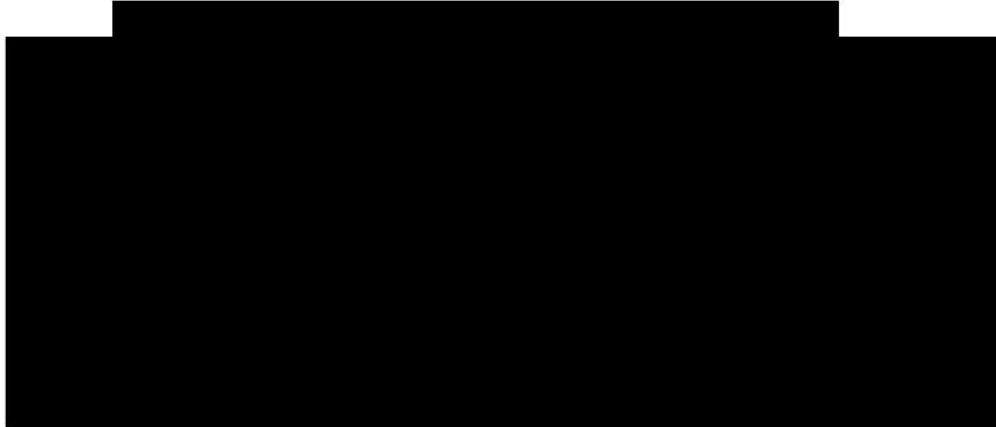
We conducted a risk assessment, including evaluating whether DISH's key internal controls relevant to our audit objectives were properly designed, implemented, and operating effectively. Our assessment included conducting interviews, observing processes, or performing walkthroughs, and testing transactions. Deficiencies in internal control identified during our audit and determined to be significant within the context of our audit objectives are included in this report.

Additionally, we assessed the reliability of the data extracted from DISH's customer billing and record management systems, [REDACTED]. Our assessment included examining extracted reports for Boost and Gen, tracing data between differing report formats to verify completeness, and tracing report data to source documents. We determined the data to be sufficiently reliable to address the audit objectives.

We developed specific methods for gathering evidence to obtain reasonable assurance to address the audit objectives. To achieve our audit objectives, we did the following:

- Reviewed applicable PU Code sections, CPUC decisions, resolutions, orders, and advice letters to gain an understanding of the surcharge requirements, including the assessing and reporting criteria and remittance process.
- Reviewed DISH's background information including its policies and procedures to gain an understanding of the nature of the utility and its responsibility to report and remit surcharges.
- Requested internal and external prior audit reports from DISH and determined there were no prior audits reports significant to our audit objectives that required our follow-up.
- Assessed significance by performing analyses of access lines and surcharge remittances.
- Obtained an understanding of DISH's key internal controls relevant to surcharge requirements for assessing, reporting, collecting, and remitting surcharges, and assessed the design, implementation, and operating effectiveness of selected controls that are significant to the audit objectives by:
  - interviewing key personnel and completing an internal control questionnaire,
  - reviewing DISH's policies and procedures, and assessing their implementation pertaining to recording and reporting of surcharge requirement data,
  - performing walkthroughs of the surcharge billing and remittance process, and

- tracing selected transactions to source documents.
- Conducted a risk assessment to determine the nature, timing, and extent of substantive testing.
- Selected April 2023, December 2023, January 2024, and May 2024 to perform testing procedures, as outlined in the table below.



\*For the selected testing, errors found, if any, were not projected to the intended (total) population.

- For the selected months identified above, performed substantive testing procedures including the following:
  - Verifying that DISH accurately assessed, classified, and reported the number of access lines to CPUC's TUFFS by:
    - inquiring with DISH regarding its methodology to maintain and report the number of active access lines to CPUC,
    - obtaining confirmation from DISH that it remits surcharges based on tax collected and not based on a list of active access line counts,
    - performing data analytics of DISH's monthly billing system reports to count the number of records in the reports and to reconcile with amounts reported in TUFFS, and
    - obtaining monthly customer lists from DISH's data warehouse to compare the number of customers to billing system reports.
  - Verifying that DISH accurately assessed, collected, and reported surcharges by:
    - obtaining and reviewing the regulatory reports, customer lists, and accounting records (such as the general ledger),

- reconciling the regulatory reports and accounting records to the surcharge amount reported in TUFFS,
  - selecting 80 and reviewing 63 customers' electronic bills<sup>2</sup> from the customer list to ensure the accurate surcharge amount appeared on the bills,
  - recalculating the surcharge amount in the customer list by multiplying the number of active access lines by the flat rate of \$1.11, and
  - tracing the recalculated surcharge amount per monthly customer list provided to the regulatory reports and the amounts reported in TUFFS.
- Verifying that DISH timely reported and remitted surcharges to CPUC TUFFS by:
    - confirming that DISH paid the surcharges in TUFFS timely, and
    - verifying that DISH timely reported access lines to CPUC by reviewing the reported and remitted dates in TUFFS to determine compliance with CPUC regulation which require carriers to report access line counts no later than 40 days following the close of the reporting period.

We did not audit DISH's financial statements. Our audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance in determining whether DISH accurately assessed, classified, and reported to CPUC the number of access lines, whether it accurately assessed, collected, and reported to CPUC the PPP surcharges, and whether it timely reported and remitted the PPP surcharges collected to CPUC, in accordance with PU Code section 879, D.22-10-021 and D.98-01-023. We considered DISH's internal controls only to the extent necessary to plan the audit and achieve our audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). GAGAS standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Conclusion

Based on the procedures performed, samples tested, and evidence gathered, we found instances of noncompliance with requirements for the audit period of April 1, 2023, through June 30, 2024. These instances are described in the Findings and Recommendations section of this audit report.

We also identified deficiencies in internal control that are significant to the audit objectives and warrant the attention of DISH's management. These deficiencies are described in Findings and Recommendations section of this audit report.

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<sup>2</sup> We were unable to review [REDACTED] customers' electronic bills selected due to DISH's lack of access to [REDACTED] to retrieve the information.

## Follow-up on Prior Audit Findings

We have not previously conducted an audit of DISH's PPP surcharges within the last ten years. Furthermore, DISH did not identify any prior engagements that are significant within the context of our audit objectives that would require us to determine if appropriate corrective actions have been taken to address potential findings and recommendations.

## Views of Responsible Officials

We issued a draft report on May 14, 2026. DISH responded by letter dated June 12, 2026, disagreeing with the audit results. DISH's response is included in this final report as an attachment in Appendix A—Utility's Response to Draft Audit Report and our evaluation of the response is included in Appendix B—UAB's Evaluation of Utility's Response.

## Restricted Use

This audit report is intended solely for the information and use of DISH and CPUC; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and will be available on the CPUC website at [Audit Reports by Industry \(ca.gov\)](https://www.cpuc.ca.gov/Audit-Reports-by-Industry).

*Angie Williams*

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Angie Williams, Director  
Utility Audits, Risk and Compliance Division

## FINDINGS AND RECOMMENDATIONS

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### **Finding 1: Failure to Implement the New Access Line Flat Rate Mechanism**

#### **Condition:**

DISH did not comply with CPUC D.22-10-021 by not implementing the new access line reporting mechanism as required by CPUC. Specifically, DISH is reporting the access line count based on the total amount of PPP surcharges collected from its customers and not based on the number of active access lines. DISH takes the total amount of PPP surcharges collected each month for all four brands and divides the total amount collected by the flat rate of \$1.11 to back into the number of active access lines it reports to CPUC. This methodology does not account for instances when multi-line customers might have been omitted from billing for some of the access lines or for customers that did not pay their bill timely or at all. Therefore, the number of active access lines reported in TUFFS is not accurate. DISH does not follow CPUC's requirement to maintain and report the number of active access line counts and rather reports its access line counts to CPUC based on the tax liability collected.

Our review of DISH's customer lists and regulatory reports revealed that two of the three DISH brands' customer lists and/or regulatory reports reviewed contained multiple services and/or access lines that did not establish a one-to-one count between a customer and the number of access lines contained within the customer's account. As DISH does not have controls in place to track the number of access lines rather than number of customers, the line counts for customers with multiple active access lines could be inadvertently omitted with the back-into methodology DISH is currently utilizing. Additionally, this approach could fail to capture customers who should have been assessed an access line charge, such as those who did not pay their bills.

Pursuant to D.22-10-021, effective April 1, 2023, all telephone corporations (carriers) operating in California are required to assess, collect, and remit PPP surcharges pursuant to the access line flat rate surcharge mechanism. The new surcharge mechanism requires carriers to report *the number of active access lines* (emphasis added) for telephone services in California. CPUC then calculates PPP surcharges to be remitted based on the number of access lines reported by the utilities in TUFFS. Our review of the audit evidence determined that DISH has not implemented the new access line reporting mechanism as prescribed by D.22-10-021 but rather backs into the number of access lines utilizing its billing system. Therefore, the active access line counts DISH has reported to CPUC could be inaccurate. Furthermore, we were unable to determine the correct number of access lines that should have been reported to CPUC, as DISH has not yet implemented a methodology to record and maintain a running log of active access lines and its systems are not equipped yet to extract this information.

#### **Criteria:**

CPUC D.22-10-021 states, in part, that:

##### **Order 1**

All telephone corporations, including traditional wireline, wireless and Voice over Internet Protocol (VoIP) carriers or providers, operating in California shall assess, collect, and remit California's PPP surcharges pursuant to the access line flat rate surcharge mechanism adopted in this decision.

**Summary**

The new mechanism assesses surcharges based on the number of active access lines for telephone corporations operating in California.

**Section 4.1.2**

All carriers would be required to count and report access lines in the same manner.

**Section 4.2.2**

A single flat rate end user surcharge mechanism will allow each carrier, regardless of the technology mode (e.g., VoIP or wireless) or business model (e.g., prepaid or postpaid), to collect and remit PPP surcharges based on one standard – the number of access lines each provider operates.

**Section 5.2.2**

Access Line means a wire or wireless connection that provides a real time two-way voice telecommunications service or VoIP service to or from any device utilized by an end user, regardless of technology, which is associated with a 10-digit NPA-NXX number or other unique identifier and a service address or Place of Primary Use in California.

**Section 6**

The shift to an access line based PPP surcharge mechanism will require carriers to report access line counts on the same monthly schedule as they currently report their intrastate telecommunications revenue, which is no later than 40 days following the close of a reporting period.

**Section 6.2**

The new surcharge mechanism will apply to all customer classes and will be based on the number of telecommunications access lines in the state.

**Cause:**

DISH chose to follow a different methodology than the one required in D.22-10-021 by backing into the number of reported access lines based on the customer billing records.

**Effect:**

Lack of compliance with CPUC regulations may lead to material errors, such as:

- PPP surcharges collected from customers may be inaccurate resulting in misrepresented active access line counts reported,
- Inaccurate active access line counts reported may result in an incorrect (over/under) surcharge remittance to CPUC,
- Stakeholders may not be able to properly evaluate the effectiveness of the new surcharge mechanism, and
- Decision makers may not have reliable information to make appropriate adjustments to the surcharge flat rate.

The PPPs are funded by ratepayers; therefore, DISH has a fiduciary duty to ensure surcharges are accurately assessed, collected, and remitted, pursuant to the access line flat rate surcharge mechanism adopted in D.22-10-021. When the surcharges are not assessed, collected and remitted as required, the errors adversely affect the availability of funds allocated to support the PPPs.

**Recommendations:**

DISH should:

- Implement a system of recording, counting, and maintaining the number of active access lines to ensure compliance with CPUC's regulations, if it does not already,
- Assess, bill, and collect the required flat rate amount per each active access line as required by D.22-10-021 and CPUC requirements, and
- Report access lines to CPUC based on accurate number of active access line counts and not based on the amounts billed or collected from its customers.

**Finding 2: Under Remitted Surcharges of at Least [REDACTED] Due to Not Capturing all Customers and/or Access Lines****Condition:**

In the four months that were selected for testing, UAB determined that DISH under remitted at least [REDACTED] for PPP surcharges due to the underreporting of customers and/or number of access lines. Specifically, our testing of data revealed that DISH's customer lists for the four months selected for testing included [REDACTED] more customers than the number of access lines that Dish reported in TUFFS. During the audit, DISH queried its data warehouse and provided monthly customer lists to corroborate the number of access lines DISH reported to CPUC. Our review of the monthly customer lists revealed the discrepancies between the total number of customers and the lack of one-to-one relationship between the customer lists and the number of access lines as some customers (for Boost and Ting brands) have multiple access lines that DISH's system may not have captured as separate access lines. DISH stated that the customer lists provided are the most accurate account of its customer base and acknowledged that there is a variance between the reported access lines in TUFFS and DISH's customer lists queried during the audit.

These discrepancies indicate that the number of access lines DISH reported in TUFFS was understated by at least [REDACTED], amounting to at least [REDACTED] in under reported surcharges as outlined in the table below:



\*The customer list count is not inclusive of Republic, which is no longer in operation and whose customers were absorbed by the other three brands.

Additionally, UAB was unable to corroborate the reported number of active access lines and surcharges with other documents provided by DISH, including accounting records and regulatory reports, as the supporting documentation was inconsistent and did not agree with one another. As a result, UAB was unable to determine the exact total number of the access lines reported and/or surcharges remitted.

**Criteria:**

D.22-10-021 states, in part, that:

**Summary**

The new mechanism assesses surcharges based on the number of active access lines that a telephone corporation operates in California.

**Section 6.1**

The new TUFFS will consist of the carrier determining the number of access lines serviced in California and entering the number of access lines into the new system.

**Order Paragraphs 1**

1. All telephone corporations, including traditional wireline, wireless and Voice over Internet Protocol (VoIP) carriers or providers, operating in California shall assess, collect, and remit California’s Public Purpose Program surcharges pursuant to the access line flat rate surcharge mechanism adopted in this decision.

**Order Paragraphs 2**

2. All telephone corporations, including traditional wireline, wireless and Voice over Internet Protocol carriers or providers, shall report their access lines used to provide two-way communication, as defined in this decision. This reporting may be subject to Commission review and audit. Reporting and remittance dates can be found at CPUC Telephone Surcharges Reporting and Payment Filing Directions ([ca.gov](http://ca.gov))

**Order Paragraphs 6**

6. All telephone corporations, including traditional wireline, wireless and Voice over Internet Protocol carriers or providers, shall implement the new access line flat rate surcharge collection and remittance mechanism adopted in this decision, beginning April 1, 2023.

**Order Paragraphs 8**

8. The \$1.11 access line based surcharge rate effective April 1, 2023, is intended to fund all of California's universal service programs until the Commission updates the rate using its resolution process.

**Order Paragraphs 9**

9. Beginning June 9, 2023, all telephone corporations, including traditional wireline, wireless and Voice over Internet Protocol carriers or providers, shall report their access line data, as required by this decision, in CPUC's new Telecommunications and User Fee Filing System portal.

D.12-02-032 section 9.6 states, in part, that:

...regardless of how the surcharge is calculated, collected, and remitted, the carrier, not the customer, is ultimately responsible for payment of the surcharge...the utility is ultimately responsible for ensuring payment of the proper surcharge amount. It is the utility, not customers, over whom the Commission exerts jurisdiction.

**Cause:**

DISH stated there was a data migration [REDACTED] which may have contributed to the underreporting of the access lines. Additionally, since DISH is not counting its access lines for reporting as described in D.22-10-021, DISH lacks proper controls to ensure accurate reporting of the number of access lines and related surcharges.

**Effect:**

DISH has a fiduciary duty to ensure the surcharges assessed, collected, and remitted are accurate. Errors can adversely affect the availability of funds allocated to support the eligible participants, including low-income and underserved communities, who depend on the PPP funding. In addition, decision makers may not have reliable information to make certain assessments.

**Recommendations:**

DISH should:

- Develop and implement adequate controls to ensure the access line counts are tracked, maintained, and reported accurately, especially during data migration,
- Moving forward, report access lines to CPUC based on accurate number of active access lines count and not based on the amounts collected or billed to its customers, and
- Work with CPUC's CD to remit [REDACTED] for under remitted PPP surcharges for the selected four months to CPUC and to determine any additional surcharge amount for the entire audit period to present.

## APPENDIX A—UTILITY'S RESPONSE TO DRAFT AUDIT REPORT

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June 12, 2026

**Via E-mail**

Angie Williams, Director  
Utility Audits, Risk and Compliance Division  
California Public Utilities CPUC  
400 R Street, Suite 221  
Sacramento, CA 95811

*RE: DISH Wireless LLC's Response to the Draft Performance Audit Report on Public Purpose Program Surcharges (April 1, 2023, Through June 30, 2024)*

Dear Director Williams:

DISH Wireless L.L.C. (U-4533-C) ("DISH Wireless" or the "Company") appreciates the opportunity to review and respond to the draft audit report issued by the Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) on May 14, 2026. The Company takes its regulatory compliance and fiduciary obligations seriously. While the Company appreciates the UAB team's thorough review, it submits the following response to clarify the record and correct certain technical mischaracterizations of its billing methodologies and systems.

**Response to Finding 1**

DISH Wireless respectfully disagrees with the UAB's assertion in Finding 1 that "*DISH is reporting access line count based on the total amount of PPP surcharges collected from its customers and not based on the number of active access lines.*"

Throughout the audit, the Company provided documentation and extensive explanations demonstrating that its brands utilize compliant methodologies to assess the flat-rate PPP surcharge at the individual active lines level and thereafter report and remit those funds via the Telecommunications and User Fees Filing System (TUFFS).

More specifically, the draft audit report generally asserts that the two brands failed to report active access lines or to establish a correct one-to-one count between customers and access lines. This is not accurate. The UAB's finding fails to account for the fact that the PPP surcharges across the two brands are automated through their respective billing systems and reported using the accrual method of accounting. Under this method, if an access line is active during the billing cycle, the flat-rate surcharge is assessed and billed to that specific line regardless of whether the customer's payment is ultimately collected during that period.

These billing platforms automatically and correctly apply the PPP surcharge at the active line level, seamlessly capturing both single-line and multi-line accounts. Therefore, the total accrued liability reported accurately reflects the active access line count.

While the Company has proactively identified and disclosed an administrative occurrence that contributed to underreporting – which the Company will work with CPUC to remedy – the draft audit report’s broader characterization of the Company’s methodology remains inaccurate.

### **Response to Finding 2**

DISH Wireless respectfully disputes the UAB’s conclusion that the variance identified indicates a systemic “lack of proper controls” to comply with CPUC rules.

The variance identified by the UAB for the sample months was tied to an isolated, internal effort involving complex Company systems. This does not represent an ongoing structural defect in the Company’s internal controls.

The Company is committed to full regulatory compliance and is eager to work collaboratively with the CPUC to review and reconcile any historical variances and underreporting.

### **Conclusion**

DISH Wireless maintains that its underlying platforms were compliantly operationalized to match the flat-rate access line mechanism mandated by D.22-10-021.

We respectfully request that the UAB modify the draft report to reflect that the methodology utilized by the Company to count active access lines was reasonable and consistent with the CPUC’s rules.

Sincerely,



Sola Lee  
Head of Legal, Gen Mobile  
EchoStar Corporation

cc: Paul Orban, EVP/CFO, EchoStar Corporation  
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## APPENDIX B—UAB'S EVALUATION OF UTILITY'S RESPONSE

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We appreciate DISH's comments. We reviewed DISH's response to the draft audit report. We are providing our assessment of DISH's responses in the same order listed in the response letter.

### **Finding 1**

DISH disagreed with Finding 1, which stated that DISH reported access line counts based on the total amount of PPP surcharges collected from its customers and not based on the number of actual access lines. DISH stated in its response that its brands utilize automated billing systems that apply the PPP surcharge at the active access line level and report those amounts through TUFFS using the accrual method of accounting. DISH further contended that, because PPP surcharges are automatically applied to active lines, including both single-line and multi-line accounts, it believed the total accrued PPP liability accurately reflects the active access line count. As a result, DISH asserted its methodology to be reasonable and consistent with CPUC's directives.

We disagree. The issue identified is not whether DISH's billing platforms are designed to assess PPP surcharges at the active access line level, but rather the fact that DISH utilizes its billing platforms to back-into the number of access lines it reports to CPUC. CPUC's D.22-10-021 requires carriers to track the number of active access lines and report the number of active access lines, and not to back into this number utilizing the amounts collected within the billing system. Additionally, the variances identified in the months tested during the audit do not align with DISH's assertion that its methodology accurately captured all active access lines. Therefore, we do not agree that DISH's methodology was reasonable nor accurate.

The finding and recommendations remain unchanged.

### **Finding 2**

DISH disagreed with Finding 2 and asserted that the variance identified in the months tested during the audit was associated with an isolated internal effort involving complex systems that does not represent an ongoing structural defect in DISH's internal control environment.

We disagree. Regardless of how the variance occurred, the reporting variances were not detected and corrected through DISH's existing reporting and control processes prior to reporting to CPUC. The presence of reporting variances indicates that the controls in place were not sufficient or operating effectively to ensure the accuracy and completeness of reported information during the audit period. In addition, Finding 2 specifically points out to the lack of proper controls in the context that DISH is not maintaining a count of its active access lines for reporting as required in D.22-10-021.

The finding and recommendations remain unchanged.

### **Updates to the Background Section of the Audit Report**

In a separate email, DISH proposed revisions to the Background section of this report pertaining to DISH's corporate structure change that occurred during the audit period.

We have considered DISH's request and incorporated DISH's proposed edits into the Background section.