

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 6, 2024**

REGULAR ____ CONSENT X EFFECTIVE DATE _____ N/A _____

DATE: July 29, 2024

TO: Public Utility Commission

FROM: Nicola Peterson

THROUGH: Bryan Conway and Russ Beitzel **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
Request to cancel certificates of authority to provide telecommunications service in Oregon of carriers who violated the terms and conditions of their certificate.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission (Commission) cancel the certificate of authority to provide telecommunications service for the competitive providers listed below.

DISCUSSION:

Issue

Whether the Commission should cancel Modus Networks LLC's (Modus Networks) and Dial Long Distance Inc's (Dial Long Distance) certificates of authority.

Applicable Rule or Law

ORS 759.020 authorizes the Commission to grant certificates of authority to competitive providers who intend to provide telecommunications service in Oregon. The Commission grants certificates with conditions. Among them are OAR 860-032-0060, which requires providers to submit annual reports to the Commission, and OAR 860-032-0095, which requires providers to pay an annual revenue fee and submit an annual fee statement.

In addition, ORS 759.425 and OAR 860-100-0110 require providers to comply with Oregon Universal Service Fund (OUSF) requirements. Pursuant to OAR 860-032-0008(2) and OAR 860-032-0015(1)(b), failure to comply with applicable statutes and rules can result in cancellation of a company's authority to provide telecommunications service in Oregon.

Analysis

Background

Modus Networks and Dial Long Distance both hold certificates of authority to provide telecommunications service in Oregon as a competitive provider.¹

The following competitive providers have failed to:

1. File a 2023 Annual Report Form L or C;
2. File a 2023 Annual Fee Statement or pay the annual fee; and/or
3. Comply with OUSF requirements.

ORS 756.515(4) provides that the Commission may, after investigation, but without hearing, make such findings and orders as deemed justified by the results of its investigation. As a result of not complying with Commission rules and terms of their certificate, the following competitive providers should have their certificates of authority to provide telecommunications service in Oregon canceled. Staff has confirmed with each utility that they have ceased operations in Oregon.

DOCKET NO.

COMPANY NAME

CP 1603
CP 1178

Modus Networks LLC
Dial Long Distance Inc

Pursuant to OAR 860-001-0720, the company has 60 days to file for reconsideration of this cancellation.

Conclusion

Staff has determined that Modus Networks and Dial Long Distance both failed to comply with the conditions of the certificates of authority. Due to non-compliance and since both

¹ Order No 17-201, *In the Matter of Modus Networks LLC and Modus INC. Application to Transfer Certificate of Authority*, Docket No CP 1603, June 1, 2017; Order No.03-603, *In the Matter of the Application of Dial Long Distance Inc. for a Certificate of Authority to Provide Telecommunications Service in Oregon*, Docket No. CP 1178, October 10, 2003.

companies have ceased operation in Oregon, Staff finds that there is sufficient evidence to support cancelling the certificates of authority for the companies listed above.

PROPOSED COMMISSION MOTION:

Cancel Modus Networks LLC's and Dial Long Distance Inc's certificates of authority to provide telecommunications service in Oregon.

CA5-Canceling Certificates of Authority