

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	File No. EB-04-IH-0455
	)	
Clear World Communications Corp.	)	Acct. No. 200632080150
	)	
	)	FRN No. 0003-7363-60

**CONSENT DECREE**

1. The Enforcement Bureau (“Bureau”) of the Federal Communications Commission (“Commission”) and Clear World Communications Corp. (“Clear World” or the “Company”) hereby enter into this *Consent Decree* for the purpose of terminating the Bureau’s investigation into whether Clear World violated section 254 of the Communications Act of 1934, as amended (the “Act”),<sup>1</sup> relating to universal service, and/or certain Commission rules relating to universal service, the Telecommunications Relay Service (“TRS”) Fund, the North American Numbering Plan Administration (“NANPA”), and regulatory fees.<sup>2</sup>

2. For the purposes of this Consent Decree, the following definitions shall apply:

- (a) “Commission” and “FCC” mean the Federal Communications Commission.
- (b) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
- (c) “Clear World” means Clear World Communications Corp. and its predecessors-in-interest and successors-in-interest.
- (d) “Parties” means Clear World and the Bureau.
- (e) “Order” or “Adopting Order” means an Order of the Commission or the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
- (f) “Effective Date” means the date on which the Commission or the Bureau releases the Adopting Order.
- (g) “Investigation” means the investigation commenced by the Bureau’s September 28, 2004 Letter of Inquiry<sup>3</sup> regarding whether Clear World violated the requirements of section 254 of the Act and/or sections 1.1157, 52.17, 54.706, 54.711, 64.604 and 64.1195 of the Commission’s rules relating to carrier registration, universal service reporting and contribution, number administration, telecommunications relay systems and regulatory fee payments.

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<sup>1</sup> 47 U.S.C. § 254.

<sup>2</sup> 47 C.F.R. §§ 1.1157, 52, 54 and 64.

<sup>3</sup> See Letter from Hillary S. DeNigro, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, FCC to Robert Brewton, Clear World Communications Corp. (September 28, 2004).

## I. BACKGROUND

3. Pursuant to section 64.1195(a) of the Commission's rules, all carriers that provide interstate telecommunications service must register with the Commission through submission of FCC Form 499-A.<sup>4</sup> In addition, pursuant to section 254(d) of the Act and sections 54.706(a) and 54.711(a) of the Commission's rules, telecommunications carriers that provide interstate telecommunications services and private service providers that provide interstate telecommunications services are required to file annual and quarterly Telecommunications Reporting Worksheets (FCC Forms 499-A and 499-Q) and contribute to the Universal Service Fund ("USF").<sup>5</sup>

4. Section 225(b)(1) of the Act<sup>6</sup> codifies Title IV of the Americans with Disabilities Act of 1990. In support of that Act, section 64.604 of the Commission's rules requires every carrier that provides interstate telecommunications services to file Telecommunications Reporting Worksheets and contribute to the TRS Fund based upon its interstate and international end-user revenues.<sup>7</sup>

5. Section 251(e)(1) of the Act directs the Commission to ensure the availability of telephone numbers on an equitable basis.<sup>8</sup> To this end, section 52.17 of the Commission's rules requires that all telecommunications carriers file Telecommunications Reporting Worksheets and contribute toward the costs of numbering administration on the basis of their end-user telecommunications revenues for the prior calendar year.<sup>9</sup>

6. Pursuant to section 9(a)(1) of the Act and section 1.1151 of the Commission's rules, interstate telecommunications and other providers must pay regulatory fees to the Commission to recover the costs of certain regulatory activities.<sup>10</sup> In particular, sections 1.1154 and 1.1157(b)(1) of the Commission's rules require that interstate telecommunications carriers pay regulatory fees on the basis of their interstate and international end-user revenues.<sup>11</sup>

7. Clear World is a privately-owned company offering inter-exchange carriage services mainly on the west coast of the United States,<sup>12</sup> and is obligated to operate in accordance with the Commission's USF rules.<sup>13</sup> On September 28, 2004, the Bureau issued a Letter of Inquiry ("LOI") directing Clear World to provide information about its compliance with the Commission's registration requirements and reporting and contribution requirements involving the Universal Service Fund, the TRS Fund, and the

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<sup>4</sup> 47 C.F.R. § 64.1195(a).

<sup>5</sup> 47 U.S.C. § 254(d); 47 C.F.R. §§ 54.706(a), 54.711(a).

<sup>6</sup> 47 U.S.C. § 225(b)(1).

<sup>7</sup> 47 C.F.R. § 64.604(c)(5)(iii)(A).

<sup>8</sup> 47 U.S.C. § 251(e)(1).

<sup>9</sup> 47 C.F.R. § 52.17(a).

<sup>10</sup> 47 U.S.C. § 159(a)(1); *see also* 47 C.F.R. § 1.1151.

<sup>11</sup> *See* 47 C.F.R. §§ 1.1154, 1.1157(b)(1).

<sup>12</sup> *See* <http://www.clearworld.net>.

<sup>13</sup> 47 C.F.R. § 706(a)(5).

NANPA Fund. Clear World submitted a response to the LOI on November 10, 2004 and supplemental responses on December 10, 2004, February 1, 2005 and May 24, 2005. In addition, on January 24, 2005, Clear World self-reported possible rule violations that came to light during an internal compliance audit. The Bureau requested additional information regarding this disclosure on February 22, 2005 and Clear World submitted a response to that request on March 4, 2005.

## II. AGREEMENT

8. The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau, through entry of the Order, which shall immediately resolve and terminate the Investigation.

9. The Parties agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's rules and orders. The Parties agree that this Consent Decree is for settlement purposes only and that by agreeing to this Consent Decree, Clear World does not admit or deny liability for violating any statute, regulation, or administrative rule in connection with matters that are the subject of this Consent Decree.

10. Clear World agrees that it will make a voluntary contribution to the United States Treasury in the amount of \$290,000, paid in thirty-five equal monthly installments of \$8,000 and an initial payment in the first month of \$10,000, with the first payment due 30 days after the Effective Date and each of the thirty-five successive payments due 30 days after the previous payment. The payment must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include "Acct. No. 200632080150" and "FRN No. 0003-7363-60." Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank /LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made to ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6106.

11. For purposes of settling the matters set forth herein, Clear World agrees to maintain a compliance program related to future compliance with the Act, the Commission's rules, and the Commission's orders. The program will include, at a minimum, the following components:

- (a) **Compliance Manual.** The Company shall create, maintain and update an FCC Compliance Manual. Company personnel shall have ready access to the Compliance Manual and are to follow the procedures contained in it. The Compliance Manual will, among other things, describe the regulatory fee, universal service, Telecommunications Relay Service and North American Numbering Plan Administration rules and requirements as they apply to Clear World. The Compliance Manual will set forth a schedule of filing and payment dates associated with these regulatory programs, and Clear World will create compliance notifications that alert the Company to upcoming filing and payment dates. The Compliance Manual will encourage personnel to contact the Company's Legal Department, the Company's Chief Executive and/or the Company's Chief Financial Officer with any questions or concerns that arise with respect to the Company's FCC Compliance. The Company shall submit to the Bureau a final version of its Compliance Manual 30 days after the Effective Date.
- (b) **Compliance Training Program.** The Company will establish an FCC Compliance Training Program for employees who engage in activities subject to FCC regulation. Training sessions will be conducted at least annually to ensure compliance with the Act and

the FCC's regulations and policies and within the first 30 days of employment for all new employees.

- (c) **Designated Contact.** The Company will designate one employee as the point of contact for regulatory compliance matters.
- (d) **Review and Monitoring.** The Company will review the FCC Compliance Manual and FCC Compliance Training Program annually to ensure that they are maintained in a proper manner and continue to address the objectives set forth therein.
- (e) **Audits.** The Company will ensure that external and internal audit reviews specifically address the Company's compliance with the FCC regulatory requirements.
- (f) **Termination.** Clear World's obligation under this Paragraph 11 shall expire 36 months after the Effective Date.

12. Clear World acknowledges as of March 14, 2006, it is obligated to pay the Universal Service Administrative Company ("USAC") and the Commission \$3,128,821 in outstanding contributions to the USF and interest, late charges, administrative charges, and late payment fees associated with those contributions. Since June 2005, Clear World has been regularly paying down its outstanding debt with monthly payments to the FCC or USAC and, as of March 1, 2006, has made debt reduction payments totaling \$530,000. As a condition of this Consent Decree, Clear World will structure and implement a payment plan with the Commission's Office of Managing Director ("OMD") and USAC eliminating the total outstanding obligation.

13. The Bureau agrees that it will not use the facts developed in this Investigation through the Effective Date of the Consent Decree, or the existence of this Consent Decree to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Clear World concerning the matters that were the subject of the Investigation. The Bureau also agrees that it will not use the facts developed in this Investigation through the Effective Date of this Consent Decree, or the existence of this Consent Decree to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Clear World with respect to Clear World's basic qualifications, including its character qualifications, to be a Commission licensee or authorized common carrier.

14. Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to section 208 of the Act against Clear World or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by Clear World of the Act, the rules, or the Order.

15. Clear World waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Order adopting this Consent Decree, provided the Bureau issues an Order adopting the Consent Decree without change, addition, modification, or deletion. Clear World shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein.

16. Clear World's decision to enter into this Consent Decree is expressly contingent upon the Bureau's issuance of an Order that is consistent with this Consent Decree, and which adopts the Consent Decree without change, addition, modification, or deletion.

17. In the event that this Consent Decree is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

18. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Clear World nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Clear World shall waive any statutory right to a trial *de novo*.

19. Any violation of the Consent Decree or the Adopting Order will constitute a separate violation of a Commission order, entitling the Commission to exercise any rights or remedies authorized by law attendant to the enforcement of a Commission order.

20. The Parties also agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Clear World does not expressly consent) that provision will be superseded by such Commission rule or order.

21. Clear World hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

22. This Consent Decree may be signed in counterparts.

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Kris Anne Monteith  
Chief, Enforcement Bureau  
Federal Communications Commission

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Date

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James Mancuso  
General Counsel and Secretary  
Clear World Communications Corp.

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Date