



# PUBLIC NOTICE

Federal Communications Commission  
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DA 16-1076  
September 22, 2016

## Final Notice of Intent to Declare the International Section 214 Authorization of Redes Modernas de la Frontera SA de CV Terminated

File No. ITC-214-20070515-00189

By this Public Notice, the International Bureau (Bureau) affords Redes Modernas de la Frontera SA de CV (Redes) final notice and opportunity to respond to the April 13, 2016 letter submitted by the Department of Homeland Security (DHS), with the concurrence of the Department of Justice (DOJ) (collectively “the Agencies”) requesting that the FCC terminate, declare null and void and no longer in effect<sup>1</sup> the international section 214 authorization issued to Redes under file number **ITC-214-20070515-00189**.<sup>2</sup>

In the *Executive Branch April 13, 2016 Letter*, the Agencies state that Redes is no longer in business.<sup>3</sup> The Agencies indicate that they issued their non-objection to the Commission granting the authorization provided that Redes abide by the commitments and undertakings contained in the July 10, 2007 Letter that Redes entered into with the Agencies.<sup>4</sup> On July 5, 2016, the Bureau’s Telecommunications and Analysis Division sent a letter to Redes at the last known addresses on record via certified, return receipt mail, asking Redes to respond to the Agencies’ allegations by August 3, 2016.<sup>5</sup> The *Bureau July 2016 Letter* stated that failure to respond would result in the issuance of an order to terminate Redes’ international section 214 authorization.<sup>6</sup> Redes did not respond to the request.<sup>7</sup>

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<sup>1</sup> Letter from Shawn Cooley, Director, Foreign Investment Risk Management, Office of Policy, U.S. Department of Homeland Security, to Marlene H. Dortch, Secretary, FCC, IB File No. ITC-214-20070515-00189 (Apr. 13, 2016) (*Executive Branch April 13, 2016 Letter*).

<sup>2</sup> *International Authorizations Granted, Section 214 Applications (47 CFR § 63.18); Section 310(b)(4) Requests*, Report No. Tel-01174, Public Notice, 22 FCC Rcd 14026 (IB 2007).

<sup>3</sup> *Executive Branch April 13, 2016 Letter* at 1.

<sup>4</sup> *Id.*; Letter from Juan Jaime Carreon Contreras, Redes Modernas de la Frontera SA de CV to Ms. Sigal Mandelker, Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice *et al.* (July 10, 2007).

<sup>5</sup> Letter from Denise Coca, Division Chief, Telecommunications and Analysis Division, International Bureau, FCC to Dr. Juan Jaime Carreon Contreras, Redes Modernas de la Frontera SA de CV at 1 (July 5, 2016) (*Bureau July 2016 Letter*). A copy of this letter, and of the *Executive Branch April 13, 2016 Letter*, may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for File No. ITC-214-20070515-00189 and accessing the “other filings related to this application” from the Document Viewing area.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> The FCC Form 499 Database states that Redes is no longer active as of May 1, 2009, and that the company has gone out of business in its entirety. *FCC Form 499 Filer Database*, (Sept. 6, 2016), <http://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=826631>.

In addition, Redes may also be in violation of several other Commission rules and requirements. After having received an international section 214 authorization, pursuant to section 63.21(a), a carrier “is responsible for the continuing accuracy of the certifications made in its application” and must correct information no longer accurate, “and in any event, within thirty (30) days.”<sup>8</sup> There is no indication that Redes is currently providing service pursuant to its international section 214 authorization. If Redes has discontinued service that affected customers, it may also be in violation of section 63.19(a) of the Commission’s rules requiring prior notification for such a discontinuance.<sup>9</sup> As part of its authorization, Redes must file annual international telecommunications traffic and revenue as required by section 43.62 of the Commission rules. Section 43.62(b) states that “[n]ot later than July 31 of each year, each person or entity that holds an authorization pursuant to section 214 to provide international telecommunications service shall report *whether* it provided international telecommunications services during the preceding calendar year.”<sup>10</sup> Our records indicate that Redes has not filed an annual international telecommunications traffic and revenue report indicating whether or not Redes provided services in 2014 and 2015 and may be in violation of section 43.62 of the Commission rules.<sup>11</sup> Furthermore, Redes has an outstanding debt and consequently its account is red lighted through the Red Light Display System.<sup>12</sup> Redes must visit the Commission’s Red Light Display System’s to pay its outstanding debt.<sup>13</sup>

Redes’ failure to respond to this Public Notice will be deemed as an admission of the facts alleged by the Agencies and of the violations of the statutory and rule provisions set out above. The Bureau hereby provides final notice to Redes that it intends to take action to declare Redes’ international 214 authorization terminated for failure to comply with conditions of its authorization. We further advise Redes that its non-compliance with the applicable regulatory provisions would warrant termination wholly apart from demonstrating Redes’ inability to satisfy the conditions of its authorization. **Redes must respond to this Public Notice and address the issues alleged in the *Executive Branch April 13, 2016 Letter*, no later than 15 days after publication in the Federal Register.**

The Bureau is serving a copy of the Public Notice on Redes by certified mail, return receipt

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<sup>8</sup> 47 CFR § 63.21(a).

<sup>9</sup> 47 CFR § 63.19(a); *see* 47 CFR § 63.19(b).

<sup>10</sup> 47 CFR § 43.62(b) (emphasis added). In 2013, the Commission adopted section 43.62(b) of its rules, which went into effect on February 11, 2015. *Reporting Requirements for U.S. Providers of International Telecommunications Services; Amendment of Part 43 of the Commission’s Rules*, IB Docket No. 04-112, Second Report and Order, 28 FCC Rcd 575 (2013); *Reporting Requirements for U.S. Providers of International Telecommunications Services*, 80 Fed. Reg. 7547 (Feb. 11, 2015).

<sup>11</sup> All carriers were required to file their section 43.62 traffic and revenue reports for data as of December 31, 2014 by July 31, 2015 and for data as of December 31, 2015 by July 31, 2016. 47 CFR § 43.62(b).

<sup>12</sup> If a company has outstanding debt their application on the FCC’s Red Light Display System will show a red light status and lists all delinquent items. A red light status prevents the company from receiving any benefits from the FCC, until the debt is resolved. When there are no debts the Red Light Display System will show a green light status and enable the company to receive FCC benefits. *Red Light Display System*, <http://www.fcc.gov/redlight> (last visited Aug. 31, 2016). Access to this system requires your FCC Registration Number (FRN), and an established password. The Red Light Display System help line is 1-877-480-3201, Option 4.

<sup>13</sup> Redes’ outstanding debt involves regulatory fees. In addition to financial penalties, section 159(c)(3) of the Communications Act and section 1.1164(f) of the Commission’s rules grant the Commission the authority to revoke authorizations for failure to timely pay regulatory fees. *See* 47 U.S.C. § 159(c)(3); 47 CFR § 1.1164(f); *see also LDC Telecommunications, Inc.*, File No.: ITC-214-20080523-00238; FRN: 0003757390, Order to Pay or to Show Cause, DA 16-743 (EB July 1, 2016) (initiating a revocation proceeding under section 159(c)(3) for unpaid regulatory fees).

requested, at the last addresses of record appearing in Commission records. Redes should send its response to Denise Coca, Chief, Telecommunications and Analysis Division, International Bureau via email at [Denise.Coca@fcc.gov](mailto:Denise.Coca@fcc.gov) and to Veronica Garcia-Ulloa, Attorney Advisor, Telecommunications and Analysis Division, International Bureau at [Veronica.Garcia-Ulloa@fcc.gov](mailto:Veronica.Garcia-Ulloa@fcc.gov) and file it in IBFS under File No. **ITC-214-20070515-00189**.<sup>14</sup>

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s ex parte rules.<sup>15</sup> Persons making ex parte presentations must file in IBFS, under File No. **ITC-214-20070515-00189**, a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation. Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b).<sup>16</sup> Participants in this proceeding should familiarize themselves with the Commission’s ex parte rules.

For further information, please contact Veronica Garcia-Ulloa, Attorney Advisor, Telecommunications and Analysis Division, International Bureau, (202) 418-0481.

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<sup>14</sup> Federal Communications Commission, *IBFS*, <http://licensing.fcc.gov/myibfs/pleading.do> (last visited Aug. 31, 2016).

<sup>15</sup> 47 CFR § 1.1200 *et seq.*

<sup>16</sup> 47 CFR § 1.1206(b).