

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	ITC-214-20070515-00189
Redes Modernas de la Frontera SA de CV)	(Terminated)
Termination of International Section 214)	
Authorization)	

ORDER

Adopted: November 30, 2016

Released: November 30, 2016

By the Chief, Telecommunications and Analysis Division, International Bureau:

I. INTRODUCTION

1. By this Order, we declare the international section 214 authorization granted to Redes Modernas de la Frontera SA de CV (Redes) terminated given Redes' inability to comply with an express condition for holding the authorization.¹ We also conclude that Redes failed to comply with those requirements of the Communications Act of 1934, as amended (the Act) and the Commission's rules that ensure that the Commission can contact and communicate with the authorization holder and verify Redes is still providing service, which failures have prevented any way of addressing Redes' inability to comply with the condition of its authorization.

II. BACKGROUND

2. Section 214(a) of the Act prohibits any carrier from constructing, extending, acquiring, or operating any line, and from engaging in transmission through any such line, without first obtaining a certificate of authorization from the Commission.² Under section 214(c) of the Act, the Commission "may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require."³ On July 27, 2007, the International Bureau granted Redes an international section 214 authorization to provide international global or limited global facilities-based authority, and global or limited global resale authority, in accordance with section 63.18(e)(1) and 63.18(e)(2) of the Commission's rules.⁴ The International Bureau granted the application on the express condition that Redes abide by the commitments and undertakings contained in its July 10, 2007 letter of assurance (LOA) to the U.S. Department of Justice (DOJ), U.S. Department of Homeland Security

¹ The International Bureau granted Redes' authorization under File No. ITC-214-20070515-00189. *International Authorizations Granted, Section 214 Applications (47 C.F.R. § 63.18); Section 310(b)(4) Requests*, Report No. TEL-01174, Public Notice, 22 FCC Rcd 14026, 14027 (IB 2007) (*Redes 2007 International Authorization*).

² 47 U.S.C. § 214(a); 47 CFR § 63.18 (stating any carrier seeking section 214 authority "for the provision of common carrier communications services between the United States, its territories or possessions, and a foreign point shall request such authority by formal application"). The Commission granted "blanket" section 214 authority to carriers providing domestic service but did not extend this authority to international services. *Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996*, CC Docket No. 97-11, AAD File No. 98-43, Report and Order, Second Memorandum Opinion and Order, 14 FCC Rcd 11364, 11365-66, para. 2 & n.8 (1999).

³ 47 U.S.C. § 214(c).

⁴ *Redes 2007 International Authorization*, 22 FCC Rcd at 14027; 47 CFR § 63.18(e).

(DHS), and Federal Bureau of Investigation (FBI).⁵ The LOA outlines a number of commitments made by Redes to address national security, law enforcement, and public safety concerns.⁶

3. On April 13, 2016, the DOJ with the concurrence of DHS (collectively, the “Executive Branch Agencies”) notified the Commission of Redes’ non-compliance with the conditions of its authorization and requested that the Commission terminate, declare null and void and no longer in effect, the international section 214 authorization issued to Redes.⁷ The Executive Branch Agencies stated that on July 31, 2012, the designated point of contact informed DHS that Redes is no longer in business and open source research conducted by DHS confirms this fact.⁸ In addition, the Executive Branch Agencies stated that Redes has not filed any of its international traffic and revenue reports with the Commission since 2007.⁹ Based on this, the Executive Branch Agencies conclude that Redes is no longer providing services pursuant to its authorization.¹⁰

4. The Commission has made significant efforts to communicate with Redes, but has also been unable to do so. On July 5, 2016, the International Bureau sent Redes a letter to the last addresses of record requesting that Redes respond to the *April 13, 2016 Executive Branch Letter* by August 3, 2016.¹¹ Redes did not respond. Since that time, the International Bureau has provided Redes with additional opportunities to respond to these allegations.¹² The International Bureau stated that failure to respond

⁵ *Redes 2007 International Authorization*, 22 FCC Rcd at 14027; Petition to Adopt Conditions to Authorizations and Licenses, File No. ITC-214-20070515-00189 (filed July 27, 2007); 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).

⁶ LOA at 1-2.

⁷ 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) (*April 13, 2016 Executive Branch Letter*).

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ 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 (July 5, 2016).

¹² First, on September 22, 2016, the Bureau released a Public Notice affording Redes its “final notice and opportunity to respond” and stating that Redes must do so no later than 15 days after publication of notice in the Federal Register. *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, Public Notice, 31 FCC Rcd 10730 (IB 2016) (*2016 Redes Public Notice*). Second, on October 7, 2016, the Public Notice was published in the Federal Register and Redes was required to respond within 15 days of publication, by October 24, 2016. *Notice of Intent to Terminate 214 Authorization*, Federal Register, 81 Fed. Reg. 69817 (October 7, 2016) (*2016 Redes Fed. Reg. Notice*). On October 14, 2016, the Bureau mailed the *2016 Redes Public Notice* and *2016 Redes Fed. Reg. Notice* to the applicant, Mr. Juan Jaime Carreon Contreras, Redes Modernas de la Frontera SA de CV, Nevado de Toluca 145 64430 Colonia Urdiales, Monterrey, Nuevo Leon, Mexico (UPS tracking number 1ZA43F58D991386245). The notices were returned with UPS noting that “the receiver has moved.” On October 13, 2016, the Bureau emailed the applicant the notices at <mailto:> the email address provided in the application, but the email was returned as undeliverable. On October 14, 2016, the Bureau sent the notices via UPS to two addresses provided for Sharon Warren, the designated contact in Redes’ application: Technologies Management, Inc., 2600 Maitland Center Parkway, Suite 300, Maitland, Florida 32751 (UPS tracking number 1ZA43F583590864122) (delivered on October 20, 2016); Technologies Management, Inc., 210 North Park Avenue, Winter Park, Florida, 32789 (UPS tracking number 1ZA43F583591677510) (returned on October 28, 2016). On October 13, 2016, the Bureau also emailed the notices to Sharon Warren at the email address provided in the application. On October 14, 2016, the Bureau also mailed the notices to the listed Washington, DC agent in the FCC’s Form 499 database, Dennis Howarth, 1090 Vermont Avenue, NW, Suite 910, Washington, DC 20005 (UPS tracking number 1ZA43F583592501331)

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would result in termination of Redes' international section 214 authorization for failure to comply with the condition of its authorization.¹³ To date, Redes has not responded to any of the International Bureau or the Executive Branch Agencies' multiple requests to resolve this matter.¹⁴

III. DISCUSSION

5. We determine that Redes' international section 214 authorization to provide services issued under File No. ITC-214-20070515-00189 has terminated for inability to comply with an express condition for holding the international section 214 authorization. The International Bureau provided Redes with notice and opportunity to respond to the allegations in the *April 13, 2016 Executive Branch Letter* concerning Redes' non-compliance with the condition of the grant. Redes has not responded to any of our multiple requests or requests from the Executive Branch Agencies. We find that Redes' failure to respond to our multiple requests demonstrates that it is unable to satisfy the LOA commitments, upon which the Executive Branch Agencies relied in providing their non-objection to the grant of the authorization to Redes, and compliance with which is a condition of the grant of its international section 214 authorization.

6. Furthermore, after having received an international 214 authorization, a carrier "is responsible for the continuing accuracy of the certifications made in its application" and must promptly correct information no longer accurate, "and in any event, within thirty (30) days."¹⁵ Redes has failed to inform the Commission of any changes in its business status of providing international telecommunications services, as required by the rules.¹⁶ Finally, as part of its authorization, Redes "must file annual international telecommunications traffic and revenue as required by § 43.62."¹⁷ 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."¹⁸ Our records indicate that Redes failed to file annual international telecommunications traffic and revenue reports indicating whether or not Redes provided services in 2014 and 2015, as required by section 43.62(b) of the Commission's rules.¹⁹ Redes' failure to adhere to the Commission's rules designed to ensure its

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(delivered on October 17, 2016, but then returned to the Commission on November 8, 2016). On October 13, 2016, the Bureau emailed the notices to the DC agent at the email address provided in the FCC Form 499.

¹³ *2016 Redes Public Notice*.

¹⁴ Redes' Form 499 indicates that it is "No Longer Active as of May 1, 2009. This company has gone out of business in its entirety (no sale of assets involved)." FCC Form 499 Filer Database, <http://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=826631>.

¹⁵ 47 CFR § 63.21(a).

¹⁶ *Id.* In addition, there is no indication that Redes is currently providing service to customers pursuant to its international section 214 authorization. If Redes has discontinued service, it is also in violation of the Commission's rules requiring prior notification for such a discontinuance. 47 CFR § 63.19.

¹⁷ 47 CFR § 63.21(d).

¹⁸ 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).

¹⁹ 47 CFR § 43.62(b). Furthermore, Redes owes regulatory fees for fiscal year 2010 to the Commission; consequently, its account is red lighted through the Red Light Display System and Redes may be in violation of the section 159(c)(3) of the Act and assessed financial penalties. 47 U.S.C. § 159(c)(3); 47 CFR § 1.1164(f). Action in this proceeding is without prejudice to actions involving those proceedings, and this order should not be construed as addressing those issues or violations.

ability to communicate with the holder of the authorization and to verify if the holder is still providing service also warrants termination, wholly apart from Redes' non-compliance with the condition of its international section 214 authorization.

IV. ORDERING CLAUSES

7. Accordingly, IT IS ORDERED, pursuant to sections 4(i), 214, and 413 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 214, 413, and sections 1.47(h), 43.62, 63.18, 63.21, 63.22(h), 63.23(e), and 64.1195 of the Commission's rules, 47 CFR §§ 1.47(h), 43.62, 63.18, 63.21, 63.22(h), 63.23(e), 64.1195, that the international section 214 authorization issued under File No. ITC-214-20070515-00189 IS HEREBY TERMINATED AND DECLARED NULL AND VOID.

8. IT IS FURTHER ORDERED that the request of the U.S. Department of Homeland Security and U.S. Department of Justice IS HEREBY GRANTED, to the extent set forth in this Order.

9. IT IS FURTHER ORDERED that a copy of this Order shall be sent by return receipt requested to Redes Modernas de la Frontera SA de CV at its last known addresses. In addition, this Order shall be posted in the Commission's Office of the Secretary.²⁰

10. IT IS FURTHER ORDERED that a copy of this Order, or a summary thereof, shall be published in the Federal Register.

11. This Order is issued on delegated authority under 47 CFR §§ 0.51, 0.261, and is effective upon release. Petitions for reconsideration under section 1.106 of the Commission's rules, 47 CFR § 1.106, or applications for review under section 1.115 of the Commission's rules, 47 CFR § 1.115, may be filed within 30 days of the date of the release of this Order.

FEDERAL COMMUNICATIONS COMMISSION

Denise Coca
Chief, Telecommunications and Analysis Division
International Bureau

²⁰ 47 CFR § 1.47(h).