

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

In the Matter of)	
)	
Peace Communications, LLC)	File No.: EB-IHD-20-00031697
)	NAL/Account No.: 202132080030
)	FRN: 0019189331

FORFEITURE ORDER

Adopted: November 29, 2023

Released: November 29, 2023

By the Chief, Enforcement Bureau:

I. INTRODUCTION

1. The Federal Communications Commission (Commission or FCC) requires telecommunications service providers and certain telecommunications providers (collectively, service providers) to file accurate Telecommunications Reporting Worksheets (Worksheets) with the Universal Service Administrative Company (USAC) by each filing deadline. Timely and accurate Worksheet filings are necessary so that administrators of the Universal Service Fund (USF), the Telecommunications Relay Service (TRS) Fund, Local Number Portability (LNP), the North American Numbering Plan (NANP), and federal regulatory fees can assess fair and accurate payment requirements owed by each service provider for these cost recovery obligations, which the Commission has implemented under the Communications Act of 1934, as amended (Act). The failure of service providers to file timely, complete, and accurate Worksheets with USAC undermines the effectiveness of the Commission's efforts to maintain these important federal cost recovery requirements. In this case, the Enforcement Bureau (Bureau) issued a *Notice of Apparent Liability for Forfeiture (NAL)* for \$50,000 against Peace Communications, LLC (Peace Communications or Company) for apparently failing to file a required Worksheet with USAC by August 1, 2020.¹ Peace Communications filed a response to the *NAL* on August 27, 2021, and requested cancellation or reduction of the proposed forfeiture.² After reviewing the record in this matter, and for the reasons discussed below, the Bureau finds that it is not appropriate to cancel or reduce the forfeiture proposed in the *NAL* and affirms the \$50,000 forfeiture.

II. BACKGROUND

2. *Legal Framework.* Service providers are required to file annually an FCC Form 499-A, also known as the Annual Worksheet,³ and with certain exceptions, to file quarterly an FCC Form 499-Q,

¹ *Peace Communications, LLC*, Notice of Apparent Liability for Forfeiture, 36 FCC Rcd 11388 (EB 2021) (*NAL* or *Peace Commc'ns NAL*). The Bureau found that Peace Communications apparently failed repeatedly to file a total of 14 Worksheets between February 1, 2018 and August 1, 2020. Only the August 1, 2020 filing violation was within the one-year statute of limitations under 47 U.S.C. § 503(b)(6)(B). *Id.* at 11388, 11394, paras. 2, 16.

² Response to Notice of Apparent Liability for Forfeiture from Kristopher E. Twomey, Counsel to Peace Communications, LLC (Aug. 27, 2021) (on file in EB-IHD-20-00031697) (*NAL Response*).

³ See, e.g., 47 CFR § 54.711; *Wireline Competition Bureau Releases the 2020 Telecommunications Reporting Worksheets and Accompanying Instructions*, Public Notice, 35 FCC Rcd 1350, 1373 (WCB 2020) (*2020 Annual Worksheet Instructions*); *Telseven, LLC*, Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 6636, 6638-39, para. 6 (2012) (*Telseven NAL*), *forfeiture issued*, Forfeiture Order, 31 FCC Rcd 1629 (2016).

also known as the Quarterly Worksheet.⁴ USAC uses revenue projections submitted in the Quarterly Worksheets to determine each service provider's monthly universal service contribution obligation.⁵ A service provider must timely file Quarterly Worksheets by February 1, May 1, August 1, and November 1 of each year, and Annual Worksheets by April 1 of each year.⁶ The Commission's rules explicitly warn service providers that failure to file timely Worksheets or submit timely USF payments potentially subjects them to enforcement action.⁷

3. *Factual Background.* The underlying facts and circumstances for this *Forfeiture Order* are set forth in the *NAL* and need not be repeated at length here.⁸ Peace Communications is a competitive local exchange carrier based in Chattanooga, Tennessee.⁹ The Bureau released the *NAL* on July 29, 2021, proposing the \$50,000 forfeiture against Peace Communications for the Company's violation of section 54.711(a) of the Commission's rules by willfully failing to file a Quarterly Worksheet by August 1, 2020.¹⁰ On August 27, 2021, Peace Communications filed its response to the *NAL*, seeking to cancel or reduce the proposed forfeiture.¹¹ Peace Communications did not dispute the facts underlying the violations identified in the *NAL*. Rather, the Company contends its violations were not intentional, the Company has a history of regulatory compliance, the Company took action to correct the violations prior to the Commission's investigation, the Company is now fully compliant, and the proposed forfeiture is excessive and contrary to the public interest.¹² As discussed below, we find that these arguments do not support the Company's request to cancel or reduce the proposed forfeiture.

III. DISCUSSION

4. The Bureau proposed a forfeiture in this case pursuant to section 503(b) of the Act, section 1.80 of the Commission's rules, and the Commission's *1997 Forfeiture Policy Statement*.¹³ Under section 503(b)(2)(E) of the Act, the Bureau considered the "nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."¹⁴ As discussed below, we have fully considered the Company's response to the *NAL* and find the Company's arguments unpersuasive. We therefore affirm the \$50,000 forfeiture proposed in the *NAL*.

⁴ See, e.g., 47 CFR § 54.711; *2020 Annual Worksheet Instructions*, 35 FCC Rcd at 1373; *Telseven NAL*, 27 FCC Rcd at 6638-39, para. 6.

⁵ Individual universal service contribution amounts that are based upon Quarterly Worksheet filings are subject to annual true-ups based on Annual Worksheet filings. See 47 CFR § 54.711; *Federal-State Joint Board on Universal Service*, Report and Order and Order on Reconsideration, 16 FCC Rcd 5748, 5752-53, para. 12 (2001).

⁶ See, e.g., *2020 Annual Worksheet Instructions*, 35 FCC Rcd at 1373.

⁷ See 47 CFR § 54.713(c).

⁸ See *Peace Commc 'ns NAL*, *supra* note 1, at 11391-92, paras. 6-9.

⁹ Response to Letter of Inquiry from Steve Blankenship, Chief Financial Officer, Peace Communications, LLC, to Conor P. O'Donovan, Attorney Advisor, FCC Enforcement Bureau, at 2-3 (Mar. 17, 2021) (on file in EB-IHD-20-00031697) (LOI Response).

¹⁰ See 47 CFR § 54.711(a); *Peace Commc 'ns NAL*, *supra* note 1, at 11388.

¹¹ See *NAL Response*, *supra* note 2.

¹² See *id.* at 2-5.

¹³ 47 U.S.C. § 503(b); 47 CFR § 1.80; *The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, Report and Order, 12 FCC Rcd 17087 (1997) (*1997 Forfeiture Policy Statement*), *recons. denied*, Memorandum Opinion and Order, 15 FCC Rcd 303 (1999).

¹⁴ 47 U.S.C. § 503(b)(2)(E).

A. Peace Communications' Violation Was Willful

5. Peace Communications seeks to cancel or reduce the proposed forfeiture because it “did not intentionally intend to skirt its [Quarterly Worksheet] filing obligations.”¹⁵ The Commission need not find an enforcement target intended to commit a rule violation in order to impose a forfeiture under section 503 of the Act.¹⁶ Under section 503(b)(1) of the Act, any person who is determined by the Commission to have “willfully or repeatedly failed to comply with any provisions of [the Act] or any rule, regulation, or order issued by the Commission . . . shall be liable to the United States for a forfeiture penalty.”¹⁷ Section 312(f)(1) of the Act defines willful as “the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate” the law.¹⁸ The legislative history of section 312(f)(1) of the Act clarifies that this definition applies to both sections 312 and 503(b) of the Act,¹⁹ and the Commission has applied this interpretation of the term “willful” to section 503(b).²⁰

6. The Company has an affirmative obligation to know the regulatory requirements of providing federally regulated services, including its obligation to file Quarterly and Annual Worksheets.²¹ In this case, the record demonstrates that the Company was aware of its Worksheet filing obligations prior to its failure to file the Quarterly Worksheet due by August 1, 2020.²² Peace Communications filed Annual Worksheets due between 2009 and 2017, and Quarterly Worksheets due between May 2012 and May 2017.²³ Moreover, USAC repeatedly contacted Peace Communications concerning the Company’s missing Annual and Quarterly Worksheet filings that were due between February 1, 2018 and August 1, 2020.²⁴ Nonetheless, Peace Communications willfully and repeatedly failed to file any of the 14 required Worksheets due during the February 2018 to August 2020 period.

¹⁵ NAL Response, *supra* note 2, at 4.

¹⁶ See, e.g., *Unipoint Technologies, Inc.*, Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 12751 (2012), Forfeiture Order, 29 FCC Rcd 1633, 1643, para. 21 (2014) (*Unipoint Forfeiture Order*).

¹⁷ See 47 U.S.C. § 503(b)(1); see also 47 CFR § 1.80(a)(1).

¹⁸ 47 U.S.C. § 312(f)(1).

¹⁹ H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982).

²⁰ See, e.g., *Application for Review of Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388, para. 5 (1991) (*Southern California Broadcasting Co.*). The Commission can also assess forfeitures for violations that are merely repeated, and not willful. See *id.* “Repeated” means that the act was committed or omitted more than once, or lasts more than one day. 47 U.S.C. § 312(f)(2); see also *Southern California Broadcasting Co.*, 6 FCC Rcd at 4388, para. 5; *Callais Cablevision, Inc.*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359, 1362, para. 9 (2001), Forfeiture Order, 17 FCC Rcd 22626 (2002).

²¹ See, e.g., *Air-Tel, LLC*, Forfeiture Order, 36 FCC Rcd 8867, 8871, para. 12 & n.37 (2021) (*Air-Tel Forfeiture Order*); *Simple Network, Inc.*, Notice of Apparent Liability for Forfeiture, 30 FCC Rcd 4525, 4526, para. 5 & n.13 (EB 2015) (*Simple Network NAL*), Forfeiture Order, 31 FCC Rcd 11704 (EB 2016) (*Simple Network Forfeiture Order*); *1997 Forfeiture Policy Statement*, *supra* note 13, at 17099, para. 22.

²² The Company “acknowledges the importance of carriers reporting their estimated USF revenues [as] demonstrated by Peace’s routine filing of all required USAC reports due from 2009-2017.” NAL Response *supra* note 2, at 2.

²³ See Universal Service Administrative Company, *E-file*, <https://efile.universalservice.org/EFileContributor/Admin/Search> (last visited Nov. 28, 2023).

²⁴ For example, USAC contacted Peace Communications’ identified point of contact by e-mail on February 8, June 14, November 4, December 12, 2019, March 1, April 9, May 7, and August 5, 2020, and by telephone on May 19 and August 17, 2020. Letter from Tracey Pilsch, Manager of Contributor Operations, 499 Team, Finance, Universal Services Administrative Company to Conor O’Donovan, Attorney-Advisor, Investigations & Hearings Division, FCC Enforcement Bureau at 1 (July 26, 2021) (on file in EB-IHD-20-00031697) (USAC July 26, 2021 Letter).

7. The Company claims it was unable to file its Worksheets because it had difficulties with its billing system involving third-party vendors.²⁵ If this was the case, the proper course of action would have been to seek a waiver of the filing deadlines to obtain extensions and not to ignore major regulatory requirements repeatedly.²⁶ Moreover, when USAC contacted Peace Communications on multiple occasions to remind the Company of the Worksheet filing requirements, Peace Communications did not raise with USAC a need for filing extensions due to billing system issues.²⁷ Instead, the Company simply did not file the required Worksheets for two and a half years.

8. The Company also claims that based on USAC's invoices, Peace Communications assumed it was *de minimis* and was exempt from filing Quarterly Worksheets.²⁸ The Company's assumption based on USAC invoices was misplaced. In order for USAC to be able to determine whether a service provider is *de minimis*, the service provider must file revenue information in the Annual Worksheet.²⁹ Because the Company did not file its Annual Worksheets for 2018 through 2020, Peace Communications was aware that USAC did not have the revenue information needed to determine whether Peace was *de minimis*, and thus USAC could not invoice the Company for USF contributions. Peace Communications, moreover, has an affirmative obligation to ensure it complies with its federal regulatory obligations, and to keep abreast of whether it meets the *de minimis* threshold.³⁰ USAC, the administrators of the TRS Fund, LNP, and NANP; and the Commission rely on the Worksheets service providers file to determine liability for, and subsequent billing and collection of, payments for important federal regulatory cost recovery mechanisms implemented under the Act.³¹ Service providers that fail to file Worksheets, and thus fail to contribute fully and on time to the USF, TRS, LNP, NANP, and federal

²⁵ See NAL Response, *supra* note 2, at 2-4.

²⁶ See 47 CFR § 1.3 (permitting waiver of FCC rules for "good cause shown"). The Commission does not routinely grant waivers, including a waiver of a filing deadline. See *NetworkIP, LLC v. FCC*, 548 F.3d 116, 127 (D.C. Cir. 2008) (in order to waive a strict filing deadline, a service provider "must explain why deviation better serves the public interest, and articulate the nature of the special circumstances to prevent discriminatory application and to put future parties on notice as to its operation"); *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969) ("An applicant for waiver faces a high hurdle even at the starting gate."). Accordingly, Peace Communications should have requested a waiver sufficiently far in advance of the relevant deadlines to permit alternative arrangements in case the requested relief was denied. See *NetworkIP*, 548 F.3d at 127 ("procrastination plus the universal tendency for things to go wrong (Murphy's Law)—at the worst possible moment (Finagle's Corollary)—is not a 'special circumstance'" that justifies a waiver).

²⁷ See USAC July 26, 2021 Letter, at 1.

²⁸ See NAL Response, *supra* note 2, at 2. Under the Commission's rules, *de minimis* service providers are not required to file Quarterly Worksheets, but they are required to file Annual Worksheets. See 47 CFR § 54.708. Peace asserts that missing the deadline for Annual Worksheets would cause it "simply [to] face \$100/month fines from USAC." NAL Response, *supra* note 2, at 3. This assertion is incorrect. As the Commission's rules make clear, in addition to fees imposed by USAC, delinquent contributors can face enforcement action—including the assessment of forfeiture penalties. See 47 CFR § 54.713(c) (stating that late filers of Worksheets could not only be assessed remedial charges by USAC and additional administrative charges, but that "[t]he Commission may also pursue enforcement action against delinquent contributors and late filers[.]").

²⁹ See 47 CFR § 54.708 ("If a contributor's contribution to universal service in any given year is less than \$10,000 that contributor will not be required to submit a contribution . . ."). By not filing revenue information in the 2018 through 2020 Annual Worksheets on time, Peace prevented USAC from determining whether Peace owed more than \$10,000 for each of these years.

³⁰ See, e.g., *Air-Tel Forfeiture Order*, *supra* note 21, at 8871, para. 12; *Simple Network NAL*, *supra* note 21, at 4526, para. 5 & n.13; *1997 Forfeiture Policy Statement*, *supra* note 13, at 17099, para. 22.

³¹ See *Peace Commc'ns NAL*, *supra* note 1, at 11388-90, paras. 3-5. The effective administration of the USF, see 47 CFR § 54.711, TRS, see *id.* § 64.604, LNP, see *id.* § 52.32, NANP, see *id.* § 52.17, and federal regulatory fees, see *id.* §§ 1.1154, 1.1157, requires full compliance by service providers with the Worksheet filing requirements.

regulatory fees, obtain an unfair competitive advantage over companies that comply with the filing and payment requirements of the Act and the Commission's rules.³² A lack of awareness as to its affirmative regulatory obligations or its evolving status under the *de minimis* exception does not obviate the Company's federal filing and payment requirements.³³ Moreover, the Company's assertion that it assumed it did not need to file Quarterly Worksheets strains credulity as USAC repeatedly contacted the Company seeking the missing Worksheets.³⁴ Peace Communications' claim that it assumed the Company did not need to file Quarterly Worksheets is therefore unpersuasive.

9. Peace Communications indicates that the Company was aware of its non-compliance with the Commission's rules in 2020 but chose to address other state regulatory compliance issues.³⁵ Peace Communications is obligated to comply with the Commission's Worksheet filing rules, whether or not the Company is complying with other regulatory obligations. We find that Peace Communications willfully failed to file the August 1, 2020 Quarterly Worksheet, and under section 503(b)(1) of the Act, is liable for a forfeiture penalty. The Company's excuses for failing to file the Worksheet do not warrant a cancellation or downward adjustment of the \$50,000 forfeiture proposed in the NAL.³⁶

B. Peace Communications' History of Compliance with the Worksheet Filing Obligations Does Not Justify Canceling or Reducing the Forfeiture

10. Peace Communications argues that the forfeiture should be canceled or reduced because the Company "has a long history of complete federal and state regulatory compliance beginning in 2008."³⁷ While Peace Communications timely filed most of its Annual Worksheets prior to 2017, the record also shows substantial non-compliance with the Worksheet filing requirements. The Company filed its 2011 Annual Worksheet approximately one month late, its 2017 Annual Worksheet over two months late, its 2018 Annual Worksheet nearly three years late, its 2019 Annual Worksheet nearly two years late, and its 2020 Annual Worksheet over 10 months late.³⁸ The Company failed to file 11 Quarterly Worksheets due between 2018 and 2020, or nearly all of its Quarterly Worksheets due in this three-year period.³⁹ Given this more recent history of missing filing deadlines for Annual Worksheets and

³² See, e.g., *Telseven NAL*, *supra* note 3, at 6638-39, para. 6; *Globalcom, Inc.*, Notice of Apparent Liability for Forfeiture, 25 FCC Rcd 3479, 3484, para. 12 (2010) (*Globalcom NAL*), *consent decree adopted*, Order, 29 FCC Rcd 2593 (2014); *Local Phone Services, Inc.*, Notice of Apparent Liability for Forfeiture, 21 FCC Rcd 9974, 9977-78, para. 9 (2006) (*LPSI NAL*), *forfeiture issued*, Order of Forfeiture, 23 FCC Rcd 8952 (2008).

³³ See, e.g., *Air-Tel Forfeiture Order*, *supra* note 21, at 8871, para. 12; *Simple Network NAL*, *supra* note 21, at 4526, para. 5 & n.13; *1997 Forfeiture Policy Statement*, *supra* note 13, at 17099, para. 22.

³⁴ See USAC July 26, 2021 Letter, *supra* note 24, at 1.

³⁵ See NAL Response, *supra* note 2, at 3 ("Peace knew it had some compliance issues but felt the pressing ones were more state tax-related").

³⁶ See, e.g., *PTT Phone Cards, Inc.*, Notice of Apparent Liability for Forfeiture, 29 FCC Rcd 11531 (2014) (*PTT NAL*), Forfeiture Order, 30 FCC Rcd 14701, 14704, para. 10 & n.23 (2015) (*PTT Forfeiture Order*) (citing *Emery Tel.*, Memorandum Opinion and Order, 13 FCC Rcd 23854, 23859, para. 12 (1998), *recon. denied*, 15 FCC Rcd 7181 (1999) ("inadvertence . . . is at best, ignorance of the law, which the Commission does not consider a mitigating circumstance.") (quoting *Southern California Broadcasting Co.*, 6 FCC Rcd at 4387, para. 3)); *Cascade Access, LLC*, Forfeiture Order, 28 FCC Rcd 141, 145, para. 9 (EB 2013), *recon. denied*, 30 FCC Rcd 14018 (EB 2015) (rejecting argument that forfeiture should be reduced because the violation was unintentional); *PJB Commc'ns of Virg., Inc.*, Memorandum Opinion and Order, 7 FCC Rcd 2088, 2088, para. 5 (1992) (inadvertent violations are "willful" as "[a]ll that is necessary is that the licensee knew it was doing the act in question").

³⁷ See NAL Response, *supra* note 2, at 1-2.

³⁸ See Universal Service Administrative Company, *E-file*, <https://efile.universalservice.org/EFileContributor/Admin/Search> (last visited Nov. 28, 2023).

³⁹ See *id.* On February 8, 2021, the Company attempted to file six Quarterly Worksheets, which were due in May, August and November of 2019 and February, May and August of 2020, and USAC rejected these filings. See *id.*

failing to file Quarterly worksheets entirely, we find there is no basis to cancel or reduce the forfeiture based on Peace Communications' compliance history.

C. The Company's Actions to Come into Compliance with the Filing Requirements Do Not Justify Canceling or Reducing the Forfeiture

11. Peace Communications argues that the forfeiture should be canceled or reduced because the Company had "proactively taken steps to solve the problems prior to the issuance of the Letter of Inquiry" and the Company "is now compliant with all reporting obligations for all state and federal agencies."⁴⁰ However, the Commission requires regulated entities "to promptly take corrective action when violations are brought to their attention."⁴¹ Although the Company failed to file required Annual and Quarterly Worksheets beginning on February 1, 2018, and USAC repeatedly contacted the Company requesting the filings,⁴² Peace Communications did not begin complying with the filing requirements again until February 4, 2021.⁴³ Peace Communications claimed that the Company needed approximately three years beginning in 2018 to convert the Company's billing system, and the conversion prevented Peace Communications from complying with the Worksheet filing requirements.⁴⁴ We find this explanation unpersuasive, particularly when the Company did not respond to repeated inquiries from USAC concerning the missing Worksheet filings during this time period, and when the Company did not seek a temporary waiver of the Worksheet filing requirements under the Commission's rules.⁴⁵ Under these circumstances, we find that the Company's actions before the Bureau issued the Letter of Inquiry do not constitute a "good faith" attempt to comply, and thus do not warrant cancellation or a reduction of the forfeiture amount under section 1.80(b)(1) of the Commission's rules.⁴⁶

D. The Amount of the Assessed Forfeiture is Appropriate

12. The \$50,000 forfeiture proposed in the *NAL* is based on the factors enumerated in section 503(b)(2)(E) of the Act, section 1.80 of the Commission's rules, and the *1997 Forfeiture Policy Statement*.⁴⁷ The forfeiture is also consistent with established Commission precedent concerning forfeitures for violations of filing requirements under section 54.711 of the Commission's rules.⁴⁸ The timely filing of accurate Worksheets is crucial to implementing the Congressional directive to ensure the

Quarterly Worksheets are used to report projected revenue and thus there is a 45-day deadline to submit revised or late Quarterly Worksheet filings. See, e.g., Universal Service Administrative Company, *When to File*, <https://www.usac.org/service-providers/contributing-to-the-usf/when-to-file/> (last visited Nov. 28, 2023).

⁴⁰ See *NAL Response*, *supra* note 2, at 1-2, 4.

⁴¹ *PTT Forfeiture Order*, 30 FCC Rcd at 14705, para. 13 (quoting *AT&T Wireless Services, Inc.*, Forfeiture Order, 17 FCC Rcd 21866, 21875, para. 26 (2002)).

⁴² See USAC July 26, 2021 Letter, *supra* note 24, at 1.

⁴³ See Universal Service Administrative Company, *E-file*, <https://efile.universalservice.org/EFileContributor/Admin/Search> (last visited Nov. 28, 2023).

⁴⁴ See *NAL Response*, *supra* note 2, at 2-4.

⁴⁵ See 47 CFR § 1.3; USAC July 26, 2021 Letter, *supra* note 24, at 1.

⁴⁶ See 47 CFR § 1.80(b)(11), Tbl. 3.

⁴⁷ See 47 U.S.C. § 503(b)(2)(E) (in assessing a forfeiture the Commission considers the "nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."); 47 CFR § 1.80; *1997 Forfeiture Policy Statement*, *supra* note 13.

⁴⁸ See, e.g., *PTT NAL*, *supra* note 36, at 11543, para. 30; *Unipoint Forfeiture Order*, *supra* note 16, at 1643, para. 32; *Globcom, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 18 FCC Rcd 19893, 19905, para. 32 (2003) (*Globcom NAL*), Order of Forfeiture, 21 FCC Rcd 4710 (2006).

equitable and non-discriminatory distribution of universal service costs among all service providers.⁴⁹ The effects on the administration of TRS, LNP, NANP, and on the Commission's assessment of federal regulatory fees are similar. A service provider that fails to file timely and accurate Worksheets can evade its federal obligations to contribute fully toward the vital programs linked to the reporting obligations.⁵⁰ As a consequence of these filing failures, other service providers carry an unfair burden of funding the USF and the other federal regulatory programs arising under the Act.⁵¹ Delinquent service providers obtain an unfair competitive advantage over service providers that comply with the reporting provisions of the Commission's rules, and fully pay USF, TRS Fund, LNP, NANP, and federal regulatory fee assessments on time.⁵² The Commission has therefore proposed a forfeiture of \$50,000 for each failure of a service provider to file an accurate Annual or Quarterly Worksheet by each filing deadline.⁵³

13. Peace Communications argues that the fine is “egregious . . . excessive and arbitrary” and “does not serve the public interest.”⁵⁴ The Company claims that its failure to file Worksheets has had a minimal impact of the USF.⁵⁵ The Bureau rejects this position and warns Peace Communications and all service providers against adopting such a dismissive approach to their federal regulatory filing and contribution obligations. The Commission's rules provide that *de minimis* service providers, which would have annual USF contributions of less than \$10,000, need not contribute to the USF or file Quarterly Worksheets.⁵⁶ Peace Communications was not a *de minimis* service provider when the Company failed to file Worksheets between February 1, 2018 and August 1, 2020.⁵⁷ By failing to file the Company's Worksheets during this period, Peace Communications prevented USAC from invoicing the Company for USF contributions.⁵⁸ During the period the Company was not filing its Worksheets and not paying its share of contributions for the USF, Peace Communications' competitors were submitting their Worksheet filings and paying their USF contributions on time, and this gave Peace Communications an unfair advantage over its competitors.⁵⁹ We reject the claim that Peace Communications' Worksheet filing failures had a minimal impact on the administration of the USF.

⁴⁹ See 47 U.S.C. § 254(d).

⁵⁰ See, e.g., *Telseven NAL*, *supra* note 3, at 6638-39, para. 6; *Globalcom NAL*, *supra* note 32, at 3484, para. 12; *LPSI NAL*, *supra* note 32, at 9977-78, para. 9.

⁵¹ See, e.g., *Telseven NAL*, *supra* note 3, at 6638-39, para. 6; *Globalcom NAL*, *supra* note 32, at 3484, para. 12; *LPSI NAL*, *supra* note 32, at 9977-78, para. 9.

⁵² See, e.g., *Telseven NAL*, *supra* note 3, at 6638-39, 6646-47 paras. 6, 23; *Globalcom NAL*, *supra* note 32, at 3484, 3485, paras. 12, 15; *LPSI NAL*, *supra* note 32, at 9977-78, 9979 paras. 9, 15.

⁵³ See, e.g., *PTT NAL*, *supra* note 36, at 11543, para. 30; *Unipoint Forfeiture Order*, *supra* note 16, at 1643, para. 32; *Globcom NAL*, 18 FCC Rcd at 19905, para. 32. After the NAL was released, the Commission provided the industry with notice of *higher* forfeitures for violations of section 54.711 of the Commission's rules when the violations are repeated. See, e.g., *PayG, LLC*, Notice of Apparent Liability for Forfeiture, FCC 22-69, paras. 38, 41 (Sept. 14, 2022) (“Future enforcement items for the failure to file timely or accurate Worksheets could include upward adjustments up to the statutory maximum forfeiture authorized under section 503(b)(2) of the Act.”) (forfeiture paid); *Correct Solutions, LLC*, Notice of Apparent Liability for Forfeiture, DA 22-303, para. 26 (EB Apr. 1, 2022) (providing notice of future upward adjustments of 100 percent or more of the \$50,000 forfeiture for repeated or continuous violations of section 54.711(a) of the Commission's rules) (forfeiture paid).

⁵⁴ NAL Response, *supra* note 2, at 4-5.

⁵⁵ *Id.*

⁵⁶ See 47 CFR § 54.708.

⁵⁷ See USAC July 26, 2021 Letter, *supra* note 24, at 1.

⁵⁸ See *id.*

⁵⁹ See, e.g., *UnityComm, Inc.*, Forfeiture Order, 32 FCC Rcd 10391, 10393, para. 6 (EB 2017); *Simple Network Forfeiture Order*, *supra* note 21, at 11705, para. 3; *ADMA Telecom, Inc.*, Notice of Apparent Liability for Forfeiture, 24 FCC Rcd 838, 846-47, para. 17 (2009), Forfeiture Order, 26 FCC Rcd 4152 (2011).

14. In support of its claim that the \$50,000 forfeiture is excessive, Peace Communications compares the forfeiture to citations issued in June and July of 2021 to internet service providers that failed to submit FCC Form 477 filings.⁶⁰ Under section 503(b)(5) of the Act, prior to proposing forfeitures for entities that violate the Act or the Commission's rules, the Commission must issue a citation if the entities do not hold an FCC license, permit, certificate, or other authorization.⁶¹ As a competitive local exchange carrier, Peace Communication holds a Commission authorization, and the Commission did not need to issue a citation under section 503(b)(5) in order to propose a forfeiture.⁶²

15. Peace Communications argues that the forfeiture does not serve the public interest because it would limit the Company's ability to provide discounts to non-profit customers and donate resources to schools and victims of tornadoes.⁶³ The Company's discounts and charitable contributions are commendable; however, they are irrelevant to the amount of the forfeiture assessed in this case. An entity's service to its community is not one of the criteria the Commission considers when determining whether a downward forfeiture adjustment is appropriate.⁶⁴

16. In conclusion, the Company's arguments to cancel or reduce the forfeiture are unpersuasive. The Bureau affirms the \$50,000 forfeiture proposed in the *NAL*.

IV. ORDERING CLAUSES

17. Accordingly, **IT IS ORDERED** that pursuant to section 503(b) of the Act, 47 U.S.C. § 503(b), and section 1.80 of the Commission's rules, 47 CFR § 1.80, Peace Communications, LLC **IS LIABLE FOR A MONETARY FORFEITURE** in the amount of fifty-thousand dollars (\$50,000) for willfully violating section 54.711(a) of the Commission's rules, 47 CFR § 54.711(a).

18. Payment of the forfeiture shall be made in the manner provided for in section 1.80 of the Commission's rules within thirty (30) calendar days after the release of this Forfeiture Order. 47 CFR § 1.80. Peace Communications shall send electronic notification of payment to Patrick McGrath at Patrick.McGrath@fcc.gov, Georgina Feigen at Georgina.Feigen@fcc.gov, Kalun Lee at Kalun.Lee@fcc.gov, and David Janas at David.Janas@fcc.gov on the date said payment is made. If the forfeiture is not paid within the period specified, the case may be referred to the U.S. Department of Justice for enforcement of the forfeiture pursuant to section 504(a) of the Act. 47 U.S.C. § 504(a).

19. In order for Peace Communications LLC to pay the proposed forfeiture, Peace Communications LLC shall notify Patrick McGrath at Patrick.McGrath@fcc.gov, Georgina Feigen at Georgina.Feigen@fcc.gov, Kalun Lee at Kalun.Lee@fcc.gov, and David Janas at David.Janas@fcc.gov of its intent to pay, whereupon an invoice will be posted in the Commission's Registration System (CORES) at <https://apps.fcc.gov/cores/userLogin.do>. Payment of the forfeiture must be made by credit card using CORES at <https://apps.fcc.gov/cores/userLogin.do>, ACH (Automated Clearing House) debit from a bank account, or by wire transfer from a bank account. The Commission no longer accepts

⁶⁰ NAL Response, *supra* note 2, at 4-5 (citing *New Visions Commc'ns, Inc.*, Citation and Order, 36 FCC Rcd 10873 (EB 2021); *Taneynet Broadband, Inc.*, Citation and Order, 36 FCC Rcd 10868 (EB, IHD 2021); *CNS Internet Servs.*, Citation and Order, 36 FCC Rcd 9857 (EB 2021)).

⁶¹ See 47 U.S.C. § 503(b)(5). The Commission must also provide the violator a reasonable opportunity to respond to the citation, and can only impose a forfeiture if the violator subsequently engages in conduct described in the citation. See *id.*

⁶² See 47 CFR § 63.01(a) ("Any party that would be a domestic interstate communications common carrier is authorized to provide domestic, interstate services to any domestic point and to construct or operate any domestic transmission line . . .").

⁶³ See NAL Response, *supra* note 2, at 5.

⁶⁴ See 47 U.S.C. § 503(b)(2)(E); 47 CFR § 1.80; *1997 Forfeiture Policy Statement*, *supra* note 13.

forfeiture payments by check or money order. Below are instructions that payors should follow based on the form of payment selected:⁶⁵

- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. In the OBI field, enter the FRN(s) captioned above and the letters “FORF”. In addition a completed Form 159⁶⁶ or printed CORES form⁶⁷ must be faxed to the Federal Communications Commission at 202-418-2843 or e-mailed to RROGWireFaxes@fcc.gov on the same business day the wire transfer is initiated. Failure to provide all required information in Form 159 or CORES may result in payment not being recognized as having been received. When completing FCC Form 159 or CORES, enter the Account Number in block number 23A (call sign/other ID), enter the letters “FORF” in block number 24A (payment type code), and enter in block number 11 the FRN(s) captioned above (Payor FRN).⁶⁸ For additional detail and wire transfer instructions, go to <https://www.fcc.gov/licensing-databases/fees/wire-transfer>.
- Payment by credit card must be made by using CORES at <https://apps.fcc.gov/cores/userLogin.do>. To pay by credit card, log in using the FCC Username associated with the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select “Manage Existing FRNs | FRN Financial | Bills & Fees” from the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the “Open Bills” tab and find the bill number associated with the NAL Acct. No. The bill number is the NAL Acct. No. with the first two digits excluded (e.g., NAL 1912345678 would be associated with FCC Bill Number 12345678). After selecting the bill for payment, choose the “Pay by Credit Card” option. Please note that there is a \$24,999.99 limit on credit card transactions.
- Payment by ACH must be made by using CORES at <https://apps.fcc.gov/cores/userLogin.do>. To pay by ACH, log in using the FCC Username associated with the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select “Manage Existing FRNs | FRN Financial | Bills & Fees” on the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the “Open Bills” tab and find the bill number associated with the NAL Acct. No. The bill number is the NAL Acct. No. with the first two digits excluded (e.g., NAL 1912345678 would be associated with FCC Bill Number 12345678). Finally, choose the “Pay from Bank Account” option. Please contact the appropriate financial institution to confirm the correct Routing Number and the correct account number from which payment will be made and verify with that financial institution that the designated account has the authorization to accept ACH transactions.

20. Any request for making full payment over time under an installment plan should be sent to Chief Financial Officer—Financial Operations, Federal Communications Commission, 45 L Street, NE, Washington, DC 20554. Questions regarding payment procedures should be directed to the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

⁶⁵ For questions regarding payment procedures, please contact the Financial Operations Group Help Desk by phone at 1-877-480-3201 (option #1).

⁶⁶ FCC Form 159 is accessible at <https://www.fcc.gov/licensing-databases/fees/fee-remittance-advice-form-159>.

⁶⁷ Information completed using the Commission’s Registration System (CORES) does not require the submission of an FCC Form 159. CORES is accessible at <https://apps.fcc.gov/cores/userLogin.do>.

⁶⁸ Instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

21. **IT IS FURTHER ORDERED** that a copy of this Forfeiture Order shall be sent by first class and certified mail, return receipt requested, to Kristopher E. Twomey, Esq., Counsel to Peace Communications, LLC, 1725 I Street, NW, Suite 300, Washington, DC 20006.

FEDERAL COMMUNICATIONS COMMISSION

Loyaan A. Egal
Chief
Enforcement Bureau