



Federal Communications Commission
Washington, D.C. 20554

December 14, 2018

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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**Re: Potential Termination of International Section 214 Authorizations,
File Nos. ITC-214-19920520-00115 & ITC-214-20050407-00146**

Dear Mr. Dickson:

We are forwarding for your response the attached letter submitted on July 23, 2018 by the Department of Homeland Security (DHS), with the concurrence of the Department of Justice (DOJ), including the Federal Bureau of Investigation (FBI) (collectively, “the Executive Branch Agencies”).¹ The Executive Branch Agencies request that the Federal Communications Commission (Commission) terminate, declare null and void and no longer in effect, and/or revoke the domestic and international Section 214 authorizations held by StarVox Communications, Inc. (StarVox)² and its wholly owned subsidiary, Capital Telecommunications, Inc. (CTI)³ for failure to comply with the Letters of Assurances (LOAs) filed in connection with the transfers of control of such authority and compliance with which are express conditions of StarVox and CTI’s authorizations.⁴ The Executive Branch Agencies make this request because they believe that StarVox and CTI are no longer in business.⁵

¹ Letter from Phil Ludvigson, Director, Foreign Investment Risk Management, Office of Policy, U.S. Department of Homeland Security, to Marlene H. Dortch, Secretary, FCC (July 23, 2018) (DHS Letter).

² StarVox’s international Section 214 authorization was granted on May 5, 2005 under file number ITC-214-20050407-00146. *International Authorizations Granted, Section 214 Applications (47 C.F.R. § 63.18); Section 310(b)(4) Requests*, Report No. TEL-00907, Public Notice, 20 FCC Rcd 8781 (IB 2005).

³ CTI’s international Section 214 authorization was granted on July 22, 1992, under file number ITC-92-169 (new file number ITC-214-19920520-00115). *L.D.C. Consultants, Application for Authority to Operate as an International Resale Carrier et al.*, DA-92-984, Order, Authorization and Certificate, 7 FCC Rcd 5012 (Common Carrier Bur. 1992).

⁴ *Domestic Authorization Granted, Application Filed for the Transfer of Control of Capital Telecommunications, Inc. to StarVox Communications Inc.*, WC Docket No. 06-127, Public Notice, 21 FCC Rcd 10695 (WCB 2006); *International Authorizations Granted, Section 214 Applications (47 C.F.R. § 63.18); Section 310(b)(4) Requests*, Report No. TEL-01069, Public Notice, 21 FCC Rcd 10675 (IB 2006); Letter from Jonathan S. Marashlian, Legal Counsel and Authorized Signatory for StarVox Communications, Inc. and Capital Telecommunications, Inc., to Ms. Sigal P. Mandelker, Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice, Mr. Stewart A. Baker, Assistant Secretary of Policy, U.S. Department of Homeland Security, and Ms. Elaine N. Lammert, Deputy General Counsel, Federal Bureau of Investigation (Sept. 15, 2006) (2006 LOA). In 2007, the FCC

As an initial matter, on April 2, 2008, pursuant to Section 63.71(c) of the Commission's rules and absent further Commission action, the Wireline Competition Bureau approved StarVox and CTI's request to discontinue domestic service on or after May 3, 2008 and we do not address in this letter the Executive Branch Agencies' request to terminate the domestic Section 214 authorizations of StarVox and CTI.⁶

With regard to StarVox and CTI's international Section 214 authorizations, after receiving an international Section 214 authorization, as required by Section 63.21(a) of the Commission's rules, 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."⁷ CTI and StarVox have failed to inform the Commission of any changes in their business status of providing international telecommunications services, as required by Section 63.21(a) of the Commission's rules.⁸

Additionally, as part of their authorizations, StarVox and CTI were required to file annual international telecommunications traffic and revenue reports, as required by Section 43.62 of the

conditioned its grant of the transfers of control of the domestic and international Section 214 authorizations held by StarVox and CTI to U.S. Wireless Data, Inc. (USWI) on USWI, StarVox, and CTI abiding by the commitments and undertakings contained in their July 25, 2007 letter to the Executive Branch Agencies. *Domestic Section 214 Authorization Granted, Applications for the Transfer of Control of StarVox Communications Inc. and Capital Telecommunications, Inc. to U.S. Wireless Data, Inc.*, WC Docket No. 07-115, Public Notice, 22 FCC Rcd 15276 (WCB 2007); *International Authorizations Granted, Section 214 Applications (47 C.F.R. § 63.18)*; *Section 310(b)(4) Requests*, Report No. TEL-01180, Public Notice, 22 FCC Rcd 16035 (IB 2007); Letter from U.S. Wireless Data, Inc., StarVox Communications, Inc., and Capital Telecommunications, Inc., to Ms. Sigal Mandelker, Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice, Mr. Stewart A. Baker, Assistant Secretary of Policy, U.S. Department of Homeland Security, and Ms. Elaine N. Lammert, Deputy General Counsel, Federal Bureau of Investigation (July 25, 2007) (committing to abide by all of the commitments set out in the 2006 LOA).

⁵ DHS Letter at 2. On October 2, 2018, Jonathan S. Marashlian filed a letter stating that he had "ceased representing StarVox concurrent with StarVox's dissolution, which occurred in or around 2007." Letter from Jonathan S. Marashlian, Marashlian & Donahue, PLLC, The Commlaw Group, to International Bureau, Federal Communications Commission (Oct. 2, 2018).

⁶ On March 19, 2008, StarVox and CTI filed an application to discontinue certain domestic service in California, Connecticut, Delaware, D.C., Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Utah, Virginia and Washington. Section 63.71 Application of Capital Telecommunications, Inc. and Starvox Communications, Inc., (filed Mar. 19, 2008) (Domestic Discontinuance Application); *Comments Invited on Application of Capital Telecommunications, Inc. and StarVox Communications, Inc. to Discontinue Domestic Telecommunications Services*, WC Docket No. 08-48, Public Notice, 23 FCC Rcd 5619 (WCB 2008) (*Domestic Discontinuance Public Notice*). Applicants filed for Chapter 7 bankruptcy protection before the U.S. Bankruptcy Court for the Northern District of California, San Jose Division. *Domestic Discontinuance Public Notice* at 1. In their Domestic Discontinuance Application, StarVox and CTI stated they also were discontinuing international services pursuant to Section 63.19 of the Commission's rules and serving a copy of the domestic application and customer notification on the International Bureau. Domestic Discontinuance Application at 1, n.1. However, the International Bureau did not receive a copy of the domestic application or a Section 63.19 filing.

⁷ 47 CFR § 63.21(a).

⁸ There is no indication that StarVox and CTI are currently providing service pursuant to their international Section 214 authorizations. If they have discontinued international services, they may be in violation of the Commission's rules requiring prior notification for such discontinuance. 47 CFR § 63.19.

Commission's rules, which was in effect until April 2018.⁹ Specifically, Section 43.62(b) of the Commission's rules required 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."¹⁰ StarVox and CTI did not submit traffic and revenue reports indicating whether or not they provided services for the 2014 and 2015 reporting periods and thus may have violated Section 43.62 of the Commission's rules.¹¹

We require that you respond to the allegations by the Executive Branch Agencies and possible violations of the Commission's rules within 30 days from the date of this letter, by **Monday, January 14, 2019**. In your response, please describe any steps that you are taking or will take with the Executive Branch Agencies to resolve their concerns. If StarVox and CTI are no longer in business, have changed their name, or are no longer providing services under their international Section 214 authorizations and do not intend to do so in the future, please indicate whether they are surrendering their authorizations. Finally, StarVox and CTI must adhere to the Commission's rules designed to ensure its ability to communicate with the authorization holders and verify if they are still providing service. Failure to do so may also warrant termination, wholly apart from StarVox and CTI's non-compliance with the condition of their international Section 214 authorizations.

A failure to respond to this letter will be deemed as an admission of the facts alleged by the Executive Branch Agencies and the Commission and will result in the issuance of an order terminating StarVox and CTI's international Section 214 authorizations.

Sincerely,



Denise Coca
Division Chief
Telecommunications & Analysis Division
International Bureau

Enclosure: DHS Letter

⁹ 47 CFR § 43.62(b). 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 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). On October 24, 2017, the Commission eliminated the annual traffic and revenue reporting requirement. *Section 43.62 Reporting Requirements for U.S. Providers of International Services; 2016 Biennial Review of Telecommunications Regulations*, IB Docket Nos. 17-55 and 16-131, Report and Order, 32 FCC Rcd 8115 (2017); *Section 43.62 Reporting Requirements for U.S. Providers of International Services; 2016 Biennial Review of Telecommunications Regulations*, 83 Fed. Reg. 17931 (April 25, 2018).

¹⁰ 47 CFR § 43.62(b).

¹¹ FCC, International Bureau, 2014 U.S. International Telecommunications Traffic and Revenue Data (IB July 2016), https://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0701/DOC-340121A3.pdf; FCC, International Bureau, Section 43.62 Online Filing (June 28, 2016), <https://www.fcc.gov/general/section-4362-online-filing>.

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