

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

In the Matter of)	File No.: EB-09-IH-1946
)	
StanaCard, LLC)	Acct. No.: 201232080014
)	
)	FRN: 0018463380
)	
)	

ORDER

Adopted: February 22, 2012

Released: February 22, 2012

By the Chief, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered between the Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission) and StanaCard, LLC (StanaCard). The Consent Decree terminates an investigation by the Bureau against StanaCard for possible violations of Sections 214 and 225 of the Communications Act of 1934, as amended (Act)¹ and Sections 63.18, 64.604(c)(5)(iii)(A), and 64.1195(a) of the Commission's rules (Rules)² concerning authorization to provide facilities-based and resold international common carrier communications services, contributions to the Telecommunications Relay Services Fund, and registration with the Commission.

2. A copy of the Consent Decree negotiated by the Bureau and StanaCard is attached hereto and incorporated herein by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether StanaCard possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Act³ and Sections 0.111 and 0.311 of the Rules,⁴ the Consent Decree attached to this Order **IS ADOPTED**.

¹ 47 U.S.C. §§ 214, 225.

² 47 C.F.R. §§ 63.18, 64.604(c)(5)(iii)(A), 64.1195(a).

³ 47 U.S.C. § 154(i).

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by certified mail, return receipt requested, to Mr. Cheng Yi Liu, Esq., Counsel to StanaCard, LLC, Law Offices of Thomas K. Crowe, P.C., 1250 24th Street, NW, Suite 300, Washington DC 20037.

FEDERAL COMMUNICATIONS COMMISSION

P. Michele Ellison
Chief, Enforcement Bureau

⁴ 47 C.F.R. §§ 0.111, 0.311.

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CONSENT DECREE

1. The Enforcement Bureau of the Federal Communications Commission and StanaCard, LLC, by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigation into whether the Company violated Sections 214 and 225 of the Communications Act of 1934, as amended,¹ and Sections 63.18, 64.604(c)(5)(iii)(A), and 64.1195(a) of the Commission’s rules,² concerning authorization to provide facilities-based and resold international common carrier communications services, contributions to the Telecommunications Relay Services Fund, and registration with the Commission.

I. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:
- (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 et seq.
 - (b) “Adopting Order” means an Order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (c) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
 - (d) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
 - (e) “Communications Laws” means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which StanaCard is subject by virtue of its business activities.
 - (f) “Compliance Officer” means the individual designated as the person responsible for administration of the Compliance Plan.

¹ 47 U.S.C. §§ 214, 225.

² 47 C.F.R. §§ 63.18, 64.604(c)(5)(iii)(A), 64.1195(a).

- (g) “Compliance Plan” means the compliance obligations and program described in this Consent Decree at paragraph 12.
- (h) “Effective Date” means the date on which the Commission releases the Adopting Order.
- (i) “Investigation” means the investigation commenced by the Bureau in response to StanaCard’s disclosure e-mail of August 20, 2009,³ regarding the Company’s compliance with Section 214 of the Act and Part 63 of the Rules concerning StanaCard’s obligation to obtain Commission authorization before providing facilities-based or resold international common carrier services, compliance with Part 64 of the Rules regarding registration by interstate telecommunications carriers, and compliance with Section 225 of the Act and Part 64 of the Rules regarding interstate telecommunication carrier contributions to the TRS Fund.⁴
- (j) “Parties” means StanaCard and the Bureau, each of which is a “Party.”
- (k) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.
- (l) “StanaCard” or the “Company” means StanaCard, LLC and its predecessors-in-interest and successors-in-interest.
- (m) “TRS Fund” means Telecommunications Relay Services Fund.

II. BACKGROUND

3. 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.⁵ While the Commission has granted “blanket” Section 214 authority to carriers providing domestic service,⁶ meaning that such carriers need not apply to the Commission for such authority before providing domestic service,⁷ the Commission has not done the same for providers of international telecommunications services. Section 63.18 of the Rules requires any

³ E-mail from Thomas K. Crowe, Partner, Law Offices of Thomas K. Crowe, P.C., Counsel to StanaCard, LLC, to Trent B. Harkrader, Deputy Chief, Investigations & Hearings Division, FCC Enforcement Bureau (Aug. 20, 2009, 17:50 EDT).

⁴ 47 U.S.C. §§ 214, 225; 47 C.F.R. Parts 63-64.

⁵ 47 U.S.C. § 214(a).

⁶ 47 C.F.R. § 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 as long as it obtains all necessary authorizations from the Commission for use of radio frequencies.”).

⁷ See Implementation of Section 402(b)(2)(A) of the Telecomm. Act of 1996, Report and Order in CC Docket No. 97-11, Second Memorandum Opinion & Order in AAD File No. 98-43, 14 FCC Rcd 11364, para. 2 (1999) (“Specifically, we grant ‘blanket’ entry certification to all carriers seeking to construct, operate, or engage in transmission over domestic lines of communication, to the extent such authority is required under the statute.”).

carrier that seeks Section 214 authority “for provision of common carrier communication services between the United States, its territories or possessions, and a foreign point” to request such authority by application.⁸ The application requirement applies to carriers that provide facilities-based service or that resell the service of another authorized carrier.⁹

4. The Commission has been charged by Congress to establish, administer and maintain various telecommunications regulatory programs, and to fund these programs through assessments on the telecommunications providers that benefit from them. To accomplish these goals, the Commission established “a central repository of key facts about carriers” through which it monitors the entry and operation of interstate telecommunications providers to ensure, among other things, that they are qualified to provide telecommunications service, do not engage in fraud, and do not evade oversight.¹⁰ The Rules require that upon entry or anticipated entry into interstate telecommunications markets, telecommunications carriers register by submitting information on FCC Form 499-A, also known as the Annual Telecommunications Reporting Worksheet (Annual Worksheet or Form 499-A).¹¹

5. Section 225(b)(1) of the Act, which codifies Title IV of the Americans with Disabilities Act of 1990, directs the Commission to “ensure that interstate and intrastate telecommunications relay services are available, to the extent possible and in the most efficient manner, to hearing-impaired and speech-impaired individuals in the United States.”¹² To that end, the Commission established the TRS Fund to reimburse TRS providers for the costs of providing interstate telecommunications relay services.¹³ Pursuant to Section 64.604(c)(5)(iii)(A) of the Rules, every provider of interstate telecommunications services must contribute to the TRS Fund based upon its end-user revenues.¹⁴

6. StanaCard, a Delaware limited liability company, is a resale provider primarily of international pre-paid telecommunications services. On August 20, 2009, StanaCard disclosed to the Bureau that it apparently had failed to comply with Sections 214 of the Act¹⁵ and Sections 63.18 and 64.1195(a) of the Rules¹⁶ because it had failed to obtain authorization for the provision of international

⁸ 47 C.F.R. § 63.18.

⁹ *Id.* § 63.18(e)(1)-(2).

¹⁰ *See Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, Third Report and Order and Second Order on Reconsideration, 15 FCC Rcd 15996, 16024–26, paras. 59–62 (2000) (*Carrier Selection Order*).

¹¹ 47 C.F.R. § 64.1195. *See also FCC Form 499-A Telecommunications Reporting Worksheet – Annual Filing*, available at <http://transition.fcc.gov/Forms/Form499-A/499a-2008.pdf> (February 2008).

¹² 47 U.S.C. § 225(b)(1).

¹³ *See Telecommunications Relay Services and the Americans with Disabilities Act of 1990*, Third Report and Order, 8 FCC Rcd 5300, 5301, para. 7 (1993). Telecommunications relay services enable persons with hearing and speech disabilities to communicate by telephone with voice-telephone users. Such services provide telephone access to a significant number of Americans who, without it, might not be able to make calls to or receive calls from voice-telephone users. *See Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Report and Order, 15 FCC Rcd 5140, 5143 ¶ 5 (2000). *See also* 64.601(a)(21)(definition of “telecommunications relay services”).

¹⁴ 47 C.F.R. § 64.604(c)(5)(iii)(A).

¹⁵ 47 U.S.C. §§ 214, 225.

¹⁶ 47 C.F.R. §§ 63.18, 64.604(c)(5)(iii)(A), 64.1195(a).

common carrier communications services, and it had not timely registered with the Commission.¹⁷ In response, the Bureau launched an investigation.

7. StanaCard registered with the Commission in February 2009, 23 months after it commenced service. The Company made its 2008 contribution to the TRS Fund approximately nine months late, and filed an application for international Section 214 authorization 27 months after it had started offering international service.¹⁸ On February 01, 2010, the International Bureau of the Commission granted StanaCard's application for the provision of global facilities-based and global resale services.¹⁹

III. TERMS OF AGREEMENT

8. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order.

9. **Jurisdiction.** StanaCard agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

10. **Effective Date: Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission order.

11. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigation. In consideration for the termination of the Investigation, StanaCard agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that in the absence of new material evidence, the Bureau will not use the facts developed in the 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 StanaCard concerning the matters that were the subject of the Investigation. The Bureau also agrees that in the absence of new material evidence it will not use the facts developed in the 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 StanaCard with respect to StanaCard's basic qualifications, including its character qualifications, to be a Commission licensee or hold Commission authorizations.

12. **Compliance Plan.** StanaCard agrees that it will implement a comprehensive Compliance Plan for the purpose of ensuring its compliance with the Communications Laws. The Compliance Plan shall include, at a minimum, the following components:

¹⁷ See *supra* note 3.

¹⁸ See IBFS File No. ITC-214-20090624-00301.

¹⁹ *International Authorizations Granted*, Public Notice, 25 FCC Rcd 1860 (FCC/IB 2010). During the pendency of this application for international Section 214 authorization, StanaCard was granted special temporary authority to provide international service. See IBFS File Nos. ITC-STA-20090625-00304, ITC-STA-20090902-00407, ITC-STA-20091106-00467, ITC-STA-20100105-00005.

- a) **Compliance Officer.** StanaCard shall designate a Compliance Officer, as defined in paragraph two of this Consent Decree, within thirty (30) calendar days of the Effective Date. The Compliance Officer shall administer the Compliance Plan, supervise StanaCard's compliance with the Communications Laws, and serve as the point of contact on behalf of StanaCard for all FCC-related compliance matters.
- b) **Compliance Manual.** Within sixty (60) calendar days of the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to StanaCard employees and others who perform StanaCard's federal regulatory reporting and compliance-related tasks, all of whom shall follow the procedures detailed in the Compliance Manual. The Compliance Manual will include at a minimum (i) an overview of the Commission's requirements, including the need for international Section 214 authorization prior to providing international common carrier telecommunications services; (ii) a description of the regulatory requirements applicable to the accurate and timely contributions to the TRS Fund pursuant to Section 225 of the Act and Section 64.604 of the Rules; and (iii) instructions regarding the Commission's registration requirement pursuant to Section 64.1195 of the Rules, including the obligation to notify the Commission of any changes to the information required as part of registration.²⁰
- c) **Compliance Training Program.** Within ninety (90) calendar days of the Effective Date, and annually thereafter, StanaCard shall implement and conduct a training program for all employees who perform duties at StanaCard that trigger or may trigger compliance-related responsibilities. StanaCard shall ensure that training and compliance materials are provided to new and reassigned employees who are responsible for fulfilling those obligations within the first thirty (30) calendar days of employment or reassignment.
- d) **Review and Monitoring.** StanaCard shall review the Compliance Manual and Compliance Training Program at least annually to ensure they are maintained in a proper manner and continue to address StanaCard's compliance with federal regulatory reporting obligations. StanaCard shall update the Compliance Manual and Compliance Training Program in the event of changes and/or additions to the Communications Laws.
- e) **Compliance Reports.** StanaCard shall file compliance reports with the Commission ninety (90) calendar days after the Effective Date, twelve (12) months after the Effective Date, twenty-four (24) months after the Effective Date, and upon expiration of this Compliance Plan, thirty-six (36) months after the Effective Date. Each compliance report shall include a compliance certificate from the Compliance Officer, as an agent of and on behalf of the Company, stating that the Compliance Officer has personal knowledge that the Company: (i) has established operating procedures intended to ensure compliance with the terms and conditions of this Consent Decree and Sections 214 and 225 of the Act²¹ and Sections 63.18,

²⁰ 47 C.F.R. § 64.1195(g).

²¹ 47 U.S.C. §§ 214, 225.

64.604(c)(5)(iii)(A), and 64.1195(a) of the Rules,²² together with an accompanying statement explaining the basis for the Compliance Officer's certification; (ii) has been utilizing those procedures since the previous Compliance Report was submitted; and (iii) is not aware of any instances of non-compliance. The certification must comply with Section 1.16 of the Rules²³ and be subscribed to as true under penalty of perjury in substantially the form set forth therein. If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of the Company, shall provide the Commission with a detailed explanation of: (i) any instances of non-compliance with this Consent Decree and Sections 214 and 225 of the Act²⁴ and Sections 63.18, 64.604(c)(5)(iii)(A), and 64.1195(a) of the Rules²⁵, and (ii) the steps that the Company has taken or will take to remedy each instance of non-compliance and ensure future compliance, and the schedule on which proposed remedial actions will be taken. All compliance reports shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, Room 4-C330, 445 12th Street, S.W., Washington, D.C. 20554, with a copy submitted electronically to Theresa Z. Cavanaugh at Terry.Cavanaugh@fcc.gov, Pamela S. Kane at Pamela.Kane@fcc.gov and to Robert B. Krinsky at Robert.Krinsky@fcc.gov.

- f) **Reporting Non-Compliance.** StanaCard shall report any non-compliance with this Consent Decree, Sections 214 and 225 of the Act, Parts 63 and 64 of the Rules, and related Commission orders to the Bureau within 30 calendar days after the discovery of non-compliance.
- g) **Termination Date of Compliance Plan.** The requirements relating to the Compliance Plan shall expire three (3) years after the Effective Date, unless stated otherwise.

13. **Section 208 Complaints; Subsequent Investigations.** 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 StanaCard 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 StanaCard with the Communications Laws.

14. **Voluntary Contribution.** StanaCard agrees that it will make a voluntary contribution to the United States Treasury in the amount of one hundred thirty-six thousand dollars (\$136,000.00), with an initial payment of thirty-six thousand dollars (\$36,000.00) and four (4) quarterly installment payments of twenty-five thousand dollars (\$25,000.00) paid over the course of a twelve-month period. The initial payment of \$36,000.00 shall be made within thirty (30) calendar days of the Effective Date. The first \$25,000 installment shall be made within one hundred twenty (120) calendar days of the Effective Date,

²² 47 C.F.R. §§ 63.18, 64.604(c)(5)(iii)(A), 64.1195(a).

²³ *Id.* § 1.16.

²⁴ 47 U.S.C. §§ 214, 225.

²⁵ 47 C.F.R. §§ 63.18, 64.604(c)(5)(iii)(A), 64.1195(a).

the second \$25,000 installment shall be made within two hundred ten (210) calendar days of the Effective Date, the third \$25,000 installment shall be made within three hundred (300) calendar days of the Effective Date, and the fourth \$25,000 installment shall be made within three hundred ninety (390) calendar days of the Effective Date. The payments must include the Account Number and FRN referenced in the caption to the Adopting Order. Payments by check or money Order may be mailed to the Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payments by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payments by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payments by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the Account number in block number 23A (call sign/other ID), and enter the letters “FORF” in block number 24A (payment type code). StanaCard shall send electronic notification of each installment payment to Robert B. Krinsky at Robert.Krinsky@fcc.gov on the dates payments are made.

15. **Waivers.** StanaCard 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 Adopting Order, provided the Bureau issues an Adopting Order, adopting the Consent Decree without change, addition, modification, or deletion. StanaCard shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. 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 StanaCard nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and StanaCard shall waive any statutory right to a trial de novo. StanaCard hereby agrees to waive any claims it may 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.

16. **Invalidity.** In the event that this Consent Decree in its entirety 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.

17. **Subsequent Rule or Order.** The Parties 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 StanaCard does not expressly consent) that provision will be superseded by such Commission Rule or Order.

18. **Successors and Assigns.** StanaCard agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

19. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the matters set forth herein. The Parties further 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 Communications Laws.

20. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

21. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

22. **Authorized Representative.** The individual signing this Consent Decree on behalf of StanaCard represents and warrants that he is authorized by StanaCard to execute this Consent Decree and to bind StanaCard to the obligations set forth herein. The FCC signatory represents that she is signing this agreement in her official capacity and that she is authorized to execute this Consent Decree.

23. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

P. Michele Ellison
Chief
Enforcement Bureau
Federal Communications Commission

Date

Manlio Carrelli
Chief Executive Officer
StanaCard, LLC

Date