PERFORMANCE BOND REQUIREMENTS

Frequently Asked Questions

 Updated on 05-08-2025

1. **What is the purpose of the performance bond for a telephone corporation?**

The performance bond is a mechanism to facilitate the collection of fines, fees, surcharges, taxes, penalties, and restitution in the event enforcement action is required.

1. **What are the CPUC authorizing rules on performance bonds?**

The following decisions established the performance bond requirements for all types of Telephone Corporations: [Decision (D.)10-09-017](http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/123009.htm)/[D.11-09-026](http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/144197.PDF), [D.13-05-035](http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M066/K368/66368352.PDF) and [D.24-11-003](https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=546367929).

1. **What are the performance bond requirements?**
* The performance bond amount must be equal to $25,000.
* The performance bond must be a continuous bond and no termination date.
* The performance bond must include language related to “…facilitate the collection of fines, fees, surcharges, taxes, penalties, and restitution…”
* The performance bond must be issued by a corporate surety company authorized to transact surety business in California.
* The CPUC must be listed as the obligee on the performance bond.
* The initial executed and signed performance bond must be filed via Advice Letter – Tier 1 within 30 days from the effective date of being granted an operating authority or registration.
* Carriers must file annually a copy of their executed performance bond via Advice Letter – Tier 1 on or before March 31st of each calendar year.
1. **Who is required to comply with the Performance Bond requirements?**

All telephone corporations (carriers) with an operating authority pursuant to Public (Pub.) Utilities (Util.) Code Sections 1001 and 1013 or Communications Division (CD) Director approval obtained through the Wireless ID Registration and Nomadic Registration are required to post a continuous performance bond with the CPUC in the amount of $25,000.

All Telephone corporations issued a utility ID number and are active in the CPUC system are required to comply with the performance bond requirements.

1. **Are there carriers who are exempt from filing a Performance Bond?**

Pursuant to [D.13-05-035](http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M066/K368/66368352.PDF), Carriers of Last Resort (COLR) including Uniform Regulatory Framework (URF) and General Rate Case (GRC) Incumbent Local Exchange Carriers (ILECs) and their wholly – owned or majority owned affiliates or subsidiaries of their corporate parent or holding company and Cox Communications where it serves as a COLR are exempted from the Performance Bond requirements.

1. **I am a telephone corporation and have multiple Utility ID numbers, can I file one and use the same performance bond to meet the requirements?**

No, all telephone corporations are required to maintain one performance bond per Utility ID Number with a minimum amount of $25,000.

1. **I have one utility ID number and assigned multiple utility types; do I need to file multiple performance bonds for each utility type designation?**

No, all telephone corporations are required to maintain one performance bond per Utility ID Number.

***Note***: Additional information on **utility type designation** is available at the CPUC Website: [**https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-carrier-types-with-definition**](https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-carrier-types-with-definition)**.**

1. **I previously submitted and maintained two different bonds to comply as an NDIEC holder and a CPCN holder even though I had only one utility ID number; do I need to do anything?**

Pursuant to [D.24-11-003](https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=546367929), maintaining two separate bonds is no longer necessary. All telephone corporations are only required to maintain one performance bond per Utility ID Number with a minimum amount of $25,000.

1. **Do I need to mail in the original copy (with embossed seal) of the performance bond to the CPUC in addition to filing an Advice Letter – Tier 1?**

Pursuant to [D.24-11-003](https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=546367929), in addition to filing the performance bond electronically as a Tier 1 advice letter, the hard copy original document, if it exists, must be separately sent to the following:

California Public Utilities Commission

ATTN: Communications Division - Performance Bond

505 Van Ness Avenue, Third Floor

San Francisco, California 94102

If no hard copy original exists (the performance bond is only in electronic version), the carrier must submit with its Tier 1 advice letter filing an attestation stating that there is no original hard copy provided by the surety company and that the electronic bond is the same legal instrument as the paper bond.

1. **Where can I obtain a performance bond?**

You may obtain a performance bond through any surety who is licensed to provide bonds in California. A **list of surety compani**es is available from by performing a search using the **Lines of Insurance Search** feature from the California Department of Insurance website at: <https://interactive.web.insurance.ca.gov/apex_extprd/f?p=144:10>

1. **Is there a specific template that performance bonds must follow?**

A **sample bond template** is available at the CPUC website at: <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/performance-bond-requirements>.

1. **How do I file a performance bond to comply with CPUC Requirements?**

Performance bonds must be filed as an Advice Letter – Tier 1. More **Advice Letter Information** is available at the CPUC website: <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/advice-letter-information>.

1. **What if I am unable to secure and file an initial performance bond by the established due date?**

Carriers may request a one-time extension of up to 60 days to file an initial performance bond by completing and submitting the **Performance Bond Filing Extension Request Form** via email to [cdcompliance@cpuc.ca.gov](file:///C%3A%5CUsers%5Cllt%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CINetCache%5CContent.Outlook%5CGAD6PTF9%5Ccdcompliance%40cpuc.ca.gov). The form is available at the CPUC website at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/licensing-compliance/performance-bond-requirements/2025-performance-bond-extension-form-final.pdf>.

1. **What are the required documents for the annual performance bond filing due on March 31 of each year?**

The Advice Letter – Tier 1 filing should include a copy of the original bond, a certificate of renewal and/or proof of invoice payment of the renewal for the continuous performance bond. The renewal documents should reference the original bond number.

1. **I have a utility ID number, and I do not provide services to any customers, do I need to comply with performance bond requirements annually?**

Yes. All carriers with an active operating authority or registration must comply with the annual performance bond filing requirement even if they do not provide service to customers.

1. **My company has changed its name, do I need to do anything to my performance bond?**

Carriers must first file a Tier 1 Advice Letter notifying the CPUC of the company name change. Once the Advice Letter is approved a bond rider will need to be issued by the Surety updating the Carrier’s name. The bond rider should be filed as an advice letter.

1. **Is there a penalty for failing to comply with annual performance bond requirements?**

Yes, the Communications Divisions is authorized to issue a citation pursuant to Resolution T-17601 and penalize $1000 for the violation and increase this by $200 when issuing a second citation notice. Additional information on the **CD Citation Program** is available at the CPUC website: <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/cd-citation-program-for-service-providers>

1. **Where can I find more information about Performance Bond Requirements?**

More **Performance Bond Requirement** information is available at the CPUC website: <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/carrier-reporting-requirements/performance-bond-requirements>.

1. **If I have more questions, who can I contact?**

If you still have questions, you may send your email questions to CDCompliance@cpuc.ca.gov.