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**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of )  
)  
Federal-State Joint Board on Universal Service ) WC Docket No. 09-197  
)  
T C Telephone LLC d/b/a Horizon Cellular )  
)  
Petition for Limited Designation as an Eligible )  
Telecommunications Carrier in the States of )  
Alabama, Connecticut, Delaware, Florida, )  
Maine, New Hampshire, North Carolina, New )  
York, Tennessee, Texas, the Commonwealth )  
of Virginia, and the District of Columbia )

**PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER IN THE STATES OF ALABAMA,  
CONNECTICUT, DELAWARE, FLORIDA, MAINE, NEW HAMPSHIRE, NORTH  
CAROLINA, NEW YORK, TENNESSEE, TEXAS, THE COMMONWEALTH OF  
VIRGINIA, AND THE DISTRICT OF COLUMBIA**

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August 14, 2015

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## SUMMARY

T C Telephone LLC d/b/a Horizon Cellular (“T C Telephone”) is seeking limited designation as an Eligible Telecommunications Carrier (“ETC”) in the States of Alabama, Connecticut, Delaware, Florida, Maine, New Hampshire, North Carolina, New York, Tennessee, Texas, the Commonwealth of Virginia, and the District of Columbia (collectively the “Non-Jurisdictional States”) pursuant to Section 214(e)(6) of the Communications Act, solely for purposes of offering services supported by the Universal Service Fund’s (“USF”) Lifeline program. T C Telephone is a Mobile Virtual Network Operator (“MVNO”) that purchases wireless service on a wholesale basis from Sprint. Each Non-Jurisdictional State has provided an affirmative statement that it does not exercise jurisdiction over wireless providers for purposes of ETC designation. Accordingly, pursuant to Section 214(e)(6), the Commission has the authority to designate T C Telephone as an ETC in the Non-Jurisdictional States.

T C Telephone meets all of the requirements under Section 214(e)(1) for the limited ETC designation requested herein except for providing service, at least in part, using its own facilities. However, the Commission granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation in its Lifeline and Link-Up Reform Order released February 6, 2012.<sup>1</sup> Through its contracts with underlying carriers, T C Telephone has the ability to offer all of the services and functionalities supported by the USF and set forth in Section 54.101(a) of the Commission’s rules. T C Telephone therefore respectfully requests that the Commission promptly approve the instant request for limited ETC designation to enable the

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<sup>1</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline and Link Up Reform Order*”).

Company to rapidly provide Lifeline services to qualifying customers in the Non-Jurisdictional States.

Designating T C Telephone as an ETC in the Non-Jurisdictional States will promote the public interest by providing qualifying low-income customers in the Non-Jurisdictional States with lower prices and high-quality wireless services. Many low-income customers in the Non-Jurisdictional States have yet to reap the well-documented benefits of wireless service because of financial constraints, poor credit history, or intermittent employment. T C Telephone's prepaid service offerings are ideally suited to provide these customers with reliable and cost-effective wireless services. As an ETC, T C Telephone will be able to provide discounted and affordable services to these consumers who are among the intended beneficiaries of USF support. T C Telephone's designation will specifically serve the public interest because of the aggressive pricing plans that T C Telephone will provide (see Attachment A) and because of the Company's unique distribution channels via relationships with small retail stores in low-income neighborhoods that will permit customers to obtain service, phones, and refill minutes without traveling outside their neighborhoods or using a computer.

ETC designation for Lifeline service is consistent with precedent and will serve the public interest, and should be granted without delay.

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**PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE  
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CONNECTICUT, DELAWARE, FLORIDA, MAINE, NEW HAMPSHIRE, NORTH  
CAROLINA, NEW YORK, TENNESSEE, TEXAS, THE COMMONWEALTH OF  
VIRGINIA, AND THE DISTRICT OF COLUMBIA**

**I. INTRODUCTION**

T C Telephone LLC d/b/a Horizon Cellular (“T C Telephone” or “the Company”), pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (“Act”), and Section 54.201 of the rules of the Federal Communications Commission (“FCC” or “Commission”), hereby requests limited designation as an eligible telecommunications carrier (“ETC”) in the States of Alabama, Connecticut, Delaware, Florida, Maine, New Hampshire, North Carolina, New York, Tennessee, Texas, the Commonwealth of Virginia, and the District of Columbia (collectively the “Non-Jurisdictional States”). T C Telephone seeks ETC designation in the Non-Jurisdictional States only for purposes of participation in the Universal Service Fund’s (“USF”) Lifeline program and does *not* seek to participate in the Link-Up or the High-Cost support programs.

Since the Alabama Public Service Commission, the Connecticut Department of Public Utility Control, the Delaware Public Service Commission, the District of Columbia Public Service Commission, the Florida Public Service Commission, the Maine Public Utilities Commission, the New Hampshire Public Utilities Commission, the North Carolina Utilities Commission, the New York Public Service Commission, the Tennessee Regulatory Authority, the Texas Public Utility Commission, and the Virginia State Corporation Commission (collectively, the “State Commissions”) lack jurisdiction to designate T C Telephone as an ETC, the Commission, under Section 214(e)(6) of the Act, has the authority to consider and grant this request.<sup>2</sup> As more fully described below, T C Telephone satisfies the requirements for designation as an ETC in the Non-Jurisdictional States, including the new requirements outlined in the FCC’s *USF/ICC Transformation Order*<sup>3</sup> and *Lifeline and Link Up Reform Order*,<sup>4</sup> and will offer all of the services and functionalities supported by the universal service program throughout its designated service areas in the Non-Jurisdictional States. Grant of T C Telephone’s request, therefore, will promote the public interest by providing customers in the Non-Jurisdictional States with low prices and high quality wireless services through innovative distribution channels.

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<sup>2</sup> See 47 U.S.C. § 214(e)(6).

<sup>3</sup> *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (“*USF/ICC Transformation Order*”).

<sup>4</sup> See *supra* note 1.

## II. BACKGROUND

### A. Company Overview

T C Telephone is a California limited liability company.<sup>5</sup> T C Telephone will provide prepaid wireless telecommunications services to consumers by using the Sprint Spectrum L.P. (“Sprint”) network on a wholesale basis. Sprint is a nationwide carrier that provides wholesale capacity on its wireless network to wireless resellers like T C Telephone. T C Telephone will obtain from Sprint, via an agreement with Cintex Wireless, LLC, the network infrastructure and wireless transmission facilities to allow T C Telephone to operate as a Mobile Virtual Network Operator (“MVNO”), similar to TracFone and Virgin Mobile, both of whom have been granted ETC status by the Commission.<sup>6</sup> T C Telephone will purchase services from Sprint, via its agreement with Cintex Wireless, LLC, on a wholesale basis for mobile calling and text messaging, package those services into T C Telephone’s own service plans and pricing, and bundle those service with T C Telephone’s handset selection, mobile applications, marketing materials, web

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<sup>5</sup> The Company does not have any holding companies, operating companies or affiliates. The Company identifies itself as T C Telephone or by its d/b/a Horizon Cellular on its marketing and advertising materials.

<sup>6</sup> *Federal-State Joint Board on Universal Service, TracFone Wireless, Inc., Petitions for Designation in the States of Alabama, Connecticut, Delaware, Florida, North Carolina, New Hampshire, New York, North Carolina, Pennsylvania, Tennessee, Virginia, and Washington D.C.*, CC Docket No. 96-45, Order, 23 FCC Rcd 6206 (2008) (“*TracFone ETC Order*”); *Petition of Virgin Mobile USA, L.P. for Forbearance from 47 U.C.S. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009) (“*Virgin Mobile Order*”). The Commission had previously granted TracFone forbearance from the facilities requirement for ETC designation, permitting TracFone to offer the supported services via resale only. *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (“*TracFone Forbearance Order*”). The *Virgin Mobile Order* contained both the forbearance analysis and ETC designation.

interface, and customer service to produce finished wireless service offerings to sell to end-user customers.

Affordable and easy to use prepaid wireless services are attractive to low-income and lower-volume consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or were previously ignored by traditional carriers, T C Telephone will expand the availability of wireless services to many more low-income consumers, which is one of the principal objectives of Congress' universal service program as codified in Section 254 of the Act, 47 U.S.C. § 254.

T C Telephone will offer consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of other, similar MVNOs' customers, T C Telephone anticipates that many of its customers will be from low-income backgrounds and will not previously have enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. T C Telephone does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service. T C Telephone allows customers to choose a prepaid plan in which they are charged only for the minutes they use.

## **B. Lifeline Program**

Universal service has been a fundamental component of U.S. telecommunications policy since adoption of the Act over 70 years ago. Section 254 of the Act codified that commitment in 1996, and embodies the Commission's historical commitment to the concept of universal service, including for low-income consumers. Section 254(b) sets forth the principles upon which the

Commission shall base its policies for the promotion and advancement of universal service. These principles require the Commission to ensure that all consumers, including low-income consumers, have access to telecommunications services at affordable and reasonably comparable rates.<sup>7</sup> As part of those universal service support programs, Lifeline support helps defray the monthly costs of telecommunications services for low-income consumers by providing them with discounts off the monthly cost of telephone service, with additional discounts available for individuals living on tribal lands.<sup>8</sup>

While generally praising the Low-Income program's success, the Commission has noted that "there is more that we can do to make telephone service affordable for more low-income households," and has specifically targeted telephone subscription among low income consumers as one area for improvement.<sup>9</sup> To increase awareness of the program, the Commission has expanded the qualifying criteria and adopted broader outreach guidelines, requiring carriers to better advertise the availability of Lifeline services. Through these actions, the Commission has sought to increase Lifeline participation because "[w]hen consumers are able to only intermittently remain on the network, they are not fully connected to society and the economy . . . . The Commission has found that the low-income program 'provide[s] the best source of assistance for individuals to

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<sup>7</sup> See 47 U.S.C. § 254. Section 254(b)(3) of the Act requires the Commission to determine whether "consumers in all regions of the Nation, *including low-income consumers* and those in rural, insular, and high cost areas . . . have access to telecommunications [services]." 47 U.S.C. § 254(b)(3) (emphasis added).

<sup>8</sup> 47 C.F.R. §§ 54.400 and 54.401.

<sup>9</sup> See *Lifeline and Link Up Reform Order* at ¶¶ 27-30; See also *Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8305 ¶ 1 (2004) ("*Lifeline Order*").

obtain and retain universal service, and, therefore, help maintain and improve telephone subscribership' and fulfill our obligations under Section 254 of the Act.”<sup>10</sup>

### **C. Proposed Lifeline Offering**

T C Telephone intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice usage at all price points. As summarized in Attachment A, attached hereto, the Company's Lifeline offering will provide customers with the following plan options:

1. 250 minutes per month at no cost;
2. 450 minutes for \$9.00 per month;
3. 750 minutes for \$20.00 per month; or
4. Unlimited minutes and text for \$29.99 per month.

The Company also proposes to offer one plan with a broadband component:

5. 250 minutes plus 250MB data per month, paid at \$10.00 every 3 months

Text messaging and data usage will be available on all plans at the rate of 1 text or 1 MB per 1 minute of voice. Data available is 3G and does not rollover. Minutes do not rollover and will be credited to a customer's account on their monthly anniversary date - which is set on their Lifeline activation date. Lifeline customers will also have access to voice mail, caller I.D. and call waiting services at no additional charge, even after their initial allotment of included minutes has been consumed. Airtime minutes are not deducted for calls to customer service (via 611 or the toll free number) or calls to 911; customers may place calls to 911 for free, regardless of account balance or activation status. Customers are not bound by a local calling area requirement; all Company plans

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<sup>10</sup> See *Lifeline and Link-Up Reform Order* at ¶ 16.

come with domestic long distance at no extra charge and exceptional nationwide digital coverage on the Nationwide Sprint Network. T C Telephone currently blocks roaming and international calling features, so Lifeline customers are not at risk for incurring unexpected charges for these features.

Lifeline customers will be able to choose from a range of handsets available for purchase, as affordable as \$20.00 as well as models up to \$400.00 with financing available if needed. Lifeline customers can also purchase additional airtime if needed. Airtime cards will be available in denominations of \$6.00 (30 minutes), \$11.00 (90 minutes), \$20.00 (300 minutes), \$25.00 (500 minutes) and \$55.00 (1000 minutes), and may be purchased by calling Customer Service. Additional data will be available for purchase in denominations of \$5.00 (250 MB data for every \$5, i.e. \$0.02 per MB). T C Telephone does not impose burdensome credit checks or long-term service contracts. T C Telephone's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

### **III. THE COMMISSION HAS AUTHORITY TO PERFORM THE ETC DESIGNATION**

Pursuant to Section 214(e)(6), the Commission may designate as an ETC “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a state commission.”<sup>11</sup> The Commission has established that a carrier must demonstrate that it “is not subject to the jurisdiction of a state commission” before it may consider an application for ETC designation.<sup>12</sup> The Commission also has stated that any carrier seeking

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<sup>11</sup> See 47 U.S.C. § 214(e)(6).

<sup>12</sup> See *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, CC Docket No. 96-45, Public Notice, 12 FCC Rcd 22947, 22948 (1997).

ETC designation from it must provide the Commission with an “affirmative statement” from the state PUC that it lacks jurisdiction to perform the ETC designation.”<sup>13</sup>

None of the states for which T C Telephone requests ETC designation from the FCC has the jurisdiction to designate the Company as an ETC:

a) The Alabama Public Service Commission has concluded that it “has no jurisdiction to take action” on ETC petitions, and that “wireless providers seeking ETC status should pursue their ETC designation request with the FCC.” A copy of the Alabama Public Service Commission’s order is attached as Attachment B.

b) The Connecticut Department of Public Utility Control has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. A sample letter is attached as Attachment C.

c) The Delaware Public Service Commission has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. A sample letter is attached as Attachment D.

d) The District of Columbia Public Service Commission has provided a letter clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. The letter is attached as Attachment E.

e) The Florida Public Service Commission has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. A sample letter is attached as Attachment F.

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<sup>13</sup> See *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscriberhip in Unserved and Underserved Areas, Including Tribal and Insular Areas*, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12264 ¶ 113 (2000).

f) The Maine Public Utilities Commission has concluded that “the Commission will no longer certify carriers that apply for ETC designation for the sole purpose of offering Lifeline, Link-Up, or other low-income program benefits. Going forward, such carriers will apply to the [FCC] for ETC designation.” A copy of the Maine Public Utilities Commission’s Order is attached as Attachment G.

g) The New Hampshire Public Utilities Commission has provided a letter clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. The letter is attached as Attachment H.

h) The New York Public Service Commission has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. A sample letter is attached as Attachment I.

i) The North Carolina Utilities Commission has concluded that “the Commission lacks jurisdiction over CMRS services and the appropriate venue for the designation of ETC status for such services is with the FCC.” A copy of the North Carolina Utilities Commission’s Order is attached as Attachment J.

j) The Tennessee Regulatory Authority has concluded that its statutory “lack of jurisdiction over CMRS providers” precludes it from processing ETC petitions. A copy of the Tennessee Regulatory Authority’s order is attached as Attachment K.

k) The Texas Public Utility Commission adopted an amendment to “exclude commercial mobile radio service (CMRS) resellers from eligibility for designation by the commission as an eligible telecommunications carrier (ETC).” And instead, “a CMRS reseller will be able to seek designation as an ETC by the Federal Communications Commission (FCC).” A copy of the Texas Public Utility Commission’s Order is attached as Attachment L.

1) The Virginia Corporation Commission has concluded that “§ 214(e)(6) of the Act is applicable” to wireless ETC petitions “because [the Virginia Commission] has not asserted jurisdiction over CMRS carriers,” and that wireless ETC applicants “should apply to the Federal Communications Commission.” A copy of the Virginia Commission’s Order is attached as Attachment M.

Accordingly, for each of the Non-Jurisdiction States, T C Telephone is “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission.”<sup>14</sup> As such, the Commission is authorized to designate T C Telephone as an Eligible Telecommunications Carrier.

#### **IV. T C TELEPHONE REQUESTS ETC DESIGNATION IN ITS SERVICE AREAS IN THE NON-JURISDICTIONAL STATES FOR PARTICIPATION IN THE LIFELINE PROGRAM**

##### **A. T C Telephone Requests ETC Designation in its Existing Service Area**

Consistent with prior orders granting other MVNOs ETC status,<sup>15</sup> T C Telephone requests ETC designation for its entire service area in the states of Alabama, Connecticut, Delaware, District of Columbia, Florida, Maine, New Hampshire, North Carolina, New York, Tennessee, Texas, and Virginia (i.e., the area served by the facilities-based carriers from whom it obtains wholesale service), but excluding any Tribal Areas.<sup>16</sup> T C Telephone understands that its service area overlaps with several rural carriers’ service areas but maintains that the public interest factors described below justify its designation in these service areas, especially since it only seeks ETC designation for purposes of participation in the Lifeline program.

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<sup>14</sup> 47 U.S.C. § 214(e)(6).

<sup>15</sup> See *TracFone ETC Order* and *Virgin Mobile Order*, *supra* note 6.

<sup>16</sup> See Attachment N for a chart reflecting the service areas of the non-rural and rural telephone companies that T C Telephone’s authorized service area covers in the Non-Jurisdictional States.

**B. T C Telephone's Limited ETC Designation Request Only Seeks Authority to Participate in the Lifeline Program**

Consistent with the scope of forbearance granted by the Commission, T C Telephone requests ETC designation in the Non-Jurisdictional States for the sole purpose of participating in the Lifeline program. T C Telephone does not seek eligibility to receive support from the High-Cost support program. As demonstrated herein, the instant request to participate in the Lifeline program is consistent with the Commission's requirements for ETC designation and would promote the goals of universal service by offering the many benefits of supported services to low-income customers in the Non-Jurisdictional States. As discussed above, T C Telephone's Lifeline offerings will include many features specifically designed for qualifying low-income customers, who currently lack appealing and affordable options for wireless services, many of whom are therefore unable to subscribe to wireless services.

**C. The Limited Designation Request is Consistent with Recent Precedent**

T C Telephone's request for designation to participate in the Lifeline program is consistent with the Commission's decisions conditionally designating TracFone Wireless and Virgin Mobile as ETCs in several states.<sup>17</sup> In its decisions, the Commission determined that the requests of TracFone and Virgin Mobile satisfied all of the eligibility requirements and that designation would serve the public interest.<sup>18</sup> The Commission specifically noted in the *TracFone* and *Virgin Mobile Orders* that designation of prepaid wireless providers as ETCs will

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<sup>17</sup> See *supra* note 6.

<sup>18</sup> See *TracFone ETC Order*, 23 FCC Rcd at 6212-13 ¶ 15; *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38.

provide a variety of benefits to low-income consumers, including increased consumer choice, high-quality service offerings and mobile access to emergency services on wireless devices.<sup>19</sup>

T C Telephone requests that the Commission expeditiously process its pending ETC applications so that it can quickly join TracFone and Virgin Mobile in providing qualifying low-income customers with affordable USF-supported Lifeline wireless services. Designation of prepaid wireless providers such as TracFone, Virgin Mobile, and T C Telephone as ETCs is a significant step towards ensuring that all customers, particularly low-income customers, share in the many benefits associated with access to affordable wireless telecommunications services. During an economic downturn, many existing wireless customers have to forego wireless services because they can no longer afford them. Designation of ETC status to prepaid wireless carriers like TracFone, Virgin Mobile, and T C Telephone helps to close the widening gap for wireless services and provide low-income customers with the significant advantages associated with access to wireless services. The Commission has found that voice service has “become crucial to full participation in our society and economy, which are increasingly dependent upon the rapid exchange of information.”<sup>20</sup> As noted in a study sponsored by the Massachusetts Institute of Technology’s Legatum Center for Development and Entrepreneurship and New Millennium Research Council, low-income customers receive significant economic and social benefits from wireless services, including enhanced productivity, increased economic opportunity, and broader access to emergency and safety services.<sup>21</sup>

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<sup>19</sup> *See Id.*

<sup>20</sup> *See Lifeline and Link Up Reform Order* at ¶ 12.

<sup>21</sup> Nicholas P. Sullivan, New Millennium Research, *Cell Phones Provide Significant Economic Gains for Low-Income American Households: A Review of Literature and Data from Two New* (continued on next page)

## V. T C TELEPHONE SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC

Section 214(e)(1) of the Act and Section 54.201(d) of the Commission's rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier's services, except where the Commission has forborne from the "own facilities" requirement. Applicants also must commit to advertise the availability and rates of such services.<sup>22</sup> As detailed below, T C Telephone satisfies each of the above-listed requirements.

### A. T C Telephone is a Common Carrier

CMRS resellers like T C Telephone are common carriers.<sup>23</sup>

### B. T C Telephone Will Provide the Supported Services Consistent With the Commission's Grant of Forbearance from Section 214's Facilities Requirements

Although Section 214 requires ETCs to provide services using their facilities, at least in part, the Commission has forborne from that requirement with respect to carriers such as T C Telephone. In the *Lifeline and Link Up Reform Order*, the Commission granted forbearance

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*Surveys*, (April 2008), available at [http://newmillenniumresearch.org/archive/Sullivan\\_Report\\_032608.pdf](http://newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf).

<sup>22</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

<sup>23</sup> *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); see also *PCIA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, . . . all mobile telephone services and resellers of such services.") (emphasis added).

from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>24</sup>

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier’s service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary.”

T C Telephone will avail itself of the FCC’s grant of blanket forbearance.<sup>25</sup> In accordance with the *Lifeline and Link Up Reform Order*, T C Telephone filed its Compliance Plan with the FCC on August 13, 2015. A copy of its Compliance Plan is attached to this Petition as Attachment O. T C Telephone commits to providing Lifeline service in the Non-Jurisdictional States in accordance with the Compliance Plan.<sup>26</sup>

### **C. T C Telephone Offers All of the Required Services and Functionalities**

Through its wholesale arrangements with Sprint, T C Telephone is able to provide all of the services and functionalities supported by the universal service program under Section 54.101

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<sup>24</sup> See *Lifeline and Link Up Reform Order* at ¶¶ 368, 373 and 379.

<sup>25</sup> Although the Company qualifies for and seeks to avail itself of the Commission’s grant of forbearance from the facilities requirement of section 214(e)(1)(A), the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state, particularly for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission’s Lifeline rules and its Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income fund.

<sup>26</sup> To the extent that future changes in federal regulations render the commitments made in the Compliance Plan invalid, the Company reserves the right to modify its operations in accordance with federal regulations in effect at that time.

of the Commission's rules in the Non-Jurisdictional States. T C Telephone will make these services and functionalities available to qualifying consumers with service addresses in Alabama, Connecticut, Delaware, District of Columbia, Florida, Maine, New Hampshire, North Carolina, New York, Tennessee, Texas, and Virginia.

**1. Voice Grade Access to the Public Switched Telephone Network**

T C Telephone provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from Sprint.

**2. Local Usage**

As part of the voice grade access to the PSTN, an ETC must provide minutes of use for local service at no additional charge to end-users. The FCC has not specified a minimum amount of local usage that an ETC must offer.<sup>27</sup> However, T C Telephone offers a variety of rate plans that include minutes of use for, among other things, local service.

**3. Access to Emergency Services**

T C Telephone provides nationwide access to 911 and E911 emergency services for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. In accordance with its forbearance, T C Telephone will provide access to 911 and E911 services regardless of activation status and availability of minutes, and will provide only E911-compliant handsets to its Lifeline customers.

**4. Toll Limitation for Qualifying Low-Income Consumers**

In its *Lifeline and Link Up Reform Order*, the FCC stated that toll limitation would no

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<sup>27</sup> See e.g., *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

longer be deemed a supported service.<sup>28</sup> “ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls.”<sup>29</sup> Nonetheless, T C Telephone’s offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. T C Telephone’s service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same. T C Telephone will not seek reimbursement for toll limitation service.

#### **D. Advertising of Supported Services**

T C Telephone will advertise the availability and rates for the services described above using media of general distribution as required by Section 54.201(d)(2) of the Commission’s regulations,<sup>30</sup> and in accordance with the requirements set forth in the *Lifeline and Link Up Reform Order*.<sup>31</sup> The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline services, using media of general distribution that may include advertisements via newspapers, radio, in-person contact by agents, and direct mailings. These advertising campaigns will be specifically targeted to reach low-income customers, promoting the availability of cost-effective wireless services to this neglected consumer segment.

In addition, T C Telephone may supplement these methods of communication to specifically advertise and promote the availability of its Lifeline offerings to qualifying customers throughout the Non-Jurisdictional States. T C Telephone may engage in outreach at various state and local social service agencies, and/or partner with nonprofit assistance

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<sup>28</sup> See *Lifeline and Link Up Reform Order* at ¶ 367.

<sup>29</sup> See *Lifeline and Link Up Reform Order* at ¶ 49.

<sup>30</sup> See 47 C.F.R. § 54.201.

<sup>31</sup> See *Lifeline and Link Up Reform Order* at Section VII.F.

organizations in order to inform customers of the availability of its Lifeline services. In such cases, T C Telephone will provide retail vendors with signage to be displayed where T C Telephone products are sold, and with printed materials describing T C Telephone's Lifeline program. Given the relationship that exists between T C Telephone, low-income consumers, and retail outlets that are often visited by low-income consumers, T C Telephone expects to be able to inform consumers of the availability of Lifeline service in a manner that will result in significantly higher participation in the Lifeline program by qualified consumers than has been the case in the past.

**E. Service Commitment Throughout the Proposed Designated Service Area**

T C Telephone will provide service in the Non-Jurisdictional States by reselling service which it obtains from its underlying facilities-based provider, Sprint, via an existing agreement with the wholesaler, Cintex Wireless, LLC. The underlying provider's network is operational and largely built out. Thus, T C Telephone will be able to commence offering its Lifeline service to all locations served by its underlying carrier very soon after receiving approval from the Commission. T C Telephone commits to comply with the service requirements applicable to the support that it receives.<sup>32</sup>

**F. Five-Year Network Improvement Plan**

As set forth in the *Lifeline and Link Up Reform Order*, a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC.<sup>33</sup>

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<sup>32</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a)(1)(i).

<sup>33</sup> See *Lifeline and Link Up Reform Order* at ¶ 386.

### **G. Ability to Remain Functional in Emergency Situations**

In accordance with 47 C.F.R. §54.202(a)(2), T C Telephone has the ability to remain functional in emergency situations. As described herein, T C Telephone purchases on a wholesale basis the wireless network services of Sprint, a large, national carrier that is itself subject to various regulatory requirements to remain functional in emergencies, from Cintex Wireless, LLC. Through Sprint, T C Telephone provides to its customers the same ability to remain functional in emergency situations as currently provided by Sprint to its own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. Furthermore, the Company is subject to its own 911 requirements in 47 C.F.R. 20.18(m), and has committed to specific 911 and E911-related requirements—including with respect to E911 handsets—in its Compliance Plan.

### **H. Commitment to Consumer Protection and Service Quality**

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.<sup>34</sup> The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. T C Telephone commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service.

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<sup>34</sup> See 47 C.F.R. § 54.202(a)(3).

## **I. T C Telephone is Financially and Technically Capable**

T C Telephone is financially and technically capable of providing Lifeline-supported services.<sup>35</sup> T C Telephone has been providing wireless service to non-Lifeline customers for over nine (9) years. T C Telephone has not been subject to enforcement action or ETC revocation proceedings in any state. T C Telephone is financially able to provide Lifeline-supported services; the Company does not—and does not intend to—rely exclusively on universal service disbursements to operate. T C Telephone has approximately one thousand eight hundred (1,800) Lifeline wire-line subscribers, approximately three hundred (300) wire-line and less than one hundred (100) wireless subscribers in California at this time. In the event that USAC ceases disbursements for a period of time, the Company will still be able to provide service to its customers. The Company will continue to rely on its successful business model and service offerings to sustain and grow its business, independent of USF disbursements that provide discounts for qualifying Lifeline subscribers. Furthermore, the senior management of T C Telephone has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.<sup>36</sup> T C Telephone's management has over 50 years of combined telecommunications experience. T C Telephone will also rely upon the managerial and technical expertise of Cintex Wireless, LLC, which has years of experience in building processes, teams and programs to support MVNOs.

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<sup>35</sup> See *Lifeline and Link Up Reform Order* at ¶ 387.

<sup>36</sup> See Exhibit D for key management resumes.

## **VI. T C TELEPHONE WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE LIFELINE AND LINK-UP REFORM ORDER**

### **A. Consumer Eligibility and Enrollment**

T C Telephone will certify and verify consumer eligibility for Lifeline in accordance with its Compliance Plan, which outlines how the Company will comply with the requirements set forth in the *Lifeline and Link Up Reform Order*. In instances where a state agency or third-party administrator is responsible for the initial determination and annual recertification of consumer eligibility, T C Telephone will rely on the state identification or database.<sup>37</sup> In instances where T C Telephone is responsible for the initial determination and annual recertification of consumer eligibility, the Company will follow the procedures set forth below.

#### **1. One-Per-Household**

T C Telephone understands that Lifeline is limited to a single subscription per household, and that the Commission has defined household as “any individual or group of individuals who are living together at the same address as one economic unit.”<sup>38</sup> Upon receiving an application for Lifeline support, T C Telephone will check the National Lifeline Accountability Database (“NLAD”) to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. T C Telephone will also search its own internal database of active customers, real-time, pre-sale, to ensure that it does not already provide Lifeline-supported service to someone at that residential address. If T C Telephone determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, T C Telephone will take an additional step to ensure that the applicant and the current subscriber are part of different

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<sup>37</sup> See *Lifeline and Link Up Reform Order* at ¶ 98.

<sup>38</sup> See *Lifeline and Link Up Reform Order* at ¶ 74.

households. To enable applicants to make this demonstration, T C Telephone will require applicants to complete and submit to the Company USAC's one-per-household template, which will contain the following: (1) an explanation of the Commission's one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant's household and share in the household's expenses or benefit from the applicant's income; and (4) the penalty for a consumer's failure to make the required one-per-household certification (i.e., de-enrollment).<sup>39</sup> T C Telephone will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

On its certification forms, a draft sample of which is attached,<sup>40</sup> T C Telephone will obtain a consumer's permanent residential address (which cannot be a P.O. Box or General Delivery address), unless they only have a temporary address, and a billing address for the service, if different (which may include a P.O. Box or General Delivery address).<sup>41</sup> T C Telephone will inquire on its certification forms whether or not the applicant's address is a temporary one.<sup>42</sup> If and when the 90-day verification rules become effective, T C Telephone will notify the consumer that if they have a temporary address, the Company will contact the consumer every 90 days, by phone or text, to verify that he or she continues to rely on that

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<sup>39</sup> See *Lifeline and Link Up Reform Order* at ¶ 78.

<sup>40</sup> See Attachment O, Exhibit A. The draft form remains subject to change, but substantially reflects the content of the Company's application.

<sup>41</sup> See *Lifeline and Link Up Reform Order* at ¶ 85.

<sup>42</sup> See *Lifeline and Link Up Reform Order* at ¶ 89.

address, and that if the consumer fails to respond within 30 days of T C Telephone’s attempt to verify the temporary address, he or she will be de-enrolled from the Lifeline program.<sup>43</sup> Also on its certification forms, T C Telephone will explain that if the subscriber moves, they must provide their new address to the Company within 30 days of moving.<sup>44</sup> If the subscriber has moved, T C Telephone will update the NLAD, once in place, with the information within 10 business days of receipt of the information.<sup>45</sup>

As detailed below, T C Telephone’s certification form will clearly explain the one-per-household requirement and all consumers must certify that they receive Lifeline support for a single subscription per household.

## **2. Initial and Annual Certification**

Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to the Company website, which will provide information regarding the Company’s Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. T C Telephone’s application form will identify that it is a “Lifeline” application. T C Telephone will provide Lifeline-specific training to all personnel, whether employees, agents or representatives, who interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services.

T C Telephone’s initial and annual certification forms will conform to the list of requirements provided in the *Lifeline and Link Up Reform Order*, Appendix C and

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<sup>43</sup> *See id.* As of the date of filing of this Petition, this requirement has not been approved pursuant to the Paperwork Reduction Act.

<sup>44</sup> *See Lifeline and Link Up Reform Order* at ¶ 85.

<sup>45</sup> *See id.*

47 C.F.R. § 54.410(d), as amended.<sup>46</sup> The Company's Lifeline certification forms, a draft sample of which is provided in Attachment O as Exhibit A, will require each prospective subscriber to provide the following information:

- (i) The subscriber's full name;
- (ii) The subscriber's full residential address;
- (iii) Whether the subscriber's residential address is permanent or temporary;
- (iv) The subscriber's billing address, if different from the subscriber's residential address;
- (v) The subscriber's date of birth;
- (vi) The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number;
- (vii) If the subscriber is seeking to qualify for Lifeline under the program-based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and
- (viii) If the subscriber is seeking to qualify for Lifeline under the income-based criterion, as set forth in § 54.409, the number of individuals in his or her household.

The certification forms will also explain in clear, easily understandable language that:

- (i) Lifeline is a federal benefit;
- (ii) Lifeline service is available for only one line per household;
- (iii) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses;
- (iv) households are not permitted to receive benefits from multiple providers;
- (v) that violation of the one-per-household requirement would constitute a violation of the Commission's rules and would result in the consumer's de-enrollment from the program, and potentially, prosecution by the United States government; and
- (vi) a Lifeline subscriber may not transfer his or her service to any other individual, including another eligible low-income consumer.

T C Telephone will require all consumers, at sign up and annually thereafter, to certify under penalty of perjury that:

- (i) The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;
- (ii) The subscriber will notify the carrier within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber

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<sup>46</sup> See *Lifeline and Link Up Reform Order* at pp. 227-29.

no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit.

(iii) If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e);

(iv) If the subscriber moves to a new address, he or she will provide that new address to the eligible telecommunications carrier within 30 days;

(v) If the subscriber provided a temporary residential address, he or she will be required to verify his or her temporary residential address every 90 days;

(vi) The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;

(vii) The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,

(viii) The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and

(ix) The subscriber acknowledges that the subscriber may be required to re-certify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements. Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures, including Interactive Voice Response (IVR) recordings that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. 7001-7006.<sup>47</sup>

Enrollment by phone. T C Telephone will primarily enroll Lifeline applicants via phone. Representatives are able to verbally explain the Lifeline program and its eligibility requirements, including required information and disclosures. When a prospective customer calls, a representative will first explain key information such as the one-per-household limitation and eligibility

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<sup>47</sup> See *Lifeline and Link Up Reform Order* at ¶ 168.

requirements in an effort to pre-screen for ineligible subscribers and thereby save time for both the consumer and the Company. A representative will then collect and input the required information into an electronic copy of the Company's application form, at which point they will validate the address via a USPS/Melissa Database, check the information against the NLAD and T C Telephone's internal database to confirm that the applicant is not already receiving a Lifeline subsidy from T C Telephone or any other ETC, and review all certifications and disclosures verbally with the applicant.<sup>48</sup> If the customer indicates on the application form that their address is a multi-household residence, the representative will require the applicant to complete USAC's one-per-household template as well. If an eligibility database is available, the representative will query the database to determine eligibility. Until the Company implements IVR technology, the representative will direct the applicant to the T C Telephone website where enrollment forms will be located. If they do not have access to the internet they will receive a copy of T C Telephone's Lifeline certification form in the mail along with a postage-prepaid return envelope, and that they are required to return the completed form to T C Telephone (along with proof of identity and verification of benefits, if no eligibility database is available) before their Lifeline service can be activated. The representative will explain how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The Applicant will be placed in a "hold" status and T C Telephone's system will automatically mail a welcome letter along with the Lifeline certification form for the applicant to complete and sign (and USAC's one-per-household template, when applicable, and a request for proof of identity and verification

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<sup>48</sup> When the Company implements IVR technology, the representative will make sure the applicant verbally acknowledges each required certification before moving onto the next, and will obtain the applicant's signature via IVR. Customers will then be able to complete USAC's one-per-household template, when applicable, over the phone as well.

of benefits, if no eligibility database is available), as well as a postage-prepaid envelope to return all documentation to T C Telephone. When T C Telephone receives the applicant's completed form(s) and, if applicable, copies of proof documentation and government-issued I.D., a representative will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (last 4 digits of document I.D.). T C Telephone will upload the completed Lifeline certification form to the customer record, prompting delivery of the phone to eligible customers by mail. Each phone mailed requires a signature upon delivery. The customer's account is activated upon the customer's personal initiation or actual use of the phone. The welcome packet will instruct the customer to call a toll free number in order to activate their phone, at which point they will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application. This process allows the Company to confirm the person activating the phone is the intended recipient. The customer's first call will be directed to an activation line if they do not call the activation toll free number. After being redirected to the activation line the customer will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application.

Enrollment in person. The Company will enroll Lifeline applicants in person at community events. When a prospective customer applies at an event, personnel will aid the customer in filling out T C Telephone's Lifeline certification form electronically on a laptop or tablet, first highlighting the one-per-household disclosures. Personnel will ask to see a government issued I.D. and will validate the address via a USPS/Melissa Database and simultaneously check the information against the NLAD and T C Telephone's internal database to confirm that the applicant is not already receiving a Lifeline subsidy from T C Telephone or any other ETC. If the customer indicates on the

application form that their address is a multi-household residence, personnel will require the applicant to complete USAC's one-per-household template as well. In cases where an eligibility database exists, personnel will query the database to determine eligibility. In states where eligibility databases are not available, personnel must see the applicant's proof of participation in one of the Lifeline eligible programs or proof that their annual household income is at or below 135% of the federal poverty guidelines. T C Telephone's Lifeline application contains an "Office Use Only" section, which must be completely filled out and signed by personnel in order to record a description of the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (i.e. last 4 digits of the document I.D.). Eligibility documents are returned to the customer after review. Finally, personnel will verbally review all certifications and disclosures with the applicant before they sign the application form, making sure the applicant verbally acknowledges each required certification before moving on to the next.

Upon successful completion of the certification process, eligible customers are allowed to choose a service plan and receive their free phone and welcome packet in person. In instances where eligibility databases cannot be accessed in real-time, T C Telephone will mail the phone and welcome packet to eligible customers once verification of eligibility is complete. Each phone mailed requires a signature upon delivery. The customer's account is activated upon the customer's personal initiation or actual use of the phone. The welcome packet will instruct the customer to call a toll free number in order to activate their phone, at which point they will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application. This process allows the Company to confirm the person activating the phone is the intended recipient. The customer's first call will be directed to an activation line if they do not call the activation toll free number. After being redirected to the activation line the customer will be prompted to enter the

last 4 digits of the identification source that was submitted on their Lifeline application.

Enrollment online. Prospective customers will be able to fill out an application form online and sign electronically. T C Telephone will highlight the certifications that are required, for example, by requiring consumers to acknowledge each certification before moving on to the next field.<sup>49</sup> If the customer indicates that their address is a multi-household residence, online interface will require the applicant to complete USAC's one-per-household template as well. If no eligibility database is available, the online interface will advise the applicant that they are required to provide proof of identity and verification of benefits before their Lifeline service can be activated; applicants will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The Company will qualify the applicant by accessing necessary databases (USPS/Melissa, NLAD, eligibility databases). If no eligibility database is available, the application will be placed in a "hold" status until T C Telephone receives copies of the applicant's proof documentation and government-issued I.D., at which point a representative will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (last 4 digits of document I.D.).

T C Telephone will upload the completed Lifeline certification form to the customer record, prompting delivery of the phone to eligible customers by mail. Each phone mailed requires a signature upon delivery. The customer's account is activated upon the customer's personal

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<sup>49</sup> *See Order* at ¶ 123.

initiation or actual use of the phone. The welcome packet will instruct the customer to call a toll free number in order to activate their phone, at which point they will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application. This process allows the Company to confirm the person activating the phone is the intended recipient. The customer's first call will be directed to an activation line if they do not call the activation toll free number. After being redirected to the activation line the customer will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application.

Enrollment by mail. The Company may also seek to enroll customers by mail. When T C Telephone mails advertisements for the Company's Lifeline service, a Lifeline application form will be included (or, at a minimum, prospects will be directed to apply via phone or the Company website). From the Company's advertisements and application form, prospective customers will be given a clear explanation of the Lifeline program and its eligibility requirements, including all required disclosures. Customers will be able to complete, sign, and mail the application to T C Telephone along with proof of I.D. and proof of eligibility, if applicable. T C Telephone is then able to verify eligibility by accessing the necessary databases (USPS/Melissa, NLAD, eligibility databases). If no eligibility database is available, a representative will review the proof documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (last 4 digits of document I.D.).

T C Telephone will deliver phones to eligible customers by mail. Each phone mailed requires a signature upon delivery. The customer's account is activated upon the customer's personal initiation or actual use of the phone. The customer's first call will be directed to an

activation line if they do not call the activation toll free number. After being redirected to the activation line the customer will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application.

General Enrollment Procedures. T C Telephone will determine eligibility utilizing the income and program criteria currently utilized by federal default states (47 C.F.R. § 54.409(a),(b)), as well as any additional state-specific criteria. Prior to enrolling a new subscriber, T C Telephone will check the eligibility of low-income consumers first by accessing state or federal social services electronic eligibility databases, where available.<sup>50</sup> If a database is used to establish eligibility, T C Telephone will not require documentation of the consumer's participation in a qualifying federal program; instead, T C Telephone or its representative will note in its records a description of the specific data relied upon to confirm the consumer's initial eligibility for Lifeline.<sup>51</sup>

However, in states where there is no state administrator, the state commission or other state agency is not making eligibility determinations, and there is no automated means for T C Telephone to check electronic databases for eligibility, T C Telephone will review documentation to determine eligibility for new subscribers until such time as a qualifying eligibility database is available.<sup>52</sup> T C Telephone will require acceptable documentation both for income eligibility and for program eligibility. Consistent with current FCC rules, the Company will not retain copies of the documentation but rather will establish policies and procedures to review such documentation and keep accurate records detailing how the consumer demonstrated

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<sup>50</sup> See Order at ¶ 97.

<sup>51</sup> See Order at ¶ 98.

<sup>52</sup> See Order at ¶ 99.

his or her eligibility.<sup>53</sup> T C Telephone understands that it may permit personnel or representatives to review documentation of consumer program eligibility for Lifeline, and in such cases T C Telephone remains liable for ensuring all personnel's compliance with the Lifeline program rules.<sup>54</sup>

T C Telephone provides personnel with training designed to give them an understanding of Lifeline program requirements and permit them to review customer documentation and determine whether it is sufficient to establish a customer's eligibility to participate in the Lifeline program under the Commission's rules. No T C Telephone personnel may accept a Lifeline application unless he or she has first completed this training program and demonstrated an understanding of the underlying material. Among other things, the Lifeline program training discusses the Company's Lifeline application form (see Attachment O, Exhibit A) on a section-by-section basis. The training explains what sections of the form must be completed by the customer and reviews the form disclosures in detail, to facilitate the ability of Company personnel to explain each item contained therein and answer any customer questions. Because the Company is responsible for the actions of all its personnel, including those enrolling customers in any Company-owned or agent retail locations, and a Company employee will be responsible for overseeing and finalizing every Lifeline enrollment prior to including that customer on an FCC Form 497 for reimbursement, the Company always "deals directly" with its customers to certify and verify customers' Lifeline eligibility.

### **3. Annual Re-Certification**

T C Telephone understands that it must re-certify the eligibility of its entire Lifeline

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<sup>53</sup> See *Order* at ¶ 101. In the event that FCC rules are revised to allow for or require retention of proof documentation, the Company will retain such documentation in accordance with applicable regulations.

<sup>54</sup> See *Order* at ¶ 110.

subscriber base and report the results to USAC by January 31 each year, and the Company may elect to perform this re-certification on a rolling basis throughout the year.<sup>55</sup> T C Telephone will re-certify the continued eligibility of all of its subscribers by contacting them—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.<sup>56</sup> The re-certification notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company. T C Telephone will obtain a signed certification from the subscriber that meets the certification requirements of 47 C.F.R. § 54.410(d), as amended, as detailed in section VI.A.2 above. The Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. T C Telephone understands that such certifications may be obtained through a written format, an IVR system, or a text message, and will use one or more of such options for its certifications.<sup>57</sup>

Alternatively, where a database containing consumer eligibility data is available, T C Telephone (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification. If a subscriber's address cannot be verified through the state data, T C Telephone will contact the subscriber every year during the annual certification process to obtain a valid address.<sup>58</sup> T C Telephone understands that it has the option to elect USAC to administer the self-certification process on the Company's behalf.<sup>59</sup>

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<sup>55</sup> See *Lifeline and Link Up Reform Order* at ¶ 130.

<sup>56</sup> See *id.*

<sup>57</sup> See *Lifeline and Link Up Reform Order* at ¶ 132.

<sup>58</sup> See *Lifeline and Link Up Reform Order* at ¶ 131.

<sup>59</sup> See *Lifeline and Link Up Reform Order* at ¶ 133.

T C Telephone will certify its compliance with Commission rules on an annual Lifeline eligible telecommunications carrier certification form and when submitting FCC Forms 497 to USAC for reimbursement. As part of T C Telephone's submission of re-certification data pursuant to 47 C.F.R. § 54.416, an officer of the Company will certify annually to USAC:

(1) that the Company has procedures in place to review consumers' documentation of income-and program-based eligibility. In instances where the Company confirms consumer eligibility by relying on official program eligibility data, such as a state or federal database, an officer of the Company will attest to what data the Company uses to confirm consumer eligibility in each state, and

(2) that the Company is in compliance with all federal Lifeline certification procedures.<sup>60</sup>

**B. Other Reforms to Eliminate Waste, Fraud and Abuse**

T C Telephone shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein and in its Compliance Plan, with the belief that the procedures it will implement will prevent Company customers from engaging in such abuse of the program, inadvertently or intentionally.

T C Telephone has implemented enrollment procedures designed to prevent subsidies for duplicate, ineligible, or inactive subscribers. The Company contracts with a third party Lifeline service bureau, currently CGM, LLC of Roswell, Georgia, to edit all subsidy request data. CGM will process and validate the Company's subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines.

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<sup>60</sup> See *Lifeline and Link Up Reform Order* at ¶ 126-27.

Through the processes described herein, T C Telephone ensures that it does not over-request from support funds.

During the Lifeline application process, the Company details all required disclosures with the applicant, including the one-per-household rule. As detailed in section IV.A.2, T C Telephone validates each applicant's identity via a government issued I.D. card, passport, etc. Additionally, as mentioned above, T C Telephone requires the applicant to provide their date of birth (DOB) and last four digits of their social security number (SSN). Requiring DOB and SSN ensures that neither the applicant nor the Company representative can forge certification forms based on false names and addresses. T C Telephone validates the applicant's address via a USPS/Melissa Database to ensure the address is correct. T C Telephone also verifies that the applicant is eligible to receive the Lifeline subsidy. To do this, T C Telephone checks the NLAD and any available eligibility database. If an eligibility database is not available, the applicant is required to provide proof of eligibility. This prevents ineligible applicants or duplicate subscribers from receiving the subsidy.

#### **1. National Lifeline Accountability Database**

T C Telephone will participate in the NLAD. As required by the *Lifeline and Link Up Reform Order*, T C Telephone will provide to the NLAD subscriber name, address, phone number, the last four digits of Social Security number, date of birth, Lifeline service initiation and de-enrollment date (when applicable), and amount of federal Lifeline support being sought for that subscriber.<sup>61</sup> T C Telephone will query the NLAD to check to see if a prospective subscriber is already receiving service from another ETC at a residential address prior to seeking

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<sup>61</sup> See *Lifeline and Link Up Reform Order* at ¶ 189.

reimbursement from the Fund.<sup>62</sup>

Furthermore, on its certification form, T C Telephone will obtain acknowledgement and consent from each of its subscribers that is written in clear, easily understandable language that the subscriber's name, telephone number, and address will be divulged to USAC (the administrator of the program) and/or its agents for the purpose of verifying that the subscriber does not receive more than one Lifeline benefit.<sup>63</sup>

## **2. Subscriber Usage**

T C Telephone will not seek reimbursement from the USF for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service by the subscriber. Furthermore, T C Telephone will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.<sup>64</sup> T C Telephone will notify its subscribers at service initiation, via the certification form and via script that is reviewed with every customer, about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.<sup>65</sup> An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to

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<sup>62</sup> See *Lifeline and Link Up Reform Order* at ¶ 203.

<sup>63</sup> See *Lifeline and Link Up Reform Order* Appendix C.

<sup>64</sup> See *Lifeline and Link Up Reform Order* at ¶ 257.

<sup>65</sup> See *id.*

continue.<sup>66</sup> T C Telephone utilizes tracking software to notify the customer if the customer has not used their service for more than 30 or 60 consecutive days. Furthermore, a third party contractor validates the Company's subsidy data to prevent a subsidy request for customers that are inactive under the Company's non-usage policy.<sup>67</sup> After notification, if the customer fails to use the phone, it is automatically de-enrolled pursuant to the procedures outlined in section VI.C below. T C Telephone will continue to comply with applicable public safety, including transmitting 911 calls to the appropriate PSAP even if the Company is no longer providing Lifeline service to a consumer.<sup>68</sup>

### **3. Marketing & Outreach**

T C Telephone will implement the measures outlined herein to help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the limitations of the program, so as to prevent duplicative or otherwise ineligible service as well as other forms of waste, fraud, and abuse. T C Telephone will explain in clear, easily understood language substantially the following disclosures in all marketing materials related to the supported service:<sup>69</sup> (1) the offering is a Lifeline-supported service; (2) only eligible consumers may enroll in the program; (3) the program is limited to one benefit per household, consisting of either wireline or wireless service; and (4) Lifeline is a government benefit program.

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<sup>66</sup> See *Lifeline and Link Up Reform Order* at ¶ 261.

<sup>67</sup> CGM, LLC is currently the Company's third party contractor.

<sup>68</sup> See *Lifeline and Link Up Reform Order* at ¶ 262. 911 transmission will actually be performed by the Company's underlying facilities-based CMRS provider.

<sup>69</sup> See Attachment O, Exhibit B for a sample advertisement. The Company understands the term "marketing materials" includes materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. See *Lifeline and Link Up Reform Order* at ¶ 275.

T C Telephone's website and printed collateral will also explain the documentation necessary for enrollment, and the details of T C Telephone's plans. Such collateral and website information, as well as its application, will make clear that consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.<sup>70</sup> For broadcast advertisements and outdoor signs, and any other situation in which inclusion of documentation information and warnings against willful false statements are not practicable, T C Telephone will include the URL link for its website where disclosures will be listed. Additionally, T C Telephone will disclose the company name under which it does business.<sup>71</sup>

#### **4. Audits**

The *Lifeline and Link Up Reform Order* requires ETCs that draw \$5 million or more in the aggregate on an annual basis from the low-income program, as determined on a holding company basis taking into account all operating companies and affiliates, to hire an independent licensed certified public accounting firm to conduct a biennial audit according to government accounting standards to assess the ETC's overall compliance with the program's requirements.<sup>72</sup> If T C Telephone draws \$5 million or more in the aggregate on an annual basis from the low-income program, as determined on a holding company basis taking into account all operating companies and affiliates, the Company will hire an independent licensed certified public accounting firm to conduct a biennial audit according to government accounting standards

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<sup>70</sup> See *Lifeline and Link Up Reform Order* at ¶ 275.

<sup>71</sup> See *id.*

<sup>72</sup> See *Lifeline and Link Up Reform Order* at ¶ 291.

to assess T C Telephone's overall compliance with the program's requirements.<sup>73</sup> T C Telephone will comply with this requirement, including applicable rules regarding the dissemination of audit findings to the Commission, USAC, and relevant state and Tribal governments within 30 days upon issuance.<sup>74</sup>

### **C. De-Enrollment**

If at any time a T C Telephone Lifeline customer wishes to de-enroll from the Company's Lifeline program, Company customer service representatives will handle such elective de-enrollment requests. T C Telephone Lifeline customers simply call the Company, via 611 or the toll-free customer service number, and they can speak to a live operator to de-enroll from T C Telephone's Lifeline program. T C Telephone will de-enroll consumers from the Company's Lifeline program in the following instances, according to C.F.R. § 54.405(e):

Ineligibility. Any subscriber who indicates that he or she is receiving more than one Lifeline-supported service per household, or neglects to make the required one-per-household certification on his or her certification form, will be de-enrolled from Lifeline pursuant to the process for resolving duplicative Lifeline subscriptions described in section 54.405(e)(2).<sup>75</sup> If a customer does not respond to the Company's annual verification survey within 30 days, or if T C Telephone has reasonable basis to believe that the subscriber no longer meets the Lifeline-qualifying criteria (including instances where a subscriber informs the Company or the state that he or she is ineligible for Lifeline), T C Telephone will provide a written notice of impending service termination to the subscriber and then give the subscriber 30 days after the

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<sup>73</sup> See Order at ¶ 291.

<sup>74</sup> See Order at ¶ 294.

<sup>75</sup> See Lifeline and Link Up Reform Order at ¶ 122.

date of the letter to demonstrate that his or her Lifeline service should not be terminated.<sup>76</sup> Similarly, T C Telephone will de-enroll a subscriber if they fail to respond to the Company's attempt to verify a temporary address within 30 days.<sup>77</sup>

Duplicative Support. Subject to USAC's Duplicate Resolution Process and anticipated Duplicate Scrubbing Process,<sup>78</sup> T C Telephone will de-enroll a subscriber within five (5) business days if the Company is informed by USAC that the subscriber is receiving Lifeline service from another ETC or that more than one member of a subscriber's household is receiving Lifeline service.

Non-Usage. T C Telephone will de-enroll any subscriber that has not used the Company's Lifeline service for 60 consecutive days, as discussed in section VI.B.2 above. T C Telephone will provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage; such notice may be initiated after 30-days of non-usage. T C Telephone will update the NLAD within one business day of de-enrolling a subscriber for non-use and will submit a non-usage de-enrollment report annually to USAC.<sup>79</sup>

## **D. Additional Rule Amendments**

### **1. Terms and Conditions of Service**

T C Telephone's Lifeline terms and conditions of service are provided in Attachment O as Exhibit C. These terms and conditions are subject to change as needed, and the most current

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<sup>76</sup> See *id.* In states that have dispute resolution procedures applicable to Lifeline termination, the Company will comply with the state requirements.

<sup>77</sup> See *Lifeline and Link Up Reform Order* at ¶ 89.

<sup>78</sup> See *Lifeline and Link Up Reform Order* at ¶ 214-16.

<sup>79</sup> See *Lifeline and Link Up Reform Order* at ¶ 257.

version may be found at [www.horizoncellular.com](http://www.horizoncellular.com).

## **2. Reporting Requirements**

T C Telephone will report all information required by section 54.422, including as it may heretofore be amended. This includes the names of the Company's holding company, operating companies and affiliates, and any branding ("doing-business-as company" or brand designation), and provide to the Commission and USAC general information regarding the terms and conditions of the Lifeline plans for voice telephony service offered specifically for low income consumers through the program offered during the previous year, including the number of minutes provided, and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.<sup>80</sup>

## **3. Reimbursement from USAC**

In seeking reimbursement for Lifeline, T C Telephone will comply with the requirements of 47 C.F.R. § 54.407, as revised by the *Lifeline and Link Up Reform Order*.<sup>81</sup> T C Telephone will certify when seeking reimbursement that the Company has obtained a valid certification form for each consumer for whom the Company seeks Lifeline reimbursement,<sup>82</sup> and the Company will seek reimbursement for actual lines served, not projected lines.<sup>83</sup>

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<sup>80</sup> See *Lifeline and Link Up Reform Order* at ¶¶ 296, 390. Section 153 of the Act defines "affiliate" as "a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person.

<sup>81</sup> See *id* page 221.

<sup>82</sup> See *id* at ¶ 128.

<sup>83</sup> See *id* at ¶ 302.

## VII. DESIGNATION OF T C TELEPHONE AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is “to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies” to all citizens, regardless of geographic location or income.<sup>84</sup> Designation of T C Telephone as an ETC in the Non-Jurisdictional States will promote the public interest by providing low-income consumers in the Non-Jurisdictional States with affordable and high quality wireless services. Many low-income consumers have yet to reap the full benefits of the wireless marketplace. Whether because of financial constraints, poor credit or intermittent employment, these consumers often lack access to the benefits that wireless services bring to other consumers.<sup>85</sup> Designating T C Telephone as an ETC in the Non-Jurisdictional States will enable it to expand the availability of affordable telecommunications services to qualifying consumers, leading to lower prices and increased choice.<sup>86</sup>

The instant request for limited ETC designation must be examined in light of the Act’s goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—particularly low-income consumers—receive affordable and comparable telecommunications services. Given this context, designating T C Telephone as an ETC would significantly benefit low-income

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<sup>84</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

<sup>85</sup> *See supra* note 21.

<sup>86</sup> *See TracFone ETC Order*, 23 FCC Rcd at 6212 ¶ 15; *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38; *Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934*, CC Docket No. 96-61, Second Report and Order, 11 FCC Rcd 20730, 20760 ¶ 52 (1996).

consumers eligible for Lifeline services in the Non-Jurisdictional States—the intended beneficiaries of universal service. The Company’s participation in the Lifeline program also undoubtedly would increase opportunities for the company to serve these customers with appealing and affordable service offerings.

**A. Advantages of T C Telephone’s Service Offering**

The public interest benefits of the Company’s wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage at flexible and affordable amounts in the event that included usage has been exhausted, 911 service and, where available, E911 service in accordance with current FCC requirements. T C Telephone’s Lifeline customers will receive the same high-quality wireless services and exceptional customer service provided to all Company customers. T C Telephone’s Lifeline rate plans will not only allow feature-rich mobile connectivity for qualifying subscribers at no cost to the subscriber, but also will bring a variety of rate plans into the reach of Lifeline customers that are comparable in minutes and features to those available to post-paid wireless subscribers—but at low Lifeline rates and without the burden of credit checks, contracts, or activation fees.

Most importantly, T C Telephone’s Lifeline service will provide low-income residents with the convenience and security offered by wireless services—even if their financial position deteriorates. ETC designation in the Non-Jurisdictional States would enable T C Telephone to offer appealing and affordable service offerings to low-income customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without question, prepaid wireless services have become essential for low-income customers, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for

prospective employers, social service agencies or dependents. Providing T C Telephone with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

In sum, ETC designation in the Non-Jurisdictional States would enable T C Telephone to provide all of the public benefits cited by the Commission in its analysis in the *TracFone* and *Virgin Mobile Orders*. Namely, T C Telephone would provide “increased consumer choice, high-quality service offerings, and mobility,”<sup>87</sup> as well as the safety and security of effective 911 and E911 services.<sup>88</sup>

### **B. The Benefits of Competitive Choice**

The benefits to consumers of being able to choose from among a variety of telecommunications service providers have been acknowledged by the FCC for more than three decades.<sup>89</sup> Designation of T C Telephone as an ETC will promote competition and innovation, and spur other carriers to target low-income consumers with service offerings tailored to their needs and to improve their existing networks to remain competitive, resulting in improved services to consumers. Designation of T C Telephone as an ETC will help assure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.<sup>90</sup> Designation of T C Telephone as an ETC would offer Lifeline-eligible consumers an additional choice of providers for accessing telecommunications services, representing a significant step towards ensuring that all low-income consumers share in the many benefits associated with

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<sup>87</sup> See *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38; *TracFone ETC Order*, 23 FCC Rcd at 6212 ¶ 15.

<sup>88</sup> See *Virgin Mobile Order*, 24 FCC Rcd at 3391 ¶ 23.

<sup>89</sup> See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

<sup>90</sup> See 47 U.S.C. § 254(b)(1).

access to wireless services.

### **C. Impact on the Universal Service Fund**

T C Telephone will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not enrolled in another ETC's Lifeline program. By implementing the safeguards set forth in the *Lifeline and Link Up Reform Order*, T C Telephone will minimize the likelihood that its customers are not eligible or are receiving duplicative support either individually or within their household. Significantly, the Company's designation as an ETC will not increase the number of persons eligible for Lifeline support. T C Telephone's ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to telecommunications service, and thus any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers. According to the FCC, "the additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest," and "A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance in the context of the Lifeline program outweighs the potential costs."<sup>91</sup>

### **VIII. ANTI-DRUG ABUSE CERTIFICATION**

T C Telephone certifies that no party to this Petition is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

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<sup>91</sup> See *Petition of i-wireless, LLC for Forbearance from 47 U.S.C § 214(e)(1)(A)*, Order, FCC 10-117 (rel. June 25, 2010) at ¶ 19.

**IX. CONCLUSION**

As discussed above, designation of T C Telephone as an ETC in the Non-Jurisdictional States accords with the requirements of Section 214(e)(6) of the Act and is in the public interest.

For all of the foregoing reasons, T C Telephone respectfully requests that the Commission designate T C Telephone as an ETC in the Non-Jurisdictional States.

Respectfully submitted,

/s/ Lance Steinhart

Lance J.M. Steinhart

Managing Attorney

Lance J.M. Steinhart, P.C.

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E-Mail: lsteinhart@telecomcounsel.com

*Attorneys for T C Telephone LLC d/b/a*

*Horizon Cellular*

August 14, 2015

## Attachment A

### Proposed Lifeline Rate Plans

#### **Lifeline Plan 1 – 250 Minute Plan**

250 Anytime Minutes per month  
Net cost to Lifeline customer - \$0.00

#### **Lifeline Plan 2 – 450 Minute Plan**

450 Anytime Minutes per month  
Net cost to Lifeline customer - \$9.00 per month

#### **Lifeline Plan 3 – 750 Minute Plan**

750 Anytime Minutes per month  
Net cost to Lifeline customer - \$20.00 per month

#### **Lifeline Plan 4 – Unlimited Talk and Text**

Unlimited Anytime Minutes or Texts per month  
Net cost to Lifeline customer - \$29.99 per month

#### **Lifeline Plan 5 – 250 Minutes & 250MB Data**

250 Anytime Minutes plus 250MB of data per month  
Net cost to Lifeline customer - \$10.00 every 3 months

#### **Included in all plans:**

- Free calls to 911 emergency services
- Free calls to Customer Service
- Free domestic long distance
- Free access to Caller ID, Call Waiting, and Voicemail features
- Text messages and data at the rate of 1:1 (1 text or MB = 1 minute of usage)

#### **Additional Minutes:**

30 Anytime Additional Minutes	\$6.00
90 Anytime Additional Minutes	\$11.00
300 Anytime Additional Minutes	\$20.00
500 Anytime Additional Minutes	\$25.00
1000 Anytime Additional Minutes	\$55.00

#### **Additional Data:**

Available in increments of \$5 at \$0.02 per MB:

250MB	\$5.00
500MB	\$10.00

**Attachment B**

**Affirmative Statement of the Alabama Public Service Commission**

# Alabama Public Service Commission

## Orders

**PINE BELT CELLULAR, INC. and PINE BELT PCS, INC.,**

**Joint Petitioners**

**PETITION: For ETC status and/or clarification regarding the jurisdiction of the Commission to grant ETC status to wireless carriers.**

**DOCKET U-4400**

### ORDER

#### **BY THE COMMISSION:**

In a joint pleading submitted on September 11, 2001, Pine Belt Cellular, Inc. and Pine Belt PCS, Inc. (collectively referred to as "Pine Belt") each notified the Commission of their desire to be designated as universal service eligible telecommunications carriers ("ETCs") for purposes of providing wireless ETC service in certain of the non-rural Alabama wireline service territories of BellSouth Telecommunications, Inc. ("BellSouth") and Verizon South, Inc. ("Verizon"). The Pine Belt companies noted their affiliation with Pine Belt Telephone Company, a provider of wireline telephone service in rural Alabama, but clarified that they exclusively provide cellular telecommunications and personal communications (collectively referred to as "CMRS" or "wireless") services in their respective service areas in Alabama in accordance with licenses granted by the Federal Communications Commission ("FCC"). The pivotal issue raised in the joint pleading of Pine Belt companies is whether the Commission will assert jurisdiction in this matter given the wireless status of the Pine Belt companies.

As noted in the filing of the Pine Belt companies, state Commissions have primary responsibility for the designation of eligible telecommunications carriers in their respective jurisdictions for universal service purposes pursuant to 47 USC §214 (e). The Commission indeed established guidelines and requirements for attaining ETC status in this jurisdiction pursuant to notice issued on October 31, 1997.

For carriers not subject to state jurisdiction, however, §214(e)(6) of the Telecommunications Act of 1996 provides that the FCC shall, upon request, designate such carriers as ETCs in non-rural service territories if said carriers meet the requirements of §214(e)(1). In an FCC Public Notice released December 29, 1997 (FCC 97-419) entitled "Procedures for FCC designation of Eligible Telecommunications Carriers pursuant to §214(e)(6) of the Telecommunications Act", the FCC required each applicant seeking ETC designation from the FCC to provide, among other things, "a certification and brief statement of supporting facts demonstrating that the Petitioner is not subject to the jurisdiction of a state Commission."

The Pine Belt companies enclosed with their joint pleading completed ETC application forms as developed by the Commission. In the event the Commission determines that it does not have jurisdiction to act on the Pine Belt request for ETC status, however, the Pine Belt companies seek an affirmative written statement from the Commission indicating that the Commission lacks jurisdiction to grant them ETC status as wireless carriers.

The issue concerning the APSC's jurisdiction over providers of cellular services, broadband personal communications services, and commercial mobile radio services is one that was rather recently addressed by the Commission. The Commission indeed issued a Declaratory Ruling on March 2, 2000, in Docket 26414 which concluded that as the result of certain amendments to the Code of Alabama, 1975 §40-21-120(2) and (1)(a) effectuated in June of 1999, the APSC has no authority to regulate, *in any respect*, cellular services, broadband personal communications services and commercial mobile radio services in Alabama. Given the aforementioned conclusions by the Commission, it seems rather clear that the Commission has no jurisdiction to take action on the Application of the Pine Belt companies for ETC status in this jurisdiction. The Pine Belt companies and all other wireless providers seeking ETC status should pursue their ETC designation request with the FCC as provided by 47 USC §214(e)(6).

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the Commission's jurisdiction to grant Eligible Telecommunications Carrier status for universal service purposes does not extend to providers of cellular services, broadband personal communications services, and commercial mobile radio services. Providers of such services seeking Eligible Telecommunications Carrier status should accordingly pursue their requests through the Federal Communications Commission.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 12<sup>th</sup> day of March, 2002.

ALABAMA PUBLIC SERVICE COMMISSION

Jim Sullivan, President

Jan Cook, Commissioner

George C. Wallace, Jr., Commissioner

ATTEST: A True Copy

Walter L. Thomas, Jr., Secretary

**Attachment C**

**Affirmative Statement of the Connecticut Department of Public Utility Control**



**STATE OF CONNECTICUT**  
DEPARTMENT OF PUBLIC UTILITY CONTROL

October 14, 2004  
In reply please refer to:  
UR&R:TE: Undocketed:PFR

Tracie R. Chesterman, Attorney  
Greenberg Traurig  
Met Life Building  
200 Park Avenue  
New York, NY 10166

Re: TracFone Wireless, Inc.

Dear Attorney Chesterman:

The Department of Public Utility Control (Department) is in receipt of a letter dated August 27, 2004, on behalf of TracFone Wireless, Inc. (TracFone or Company) requesting a statement that TracFone is not subject to the Department's jurisdiction. Specifically, TracFone requests affirmation from the Department that it does not exercise jurisdiction over Commercial Mobile Radio Service (CMRS) providers, including TracFone, for purposes of making determinations concerning eligibility for Eligible Telecommunications Carrier (ETCs) designations. TracFone is seeking designation as an ETC by the Federal Communications Commission (FCC). TracFone is a reseller of CMRS and provides service in Connecticut through a virtual network consisting of services obtained from licensed operators of wireless networks.

The Department does not regulate or license the wireless carrier services' rates and charges per the Federal Omnibus Budget Act of 1993. The Department does, however, continue to regulate the terms, conditions, and provisions under which those services are offered including the funding of other telecommunications services (i.e., 911, Universal Service, Lifeline, Telecommunications Relay Service (TRS), etc.). Since TracFone appears to be a wireless carrier and therefore is not subject to the Department's jurisdiction for the purposes of ETC status.

Sincerely,

DEPARTMENT OF PUBLIC UTILITY CONTROL

A handwritten signature in cursive script that reads "Louise E. Rickard".

Louise E. Rickard  
Acting Executive Secretary

**Attachment D**

**Affirmative Statement of the Delaware Public Service Commission**



**STATE OF DELAWARE  
PUBLIC SERVICE COMMISSION**

861 SILVER LAKE BOULEVARD  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500  
FAX: (302) 739-4849

August 18, 2010

**VIA E-MAIL**

Lance J.M. Steinhart, P.C.  
1720 Windward Concourse  
Suite 115  
Alpharetta, Georgia 30005

Dear Mr. Steinhart:

I received your letter on behalf of i-wireless, LLC requesting clarification on Delaware's competitive eligible telecommunication carrier process. This is to confirm that Delaware is a "default" State and, therefore, it is the FCC, not Delaware, that determines eligibility to receive the federally-subsidized price reductions. I am attaching the October 11, 2005 order in PSC Docket No. 05-016T that discusses this issue in a Verizon Delaware, Inc. docket.

I will attach these documents to an e-mail so that you will receive them expeditiously. If you would also like a hard copies of the documents by mail let me know by e-mail and I will forward them to you.

Sincerely

Janis L. Dillard  
Acting Executive Director

DOCKET COPY  
DO NOT REMOVE FROM OFFICE

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF )  
VERIZON DELAWARE INC., TO MODIFY THE )  
LIFELINE SERVICE BY ADDING AN INCOME ) PSC DOCKET NO. 05-016T  
QUALIFIER TO THE ELIGIBILITY CRITERIA )  
(FILED JUNE 17, 2005) )

ORDER NO. 6736

This 11<sup>th</sup> day of October, 2005, the Commission determines and Orders the following:

1. In the jargon of the federal Lifeline/Link-Up program, Delaware is a "federal default State." Delaware has never, by either state law or state regulation, ordained, nor funded, a stand-alone program to provide discounts on basic telephone services charges for low-income subscribers. Consequently, it was not until 1997, when the Federal Communications Commission ("FCC") revamped the federal Lifeline/Link-Up program, that Delaware subscribers first became eligible for participation in the federal Lifeline program.<sup>1</sup> And given that in a "federal default State" only federally-raised monies are used to reimburse eligible carriers for the Lifeline and Link-Up discounts, it is the FCC, and not the state commission, that gets to call the tune about who should be eligible to receive these federally-subsidized price reductions.

2. Since 1997, Verizon Delaware Inc. ("VZ-DE") has been designated as an "eligible telecommunications carrier" and has offered

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<sup>1</sup>See PSC Order No. 4684 (Dec. 16, 1997) (summarizing Delaware history and electing to allow "Tier 2" federal support to eligible Delaware subscribers).

federal Lifeline discounts on the federal list of supported services.<sup>2</sup> And even though in "default" States, Lifeline is almost an exclusively federal program, VZ-DE has, since 1997, filed at the State level, tariff provisions setting forth its Lifeline offerings.<sup>3</sup>

3. In 2004, the FCC changed some of the "eligibility" rules describing which subscribers may participate in the federal Lifeline/Link-Up program.<sup>4</sup> In particular, the 2004 amendments added additional programs to the list of "eligible" programs where participation confers federal default Lifeline/Link-Up eligibility.<sup>5</sup> The 2004 amendments also introduced an additional eligibility criteria premised on the subscriber's household income.<sup>6</sup> Eligible telecommunications carriers, such as VZ-DE, were given one year to implement this new, additional income-based eligibility criteria.<sup>7</sup>

4. To implement these changes prescribed by the FCC, VZ-DE initially filed revisions to the Lifeline and Link-Up portions of its

---

<sup>2</sup>See PSC Order No. 4680 (Dec. 17, 1997) ("ETC" designation for VZ-DE). See also PSC Dckt. No. 97-023T (initial Lifeline tariff filing by VZ-DE).

<sup>3</sup>From December 2000 through December 2003, VZ-DE offered, under its state tariff, an "expanded" Lifeline program for Delaware. The discounts under such program exceeded the Tiers 1 & 2 levels normally available in a default State. VZ-DE offered this expanded program to fulfill a condition imposed by the FCC in approving the Bell Atlantic-GTE merger. See PSC Order No. 6317 (Dec. 9, 2003) (explaining content and cause of this expanded Lifeline offering). Whether Delaware remained a "default State" during this period when VZ-DE subsidized the deeper discounts is an issue that need now be explored or resolved. This "expanded" program ended in December 2003.

<sup>4</sup>In the Matter of Lifeline and Link-Up, Report and Order and Further NPRM, 19 FCC Rcd. 8302 (FCC 2004) ("Lifeline Order").

<sup>5</sup>47 C.F.R. §§ 54.409(b) (Lifeline eligibility criteria in "default" State); 54.415(b) (Link-Up eligibility criteria in "default" State).

<sup>6</sup>47 C.F.R. §§ 54.409(b), 54.410 (Lifeline); 54.415(b), 54.416 (Link-Up).

<sup>7</sup>47 C.F.R. §§ 54.410(a)(ii), 54.416.

State tariff. These changes incorporated into the State tariff provisions the expanded list of "eligibility-conferring" programs.<sup>8</sup> At the same time, the Commission Staff began discussions with VZ-DE to determine whether, under the applicable federal default rules, it was appropriate for VZ-DE to continue to include in its State tariff Lifeline provisions language that conditioned Lifeline eligibility on the subscriber foregoing the ability to purchase many optional or vertical services.<sup>9</sup> Eventually, VZ-DE revised its State tariff Lifeline provisions to delete the questioned restrictions.<sup>10</sup> Then in June 2005, VZ-DE filed another Tariff revision to reflect its implementation of the household-income criteria for eligibility for Lifeline and Link-Up discounts.<sup>11</sup> Finally, on September 9, 2005, VZ-DE submitted another set of revised tariff sheets reflecting further textual revisions, as originally suggested by Staff. In part, these final changes sought to make the State tariff's description of how VZ-DE would administer its Lifeline/Link-Up program to more closely parallel the governing federal default rules.<sup>12</sup>

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<sup>8</sup>See PSC Dckt. No. 04-017T (filed July 26, 2004; eff. July 27, 2004).

<sup>9</sup>That restriction - limiting Lifeline subscribers to a small group of designated vertical services - had been a continual part of VZ-DE's state-tariffed Lifeline offerings since 1997. In its Lifeline Order, the FCC expressed its belief that "any restriction on the purchase of vertical services may discourage qualified consumers from enrolling and may serve as a barrier to participation in the [Lifeline] program. Lifeline Order at ¶ 53.

<sup>10</sup>See PSC Dckt. No. 05-008T (filed April 8, 2005; eff. April 16, 2005).

<sup>11</sup>See PSC Dckt. No. 05-016T (filed June 17, 2005; eff. June 22, 2005).

<sup>12</sup>See PSC Dckt. No. 05-016T, amended tariff sheets filed on September 9, 2005 but with effective date of June 22, 2005).

5. The Commission enters this Order not so much to "approve" the various Lifeline filings made by VZ-DE but to recount the course of the filings made since the FCC changed its federal Lifeline/Link-Up program in 2004. Indeed, given that Delaware is a "default" State, VZ-DE's Lifeline/Link-Up offerings are governed more by the federal default rules than by any "approved" State tariff provision. Any State tariff provision that might conflict with a federal default rule would necessarily have to yield. However, the Commission will accept the Lifeline and Link-Up tariff filings lodged by VZ-DE. The Commission believes that VZ-DE's last submission (in September 2005) sets forth a Lifeline and Link-Up offering that is consistent with the federal default rules. However, the filing and acceptance of the State tariff provisions should not be seen as foreclosing any later challenge that VZ-DE's program falls short of the federal directives.

Now, therefore, IT IS ORDERED:

1. That, as explained in the body of this Order, the Commission accepts the tariff filings made by Verizon Delaware Inc., to implement its responsibilities to provide federal Lifeline and Link-Up in this "federal default" jurisdiction. In particular, the Commission now accepts the tariff revision filing made September 9, 2005 pertaining to the following leaves in P.S.C.-Del.-No. 1:

Section 20D, Fourteenth Revised Sheet 1 (Link-Up);

Section 20D, Fifth Revised Sheet 2 (Link-Up); and

Section 20E, Eighth Revised Sheet 2 (Lifeline).

2. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Christy McRae  
Chair

\_\_\_\_\_  
Vice Chair

Jim Corway  
Commissioner

John R. ...  
Commissioner

[Signature]  
Commissioner

ATTEST:

Norma J. Sherwood  
Acting Secretary

**Attachment E**

**Affirmative Statement of the District of Columbia Public Service Commission**



**Public Service Commission of the District of Columbia**  
**1333 H Street, N.W., 2nd Floor, West Tower**  
**Washington, D.C. 20005**  
**(202) 626-5100**  
**www.dcpssc.org**

February 29, 2012

**Via First Class & Electronic Mail**

Lance J.M. Steinhart  
Lance J.M. Steinhart, P.C., Attorney at Law  
1725 Windward Concourse, Suite 150  
Alpharetta, GA 30005

Dear Mr. Steinhart:

Thank you for your February 23, 2012 letter requesting information on whether the Public Service Commission of the District of Columbia ("Commission") designates wireless telecommunications carriers as eligible telecommunications carriers ("ETC") for the purposes of receiving federal universal service funding. Please be advised that, pursuant to section 34-2006(b) of the District of Columbia Code, the Commission does not have jurisdiction over wireless carriers. Thus, the Commission has no authority to designate wireless telecommunications carriers as ETCs.

Attached please find a copy of the relevant section of the District of Columbia Code for your information. Should you need anything further, please contact Lara Walt at 202-626-9191 or [lwalt@psc.dc.gov](mailto:lwalt@psc.dc.gov).

Sincerely,

A handwritten signature in black ink that reads "Richard A. Beverly".

Richard A. Beverly  
General Counsel

Enclosure



## Welcome to the online source for the District of Columbia Official Code

### DC ST § 34-2006

Formerly cited as DC ST 1981 § 43-1456

DC ST § 34-2006

Formerly cited as DC ST 1981 § 43-1456

District of Columbia Official Code 2001 Edition Currentness

Division V. Local Business Affairs

Title 34. Public Utilities.

▾ Subtitle V. Telecommunications.

▾ Chapter 20. Telecommunications Competition.

➔ **§ 34-2006. Exemptions.**

(a) This chapter shall not apply to cable television services performed pursuant to an existing cable television franchise agreement with the District of Columbia which is in effect on September 9, 1996. To the extent that a cable television company seeks to provide local exchange services within the District of Columbia, such company shall be regulated under the provisions of this chapter for their local exchange services.

(b) Pursuant to the federal Telecommunications Act of 1996, this chapter shall not apply to licensed or unlicensed wireless services authorized by the Federal Communications Commission operating in the District of Columbia.

(c) This chapter shall not:

(1) Apply to the provision, rates, charges, or terms of service of Voice Over Internet Protocol Service or Internet Protocol-enabled Service;

(2) Alter the authority of the Commission to enforce the requirements as are otherwise provided for, or allowed by, federal law, including the collection of Telecommunications Relay Service fees and universal service fees;

(3) Alter the authority of the Office of Cable Television and Telecommunications with respect to the provision of video services in the District of Columbia; or

(4) Alter the Commission's existing authority over the regulation of circuit-switched local exchange services in the District of Columbia.

CREDIT(S)

(Sept. 9, 1996, D.C. Law 11-154, § 7, 43 DCR 3736; June 5, 2008, D.C. Law 17-165, § 3(c), 55 DCR 5171.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 43-1456.

Effect of Amendments

D.C. Law 17-165 added subsec. (c).

Legislative History of Laws

For legislative history of D.C. Law 11-154, see Historical and Statutory Notes following § 34-2001.

For Law 17-165, see notes following § 34-403.

References in Text

The federal Telecommunications Act of 1996, referred to in (b), is Pub. L. 104-104, which is codified throughout Title 47 of the United States Code.

DC CODE § 34-2006

Current through January 11, 2012

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END OF DOCUMENT

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**Attachment F**

**Affirmative Statement of the Florida Public Service Commission**

COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
LISA POLAK EDGAR  
RONALD A. BRISÉ  
EDUARDO E. BALBIS  
JULIE I. BROWN

STATE OF FLORIDA



GENERAL COUNSEL  
S. CURTIS KISER  
(850) 413-6199

## Public Service Commission

June 2, 2011

Mr. Lance J.M. Steinhart, P.C.  
Attorney At Law  
1720 Windward Concourse  
Suite 115  
Alpharetta, GA 30005

**Re: Docket No. 110101-TP – i-wireless, LLC's ETC designation**

Dear Mr. Steinhart:

We received your May 20, 2011 letter requesting a statement that the Florida Public Service Commission's jurisdiction to grant ETC designation to i-wireless, LLC changed with Governor Scott's approval of HB 1231, the telecom reform bill. In your letter, you mentioned that i-wireless, LLC is a commercial mobile radio service provider.

This letter acknowledges that Governor Scott's approval of HB 1231, the telecom reform bill, revises Chapter 364, Florida Statutes, thereby changing the Commission's jurisdiction regarding telecommunications companies. I direct your attention to Chapter 364, Florida Statutes, including the revisions by HB 1231 for the proposition that the Federal Communications Commission, rather than this Commission is the appropriate agency to consider i-wireless, LLC's bid for ETC status.

Sincerely,

A handwritten signature in black ink that reads "S. Curtis Kiser".

S. Curtis Kiser  
General Counsel

cc: Beth W. Salak, Director, Division of Regulatory Analysis  
Robert J. Casey, Public Utilities Supervisor, Division of Regulatory Analysis  
Adam J. Teitzman, Attorney Supervisor, Office of the General Counsel  
Ann Cole, Commission Clerk, Office of Commission Clerk

**Attachment G**

**Affirmative Statement of the Maine Public Utilities Commission**

June 13, 2013

PUBLIC UTILITIES COMMISSION  
Amendment to Standards for Designating  
and Certifying Eligible  
Telecommunications Carriers Qualified to  
Receive Federal Universal Fund Support  
(Ch. 206)

ORDER ADOPTING  
AMENDED RULE AND  
STATEMENT OF FACTUAL  
AND POLICY BASIS

WELCH, Chairman; LITTELL and VANNOY, Commissioners

---

## I. SUMMARY

By this Order, we adopt amendments to Chapter 206 of the Commission's rules which establishes standards for the designation and annual certification of Eligible Telecommunications Carriers (ETCs). After these amendments, the Commission will no longer certify carriers that apply for ETC designation for the sole purpose of offering Lifeline, Link-Up, or other low-income program benefits. Going forward, such carriers will apply to the Federal Communications Commission (FCC) for ETC designation.<sup>1</sup>

## II. BACKGROUND

Chapter 206, adopted by the Commission on November 20, 2007, established standards for the designation and annual certification of ETCs. The rule was created, in large measure, to supplement the federal rules for ETC designation to account for distinctions between the services provided by wireline and wireless ETCs.

Since the adoption of Chapter 206, carriers seeking ETC designation for the sole purpose of offering Lifeline, link-Up, or other low-income benefits have entered the market in ever increasing numbers.<sup>2</sup> The majority of these carriers are pre-paid wireless service providers that resell the cellular telephone service of large national carriers. These pre-paid wireless ETCs typically provide a telephone handset and offer a set number of minutes (anywhere from 68 to 250 minutes per month) to low-income

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<sup>1</sup> This rule is a routine technical rule as defined in Title 5, chapter 375, subchapter 2-A of the Maine Revised Statutes.

<sup>2</sup> The federal Lifeline program provides a subsidy from the federal Universal Service Fund (USF) to ETCs for the purpose of providing discounted telephone service to qualifying low-income consumers. Link-Up is a federal program that provides a subsidy from the federal USF to ETCs to offset the cost of telephone service installation for low-income customers. The FCC has recently eliminated the Link-Up program for all areas of the country except Tribal Lands.

customers at no charge to the customer. The service is made "free" to the low-income customer by the application of a federal universal service fund subsidy (currently \$9.25 per month) to the monthly charge on a customer's account; a charge that exactly equals the amount of the subsidy.

When drafted, Chapter 206 did not contemplate the pre-paid Lifeline business model or the designation of "Lifeline-only" ETCs. Since the proliferation of pre-paid wireless Lifeline-only ETCs, the FCC has taken steps to standardize the certification requirements for such carriers. Notably the FCC recently enacted a requirement that a non-facilities-based wireless ETC applicant have a "compliance plan" approved by the FCC before a state commission or the FCC may designate the applicant as an ETC.<sup>3</sup> Further, as there is no state subsidy for Lifeline service, the Commission expends substantial resources administering what is for all intents and purposes a federal program.

On April 9, 2013, we issued a Notice of Rulemaking (NOR) in this proceeding detailing the proposed amendments to Chapter 206. The Commission did not schedule a public hearing on this matter, but, pursuant to rulemaking procedures, we provided an opportunity for interested persons to request such a hearing; the Commission did not receive any public hearing requests. Additionally, we provided interested persons with an opportunity to provide written comments on the proposed amendments to Chapter 206. The deadline for submitting such comments was May 17, 2013; the Commission did not receive any comments by the deadline.

It is the view of the Commission that there is no longer any advantage to Maine consumers, financial or otherwise, for the Commission to certify ETCs that apply for the designation solely for the purpose of offering Lifeline service and receiving the federal Lifeline subsidy. Because the FCC will certify Lifeline-only ETCs, Maine consumers will continue to benefit from the availability of the services offered by those carriers.

In accordance with 5 M.R.S. § 8057-A(1), we stated in our NOR that we expect that there will be no fiscal impact from this rulemaking. Further, we stated that we expect that this rulemaking will not impose an economic burden on small businesses. We continue to believe this will be the case

### III. DISCUSSION OF THE RULE AMENDMENTS

#### A. Section 1: Purpose

In the NOR we proposed to amend Section 1 of the rule to specify that the Commission will not designate ETCs seeking such designation solely for the purpose of receiving support to provide Lifeline, Link-Up, or other low-income services, and that carriers seeking designation for that purpose must apply to the Federal

---

<sup>3</sup> In our experience, the majority of Lifeline-only wireless ETCs are non-facilities-based resellers.

Communications Commission. No comments were received regarding this proposed amendment. Therefore, we adopt the amendment to Section 1 of the rule without modification.

B. Section 2: Definitions

1. Applicant

In the NOR we proposed to amend the definition of "Applicant" to exclude carriers seeking ETC designation solely for the purpose of receiving support to provide Lifeline or other low-income services.

2. Lifeline/Link-Up

In the NOR we proposed eliminating the definition of "Lifeline/Link-up."

No comments were received regarding these proposed amendments. Therefore, we adopt these amendments to Section 2 of the rule without modification.

C. Section 3: Contents of Petition by Applicant

In addition to several non-substantive editorial changes, in the NOR we proposed eliminating the provision in Section 3 that requires ETC applicants to include in their application a statement that the ETC will advertise the availability of low-income programs such as Lifeline and Link-Up. No comments were received regarding this proposed amendment. Therefore, we adopt these amendments to Section 3 of the rule without modification.

D. Section 6: Annual Reports

In addition to several non-substantive editorial changes, in the NOR we proposed eliminating the requirement that Competitive ETCs annually certify that they have publicized the availability of low-income programs such as Lifeline and Link-Up.<sup>4</sup> No comments were received regarding this proposed amendment. Therefore, we adopt these amendments to Section 6 of the rule without modification.

E. Section 7: Applicability to Carriers Designated as ETCs Before the Effective Date of this Chapter

In the NOR we proposed eliminating a superfluous section requiring submission of information by ETCs that were designated prior to December 4, 2007.

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<sup>4</sup> A Competitive ETC is an ETC that is not an Incumbent Local Exchange Carrier.

No comments were received regarding this proposed amendment. Therefore, we adopt this amendment to Section 7 of the rule without modification.

#### IV. ORDERING PARAGRAPHS

In light of the foregoing, we

#### O R D E R

1. That the attached Chapter 206 is hereby adopted;
2. That the Administrative Director shall notify the following of the final adoption of the attached rule:
  - a. All Local Exchange Carriers in the State of Maine;
  - b. All Eligible Telecommunications Carriers in Maine;
  - c. The Telephone Association of Maine;
  - d. All people who have filed with the Commission within the past year a written request for any Notice of Rulemaking.
3. That the Administrative Director shall send copies of this Order and the final rule:
  - a. The Secretary of State for publication in accordance with 5 M.R.S. § 8053(5); and
  - b. Executive Director of the Legislative Council.

Dated at Hallowell, Maine, this 13th day of June, 2013.

BY ORDER OF THE COMMISSION

/s/ Harry Lanphear

Harry Lanphear  
Administrative Director

COMMISSIONERS VOTING FOR: Welch  
Littell  
Vannoy

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.ch. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

**Attachment H**

**Affirmative Statement of the New Hampshire Public Utilities Commission**

THE STATE OF NEW HAMPSHIRE

CHAIRMAN  
Thomas B. Getz

COMMISSIONERS  
Clifton C. Below  
Amy L. Ignatius

EXECUTIVE DIRECTOR  
AND SECRETARY  
Debra A. Howland



**PUBLIC UTILITIES COMMISSION**

21 S. Fruit Street, Suite 10  
Concord, N.H. 03301-2429

Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH  
1-800-735-2964

Website:  
[www.puc.nh.gov](http://www.puc.nh.gov)

March 28, 2011

**RE: ETC Certification in New Hampshire**

The federal Universal Service Fund (USF) was created by the Federal Communications Commission (FCC) to promote the availability of quality services at just and reasonable rates to all consumers including low-income customers and those in high cost areas and to increase nationwide access to advanced services in schools, libraries and rural health care facilities. To qualify for universal service funding a carrier must first be certified as an Eligible Telecommunications Carrier (ETC) by the state public utilities commission or, if the state does not assert this authority, by the FCC. *See* 47 U.S.C. §214 (e).

The New Hampshire Public Utilities Commission maintains authority to determine whether landline telecommunications carriers qualify as ETCs. Pursuant to New Hampshire RSA 362:6, the Commission has no jurisdiction over mobile radio communications services. Consequently, the state declines jurisdiction over the certification of wireless carriers as ETCs, leaving that responsibility to the FCC.

Sincerely,

A handwritten signature in cursive script, appearing to read 'F. Anne Ross'.

F. Anne Ross

General Counsel

New Hampshire Public Utilities Commission

**Attachment I**

**Affirmative Statement of the New York Public Service Commission**

**STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE**  
**THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350**

Internet Address: <http://www.dps.state.ny.us>

**PUBLIC SERVICE COMMISSION**

**WILLIAM M. FLYNN**  
*Chairman*  
**THOMAS J. DUNLEAVY**  
**JAMES D. BENNETT**  
**LEONARD A. WEISS**  
**NEAL N. GALVIN**



**DAWN K. JABLONSKI**  
*General Counsel*

**JANET HAND DEEXLER**  
*Secretary*

March 27, 2003

**TO WHOM IT MAY CONCERN:**

Re: Nextel CMRS Jurisdiction

We have received a letter request from NPCR, Inc. d/b/a Nextel Partners ("Nextel Partners") for a statement that the State of New York does not exercise jurisdiction over Commercial Mobile Radio Service providers for purposes of making determinations concerning eligibility for Eligible Telecommunications Carrier designations under 47 U.S.C. §214(e) and 47 C.F.R. §54.201 *et seq.* In response to this request, please be advised that the New York State Public Service Law (PSL) §5 provides that:

Applications of the provisions of this chapter [i.e., the PSL] through one-way paging or two-way mobile radio telephone service with the exception of such services provided by means of cellular radio communication is suspended unless the commission [i.e., the NYS Public Service Commission] . . . makes a determination, after notice and hearing, that regulation of such services should be reinstated to the extent found necessary to protect the public interest because of a lack of effective competition.

The New York State Public Service Commission has not made a determination that regulation should be reinstated under PSL §5. Consequently, based on the representation by Nextel Partners that it is a CMRS provider, Nextel Partners would not be subject to the application of the PSL, and consequently the jurisdiction of the New York Public Service Commission, for the purposes of making the Eligible Telecommunications Carrier designation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Elizabeth H. Liebschutz".

**Elizabeth H. Liebschutz**  
Assistant Counsel

# STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350  
Internet Address: <http://www.dps.state.ny.us>

## PUBLIC SERVICE COMMISSION

WILLIAM M. FLYNN  
*Chairman*  
THOMAS J. DUNLEAVY  
JAMES D. BENNETT  
LEONARD A. WEISS  
NEAL N. GALVIN



DAWN JABLONSKI RYMAN  
*General Counsel*

JACLYN A. BRILLING  
*Secretary*

March 18, 2004

Mitchell Brecher  
Greenberg Taurig, LLP  
800 Connecticut Avenue, N.W.  
Suite 500  
Washington, D.C. 20006

RE: Case 04-C-0227 - Petition of TracFone Wireless, Inc. for a Declaratory Ruling that the Company, a Commercial Mobile Radio Service Provider, is not subject to Commission Jurisdiction.

Dear Mr. Brecher,

I am responding to your letter to Secretary Brillling, dated February 23, 2004, on behalf of TracFone Wireless, Inc. ("TracFone"). In your letter, you requested a statement that the State of New York does not exercise jurisdiction over Commercial Mobile Radio Service (CMRS) providers for purposes of making determinations concerning eligibility for Eligible Telecommunications Carrier designations under 47 U.S.C. §214(e) and 47 C.F.R. §54.201 *et seq.* You indicated that TracFone is an authorized reseller of CMRS throughout the United States, including New York.

In response to your request, please be advised that the New York State Public Service Law §5 provides that:

Applications of the provisions of this chapter [the Public Service Law] through one-way paging or two-way mobile radio telephone service with the exception of such services provided by means of cellular radio communication is suspended unless the [New York State Public Service] commission . . . makes a determination, after notice and hearing, that regulation of such services should be reinstated to the extent found necessary to protect the public interest because of a lack of effective competition.

Mr. Mitchell Brecher

March 18, 2004

The New York State Public Service Commission has not made a determination that regulation should be reinstated under Public Service Law §5. Consequently, based on the representation by TracFone that it is a CMRS provider, TracFone would not be subject to the application of the Public Service Law and, therefore, the jurisdiction of the New York Public Service Commission for the purposes of making the Eligible Telecommunications Carrier designation.

As this letter is responsive to your request for a statement, Case 04-C-0227 will be closed.

Sincerely,

  
Kathleen H. Burgess  
Assistant Counsel

**Attachment J**

**Affirmative Statement of the North Carolina Public Utilities Commission**

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. P-100, SUB 133c

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Designation of Carriers Eligible for Universal )  
Carrier Support ) ORDER GRANTING PETITION

BY THE COMMISSION: On August 22, 2003, North Carolina RSA3 Cellular Telephone Company, d/b/a Carolina West (Carolina West), a commercial mobile radio service (CMRS) provider, filed a Petition seeking an affirmative declaratory ruling that the Commission lacks jurisdiction to designate CMRS carrier eligible telecommunications carrier (ETC) status for the purposes of receiving federal universal service support.

In support of its Petition, Carolina West stated that it was a CMRS provider authorized by the Federal Communications Commission (FCC) to provide cellular mobile radio telephone service in North Carolina, and that the FCC had clearly recognized that CMRS carriers such as Carolina West may be designated as ETCs. ETC status is necessary for a provider to be eligible to receive universal service support. Section 214(e)(6) of the Telecommunications Act provides that if a state commission determines that it lacks jurisdiction over a class of carriers, the FCC is charged with making the ETC determination. The FCC has stated that, in order for the FCC to consider requests pursuant to this provision, a carrier must provide an "affirmative statement" from the state commission or court of competent jurisdiction that the state lacks jurisdiction to perform the designation. To date, several state commissions have declined to exercise such jurisdiction.

North Carolina has excluded CMRS from the definition of "public utility." See, G.S. 62-3(23)j. Pursuant to this, the Commission issued its Order Concerning Deregulation of Wireless Providers in Docket Nos. P-100, Sub 114 and Sub 124 on August 28, 1995, concluding that the Commission no longer has jurisdiction over cellular services. Accordingly, Carolina West has now requested the Commission to issue an Order stating that it does not have jurisdiction to designate CMRS carriers ETC status for the purposes of receiving federal universal service support.

WHEREUPON, the Commission reaches the following

**CONCLUSIONS**

After careful consideration, the Commission concludes that it should grant Carolina West's Petition and issue an Order stating that it lacks jurisdiction to designate ETC status

for CMRS carriers. As noted above, in its August 28, 1995, Order in Docket Nos. P-100, Sub 114 and Sub 124, the Commission observed that G.S. 62-3(23j), enacted on July 29, 1995, has removed cellular services, radio common carriers, personal communications services, and other services then or in the future constituting a mobile radio communications service from the Commission's jurisdiction. 47 USC 3(41) defines a "state commission" as a body which "has regulatory jurisdiction with respect to the intrastate operation of carriers." Pursuant to 47 USC 214(e)(6), if a state commission determines that it lacks jurisdiction over a class of carriers, the FCC must determine which carriers in that class may be designated as ETCs. Given these circumstances, it follows that the Commission lacks jurisdiction over CMRS services and the appropriate venue for the designation of ETC status for such services is with the FCC. Accord., Order Granting Petition, ALLTEL Communications, Inc., June 24, 2003.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 28th day of August, 2003.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Patricia Swenson".

Patricia Swenson, Deputy Clerk

**Attachment K**

**Affirmative Statement of the Tennessee Regulatory Authority**

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 11, 2003

IN RE:

APPLICATION OF ADVANTAGE CELLULAR  
SYSTEMS, INC. TO BE DESIGNATED AS AN  
ELIGIBLE TELECOMMUNICATIONS CARRIER

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DOCKET NO.  
02-01245

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ORDER

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This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate and Director Pat Miller of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned in this docket, at the regularly scheduled Authority Conference held on January 27, 2003, for consideration of the *Application of Advantage Cellular Systems, Inc. To Be Designated As An Eligible Telecommunications Carrier* ("Application") filed on November 21, 2002.

**Background**

Advantage Cellular Systems, Inc. ("Advantage") is a commercial mobile radio service provider ("CMRS") seeking designation as an Eligible Telecommunications Carrier ("ETC") by the Authority pursuant to 47 U.S.C. §§ 214 and 254. In its *Application*, Advantage asserts that it seeks ETC status for the entire study area of Dekalb Telephone Cooperative, Inc., a rural cooperative telephone company. Advantage maintains that it meets all the necessary requirements for ETC status and therefore is eligible to receive universal service support throughout its service area.

**The January 27, 2003 Authority Conference**

During the regularly scheduled Authority Conference on January 27, 2003, the panel of Directors assigned to this docket deliberated Advantage's *Application*. Of foremost consideration was the issue of the Authority's jurisdiction. The panel unanimously found that the Authority lacked

jurisdiction over Advantage for ETC designation purposes.<sup>1</sup>

This conclusion was implicitly premised on Tenn. Code Ann. § 65-4-104, which provides that:

The Authority has general supervisory and regulatory power, jurisdiction and control over all public utilities and also over their property, property rights, facilities, and franchises, so far as may be necessary for the purpose of carrying out the provisions of this chapter.

For purposes of Tenn. Code Ann. § 65-4-104, the definition of public utilities specifically excludes, with certain exceptions not relevant to this case, “[a]ny individual, partnership, copartnership, association, corporation or joint stock company offering domestic public cellular radio telephone service authorized by the federal communications commission.”

The Authority’s lack of jurisdiction over CMRS providers implicates 47 U.S.C. § 214(e), which addresses the provision of universal service. Where common carriers seeking universal service support are not subject to a state regulatory commission’s jurisdiction, 47 U.S.C. § 214(e)(6) authorizes the Federal Communications Commission (“FCC”) to perform the ETC designation.<sup>2</sup>

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<sup>1</sup> This finding is not inconsistent with the Authority’s decision in *In re: Universal Service Generic Contested Case*, Docket 97-00888, *Interim Order on Phase I of Universal Service*, pp. 53-57 (May 20, 1998), in which the Authority required intrastate telecommunications carriers to contribute to the intrastate Universal Service Fund including telecommunications carriers not subject to authority of the TRA. The decision in Docket No. 97-00888 was based primarily on 47 U.S.C. § 254(f) which authorizes states to adopt regulations not inconsistent with the Federal Communications Commission’s rules on Universal Service and specifically requires every telecommunications carrier that provides intrastate telecommunications services to contribute to the preservation and advancement of universal service in that state. The *Interim Order* was issued prior to the effective date of 47 U.S.C. § 214(e)(6).

<sup>2</sup> 47 U.S.C. §214(e)(6) states:

(6) Common carriers not subject to state commission jurisdiction

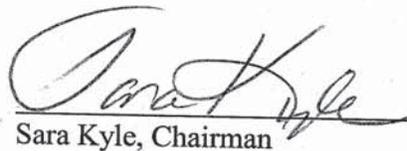
In the case of a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission, the Commission shall upon request designate such a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the Commission consistent with applicable Federal and State law. Upon request and consistent with the public interest, convenience and necessity, the Commission may, with respect to an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated under this paragraph, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the Commission shall find that the designation is in the public interest.

As a matter of “state-federal comity,” the FCC requires that carriers seeking ETC designation “first consult with the state commission to give the state commission an opportunity to interpret state law.”<sup>3</sup> Most carriers that are not subject to a state regulatory commission’s jurisdiction seeking ETC designation must provide the FCC “with an affirmative statement from a court of competent jurisdiction or the state commission that it lacks jurisdiction to perform the designation.”<sup>4</sup>

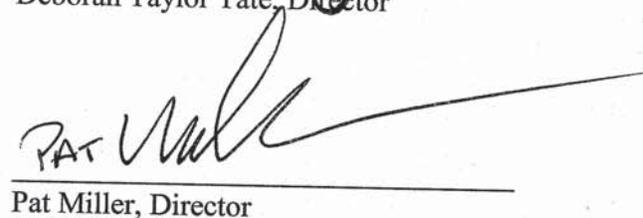
The panel noted that the FCC is the appropriate forum for Advantage to pursue ETC status pursuant to 47 U.S.C. § 214(e)(6). This Order shall serve as the above mentioned affirmative statement required by the FCC.

**IT IS THEREFORE ORDERED THAT:**

*The Application of Advantage Cellular Systems, Inc. To Be Designated As An Eligible Telecommunications Carrier* is dismissed for lack of subject matter jurisdiction.

  
Sara Kyle, Chairman

  
Deborah Taylor Tate, Director

  
Pat Miller, Director

<sup>3</sup> *In the Matter of Federal-State Joint Bd. on Universal Service*, CC Docket No. 96-45, *Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking*, 15 F.C.C.R. 12208, 12264, ¶ 113 (June 30, 2000).

<sup>4</sup> *See id.* (The “affirmative statement of the state commission may consist of any duly authorized letter, comment, or state commission order indicating that it lacks jurisdiction to perform designations over a particular carrier.”)

**Attachment L**

**Affirmative Statement of the Texas Public Utility Commission**

**PROJECT NO. 40561**

**RULEMAKING TO AMEND §  
SUBSTANTIVE RULE 26.418 RELATING §  
TO DESIGNATION OF COMMON §  
CARRIERS AS ELIGIBLE §  
TELECOMMUNICATIONS CARRIERS §  
TO RECEIVE FEDERAL UNIVERSAL §  
SERVICE FUNDS §**

**PUBLIC UTILITY COMMISSION**

**OF TEXAS**

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FILED CLERK

**ORDER ADOPTING AMENDMENT TO §26.418  
AS APPROVED AT THE NOVEMBER 16, 2012 OPEN MEETING**

The Public Utility Commission of Texas (commission) adopts an amendment to §26.418, relating to Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds, with no changes to the proposed text as published in the August 31, 2012, issue of the *Texas Register* (37 TexReg 6874). The amendment will exclude commercial mobile radio service (CMRS) resellers from eligibility for designation by the commission as an eligible telecommunications carrier (ETC). Instead, a CMRS reseller will be able to seek designation as an ETC by the Federal Communications Commission (FCC). Project Number 40561 is assigned to this proceeding.

The commission did not receive any comments on the proposed amendment.

The amendment is adopted under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (West 2007 and Supp. 2012) (PURA), which provides the commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; and specifically §51.001, which provides that it is the policy of this state to promote diversity of telecommunications providers and interconnectivity; encourage a fully competitive

telecommunications marketplace; and maintain a wide availability of high quality interoperable, standards-based telecommunications services at affordable rates.

Cross Reference to Statutes: PURA §§14.002 and 51.001.

**§26.418. Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds.**

- (a) **Purpose.** This section provides the requirements for the commission to designate common carriers as eligible telecommunications carriers (ETCs) to receive support from the federal universal service fund (FUSF) pursuant to 47 United States Code (U.S.C.) §214(e) (relating to Provision of Universal Service). In addition, this section provides guidelines for rural and non-rural carriers to meet the federal requirements of annual certification for FUSF support criteria and, if requested or ordered, for the disaggregation of rural carriers' FUSF support.
- (b) **Applicability.** This section applies to a common carrier seeking designation as an ETC, except for commercial mobile radio service (CMRS) resellers. A CMRS reseller may not seek designation from the commission, but instead may seek designation as an ETC by the Federal Communications Commission (FCC). This section also applies to a common carrier that has been designated by the commission as an ETC, including a CMRS reseller.
- (c) **Service areas.** The commission may designate ETC service areas according to the following criteria.
- (1) **Non-rural service area.** To be eligible to receive federal universal service support in non-rural areas, a carrier must provide federally supported services pursuant to 47 Code of Federal Regulations (C.F.R.) §54.101 (relating to

Supported Services for Rural, Insular, and High Cost Areas) throughout the area for which the carrier seeks to be designated an ETC.

- (2) **Rural service area.** In the case of areas served by a rural telephone company, as defined in §26.404 of this title (relating to Small and Rural Incumbent Local Exchange Company (ILEC) Universal Service Plan), a carrier must provide federally supported services pursuant to 47 C.F.R. §54.101 throughout the study area of the rural telephone company in order to be eligible to receive federal universal service support.
- (d) **Criteria for determination of ETCs.** A common carrier shall be designated as eligible to receive federal universal service support if it:
- (1) offers the services that are supported by the federal universal service support mechanisms under 47 C.F.R. §54.101 either using its own facilities or a combination of its own facilities and resale of another carrier's services; and
  - (2) advertises the availability of and charges for such services using media of general distribution.
- (e) **Criteria for determination of receipt of federal universal service support.** In order to receive federal universal service support, a common carrier must:
- (1) meet the requirements of subsection (d) of this section;
  - (2) offer Lifeline Service to qualifying low-income consumers in compliance with 47 C.F.R. Part 54, Subpart E (relating to Universal Service Support for Low-Income Consumers); and

- (3) offer toll limitation services in accordance with 47 C.F.R. §54.400 (relating to Terms and Definitions) and §54.401 (relating to Lifeline Defined).
- (f) **Designation of more than one ETC.**
- (1) Non-rural service areas. In areas not served by rural telephone companies, as defined in §26.404 of this title, the commission shall designate, upon application, more than one ETC in a service area so long as each additional carrier meets the requirements of subsection (c)(1) of this section and subsection (d) of this section.
  - (2) Rural service areas. In areas served by rural telephone companies, as defined in §26.404 of this title, the commission may designate as an ETC a carrier that meets the requirements of subsection (c)(2) of this section and subsection (d) of this section if the commission finds that the designation is in the public interest.
- (g) **Proceedings to designate ETCs.**
- (1) At any time, a common carrier may seek commission approval to be designated an ETC for a requested service area.
  - (2) In order to receive support under this section for exchanges purchased from an unaffiliated carrier, the acquiring ETC shall file an application, within 30 days after the date of the purchase, to amend its ETC service area to include those geographic areas that are eligible for support.
  - (3) If an ETC receiving support under this section sells an exchange to an unaffiliated carrier, it shall file an application, within 30 days after the date of the sale, to

amend its ETC designation to exclude from its designated service area those exchanges for which it was receiving support.

(h) **Application requirements and commission processing of applications.**

(1) **Requirements for notice and contents of application.**

(A) Notice of application. Notice shall be published in the *Texas Register*. The presiding officer may require additional notice. Unless otherwise required by the presiding officer or by law, the notice shall include at a minimum a description of the service area for which the applicant seeks eligibility, the proposed effective date of the designation, and the following statement: "Persons who wish to comment on this application should notify the Public Utility Commission of Texas by (specified date, ten days before the proposed effective date). Requests for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or you may call the Public Utility Commission's Customer Protection Division at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136, or use Relay Texas (800) 735-2989 to reach the commission's toll free number (888) 782-8477."

(B) Contents of application for each common carrier seeking ETC designation. A common carrier that seeks to be designated as an ETC shall file with the commission an application complying with the requirements of this

section. In addition to copies required by other commission rules, one copy of the application shall be delivered to the commission's Regulatory Division and one copy shall be delivered to the Office of Public Utility Counsel. The application shall:

- (i) show that the applicant offers each of the services that are supported by the FUSF support mechanisms under 47 U.S.C. §254(c) (relating to Universal Service) either using its own facilities or a combination of its own facilities and resale of another carrier's services throughout the service area for which it seeks designation as an ETC;
- (ii) show that the applicant assumes the obligation to offer each of the services that are supported by the FUSF support mechanisms under 47 U.S.C. §254(c) to any consumer in the service area for which it seeks designation as an ETC;
- (iii) show that the applicant advertises the availability of, and charges for, such services using media of general distribution;
- (iv) show the service area in which the applicant seeks designation as an ETC;
- (v) contain a statement detailing the method and content of the notice the applicant has provided or intends to provide to the public regarding the application and a brief statement explaining why the proposed notice is reasonable and in compliance with applicable law;

- (vi) contain a copy of the text of the notice;
  - (vii) contain the proposed effective date of the designation; and
  - (viii) contain any other information which the applicant wants considered in connection with the commission's review of its application.
- (C) Contents of application for each common carrier seeking ETC designation and receipt of federal universal service support. A common carrier that seeks to be designated as an ETC and receive federal universal service support shall file with the commission an application complying with the requirements of this section. In addition to copies required by other commission rules, one copy of the application shall be delivered to the commission staff and one copy shall be delivered to the Office of Public Utility Counsel. The application shall:
- (i) comply with the requirements of subparagraph (B) of this paragraph;
  - (ii) show that the applicant offers Lifeline Service to qualifying low-income consumers in compliance with 47 C.F.R. Part 54, Subpart E; and
  - (iii) show that the applicant offers toll limitation services in accordance with 47 C.F.R. §54.400 and §54.401.
- (2) **Commission processing of application.**
- (A) Administrative review. An application considered under this section may be reviewed administratively unless the presiding officer, for good cause,

determines at any point during the review that the application should be docketed.

- (i) The effective date shall be no earlier than 30 days after the filing date of the application or 30 days after notice is completed, whichever is later.
- (ii) The application shall be examined for sufficiency. If the presiding officer concludes that material deficiencies exist in the application, the applicant shall be notified within ten working days of the filing date of the specific deficiency in its application. The earliest possible effective date of the application shall be no less than 30 days after the filing of a sufficient application with substantially complete information as required by the presiding officer. Thereafter, any deadlines shall be determined from the 30th day after the filing of the sufficient application and information or from the effective date if the presiding officer extends that date.
- (iii) While the application is being administratively reviewed, the commission staff and the staff of the Office of Public Utility Counsel may submit requests for information to the telecommunications carrier. Three copies of all answers to such requests for information shall be provided to the commission staff and the Office of Public Utility Counsel within ten days after receipt of the request by the telecommunications carrier.

- (iv) No later than 20 days after the filing date of the application or the completion of notice, whichever is later, interested persons may provide the commission staff with written comments or recommendations concerning the application. The commission staff shall and the Office of Public Utility Counsel may file with the presiding officer written comments or recommendations regarding the application.
  - (v) No later than 35 days after the proposed effective date of the application, the presiding officer shall issue an order approving, denying, or docketing the application.
- (B) Approval or denial of application.
- (i) An application filed pursuant to paragraph (1)(B) of this subsection shall be approved by the presiding officer if the application meets the following requirements:
    - (I) the provision of service constitutes the services that are supported by the FUSF support mechanisms under 47 U.S.C. §254(c);
    - (II) the applicant will provide service using either its own facilities or a combination of its own facilities and resale of another carrier's services;
    - (III) the applicant advertises the availability of, and charges for, such services using media of general distribution;
    - (IV) notice was provided as required by this section;

- (V) the applicant satisfies the requirements contained in subsection (c) of this section; and
  - (VI) if, in areas served by a rural telephone company, the ETC designation is consistent with the public interest.
- (ii) An application filed pursuant to paragraph (1)(C) of this subsection shall be approved by the presiding officer if the application meets the following requirements:
- (I) the applicant has satisfied the requirements set forth in clause (i) of this subparagraph;
  - (II) the applicant offers Lifeline Service to qualifying low-income consumers in compliance with 47 C.F.R. Part 54, Subpart E; and
  - (III) the applicant offers toll limitation services in accordance with 47 C.F.R. §54.400 and §54.401.
- (C) Docketing. If, based on the administrative review, the presiding officer determines that one or more of the requirements have not been met, the presiding officer shall docket the application.
- (D) Review of the application after docketing. If the application is docketed, the effective date of the application shall be automatically suspended to a date 120 days after the applicant has filed all of its direct testimony and exhibits, or 155 days after the proposed effective date, whichever is later. Three copies of all answers to requests for information shall be filed with the commission within ten days after receipt of the request. Affected

persons may move to intervene in the docket, and a hearing on the merits shall be scheduled. A hearing on the merits shall be limited to issues of eligibility. The application shall be processed in accordance with the commission's rules applicable to docketed cases.

- (E) **Waiver.** In the event that an otherwise ETC requests additional time to complete the network upgrades needed to provide single-party service, access to enhanced 911 service, or toll limitation, the commission may grant a waiver of these service requirements upon a finding that exceptional circumstances prevent the carrier from providing single-party service, access to enhanced 911 service, or toll limitation. The period for the waiver shall not extend beyond the time that the commission deems necessary for that carrier to complete network upgrades to provide single-party service, access to enhanced 911 service, or toll limitation services.

- (i) **Designation of ETC for unserved areas.** If no common carrier will provide the services that are supported by federal universal service support mechanisms under 47 U.S.C. §254(c) to an unserved community or any portion thereof that requests such service, the commission, with respect to intrastate services, shall determine which common carrier or carriers are best able to provide such service to the requesting unserved community or portion thereof and shall order such carrier or carriers to provide such service for that unserved community or portion thereof.

- (j) **Relinquishment of ETC designation.** A common carrier may seek to relinquish its ETC designation.
- (1) **Area served by more than one ETC.** The commission shall permit a common carrier to relinquish its designation as an ETC in any area served by more than one ETC upon:
- (A) written notification not less than 90 days prior to the proposed effective date that the common carrier seeks to relinquish its designation as an ETC;
  - (B) determination by the commission that the remaining eligible telecommunications carrier or carriers can offer federally supported services to the relinquishing carrier's customers; and
  - (C) determination by the commission that sufficient notice of relinquishment has been provided to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier or carriers.
- (2) **Area where the common carrier is the sole ETC.** In areas where the common carrier is the only ETC, the commission may permit it to relinquish its ETC designation upon:
- (A) written notification not less than 90 days prior to the proposed effective date that the common carrier seeks to relinquish its designation as an ETC;  
and
  - (B) commission designation of a new ETC for the service area or areas.

- (k) **Rural and non-rural carriers' requirements for annual certification to receive FUSF support.** A common carrier serving a rural or non-rural study area shall comply with the following requirements for annual certification for the receipt of FUSF support.
- (1) **Annual certification.** Common carriers must provide the commission with an affidavit annually, on or before September 1st of each year, which certifies that the carrier is complying with the federal requirements for the receipt of FUSF support. Upon receipt and acceptance of the affidavits filed on or before September 1st each year, the commission will certify these carriers' eligibility for FUSF to the FCC and the Federal Universal Service Fund Administrator by October 1st each year.
  - (2) **Failure to file.** Common carriers failing to file an affidavit by September 1st may still be certified by the commission for annual FUSF. However, the carrier is ineligible for support until the quarter following the federal universal service administrator's receipt of the commission's supplemental submission of the carrier's compliance with the federal requirements.
  - (3) **Supplemental certification.** For carriers not subject to the annual certification process, the schedule set forth in 47 C.F.R. §54.313 and 47 C.F.R. §54.314(d) for the filing of supplemental certifications shall apply.
  - (4) **Recommendation for Revocation of FUSF support certification.** The commission may recommend the revocation of the FUSF support certification of any carrier that it determines has not complied with the federal requirements pursuant to 47 U.S.C. §254(e) and will review any challenge to a carrier's FUSF

support certification and make an appropriate recommendation as a result of any such review.

- (l) **Disaggregation of rural carriers' FUSF support.** Common carriers serving rural study areas must comply with the following requirements regarding disaggregation of FUSF support.
  - (1) **Election by May 15, 2002.** On or before May 15, 2002, all rural incumbent local exchange carriers (ILECs) may notify the commission of one of the following elections regarding FUSF support. This election will remain in place for four years from the effective date of certification, pursuant to 47 C.F.R. §54.315, unless the commission, on its own motion, or upon the motion of the rural ILEC or an interested party, requires a change to the elected disaggregation plan:
    - (A) a rural ILEC may choose to certify to the commission that it will not disaggregate at this time;
    - (B) a rural ILEC may seek disaggregation of its FUSF support by filing a targeted plan with the commission that meets the criteria in paragraph (3) of this subsection, subject to the commission's approval of the plan;
    - (C) a rural ILEC may self-certify a disaggregation targeted plan that meets the criteria in paragraphs (3) and (4) of this subsection, disaggregate support to the wire center level or up to no more than two cost zones, or mirror a plan for disaggregation that has received prior commission approval; or
    - (D) if the rural ILEC serves a study area that is served by another carrier designated as an ETC prior to the effective date of 47 C.F.R. §54.315,

(June 19, 2001), the ILEC may only self-certify the disaggregation of its FUSF support by adopting a plan for disaggregation that has received prior commission approval.

- (2) **Abstain from filing.** If a rural ILEC abstains from filing an election on or before May 15, 2002, the carrier will not be permitted to disaggregate its FUSF support unless it is ordered to do so by the commission pursuant to the terms of paragraph (5) of this subsection.
- (3) **Requirements for rural ILECs' disaggregation plans.** Pursuant to the federal requirements in 47 C.F.R. §54.315(e) a rural ILEC's disaggregation plan, whether submitted pursuant to paragraph (1)(B), (C) or (D) of this subsection, must meet the following requirements:
  - (A) the sum of the disaggregated annual support must be equal to the study area's total annual FUSF support amount without disaggregation;
  - (B) the ratio of the per line FUSF support between disaggregation zones for each disaggregated category of FUSF support shall remain fixed over time, except as changes are required pursuant to paragraph (5) of this subsection;
  - (C) the ratio of per line FUSF support shall be publicly available;
  - (D) the per line FUSF support amount for each disaggregated zone or wire center shall be recalculated whenever the rural ILEC's total annual FUSF support amount changes and revised total per line FUSF support and updated access line counts shall then be applied using the changed FUSF support amount and updated access line counts applicable at that point;

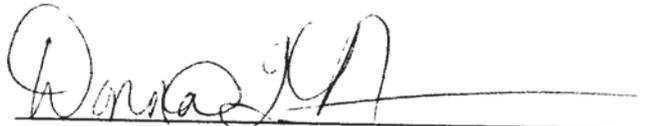
- (E) each support category complies with subparagraphs (A) and (B) of this paragraph;
  - (F) monthly payments of FUSF support shall be based upon the annual amount of FUSF support divided by 12 months if the rural ILEC's study area does not contain a competitive carrier designated as an ETC; and
  - (G) a rural ILEC's disaggregation plan methodology and the underlying access line count upon which it is based will apply to any competitive carrier designated as an ETC in the study area.
- (4) **Additional requirements for self-certification of a disaggregation plan.** Pursuant to 47 C.F.R. §54.315(d)(2), a rural ILEC's self-certified disaggregation plan must also include the following items in addition to those items required by paragraph (3) of this subsection:
- (A) support for, and a description of, the rationale used, including methods and data relied upon, as well as a discussion of how the plan meets the requirements in paragraph (3) of this subsection and this paragraph;
  - (B) a reasonable relationship between the cost of providing service for each disaggregation zone within each disaggregation category of support proposed;
  - (C) a clearly specified per-line level of FUSF support for each category pursuant to 47 C.F.R. §54.315(d)(2)(iii);
  - (D) if the plan uses a benchmark, a detailed explanation of the benchmark and how it was determined that is generally consistent with how the level of

- support for each category of costs was derived so that competitive ETCs may compare the disaggregated costs for each cost zone proposed; and
- (E) maps identifying the boundaries of the disaggregated zones within the study area.
- (5) **Disaggregation upon commission order.** The commission on its own motion or upon the motion of an interested party may order a rural ILEC to disaggregate FUSF support under the following criteria:
- (A) the commission determines that the public interest of the rural study area is best served by disaggregation of the rural ILEC's FUSF support;
- (B) the commission establishes the appropriate disaggregated level of FUSF support for the rural ILEC; or
- (C) changes in ownership or changes in state or federal regulation warrant the commission's action.
- (6) **Effective dates of disaggregation plans.** The effective date of a rural ILEC's disaggregation plan shall be as specified in 47 C.F.R. §54.315.

This agency hereby certifies that the adoption has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority. It is therefore ordered by the Public Utility Commission of Texas that §26.418 relating to Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds, is hereby adopted with no changes to the text as proposed.

SIGNED AT AUSTIN, TEXAS on the 16<sup>th</sup> day of November 2012.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
\_\_\_\_\_  
**DONNA L. NELSON, CHAIRMAN**

  
\_\_\_\_\_  
**KENNETH W. ANDERSON, JR., COMMISSIONER**

  
\_\_\_\_\_  
**ROLANDO PABLOS, COMMISSIONER**

**Attachment M**

**Affirmative Statement of the Virginia Corporation Commission**

## STATE CORPORATION COMMISSION DOCUMENT CONTROL

AT RICHMOND, APRIL 9, 2004

IN RE:

2004 APR -9 A 11:46

APPLICATION OF VIRGINIA CELLULAR LLC

CASE NO. PUC-2001-00263

For designation as an eligible  
telecommunications provider under  
47 U.S.C. § 214(e) (2)

ORDER INVITING COMMENTS AND/OR REQUESTS FOR HEARING

On December 21, 2001, Virginia Cellular LLC ("Virginia Cellular") filed an application with the State Corporation Commission ("Commission") for designation as an eligible telecommunications carrier ("ETC"). This was the first application by a Commercial Mobile Radio Service ("CMRS") carrier for ETC designation.<sup>1</sup> Pursuant to the Order Requesting Comments, Objections, or Requests for Hearing, issued by the Commission on January 24, 2002, the Virginia Telecommunications Industry Association and NTELOS Telephone Inc. ("NTELOS") filed their respective comments and requests for hearing on February 20, 2002. Virginia Cellular filed Reply Comments on March 6, 2002. Our Order of April 9, 2002, found that § 214(e)(6) of the Act is applicable to Virginia Cellular's application because this Commission has not asserted jurisdiction over CMRS carriers and that Virginia Cellular should apply to the Federal Communications Commission ("FCC") for ETC designation.

Virginia Cellular filed its Petition for Designation as an Eligible Telecommunications Carrier in the State of Virginia with the FCC on April 26, 2002. On January 22, 2004, the FCC released its order designating Virginia Cellular as an ETC in specific portions of its licensed

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<sup>1</sup> Virginia Cellular is a CMRS carrier as defined in 47 U.S.C. § 153(27) and is authorized as the "A-band" cellular carrier for the Virginia 6 Rural Service Area, serving the counties of Rockingham, Augusta, Nelson, and Highland and the cities of Harrisonburg, Staunton, and Waynesboro.

service area in the Commonwealth of Virginia subject to certain conditions ("FCC's January 22, 2004, Order").<sup>2</sup>

The FCC's January 22, 2004, Order further stated that Virginia Cellular's request to redefine the service areas of Shenandoah Telephone Company ("Shentel") and MGW Telephone Company ("MGW") in Virginia pursuant to § 214(3)(5) of the Telecommunications Act of 1996 ("Act") was granted subject to the agreement of this Commission. On March 2, 2004, the FCC filed its January 22, 2004, Order as a petition in this case.<sup>3</sup>

Section 214(e)(5) of the Act states:

SERVICE AREA DEFINED. - The term "service area" means a geographic area established by a State commission (or the Commission under paragraph (6)) for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, "service area" means such company's "study area" unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.

In this instance, the FCC has determined that the service areas of Shentel and MGW, which are both rural telephone companies under the Act, should be redefined as requested by Virginia Cellular.<sup>4</sup> The FCC further recognizes that the "Virginia Commission's first-hand knowledge of the rural areas in question uniquely qualifies it to determine the redefinition proposal and examine whether it should be approved."<sup>5</sup>

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<sup>2</sup> CC Docket No. 96-45, *In the Matter of Federal-State Joint Board on Universal Service, Virginia Cellular LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*.

<sup>3</sup> See paragraph 45 of the FCC's January 22, 2004, Order. The FCC, in accordance with § 54.207(d) of its rules, requests that the Virginia Commission treat this Order as a petition to redefine a service area under § 54.207(d)(1) of the FCC's rules. A copy of the petition can be obtained from the Commission's website at: <http://www.state.va.us/scc/caseinfo.htm>.

<sup>4</sup> The FCC denied Virginia Cellular's request to redefine the study area of NTELOS. See paragraph 50 of the FCC's January 22, 2004, Order.

<sup>5</sup> The FCC's January 24, 2004, Order at paragraph 2. (citations omitted)

The Commission finds that interested parties should be afforded the opportunity to comment and/or request a hearing regarding the FCC's petition to redefine the service areas of Shentel and MGW. We note that the FCC believes that its proposed redefinition of these service areas should not harm either Shentel or MGW.<sup>6</sup> However, we request any interested party to specifically address in its comments whether our agreeing to the FCC's proposal to redefine the service areas of Shentel and MGW would harm these companies.

NOW UPON CONSIDERATION of all the pleadings of record and the applicable law, the Commission is of the opinion that interested parties should be allowed to comment or request a hearing regarding the FCC's proposed redefinition of Shentel's and MGW's service areas.

Accordingly, IT IS ORDERED THAT:

(1) Any interested party desiring to comment regarding the redefinition of Shentel's and MGW's service areas may do so by directing such comments in writing on or before May 7, 2004, to Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Interested parties desiring to submit comments electronically may do so by following the instructions found on the Commission's website: <http://www.state.va.us/scc/caseinfo.htm>.

(2) On or before May 7, 2004, any interested party wishing to request a hearing regarding the redefinition of Shentel's and MGW's service areas shall file an original and fifteen (15) copies of its request for hearing in writing with the Clerk of the Commission at the address set forth above. Written requests for hearing shall refer to Case No. PUC-2001-00263 and shall include: (i) a precise statement of the interest of the filing party; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in the matter.

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<sup>6</sup> See paragraphs 43 and 44 of the FCC's January 22, 2004, Order.

(3) On or before June 1, 2004, interested parties may file with the Clerk of the Commission an original and fifteen (15) copies of any responses to the comments and requests for hearing filed with the Commission. A copy of the response shall be delivered to any person who filed comments or requests for hearing.

(4) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: each local exchange telephone company licensed to do business in Virginia, as shown on Attachment A hereto; David A. LaFuria, Esquire, Lukas, Nace, Gutierrez & Sachs, Chartered, 1111 19th Street, N.W., Suite 1200, Washington, D.C. 20036; Thomas Buckley, Attorney-Advisor, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554; Virginia Telecommunications Industry Association, c/o Richard D. Gary, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074; L. Ronald Smith, President and General Manager, Shenandoah Telephone Company, P.O. Box 105, Williamsville, Virginia 24487; Lori Warren, Director of Regulatory Affairs, MGW Telephone Company, P.O. Box 459, Edinburg, Virginia 22824-0459; C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of Attorney General, 900 East Main Street, 2nd Floor, Richmond, Virginia 23219; and the Commission's Office of General Counsel and Divisions of Communications, Public Utility Accounting, and Economics and Finance.

**Attachment N**  
**Coverage Area**

State	SAC	Study Area Name	Rural (R) or Non- Rural (N)
AL	255181	SO CENTRAL BELL-AL	N
AL	259788	CENTURYTEL-AL-SOUTH	N
AL	259789	CENTURYTEL-AL-NORTH	N
AL	250282	BLOUNTSVILLE TEL CO	R
AL	250283	BRINDLEE MOUNTAIN	R
AL	250284	BUTLER TEL CO	R
AL	250285	CASTLEBERRY TEL CO	R
AL	250286	NATIONAL OF ALABAMA	R
AL	250290	FARMERS TELECOM COOP	R
AL	250295	GRACEBA TOTAL COMM	R
AL	250298	GULF TEL CO - AL	R
AL	250299	HAYNEVILLE TEL CO	R
AL	250300	HOPPER TELECOMM. CO.	R
AL	250301	FRONTIER-LAMAR CNTY	R
AL	250302	WINDSTREAM AL	R
AL	250304	MILLRY TEL CO	R
AL	250305	MON-CRE TEL COOP	R
AL	250306	FRONTIER COMM.-AL	R
AL	250307	MOUNDEVILLE TEL CO	R
AL	250308	NEW HOPE TEL COOP	R
AL	250311	OAKMAN TEL CO (TDS)	R
AL	250312	OTELCO TELEPHONE LLC	R
AL	250314	PEOPLES TEL CO	R
AL	250315	PINE BELT TEL CO	R
AL	250316	RAGLAND TEL CO	R
AL	250317	ROANOKE TEL CO	R
AL	250318	FRONTIER COMM-SOUTH	R
AL	250322	UNION SPRINGS TEL CO	R
CT	135200	SOUTHERN NEW ENGLAND	N
CT	132454	THE WOODBURY TEL CO	R
DC	575020	VERIZON WA, DC INC.	N
DE	565010	VERIZON DELAWARE INC	N
FL	210328	VERIZON FLORIDA	N
FL	215191	SOUTHERN BELL-FL	N
FL	210291	GTC, INC.	R
FL	210318	FRONTIER COMM-SOUTH	R
FL	210329	GTC, INC.	R
FL	210330	SMART CITY TEL LLC	R
FL	210331	ITS TELECOMM. SYS.	R
FL	210335	NORTHEAST FLORIDA	R
FL	210336	WINDSTREAM FL	R
FL	210338	QUINCY TEL CO-FL DIV	R

State	SAC	Study Area Name	Rural (R) or Non- Rural (N)
FL	210339	GTC, INC.	R
FL	210341	EMBARQ FLORIDA INC. FKA SPRINT	R
ME	100025	Maine Telephone Company (Fairpoint New England)	N
ME	105111	No. New England d/b/a Fairpoint Comm.	N
ME	100002	Oxford County Telephone	R
ME	100003	Lincolnton Networks, Inc.	R
ME	100003	Tidewater Telecom, inc.	R
ME	100004	China Telephone Company	R
ME	100005	Cobbosseecontee Tel.Co. & Tel. Co.	R
ME	100007	The Island Telephone Company	R
ME	100010	Hampden Telephone Co.	R
ME	100011	Hartland & St. Albans Tel. Co.	R
ME	100015	Community Service Tel.Co.	R
ME	100019	Oxford West Telephone Co.	R
ME	100020	Pine Tree Telephone LLC	R
ME	100022	Saco River Telephone LLC	R
ME	100024	Somerset Telephone Company	R
ME	100025	Standish Tel. Co.	R
ME	100027	Union River Telephone Company	R
ME	100029	Unitel, Inc.	R
ME	100031	Warren Telephone Company	R
ME	100034	West Penobscot Tel. & Tele. Company	R
ME	103313	Northland Telephone of ME, Inc.	R
ME	103313	Sidney Telephone Company	R
ME	103315	Mid-Maine Telecom LLC	R
NC	230479	FRONTIER COMMUNICATIONS OF THE CAROLINAS, INC.	N
NC	230509	FRONTIER COMMUNICATIONS OF THE CAROLINAS, INC.	N
NC	230864	VERIZON SOUTH INC. DBA NORTH CAROLINA	N
NC	235193	SOUTHERN BELL-NC	N
NC	230468	ATLANTIC MEMBERSHIP	R
NC	230469	BARNARDSVILLE TEL CO	R
NC	230470	CAROLINA TEL & TEL	R
NC	230471	CENDEL OF NC	R
NC	230473	CITIZENS TEL CO	R
NC	230474	CONCORD TEL CO	R
NC	230476	WINDSTREAM NC	R
NC	230478	ELLERBE TEL CO	R
NC	230483	LEXCOM TELEPHONE CO.	R
NC	230485	MEBTEL, INC.	R
NC	230491	N.ST. DBA N. ST.COMM	R
NC	230494	PINEVILLE TEL CO	R
NC	230495	RANDOLPH TEL CO	R

State	SAC	Study Area Name	Rural (R) or Non- Rural (N)
NC	230496	RANDOLPH MEMBERSHIP	R
NC	230497	PIEDMONT MEMBERSHIP	R
NC	230498	SALUDA MOUNTAIN TEL	R
NC	230500	SERVICE TEL CO	R
NC	230501	SKYLINE MEMBERSHIP	R
NC	230502	STAR MEMBERSHIP CORP	R
NC	230503	SURRY MEMBERSHIP	R
NC	230505	TRI COUNTY TEL MEMBR	R
NC	230510	WILKES MEMBERSHIP	R
NC	230511	YADKIN VALLEY TEL	R
NH	125113	NORTHERN NEW ENGLAND TELEPHONE OPERATIONS LLC	N
NH	120038	BRETTON WOODS TEL CO	R
NH	120039	GRANITE STATE TEL	R
NH	120042	DIXVILLE TEL CO	R
NH	120043	DUNBARTON TEL CO	R
NH	120045	KEARSARGE TEL CO	R
NH	120047	MERRIMACK COUNTY TEL	R
NH	120049	UNION TEL CO	R
NH	120050	WILTON TEL CO - NH	R
NH	123321	MERRIMACK CO. TELEPHONE DBA CONTOOCOOK	R
NH	123321	HOLLIS TELEPHONE COMPANY, INC.	R
NY	150121	FRONTIER-ROCHESTER	N
NY	155130	VERIZON NEW YORK	N
NY	150071	ARMSTRONG TEL CO-NY	R
NY	150072	FRONTIER-AUSABLE VAL	R
NY	150073	BERKSHIRE TEL CORP	R
NY	150076	CASSADAGA TEL CORP	R
NY	150077	CHAMPLAIN TEL CO	R
NY	150078	CHAUTAUQUA & ERIE	R
NY	150079	CHAZY & WESTPORT	R
NY	150081	CITIZENS HAMMOND NY	R
NY	150084	TACONIC TEL CORP	R
NY	150085	CROWN POINT TEL CORP	R
NY	150088	DELHI TEL CO	R
NY	150089	DEPOSIT TEL CO	R
NY	150091	DUNKIRK & FREDONIA	R
NY	150092	EDWARDS TEL CO	R
NY	150093	EMPIRE TEL CORP	R
NY	150095	FISHERS ISLAND TEL	R
NY	150097	GERMANTOWN TEL CO	R
NY	150099	HANCOCK TEL CO	R
NY	150100	FRONTIER COMM OF NY	R

State	SAC	Study Area Name	Rural (R) or Non- Rural (N)
NY	150104	MARGARETVILLE TEL CO	R
NY	150105	MIDDLEBURGH TEL CO	R
NY	150106	WINDSTREAM NY-FULTON	R
NY	150107	NEWPORT TEL CO	R
NY	150108	NICHOLVILLE TEL CO	R
NY	150109	WINDSTREAM-JAMESTOWN	R
NY	150110	OGDEN TEL DBA FRNTER	R
NY	150111	ONEIDA COUNTY RURAL	R
NY	150112	ONTARIO TEL CO, INC.	R
NY	150113	WINDSTREAM RED JACKT	R
NY	150114	ORISKANY FALLS TEL	R
NY	150116	PATTERSONVILLE TEL	R
NY	150118	PORT BYRON TEL CO	R
NY	150121	FRONTIER-ROCHESTER	R
NY	150122	FRONTIER-SENECA GORH	R
NY	150125	STATE TEL CO	R
NY	150128	FRONTIER-SYLVAN LAKE	R
NY	150129	TOWNSHIP TEL CO	R
NY	150131	TRUMANSBURG TEL CO.	R
NY	150133	VERNON TEL CO	R
NY	150135	WARWICK VALLEY-NY	R
NY	154532	CITIZENS-FRONTIER-NY	R
NY	154533	CITIZENS-FRONTIER-NY	R
NY	154534	CITIZENS-FRONTIER-NY	R
TN	295185	SO. CENTRAL BELL -TN	N
TN	290280	ARDMORE TEL CO	R
TN	290552	CENTURYTEL-ADAMSVILL	R
TN	290553	BEN LOMAND RURAL	R
TN	290554	BLEDSON TEL COOP	R
TN	290557	CENTURY-CLAIBORNE	R
TN	290559	CONCORD TEL EXCHANGE	R
TN	290561	CROCKETT TEL CO	R
TN	290562	DEKALB TEL COOP	R
TN	290565	HIGHLAND TEL COOP-TN	R
TN	290566	HUMPHREY'S COUNTY	R
TN	290567	UNITED INTER-MT-TN	R
TN	290570	LORETTO TEL CO	R
TN	290571	MILLINGTON TEL CO	R
TN	290573	NORTH CENTRAL COOP	R
TN	290574	CENTURYTEL-OOLTEWAH	R
TN	290575	TENNESSEE TEL CO	R
TN	290576	PEOPLES TEL CO	R

State	SAC	Study Area Name	Rural (R) or Non- Rural (N)
TN	290578	TELLICO TEL CO	R
TN	290579	TWIN LAKES TEL COOP	R
TN	290580	CTZENS-FRNTR-VOL ST	R
TN	290581	UTC OF TN	R
TN	290583	WEST TENNESSEE TEL	R
TN	290584	YORKVILLE TEL COOP	R
TN	290598	WEST KENTUCKY RURAL TELEPHONE	R
TN	294336	CITIZENS-FRONTIER-TN	R
TX	442080	VERIZON-WEST	N
TX	442154	VERIZON-WEST	N
TX	445216	SOUTHWESTERN BELL	N
TX	432016	PANHANDLE TEL. COOP. INC.	R
TX	440425	CAMERON TELEPHONE CO.	R
TX	441163	VALOR TELECOMM TX DBA WINDSTREAM COMM SW	R
TX	442038	BIG BEND TELEPHONE CO., INC.	R
TX	442038	BLOSSOM TELEPHONE CO.	R
TX	442040	BRAZORIA TELEPHONE CO.	R
TX	442041	BRAZOS TELECOMMUNICATIONS, INC.	R
TX	442041	BRAZOS TELEPHONE COOPERATIVE, INC.	R
TX	442043	NORTH TEXAS TELEPHONE CO.	R
TX	442046	CAP ROCK TELEPHONE COOPERATIVE	R
TX	442052	CENTRAL TEXAS TELEPHONE COOPERATIVE, INC.	R
TX	442057	COLEMAN COUNTY TELEPHONE COOPERATIVE, INC.	R
TX	442059	COLORADO VALLEY TELEPHONE COOPERATIVE, INC.	R
TX	442060	TOTELCOM COMMUNICATIONS, LLC	R
TX	442061	COMMUNITY TELEPHONE CO.	R
TX	442065	CUMBY TELEPHONE COOPERATIVE, INC.	R
TX	442066	DELL TELEPHONE CO-OP., INC.	R
TX	442068	EASTEX TELEPHONE COOPERATIVE, INC.	R
TX	442069	ELECTRA TELEPHONE CO. , INC.	R
TX	442070	ETEX TELEPHONE COOPERATIVE, INC.	R
TX	442071	FIVE AREA TELEPHONE COOPERATIVE, INC.	R
TX	442071	WEST PLAINS TELECOMMUNICATIONS, INC.	R
TX	442072	CONSOLIDATED COMMUNICATIONS OF FORT BEND COMPANY	R
TX	442073	BORDER TO BORDER COMMUNICATIONS	R
TX	442076	GANADO TELEPHONE CO., INC.	R
TX	442083	GUADALUPE VALLEY TELEPHONE COOPERATIVE, INC.	R
TX	442084	UNITED TELEPHONE OF TEXAS INC DBA CENTURYLINK	R
TX	442086	HILL COUNTRY TELEPHONE COOPERATIVE, INC.	R
TX	442090	ALENCO COMMUNICATIONS, INC.	R
TX	442091	ETS TELEPHONE COMPANY, INC.	R
TX	442093	INDUSTRY TELEPHONE CO.	R

State	SAC	Study Area Name	Rural (R) or Non- Rural (N)
TX	442097	WINDSTREAM COMMUNICATIONS KERRVILLE, L.P.	R
TX	442101	CENTRAL TEL. CO. OF TEXAS DBA CENTURYLINK	R
TX	442101	CENTURYTEL OF LAKE DALLAS, INC. DBA CENTURYLINK	R
TX	442103	LA WARD TELEPHONE EXCHANGE, INC.	R
TX	442104	LAKE LIVINGSTON TELEPHONE COMPANY	R
TX	442105	LIPAN TELEPHONE CO.	R
TX	442109	CONSOLIDATED COMMUNICATIONS OF TEXAS COMPANY	R
TX	442112	MID-PLAINS RURAL TELEPHONE COOPERATIVE, INC.	R
TX	442116	MUENSTER TELEPHONE CORP. OF TEXAS DBA NORTEX COMM	R
TX	442117	CENTURYTEL OF PORT ARANSAS, INC. DBA CENTURYLINK	R
TX	442130	PEOPLES TELEPHONE COOPERATIVE	R
TX	442131	POKA - LAMBRO TELEPHONE COOPERATIVE, INC.	R
TX	442134	RIVIERA TELEPHONE CO., INC.	R
TX	442135	SOUTHWEST TEXAS TELEPHONE CO.	R
TX	442140	CENTURYTEL OF SAN MARCOS, INC. DBA CENTURYLINK	R
TX	442141	SANTA ROSA TELEPHONE COOPERATIVE, INC.	R
TX	442143	SOUTH PLAINS TELEPHONE COOPERATIVE, INC.	R
TX	442147	WINDSTREAM SUGAR LAND, INC.	R
TX	442150	TATUM TELEPHONE CO.	R
TX	442151	TAYLOR TELEPHONE COOPERATIVE, INC.	R
TX	442153	TEXAS WINDSTREAM, INC.	R
TX	442159	VALLEY TELEPHONE COOPERATIVE, INC.	R
TX	442166	WEST TEXAS RURAL TELEPHONE COOPERATIVE, INC.	R
TX	442168	WES - TEX TELEPHONE COOPERATIVE, INC.	R
TX	442170	XIT RURAL TELEPHONE COOPERATIVE, INC	R
TX	442262	E.N.M.R. TELEPHONE COOPERATIVE	R
VA	190233	VERIZON S-VA(CONTEL)	N
VA	195040	VERIZON VIRGINIA INC	N
VA	190217	AMELIA TEL CORP	R
VA	190219	BUGGS ISLAND COOP	R
VA	190220	BURKE'S GARDEN TEL	R
VA	190225	CITIZENS TEL COOP	R
VA	190226	NTELOS, INC.	R
VA	190237	HIGHLAND TEL COOP	R
VA	190238	MGW TEL. CO. INC.	R
VA	190239	NEW HOPE TEL COOP	R
VA	190243	PEMBROKE TEL COOP	R
VA	190244	PEOPLES MUTUAL TEL	R
VA	190248	SCOTT COUNTY COOP	R
VA	190249	ROANOKE & BOTETOURT	R
VA	190250	SHENANDOAH TEL CO	R
VA	190253	VIRGINIA TEL CO	R

<b>State</b>	<b>SAC</b>	<b>Study Area Name</b>	<b>Rural (R) or Non- Rural (N)</b>
VA	190254	CENDEL OF VIRGINIA	R
VA	190479	VERIZON SOUTH-VA	R
VA	190567	UNITED INTER-MT-VA	R
VA	193029	NEW CASTLE TEL. CO.	R
VA	197251	SHENANDOAH TELEPHONE COMPANY - NR	R

**Attachment O**

**T C Telephone LLC d/b/a Horizon Cellular's Compliance Plan**

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

In the Matter of the )  
 )  
Telecommunications Carriers Eligible for ) WC Docket No. 09-197  
Universal Service Support )  
 )  
Lifeline and Link Up Reform and Modernization ) WC Docket No. 11-42  
 )  
 )  
T C Telephone, L.L.C. Compliance Plan )

**T C TELEPHONE, L.L.C.'S SIXTH AMENDED COMPLIANCE PLAN**

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August 13, 2015

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

In the Matter of the	)	
	)	
Telecommunications Carriers Eligible for	)	WC Docket No. 09-197
Universal Service Support	)	
	)	WC Docket No. 11-42
Lifeline and Link Up Reform and Modernization	)	
	)	
T C Telephone, L.L.C. Compliance Plan	)	

**T C TELEPHONE, L.L.C.’S SIXTH AMENDED COMPLIANCE PLAN**

**I. INTRODUCTION**

T C Telephone, L.L.C. d/b/a Horizon Cellular (“T C Telephone” or the “Company”) is a telecommunications carrier seeking designation as an Eligible Telecommunications Carrier (“ETC”) solely for the purpose of participating in the Lifeline program. Although Section 214(e)(1)(A) of the Act requires an ETC to offer USF-supported services to some extent over its own facilities, the Federal Communications Commission (“FCC” or “Commission”) has forborne from that requirement for carriers that are, or seek to become, Lifeline-only ETCs.<sup>1</sup> T C Telephone will avail itself of the FCC’s conditional grant of forbearance and, by its attorney, hereby files its Sixth Amended Compliance Plan outlining the measures it will take to implement the conditions of

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<sup>1</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Order*”).

forbearance outlined in the *Order*.<sup>2</sup> This Sixth Amended Compliance Plan replaces in its entirety T C Telephone's Fifth Amended Compliance Plan filed on December 19, 2012, and all other Compliance Plans previously filed by the Company. Given the severe economic environment that is forcing many low-income customers to forego wireless service, T C Telephone respectfully requests expeditious approval of this plan so that the Company, upon designation as an ETC, may quickly deploy much-needed Lifeline services to qualified low-income customers.

## II. BACKGROUND

In the *Order*, the Commission granted forbearance from the "own-facilities" requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>3</sup>

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

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<sup>2</sup> Although the Company qualifies for and seeks to avail itself of the Commission's grant of forbearance from the facilities requirement of section 214(e)(1)(A), the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state, particularly for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission's Lifeline rules and its Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income fund.

<sup>3</sup> See *Order* at ¶¶ 368, 373 and 379.

### **III. T C TELEPHONE WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE ORDER**

T C Telephone will comply with all conditions set forth in the *Order*, the provision of this Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.

#### **A. Access to 911 and E911 Services**

In the *Order*, the Commission requires T C Telephone to provide its Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.<sup>4</sup> The Commission and consumers are hereby assured that all T C Telephone customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from T C Telephone handsets even if the account associated with the handset has no minutes remaining.

#### **B. E911-Compliant Handsets**

The Commission also conditioned its grant of forbearance determination on T C Telephone providing only E911-compliant handsets to its Lifeline customers.<sup>5</sup> T C Telephone will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing T C Telephone customer does not have an E911-compliant handset, the Company will replace it with a new 911/E911-compliant handset at no charge to the customer. Any new customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911/E911-compliant handset as well.

#### **C. Consumer Eligibility and Enrollment**

T C Telephone will certify and verify consumer eligibility for Lifeline in accordance with the requirements set forth in the *Order*. In instances where a state agency or third-party

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<sup>4</sup> See *Order* at ¶ 373.

<sup>5</sup> See *id.*

administrator is responsible for the initial determination and annual recertification of consumer eligibility, T C Telephone will rely on the state identification or database.<sup>6</sup> In instances where T C Telephone is responsible for the initial determination and annual recertification of consumer eligibility, the Company will follow the procedures set forth below.

### **1. One-Per-Household**

T C Telephone understands that Lifeline is limited to a single subscription per household, and that the Commission has defined household as “any individual or group of individuals who are living together at the same address as one economic unit.”<sup>7</sup> Upon receiving an application for Lifeline support, T C Telephone will check the National Lifeline Accountability Database (“NLAD”) to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. T C Telephone will also search its own internal database of active customers, real-time, pre-sale, to ensure that it does not already provide Lifeline-supported service to someone at that residential address. If T C Telephone determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, T C Telephone will take an additional step to ensure that the applicant and the current subscriber are part of different households. To enable applicants to make this demonstration, T C Telephone will require applicants to complete and submit to the Company USAC’s one-per-household template, which will contain the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant’s household and share in the household’s expenses or benefit from the applicant’s income; and (4) the penalty for a

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<sup>6</sup> See Order at ¶ 98.

<sup>7</sup> See Order at ¶ 74.

consumer's failure to make the required one-per-household certification (i.e., de-enrollment).<sup>8</sup> T C Telephone will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

On its certification forms, a draft sample of which is attached,<sup>9</sup> T C Telephone will obtain a consumer's permanent residential address (which cannot be a P.O. Box or General Delivery address), unless they only have a temporary address, and a billing address for the service, if different (which may include a P.O. Box or General Delivery address).<sup>10</sup> T C Telephone will inquire on its certification forms whether or not the applicant's address is a temporary one.<sup>11</sup> If it is, T C Telephone will notify the consumer that the Company will contact the consumer every 90 days, by phone or text, to verify that he or she continues to rely on that address, and that if the consumer fails to respond within 30 days of T C Telephone's attempt to verify the temporary address, he or she will be de-enrolled from the Lifeline program.<sup>12</sup> Also on its certification forms, T C Telephone will explain that if the subscriber moves, they must provide their new address to the Company within 30 days of moving.<sup>13</sup> If the subscriber has moved, T C Telephone will update the duplicates database, once in place, with the information within 10 business days

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<sup>8</sup> *See Order* at ¶ 78.

<sup>9</sup> *See Exhibit A*. The draft form remains subject to change, but substantially reflects the content of the Company's application.

<sup>10</sup> *See Order* at ¶ 85.

<sup>11</sup> *See Order* at ¶ 89.

<sup>12</sup> *See id.* If and when this 90-day recertification of temporary addresses requirement is approved, the Company will de-enroll any Lifeline customer who fails to respond to the Company's attempt to verify a temporary address. However, as of the date of filing of this Compliance Plan, this requirement has not been approved. In fact, on April 13, 2012, the Office of Management and Budget (OMB) invoked the Paperwork Reduction Act (PRA) to prevent this requirement from going into effect.

<sup>13</sup> *See Order* at ¶ 85.

of receipt of the information.<sup>14</sup>

As detailed below, T C Telephone's certification form will clearly explain the one-per-household requirement and all consumers must certify that they receive Lifeline support for a single subscription per household.

## **2. Initial and Annual Certification**

Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to the Company website, which will provide information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. T C Telephone's application form will identify that it is a "Lifeline" application. T C Telephone will provide Lifeline-specific training to all employees, agents,<sup>15</sup> or representatives (hereafter "personnel"), that interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services.

T C Telephone's initial certification and annual verification forms will conform to the list of requirements provided in the *Order*, Appendix C and with C.F.R. § 54.410(d), as amended. T C Telephone has contracted with Solix, a well-known, experienced and reputable firm in the USF industry, to assist in reviewing customer applications and verifying eligibility. T C Telephone's Lifeline certification form as administered through Solix, a draft sample of which is attached as Exhibit A, will require each prospective subscriber to provide the following:

- (i) The subscriber's full name;
- (ii) The subscriber's full residential address;
- (iii) Whether the subscriber's residential address is permanent or temporary;
- (iv) The subscriber's billing address, if different from the subscriber's residential address;
- (v) The subscriber's date of birth;

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<sup>14</sup> *See id.*

<sup>15</sup> Agents are independent contractors employed by T C Telephone. Agents are responsible for collecting enrollment information from potential Lifeline customers. All enrollment information will then be submitted to a T C Telephone employee who will accept or decline the potential customer.

- (vi) The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number;
- (vii) If the subscriber is seeking to qualify for Lifeline under the program-based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and
- (viii) If the subscriber is seeking to qualify for Lifeline under the income-based criterion, as set forth in § 54.409, the number of individuals in his or her household.

The certification forms will also explain in clear, easily understandable language that:

- (i) Lifeline is a federal benefit;
- (ii) Lifeline service is available for only one line per household;
- (iii) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses;
- (iv) households are not permitted to receive benefits from multiple providers;
- (v) that violation of the one-per-household requirement would constitute a violation of the Commission's rules and would result in the consumer's de-enrollment from the program, and potentially, prosecution by the United States government; and
- (vi) a Lifeline subscriber may not transfer his or her service to any other individual, including another eligible low-income consumer.

T C Telephone will require all consumers, at sign up and annually thereafter, to certify under penalty of perjury that:

- (i) The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;
- (ii) The subscriber will notify the carrier within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit.
- (iii) If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e);
- (iv) If the subscriber moves to a new address, he or she will provide that new address to the eligible telecommunications carrier within 30 days;
- (v) If the subscriber provided a temporary residential address, he or she will be required to verify his or her temporary residential address every 90 days;
- (vi) The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;
- (vii) The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,
- (viii) The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and

(ix) The subscriber acknowledges that the subscriber may be required to re-certify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements. Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures, including Interactive Voice Response (IVR) recordings, that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006.<sup>16</sup>

Enrollment by phone. T C Telephone will primarily enroll Lifeline applicants via phone. Representatives are able to verbally explain the Lifeline program and its eligibility requirements, including required information and disclosures. When a prospective customer calls, a representative will first explain key information such as the one-per-household limitation and eligibility requirements in an effort to pre-screen for ineligible subscribers and thereby save time for both the consumer and the Company. A representative will then collect and input the required information into an electronic copy of the Company's application form, at which point they will validate the address via a USPS/Melissa Database, check the information against the NLAD and T C Telephone's internal database to confirm that the applicant is not already receiving a Lifeline subsidy from T C Telephone or any other ETC, and review all certifications and disclosures

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<sup>16</sup> See *id* at ¶ 168.

verbally with the applicant.<sup>17</sup> If the customer indicates on the application form that their address is a multi-household residence, the representative will require the applicant to complete USAC's one-per-household template as well. If an eligibility database is available, the representative will query the database to determine eligibility. Until the Company implements IVR technology, the representative will direct the applicant to the T C Telephone website where enrollment forms will be located. If they do not have access to the internet they will receive a copy of T C Telephone's Lifeline certification form in the mail along with a postage-prepaid return envelope, and that they are required to return the completed form to T C Telephone (along with proof of identity and verification of benefits, if no eligibility database is available) before their Lifeline service can be activated. The representative will explain how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The Applicant will be placed in a "hold" status and T C Telephone's system will automatically mail a welcome letter along with the Lifeline certification form for the applicant to complete and sign (and USAC's one-per-household template, when applicable, and a request for proof of identity and verification of benefits, if no eligibility database is available), as well as a postage-prepaid envelope to return all documentation to T C Telephone. When T C Telephone receives the applicant's completed form(s) and, if applicable, copies of proof documentation and government-issued ID, a representative will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (last 4 digits of

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<sup>17</sup> When the Company implements IVR technology, the representative will make sure the applicant verbally acknowledges each required certification before moving onto the next, and will obtain the applicant's signature via IVR. Customers will then be able to complete USAC's one-per-household template, when applicable, over the phone as well.

document ID). T C Telephone will upload the completed Lifeline certification form to the customer record, prompting delivery of the phone to eligible customers by mail. Each phone mailed requires a signature upon delivery. The customer's account is activated upon the customer's personal initiation or actual use of the phone. The welcome packet will instruct the customer to call a toll free number in order to activate their phone, at which point they will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application. This process allows the Company to confirm the person activating the phone is the intended recipient. The customer's first call will be directed to an activation line if they do not call the activation toll free number.

After being redirected to the activation line the customer will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application.

Enrollment in person. The Company will enroll Lifeline applicants in person at community events. When a prospective customer applies at an event, personnel will aid the customer in filling out T C Telephone's Lifeline certification form electronically on a laptop or tablet, first highlighting the one-per-household disclosures. Personnel will ask to see a government issued ID and will validate the address via a USPS/Melissa Database and simultaneously check the information against the NLAD and T C Telephone's internal database to confirm that the applicant is not already receiving a Lifeline subsidy from T C Telephone or any other ETC. If the customer indicates on the application form that their address is a multi-household residence, personnel will require the applicant to complete USAC's one-per-household template as well. In cases where an eligibility database exists, personnel will query the database to determine eligibility. In states where eligibility databases are not available, personnel must see the applicant's proof of participation in one of the Lifeline eligible programs or proof that their annual household income is at or below 135% of the federal poverty guidelines. T C Telephone's Lifeline application contains an "Office Use Only"

section, which must be completely filled out and signed by personnel in order to record a description of the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (i.e. last 4 digits of the document ID). Eligibility documents are returned to the customer after review. Finally, personnel will verbally review all certifications and disclosures with the applicant before they sign the application form, making sure the applicant verbally acknowledges each required certification before moving on to the next. Upon successful completion of the certification process, eligible customers are allowed to choose a service plan and receive their free phone and welcome packet in person. In instances where eligibility databases cannot be accessed in real-time, T C Telephone will mail the phone and welcome packet to eligible customers once verification of eligibility is complete. Each phone mailed requires a signature upon delivery. The customer's account is activated upon the customer's personal initiation or actual use of the phone. The welcome packet will instruct the customer to call a toll free number in order to activate their phone, at which point they will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application. This process allows the Company to confirm the person activating the phone is the intended recipient. The customer's first call will be directed to an activation line if they do not call the activation toll free number. After being redirected to the activation line the customer will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application.

Enrollment online. Prospective customers will be able to fill out an application form online and sign electronically. T C Telephone will highlight the certifications that are required, for example, by requiring consumers to acknowledge each certification before moving on to the

next field.<sup>18</sup> If the customer indicates that their address is a multi-household residence, online interface will require the applicant to complete USAC’s one-per-household template as well. If no eligibility database is available, the online interface will advise the applicant that they are required to provide proof of identity and verification of benefits before their Lifeline service can be activated; applicants will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The Company will qualify the applicant by accessing necessary databases (USPS/Melissa, NLAD, eligibility databases). If no eligibility database is available, the application will be placed in a “hold” status until T C Telephone receives copies of the applicant’s proof documentation and government-issued ID, at which point a representative will review the documentation and complete the “Office Use Only” section of the application form, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (last 4 digits of document ID). T C Telephone will upload the completed Lifeline certification form to the customer record, prompting delivery of the phone to eligible customers by mail. Each phone mailed requires a signature upon delivery. The customer’s account is activated upon the customer’s personal initiation or actual use of the phone. The welcome packet will instruct the customer to call a toll free number in order to activate their phone, at which point they will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application. This process allows the Company to confirm the person activating the phone is the intended recipient. The customer’s first call will be directed to an activation line if they do not call the activation toll free number. After being redirected to the activation line the customer will be

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<sup>18</sup> See *Order* at ¶ 123.

prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application.

Enrollment by mail. The Company may also seek to enroll customers by mail. When T C Telephone mails advertisements for the Company's Lifeline service, a Lifeline application form will be included (or, at a minimum, prospects will be directed to apply via phone or the Company website). From the Company's advertisements and application form, prospective customers will be given a clear explanation of the Lifeline program and its eligibility requirements, including all required disclosures. Customers will be able to complete, sign, and mail the application to T C Telephone along with proof of ID and proof of eligibility, if applicable. T C Telephone is then able to verify eligibility by accessing the necessary databases (USPS/Melissa, NLAD, eligibility databases). If no eligibility database is available, a representative will review the proof documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps), name on document, and a unique identifier (last 4 digits of document ID). T C Telephone will deliver phones to eligible customers by mail. Each phone mailed requires a signature upon delivery. The customer's account is activated upon the customer's personal initiation or actual use of the phone. The customer's first call will be directed to an activation line if they do not call the activation toll free number. After being redirected to the activation line the customer will be prompted to enter the last 4 digits of the identification source that was submitted on their Lifeline application.

General Enrollment Procedures. T C Telephone will determine eligibility utilizing the income and program criteria currently utilized by federal default states (47 C.F.R. § 54.409(a),(b)), as well as any additional state-specific criteria. Prior to enrolling a new subscriber, T C Telephone

will check the eligibility of low-income consumers first by accessing state or federal social services electronic eligibility databases, where available.<sup>19</sup> If a database is used to establish eligibility, T C Telephone will not require documentation of the consumer's participation in a qualifying federal program; instead, T C Telephone or its representative will note in its records a description of the specific data relied upon to confirm the consumer's initial eligibility for Lifeline.<sup>20</sup> However, in states where there is no state administrator, the state commission or other state agency is not making eligibility determinations, and there is no automated means for T C Telephone to check electronic databases for eligibility, T C Telephone will review documentation to determine eligibility for new subscribers until such time as a qualifying eligibility database is available.<sup>21</sup> T C Telephone will require acceptable documentation both for income eligibility and for program eligibility. Consistent with current FCC rules, the Company will not retain copies of the documentation but rather will establish policies and procedures to review such documentation and keep accurate records detailing how the consumer demonstrated his or her eligibility.<sup>22</sup> T C Telephone understands that it may permit personnel or representatives to review documentation of consumer program eligibility for Lifeline, and in such cases T C Telephone remains liable for ensuring all personnel's compliance with the Lifeline program rules.<sup>23</sup>

T C Telephone provides personnel with training designed to give them an understanding of Lifeline program requirements and permit them to review customer documentation and determine whether it is sufficient to establish a customer's eligibility to participate in the Lifeline program

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<sup>19</sup> See Order at ¶ 97.

<sup>20</sup> See Order at ¶ 98.

<sup>21</sup> See Order at ¶ 99.

<sup>22</sup> See Order at ¶ 101. In the event that FCC rules are revised to allow for or require retention of proof documentation, the Company will retain such documentation in accordance with applicable regulations.

<sup>23</sup> See Order at ¶ 110.

under the Commission's rules. No T C Telephone personnel may accept a Lifeline application unless he or she has first completed this training program and demonstrated an understanding of the underlying material. Among other things, the Lifeline program training discusses the Company's Lifeline application form (see Exhibit B) on a section-by-section basis. The training explains what sections of the form must be completed by the customer and reviews the form disclosures in detail, to facilitate the ability of Company personnel to explain each item contained therein and answer any customer questions.

### **3. Annual Re-Certification**

T C Telephone understands that it must re-certify the eligibility of its entire Lifeline subscriber base annually and report the results to USAC by January 31 each year, and the Company may elect to perform this re-certification on a rolling basis throughout the year.<sup>24</sup> T C Telephone will annually re-certify the continued eligibility of all of its subscribers by contacting them—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.<sup>25</sup> The re-certification notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company. T C Telephone will obtain a signed certification from the subscriber that meets the certification requirements of 47 C.F.R. § 54.410(d), as amended, as detailed in section C.2 above. The Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. T C Telephone understands that such certifications may be obtained through a written format, an IVR system, or a text message, and will use one or more of such options for its

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<sup>24</sup> See *Order* at ¶ 130.

<sup>25</sup> See *id.*

certifications.<sup>26</sup>

Alternatively, where a database containing consumer eligibility data is available, T C Telephone (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification. If a subscriber's address cannot be verified through the state data, T C Telephone will contact the subscriber every year during the annual certification process to obtain a valid address.<sup>27</sup> T C Telephone understands that it has the option to elect USAC to administer the self-certification process on the Company's behalf.<sup>28</sup>

T C Telephone will certify its compliance with Commission rules on an annual Lifeline eligible telecommunications carrier certification form and when submitting FCC Forms 497 to USAC for reimbursement. As part of T C Telephone's submission of re-certification data pursuant to 47 C.F.R. § 54.416, an officer of the Company will certify annually to USAC:

- (1) that the Company has procedures in place to review consumers' documentation of income-and program-based eligibility. In instances where the Company confirms consumer eligibility by relying on official program eligibility data, such as a state or federal database, an officer of the Company will attest to what data the Company uses to confirm consumer eligibility in each state, and
- (2) that the Company is in compliance with all federal Lifeline certification procedures.<sup>29</sup>

#### **D. Other Reforms to Eliminate Waste, Fraud and Abuse**

T C Telephone shares the Commission's concern about abuse of the Lifeline program and is

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<sup>26</sup> See Order at ¶ 132.

<sup>27</sup> See Order at ¶ 131.

<sup>28</sup> See Order at ¶ 133.

<sup>29</sup> See Order at ¶ 126-27.

thus committed to the safeguards stated herein, with the belief that the procedures it will implement will prevent Company customers from engaging in such abuse of the program, inadvertently or intentionally.

T C Telephone has implemented enrollment procedures designed to prevent subsidies for duplicate, ineligible, or inactive subscribers. The Company contracts with a third party Lifeline service bureau, currently CGM, LLC of Roswell, Georgia, to edit all subsidy request data. CGM will process and validate the Company's subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines. Through the processes described herein, T C Telephone ensures that it does not over-request from support funds.

As detailed in section III.C.2, T C Telephone first validates each applicant's identity via a government issued ID card, passport, etc. and also validates the address via a USPS/Melissa Database to ensure the address is correct. Additionally, as mentioned above, T C Telephone requires the applicant to provide their date of birth (DOB) and last four digits of their social security number (SSN). Requiring DOB and SSN ensures that neither the applicant nor the Company representative can forge certification forms based on false names and addresses. Once the applicant's identity is confirmed, T C Telephone verifies that the applicant is eligible to receive the Lifeline subsidy. To do this, T C Telephone checks the NLAD and any available eligibility database. If an eligibility database is not available, the applicant is required to provide proof of income or program participation. This prevents ineligible or duplicate subscribers from receiving the subsidy.

## **1. National Lifeline Accountability Database**

T C Telephone will participate in the NLAD. T C Telephone will query the database to check to see if a prospective subscriber is already receiving service from another ETC at a residential address prior to seeking reimbursement from the Fund.<sup>30</sup> As required by the *Order*, T C Telephone will provide to the database subscriber name, address, phone number, the last four digits of Social Security number, date of birth, Lifeline service initiation and de-enrollment date (when applicable), and amount of federal Lifeline support being sought for that subscriber.<sup>31</sup>

Furthermore, on its certification form, T C Telephone will obtain acknowledgement and consent from each of its subscribers that is written in clear, easily understandable language that the subscriber's name, telephone number, and address will be divulged to USAC (the administrator of the program) and/or its agents for the purpose of verifying that the subscriber does not receive more than one Lifeline benefit.<sup>32</sup>

## **2. Subscriber Usage**

T C Telephone will not seek reimbursement from the USF for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service by the subscriber. Furthermore, T C Telephone will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.<sup>33</sup> T C Telephone will notify its subscribers at service initiation, via the certification form and via script that is reviewed with every customer, about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period

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<sup>30</sup> See *Order* at ¶ 203.

<sup>31</sup> See *Order* at ¶ 189.

<sup>32</sup> See *Order*, Appendix C.

<sup>33</sup> See *Order* at ¶ 257.

of time.<sup>34</sup> An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its personnel; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue.<sup>35</sup> T C Telephone utilizes tracking software to notify the customer if the customer has not used their service for more than 30 or 60 consecutive days. Furthermore, a third party contractor validates the Company's subsidy data to prevent a subsidy request for customers that are inactive under the Company's non-usage policy.<sup>36</sup> After notification, if the customer fails to use the phone, it is automatically de-enrolled pursuant to the procedures outlined in section E below. T C Telephone will continue to comply with applicable public safety, including transmitting 911 calls to the appropriate PSAP even if the Company is no longer providing Lifeline service to a consumer.<sup>37</sup>

### **3. Marketing & Outreach**

T C Telephone will implement the measures outlined herein to help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the limitations of the program, so as to prevent duplicative or otherwise ineligible service as well as other forms of waste, fraud, and abuse. T C Telephone will explain in clear, easily understood language the following disclosures in all marketing materials related to the supported service:<sup>38</sup>

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<sup>34</sup> *See id.*

<sup>35</sup> *See Order* at ¶ 261.

<sup>36</sup> CGM, LLC is currently the Company's third party contractor.

<sup>37</sup> *See Order* at ¶ 262. 911 transmissions will actually be performed by the Company's underlying facilities-based CMRS provider.

<sup>38</sup> See Exhibit B for sample advertisements. The Company understands the term "marketing materials" includes materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. *See Order* at ¶ 275.

(1) the offering is a Lifeline-supported service; (2) only eligible consumers may enroll in the program; (3) the program is limited to one benefit per household, consisting of either wireline or wireless service; and (4) Lifeline is a government benefit program. T C Telephone’s website and printed collateral will explain the documentation necessary for enrollment, and the details of T C Telephone’s plans. Such collateral and website information, as well as its application, will make clear that consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.<sup>39</sup> For broadcast advertisements and outdoor signs, and any other situation in which inclusion of documentation information and warnings against willful false statements are not practicable, T C Telephone will include the URL link for its website where disclosures will be listed. Additionally, T C Telephone will disclose the company name under which it does business.<sup>40</sup>

#### **4. Audits**

If T C Telephone draws \$5 million or more in the aggregate on an annual basis from the low-income program, as determined on a holding company basis taking into account all operating companies and affiliates, the Company will hire an independent licensed certified public accounting firm to conduct a biennial audit according to government accounting standards to assess T C Telephone’s overall compliance with the program’s requirements.<sup>41</sup> T C Telephone will comply with this requirement, including applicable rules regarding the dissemination of audit findings to the Commission, USAC, and relevant state and Tribal governments within 30 days upon issuance.<sup>42</sup>

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<sup>39</sup> See *Order* at ¶ 275.

<sup>40</sup> See *id.*

<sup>41</sup> See *Order* at ¶ 291.

<sup>42</sup> See *Order* at ¶ 294.

## **E. De-Enrollment**

If at any time a T C Telephone Lifeline customer wishes to de-enroll from the Company's Lifeline program, Company customer service representatives will handle such elective de-enrollment requests. T C Telephone Lifeline customers simply call the Company's toll-free customer service number and speak to a live operator to de-enroll from T C Telephone's Lifeline Program. Furthermore, T C Telephone will de-enroll consumers from the Company's Lifeline program in the following instances, according to C.F.R. § 54.405(e):

Ineligibility. Any subscriber who indicates that he or she is receiving more than one Lifeline-supported service per household, or neglects to make the required one-per-household certification on his or her certification form, will be de-enrolled from Lifeline pursuant to the process for resolving duplicative Lifeline subscriptions described in section 54.405(e)(2).<sup>43</sup>

If a customer does not respond to the Company's annual verification survey within 30 days, or if T C Telephone has reasonable basis to believe that the subscriber no longer meets the Lifeline-qualifying criteria (including instances where a subscriber informs the Company or the state that he or she is ineligible for Lifeline), T C Telephone will provide a written notice of impending service termination to the subscriber and then give the subscriber 30 days after the date of the letter to demonstrate that his or her Lifeline service should not be terminated.<sup>44</sup> Similarly, T C Telephone will de-enroll a subscriber if they fail to respond to the Company's attempt to verify a temporary address within 30 days.<sup>45</sup>

Duplicative Support. Subject to USAC's Duplicate Resolution Process and anticipated

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<sup>43</sup> See *Order* at ¶ 122.

<sup>44</sup> See *id.* In states that have dispute resolution procedures applicable to Lifeline termination, the Company will comply with the state requirements.

<sup>45</sup> See *Order* at ¶ 89.

Duplicate Scrubbing Process,<sup>46</sup> T C Telephone will de-enroll a subscriber within 5 business days if the Company is informed by USAC that the subscriber is receiving Lifeline service from another ETC or that more than one member of a subscriber's household is receiving Lifeline service.

Non-Usage. T C Telephone will de-enroll any subscriber that has not used the Company's Lifeline service for 60 consecutive days, as discussed in section IV.B above. T C Telephone will provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage; such notice may be initiated after 30-days of non-usage. T C Telephone will update the NLAD within one business day of de-enrolling a subscriber for non-use and will submit a non-usage de-enrollment report annually to USAC.<sup>47</sup>

## **F. Additional Rule Amendments**

### **1. Terms and Conditions of Service**

T C Telephone has attached as Exhibit C its Lifeline terms and conditions of service. The Company's Lifeline offering is summarized in section IV.C below. These terms and conditions are subject to change as needed, and the most current version may be found at [www.horizoncellular.com](http://www.horizoncellular.com).

### **2. Reporting Requirements**

T C Telephone will report all information required by section 54.422, including as it may heretofore be amended. This includes the names of the Company's holding company, operating companies and affiliates, and any branding ("doing-business-as company" or brand designation), and provide to the Commission and USAC general information regarding the terms and

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<sup>46</sup> See Order at ¶ 214-16.

<sup>47</sup> See Order at ¶ 257.

conditions of the Lifeline plans for voice telephony service offered specifically for low income consumers through the program offered during the previous year, including the number of minutes provided, and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.<sup>48</sup>

### **3. Reimbursement from USAC**

In seeking reimbursement for Lifeline, T C Telephone will comply with the requirements of C.F.R § 54.407, as revised by the *Order*.<sup>49</sup> T C Telephone will certify when seeking reimbursement that the Company has obtained a valid certification form for each consumer for whom the Company seeks Lifeline reimbursement,<sup>50</sup> and the Company will seek reimbursement or actual lines served, not projected lines.<sup>51</sup>

### **4. Section 54.202 Certifications**

T C Telephone certifies the following in accordance with newly amended C.F.R. § 54.202: (1) T C Telephone will comply with the service requirements applicable to the support that it receives; (2) T C Telephone is able to remain functional in emergency situations; (3) T C Telephone will satisfy applicable consumer protection and service quality standards.

## **IV. COMPANY INFORMATION**

T C Telephone is a California Limited Liability Company formed in 2003. T C Telephone has approximately one thousand eight hundred (1,800) Lifeline wire-line subscribers, approximately three hundred (300) wire-line and less than one hundred (100) wireless subscribers in California at this time. T C Telephone started marketing to wireless customers at the start of 2012. T C

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<sup>48</sup> See *Order* at ¶¶ 296, 390. Section 153 of the Communications Act defines “affiliate” as “a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person.

<sup>49</sup> See *Order* page 221.

<sup>50</sup> See *Order* at ¶ 128.

<sup>51</sup> See *Order* at ¶ 302.

Telephone markets through print, direct mail and television. T C Telephone has experienced continual growth due to advertising, management experience and quality customer service. The Company will provide prepaid wireless telecommunications services to consumers by using the network of its underlying carrier(s), currently Sprint Spectrum L.P. (“Sprint”). Sprint is a nationwide carrier that provides wholesale capacity on its wireless network to resellers like T C Telephone. T C Telephone will obtain from Sprint, via an agreement with Cintex Wireless, LLC, the network infrastructure and transmission facilities to allow T C Telephone to operate as a Mobile Virtual Network Operator (“MVNO”).

**A. Names and Identifiers**

The Company’s legal name is T C Telephone, L.L.C. T C Telephone does not have a holding company, any operating companies, or any affiliates. The Company identifies itself as T C Telephone or by its d/b/a Horizon Cellular on its marketing and advertising materials.

**B. Financial and Technical Capability**

T C Telephone is financially and technically capable of providing Lifeline-supported services.<sup>52</sup> T C Telephone has been providing wireless service to non-Lifeline customers for over 9 years. T C Telephone has not been subject to enforcement action or ETC revocation proceedings in any state. T C Telephone is financially able to provide Lifeline-supported services and will not rely exclusively on USF disbursements to operate. T C Telephone has approximately one thousand eight hundred (1,800) Lifeline wire-line subscribers, approximately three hundred (300) wire-line and less than one hundred (100) wireless subscribers in California at this time. T C Telephone markets through print, direct mail and television. T C Telephone has experienced continual growth due to advertising, management experience and quality customer service. Furthermore, the senior management of T C Telephone has great depth in the telecommunications industry and offers

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<sup>52</sup> See Order at ¶ 387.

extensive telecommunications business technical and managerial expertise to the Company.<sup>53</sup> T C Telephone's management has over 50 years of combined telecommunications experience. T C Telephone will also rely upon the managerial and technical expertise of Cintex Wireless, LLC, which has years of experience in building processes, teams and programs to support MVNOs.

### **C. Lifeline Offering**

T C Telephone will offer its Lifeline service in the states where it is designated as an ETC and throughout the coverage area of its underlying carrier, currently Sprint.<sup>54</sup> As summarized in Exhibit E attached hereto, the Company's Lifeline offering will provide customers with the following plan options:

1. 250 minutes per month at no cost;
2. 450 minutes for \$9.00 per month;
3. 750 minutes for \$20.00 per month; or
4. Unlimited minutes and text for \$29.99 per month.

The Company also proposes to offer one plan with a broadband component:

5. 250 minutes plus 250MB data per month, paid at \$10.00 every 3 months

Text messaging and data usage will be available on all plans at the rate of 1 text or 1 MB per 1 minute of voice. Data available is 3G and does not rollover. Minutes do not rollover and will be credited to a customer's account on their monthly anniversary date - which is set on their Lifeline activation date. Lifeline customers will also have access to voice mail, caller I.D. and call waiting services at no additional charge, even after their initial allotment of included minutes has been consumed. Airtime minutes are not deducted for calls to customer service (via 611 or the toll free

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<sup>53</sup> See Exhibit D for key management resumes.

<sup>54</sup> The Company reserves the right to alter the proposed Lifeline rate plans on a state-by-state basis, particularly as required by state public utility commissions (PUC). The Company commits to pass through the entire Lifeline subsidy amount directly to the consumer.

number) or calls to 911; customers may place calls to 911 for free, regardless of account balance or activation status. Customers are not bound by a local calling area requirement; all Company plans come with domestic long distance at no extra charge and exceptional nationwide digital coverage on the Nationwide Sprint Network. T C Telephone currently blocks roaming and international calling features, so Lifeline customers are not at risk for incurring unexpected charges for these features.

Lifeline customers will be able to choose from a range of handsets available for purchase, as affordable as \$20.00 as well as models up to \$400.00 with financing available if needed. Lifeline customers can also purchase additional airtime if needed. Airtime cards will be available in denominations of \$6.00 (30 minutes), \$11.00 (90 minutes), \$20.00 (300 minutes), \$25.00 (500 minutes) and \$55.00 (1000 minutes), and may be purchased by calling Customer Service. Additional data will be available for purchase in denominations of \$5.00 (250 MB data for every \$5, i.e. \$0.02 per MB). T C Telephone does not impose burdensome credit checks or long-term service contracts. T C Telephone's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

V. CONCLUSION

T C Telephone submits that this Sixth Amended Compliance Plan fully satisfies the conditions of forbearance set forth in the Commission's *Order*. Implementation of the procedures described herein will promote public safety and should ensure that Lifeline customers have access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, T C Telephone respectfully requests that the Commission expeditiously approve this Compliance Plan, as amended, so that the Company may begin providing the benefits of much-needed Lifeline service to qualifying low-income consumers as quickly as possible.

Respectfully submitted,

T C Telephone, L.L.C

/s/ Lance J.M. Steinhart

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(770) 232-9200

*Its Counsel*

Dated August 13, 2015

**Exhibit A**

Sample Lifeline Certification Form





## **Exhibit B**

### Sample Advertisements

## How to Apply

You may contact us at  
877-242-2046 to apply over  
the phone.

Our Customer Service  
Representatives will be  
happy to help you to apply  
for

California Lifeline

Service.

Wireless

California Lifeline Service

=Freedom



## STAYING ON CALIFORNIA LIFELINE

If you are currently enrolled in California Lifeline and would like to remain in the program, you must re-new every year. You will be mailed a pink envelope. You also have the option of qualifying by either enrollment in a public assistance program or by your income. Be sure to complete and sign and return the form with any re-quired documents before the due date.

You can also renew online at [www.CaliforniaLifeLine.com](http://www.CaliforniaLifeLine.com) using your PIN. If you do not renew by the due date, you will be removed from the program and charged the regular non-discounted rates for basic service.

## California Lifeline Program Provided by



Toll Free (877) 242-2046

Visit us @

[www.horizoncellular.com](http://www.horizoncellular.com)



California Lifeline  
Program  
offered through  
Horizon Cellular

A Program of the California  
Public Utilities Commission

*We keep you talking*

Toll Free (877) 242-2046

## *What is California Lifeline? And do I qualify?*

### **1) Program-Based:**

You can qualify for California Lifeline if you or another person in your household is enrolled in any one of the following public-assistance programs:

- Medicaid/Medi-Cal
- Low Income Home Energy Assistance Program (LIHEAP)
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance or Section 8
- CalFresh, Food Stamps or Supplemental Nutrition Assistance Program (SNAP)
- Women, Infants and Children Program (WIC)
- Healthy Families Category A
- National School Lunch Program (NSL)
- Temporary Assistance for Needy Families (TANF); Kids (CalWORKS)
- 1. California Work Opportunity and Responsibility to Kids (StanWORKS)
- 2. Stanislaus County Work Opportunity and Responsibility to Kids (StanWORKS)
- 3. Welfare-to-Work (WTW)
- 4. Greater Avenues for Independence (GAIN)
- Tribal TANF
- Bureau of Indian Affairs General Assistance
- Head Start Income Eligible (Tribal Only)
- Food Distribution Program on Indian Reservations

### **2) Income Based:**

#### **Household Size      Annual Income Limits**

1-2 members	\$24,700
3	\$28,800
4	\$34,800
Each additional member	Add \$6,000 to \$34,800

*Effective from 06/01/12 to 05/31/13*

### **Plans:**

Please call us toll free for available plans.

877-242-2046

### **Phones:**

We have many different phones available.

Please call out Toll Free Customer Service Number at 877-242-2046 for assistance in choosing a wireless phone.

# No Credit Check!

# No Deposit!

Only eligible consumers may enroll, please see **“What is California Lifeline? And do I qualify”**.

The California Lifeline Program is a government benefit program.

The California Lifeline Program is limited to one benefit per household. **This means that you can either have a landline (wireline) or a cell-phone (wireless service) benefit. You cannot have both in one household .**

\*Consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. +



Toll Free Phone: 877-242-2046

Website:  
[www.horizoncellular.com](http://www.horizoncellular.com)

## **Exhibit C**

### **Lifeline Terms and Conditions**

# Lifeline Terms and Conditions of Service:

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All phones are factory refurbished handsets. All phones are covered under an unconditional 14 day warranty. If you are not satisfied with the phone for any reason, simply return it within 14 days for a refund or exchange. Models vary. Prices & quantities are subject to change without notice. All refund/return equipment assessed a 15% restocking fee. Not available in all areas. Only available to Horizon active subscribers. \*Phones shown on the website with an '\*' asterisk, may not be the exact model you will receive.

## Terms and Conditions of Service

Existing *TC Telephone, LLC d/b/a Horizon Cellular* (“*HORIZON*”) tariffs govern the Services. Tariffs which are officially on file with the various state public utilities commissions and the Federal Communication Commission (“FCC”) supersede any terms related to the Services.

*HORIZON* may from time to time offer access through its website for users to obtain access to tariffs which are officially on file with the various state public utilities commissions and the Federal Communication Commission (“FCC”). However, users who access tariffs online should be aware that the documents accessible through the website herein may not be the official documents and users assume sole responsibility for any reliance on the tariffs available through this website. *HORIZON* bears no responsibility or liability for the accuracy of documents available through this website.

The following *HORIZON* Terms and Conditions of Service contains extremely important information about your rights as a subscriber, and by qualifying and/or enrolling in the *HORIZON* service (or Service) and/or by accepting delivery and/or making a call on your *HORIZON* or using your *HORIZON* phone after you make a change to your account, you are agreeing to the following Terms and Conditions of service and the following Terms and Conditions of Service are a legally binding agreement between you as the subscriber and Horizon.

*HORIZON* service requires: (1) eligibility for Lifeline; and (2) residence within the Coverage Area.

**Coverage Area:** The only way to conclusively determine if *HORIZON* provides service in your area is to input your zip code into the *HORIZON* website found at [www.horizoncellular.com](http://www.horizoncellular.com). The *HORIZON* Map depicts an approximation of outdoor coverage. Actual coverage area may differ substantially from area shown on map, as coverage may be affected by terrain, weather, foliage, buildings and other construction, signal strength, customer equipment and other factors. *HORIZON* does not guarantee coverage or network availability. Charges will be based on the location of the site receiving and transmitting the call, not your location. Rates apply to calls to and from the *HORIZON* Coverage Area.

**Taxes/Surcharges:** *HORIZON* are solely responsible for paying all charges including, but not limited to all applicable surcharges, fees, taxes, and regulatory charges. *HORIZON* subscribers are responsible for all charges applicable to Customer handset service, whether or not Customer was the user of the wireless phone. *HORIZON* will automatically deduct applicable all applicable surcharges, fees, taxes, and regulatory charges from the Customer's available minutes. Changes to a surcharge, fee or tax will become effective as provided by the taxing authority and change to applicable contribution amounts for the Federal Universal Service Fund ("FUSF"). Other regulatory charges may become effective immediately. Additional taxes and other fees: In many jurisdictions, certain recurring fees or taxes will be debited from your account balance as allowed by law. Other taxes, surcharges and fees apply on top of refill denominations or other airtime purchases.

*HORIZON* subscribers will incur per minute charges and minutes will be depleted for 611 automated customer service, and 611 may not work in all areas. All calls to \*611, any of *HORIZON* toll free customer service numbers and calls to the Customer Service IVR will incur standard airtime charges.

*HORIZON* subscribers have the option of requesting a copy of their paper bill. All requests for a copy of paper bill must be submitted in writing via mail or via fax:

IF BY MAIL:

TC Telephone, LLC d/b/a Horizon Cellular  
P.O. Box 1095  
RED BLUFF, CA 96080  
IF BY FAX to: 530-527-6072

If money/value/airtime is added to your *HORIZON* account before the current balance expires, the existing balance will carry over to the new expiration date. Any unused account balance is forfeited upon expiration or termination of eligibility in the *HORIZON* program.

**Directory Assistance** is \$1.99 plus standard airtime rates. (Effective 3/15/2012)

**Operator Assistance** is available by dialing 611. Or 877-545-1097

*HORIZON* voice usage is deducted in full-minute increments with partial minutes rounded up to the next full minute at the end of each call. No credit is given for dropped calls.

*HORIZON* plan minutes will be depleted for per-minute charges (and/or, where applicable, access fees) apply to calls made using features including Call Waiting, Call Forwarding, Three-Way Calling and voicemail retrievals.

*HORIZON* calling features include Call Waiting, Call Forwarding, and Three-Way Calling and voicemail retrievals.

Caller ID: Your billing name may be displayed along with your wireless number on outbound calls to other wireless and landline phones with Caller ID capability *HORIZON*<sup>TM</sup> accounts do not have the ability to block the display of your name and number.

**Roaming Usage: Is not available in most areas.**

**Domestic Text Messages:** The rates to send or receive a text message to another person's phone using your *HORIZON* handset are equal to one minute of air time per text message for sending, and equal to one minute of airtime per text for receiving. If you do not want minutes/units deducted from your *HORIZON* phone, then do not send a text message and/or do not open any incoming text messages. Each message is limited to 160 characters in total length.

**International Text Messages:** (Not yet available.)

*HORIZON* subscribers hereby consent to accept/receive incoming text messages from time to time from *HORIZON* related to certain mandatory aspects of the *HORIZON* program as a condition to remaining eligible for the *HORIZON* program. *HORIZON* subscribers hereby acknowledge that incoming *HORIZON* text messages will be charged one minute of usage per text. *HORIZON* subscribers may opt out of accepting/receiving incoming text messages from *HORIZON*. Related to certain non-mandatory aspects of the *HORIZON* program by calling 1-877-242-2046

**Premium SMS:** Premium SMS is a text message to a designated "short code" or buying or attempting to buy SMS services from anyone other than *HORIZON* Premium SMS campaigns include activities such as casting a vote, expressing your opinion, playing a game, subscribing to a service, or interactive television programs. *HORIZON* does not generally participate in Premium SMS services or campaigns. You are solely responsible for any charges incurred for Premium SMS services or campaigns. Any text message sent to a "short code" will in all likelihood not go through. Any charges you may incur as a result of any attempts to participate in Premium SMS services or campaigns (not authorized by *HORIZON*) whether you incur charges as deductions from your *HORIZON* minutes or from your credit card, are not refundable.

**Data:** The rates to send or receive Data using your *HORIZON* handset is one minute of airtime per megabyte.

A \$0.10 minimum account balance on the *HORIZON* plan is required to place or receive a call.

900/976 numbers are not available with *HORIZON*

*HORIZON* standard airtime charges apply to 800, 866, 877 and other toll-free calls

*HORIZON* allows Domestic Long Distance calls to be originated and terminated within the 50 United States.

A fee may be charged for calls to and to add funds using a live customer service representative.

*HORIZON* Mobile to Mobile Minutes: Standard airtime charges apply to all Mobile to Mobile calls (i.e. *HORIZON* to *HORIZON* calls).

Your *HORIZON* handset display does not indicate the rate you will be charged.

**DISPUTES:** YOU MUST NOTIFY HORIZON IN WRITING WITHIN TWO MONTHS OR (90) DAYS, WHICHEVER COMES FIRST, OF THE DATE OF ANY EVENT GIVING RISE TO ANY DISPUTE INCLUDING, BUT NOT LIMITED TO, A DISPUTE OVER ANY CHARGES, ANY SERVICE PROVIDED, OR ANY EQUIPMENT PROVIDED TO YOU, OR YOU WILL HAVE WAIVED YOUR RIGHT TO DISPUTE THE CHARGES (OR SERVICES, OR EQUIPMENT) AND WAIVED YOUR RIGHT TO BRING, OR PARTICIPATE IN, ANY LEGAL ACTION RAISING ANY SUCH DISPUTE. ALL DISPUTES MUST BE IN WRITING AND SENT TO:

IF BY MAIL:

TC Telephone, LLC d/b/a Horizon Cellular

P.O. Box 1095

Red Bluff, CA

IF BY FAX to: 530-527-6072

If your *HORIZON* is interrupted for 24 or more continuous hours by a cause within Horizon's control, Horizon will issue you, upon written request, either a credit equal to a pro-rata adjustment of any recurring charge (if applicable) for the time period your *HORIZON* service was unavailable, not to exceed the charges collected for the period of interruption, or an extension of the expiration period. Horizon's liability to any *HORIZON* subscriber for service failures is limited solely to the credit set forth above.

*HORIZON* services exclude all incidental or consequential damages, unless otherwise provided by law. Some states do not allow the exclusion or limitation of incidental or consequential damages.

**DISPUTE RESOLUTION BY BINDING ARBITRATION:** By accepting delivery and making a call on your *HORIZON* handset you are agreeing to the condition that requires that certain disputes that may arise between you the subscriber and Horizon be resolved through Binding Arbitration instead of a court trial or in courts of general jurisdiction. **The sole remedy for any dispute shall be binding arbitration on an individual basis, rather than by a jury trial or class actions. Binding Arbitration limits the remedies available to you in the event of a dispute. Binding Arbitration is on an individual basis exclusively and class arbitrations and class actions are hereby excluded as a remedy.**

By accepting delivery and making a call on your *HORIZON* handset **you agree that the parties (*HORIZON* and you the *HORIZON* subscriber) are each waiving the right to a trial by jury or to participate in a class action** and the Federal Arbitration Act governs the interpretation and

enforcement of any claim brought by you. This binding arbitration provision shall survive termination of your service with *HORIZON*.

*HORIZON* and you as the *HORIZON* subscriber agree to arbitrate all disputes and claims between the parties. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to claims arising out of or based in contract, tort, statute, fraud, misrepresentation, claims relating to advertising, or any other legal theory and claims that are currently the subject of purported class action litigation in which you are not a member of a certified class. The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. **YOU AND *HORIZON*™ AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING** Further, unless both you and *HORIZON*™ agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding.

Either party (***HORIZON* or you the subscriber**) who intends to seek binding arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to *HORIZON* must be sent to:

Horizon  
P.O. Box 1095  
Red Bluff, CA  
96080

The Notice must (1) contain a description the facts and basis of the claim or dispute; and (2) and the specific relief the party is seeking. If *HORIZON* and you do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or *HORIZON* may commence a binding arbitration proceeding. During the binding arbitration, the amount of any settlement offer made by either party shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which the other party is entitled. The binding arbitration will be governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA") and will be administered by the AAA. The AAA Rules are available online at [www.adr.org](http://www.adr.org), by calling the AAA at 1-800-778-7879, or by writing to the Notice Address. The arbitrator is bound by this terms and conditions. The only issues that are outside the scope of the arbitrator are issues, if any relating to the scope and enforceability of the arbitration provision. If the arbitrator finds that either the substance of the filer's claim or the relief sought is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the payment of any fees will be governed by the AAA Rules.

**LIMITATION OF LIABILITY:** HORIZON MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR PERFORMANCE REGARDING ANY SERVICES OR GOODS, AND IN NO EVENT SHALL HORIZON BE LIABLE, WHETHER OR NOT DUE TO ITS OWN

NEGLIGENCE, for any: (a) act or omission of a third party; (b) damage or injury caused by the use of service or Device, including use in a vehicle; (c) mistakes, omissions, interruptions, errors, failures to transmit, delays or defects in the service provided by or through us; (d) claim against you by third parties; (e) damage or injury caused by a suspension or termination of service by Horizon; or (f) damage or injury caused by failure or delay in connecting a call to 911 or any other emergency service.

Unless applicable law precludes parties from contracting to so limit liability, and provided such law does not discriminate against arbitration clauses, Horizon shall not be liable for any indirect, special, punitive, incidental or consequential losses or damages the customer or any third party that may suffer by use of, or inability to use, service or Device provided by or through Horizon, including loss of business or goodwill, revenue or profits, or claims of personal injuries.

**INDEMNITY:** To the full extent allowed by law, the customer, hereby releases, indemnifies, and holds Horizon and its officers, directors, employees and agents harmless from and against any and all claims of any person or entity for damages of any nature arising in any way from or relating to, directly or indirectly, service provided by Horizon or any person's use thereof (including, but not limited to, vehicular damage and personal injury), INCLUDING CLAIMS ARISING IN WHOLE OR IN PART FROM THE ALLEGED NEGLIGENCE OF HORIZON. This obligation shall survive termination or expiration of the customer's service with Horizon.

SOME STATES DO NOT ALLOW DISCLAIMERS OF IMPLIED WARRANTIES OR LIMITS ON REMEDIES FOR BREACH. THEREFORE, THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. YOU MAY HAVE OTHER LEGAL RIGHTS WHICH VARY FROM STATE TO STATE.

HORIZON DOES NOT GUARANTEE UNINTERRUPTED SERVICE OR COVERAGE. HORIZON CANNOT ASSURE YOU THAT IF A 911 CALL IS PLACED BY YOU WILL BE LOCATED. Limitations of liability set forth herein govern unless prohibited by applicable law.

Service may be interrupted, delayed or otherwise limited for a variety of reasons, including environmental conditions, unavailability of radio frequency channels, system capacity, priority access by National Security and Emergency Preparedness personnel in the event of a disaster or emergency, coordination with other systems, equipment modifications and repairs, and problems with the facilities of interconnecting carriers.

*HORIZON* service blocks access to certain categories of numbers (e.g. 976, 900 and international destinations) at the sole discretion of *HORIZON*<sup>TM</sup>.

*HORIZON* may send you from time to time alert messages via SMS or email however there is no guarantee you will receive them.

Horizon also reserves the right to change or modify any of these *HORIZON* and Conditions of Service at any time and at Horizon' sole discretion.

Your *HORIZON* account is non-transferrable.

*HORIZON* cards and other account refills are nontransferable and nonrefundable.

*HORIZON* Service is available as long as you have a positive account balance.

*HORIZON* Handset Requirements: A compatible phone is required for *HORIZON*. Not all calling features work on all phones and in all areas.

Any changes or modifications to these *HORIZON* Terms and Conditions of Service will be binding once posted on the *HORIZON* website found at [www.horizoncellular.com](http://www.horizoncellular.com).

*HORIZON* rates and services are subject to change without notice.

*HORIZON* accounts that have no activity for a period of sixty (60) days will be canceled and the phone will be deactivated. You have the option of re-enrolling in the *HORIZON* program by calling 1-877-242-2046. All initial certification requirements will still apply.

**International Long Distance:** International Long Distance is not allowed unless specifically ordered as part of the customer's plan. You may use your *HORIZON*<sup>™</sup> phone to make international calls to landlines (including some cellular phones in some countries) but additional per minute rates apply. The actual rates and the available countries are subject to change without prior notice. (See [www.tctel;ephone.com](http://www.tctel;ephone.com) for available countries and details). Airtime deductions for international calls begin the moment the International Long Distance ("ILD") access number is dialed and apply to dropped calls, misdialed numbers and busy destination numbers. When making international calls, you may experience connection failures more frequently than calls made within the United States. *HORIZON*<sup>™</sup> reserves the right to block calls to any international location without notice, and to suspend or terminate international calling capability without notice. Call Forwarding is blocked to all international locations. *HORIZON*<sup>™</sup> reserves the right to require subscribers, in order to complete an international call, the requirement to first dial a toll free number; or enter a "pound code" or a "short code" or a "star code" in order to complete the call.

**International Calling:** Per minute international long distance charges apply in addition to regular airtime charges. Higher charges may apply to mobile terminated calls in certain countries. International calling rates are subject to change without notice.

*HORIZON* will not credit airtime minutes deducted for unsuccessful calls. You will not be able to make or receive calls on your *HORIZON* phone when you are located outside of the 50 United States.

**Adding Additional Airtime:** Adding Additional Airtime: Your *HORIZON*<sup>™</sup> phone will only operate when you have airtime minutes/units/value available on the *HORIZON*<sup>™</sup> handset. If you run out of your free monthly allotment of airtime, you may purchase and add airtime to your phone.

**California Recurring Airtime:**

With all *HORIZON* California only monthly plans the minutes do not roll over. If you do not use the monthly minutes allotted under the California only plans, the minutes will not roll over to the next month.

**Additional Airtime Cards:** *HORIZON* customers may purchase and use any *HORIZON* airtime cards, or obtain additional airtime directly through *HORIZON* you add airtime by entering the PIN obtained from a *HORIZON* airtime card. You must add your airtime to your *HORIZON* phone within one year from the date of purchase; otherwise the card/PIN expires and you will not be able to add those minutes to your *HORIZON* phone; nor receive a refund for any unused minutes. Each *Horizon* airtime card comes with a number of minutes and a service period that begins to run from the day you add airtime to your *HORIZON* phone.

Any airtime purchased and loaded on to a *HORIZON* Non-Lifeline Non-Government Assisted handset will be valid and available for use for up to 30 days from the date the airtime value was loaded if no additional airtime purchase(s) are loaded within the 30 day period from the date the last airtime purchase was loaded. Failure to purchase and load additional airtime within the 30 day period from the date the last airtime purchase was loaded will result in loss of any unused airtime.

Maintaining an active account: In order to keep your service active on the *HORIZON* Non-Lifeline Non-Government Assisted, you must purchase and load airtime at least once during any consecutive 120 day period. As explained above, airtime expires 90 days from date of loading. If no additional airtime is loaded within 30 days after the 90 day expiration of your airtime (90 days + 30 days= 120 days), then your service on the *HORIZON* Non-Lifeline Non-Government Assisted will be deactivated.

Once deactivated *HORIZON* may also reassign your phone number to a different user. If your *HORIZON* Non-Lifeline Non-Government Assisted phone number is deactivated for non-use as described above, then a new phone number will be assigned to you by *HORIZON* and all outstanding activation fees must be paid prior to reactivation on the *HORIZON* Non-Lifeline Non-Government Assisted service.

The monthly recurring minutes that were credited with the purchase of additional minutes will be automatically applied to your account between the 5th and 10th of each month. These refill minutes expire 30 days from the date loaded onto your phone and do not roll over to the next month.

**Bonus Minutes:** *HORIZON* may from time to time offer Bonus minutes on minutes purchased via airtime card, PIN, or directly from *HORIZON* The free monthly allotment of *HORIZON* minutes received by the customer while enrolled in the *HORIZON* program, will not increase in value/airtime with the purchase of any additional airtime.

A fee may apply to all the *HORIZON* rate plan changes.

**Service End Date:** Is the last day of your HORIZON™ service period. Airtime minutes added to your HORIZON account do not expire **if you elected to be on a rollover plan** and as long as your HORIZON account remains active and at least one airtime transaction occurs during a consecutive sixty (60) day period. An Airtime transaction can include, but is not limited to, per minute voice cellular call, inbound SMS text message, outbound SMS text message, or data usage. Service End Date can be calculated from (i) the date your HORIZON account became active; (ii) the date you placed or received the initial airtime transaction on your HORIZON account; (iii) the receipt of the monthly allotment of HORIZON™ plan airtime minutes; (iiii) or the purchase or addition of a HORIZON airtime card, or (iiiiii) the date you were determined to be eligible for the HORIZON plan, whichever can be conclusively determined by HORIZON™ at its sole discretion.

If for whatever reason your HORIZON service is suspended within the initial (or subsequent twelve month renewal period, or any subsequent twelve month renewal period thereafter) and subsequently restored you will only receive the monthly minutes that you were entitled to receive until being suspended but you will lose any minutes that you would have received during your suspension period. If your HORIZON service is deactivated for whatever reason within the initial twelve month period after initial enrollment, and you desire to re-activate your HORIZON service then you will need to re-qualify and re-enroll and no replacement or reimbursement of unused minutes will be provided. If your account is HORIZON Lifeline service is deactivated for whatever reason within the initial twelve month period after initial enrollment HORIZON reserves the right to void any unused minutes on a Lifeline account, if any unused minutes remain on that account. If for whatever reason Horizon were to lose its ability to seek reimbursement for Lifeline or Link-Up, Horizon reserves the right to void or cancel any unused minutes (and or monetary value) associated with Lifeline subsidized service.

If you fail to annually verify continued eligibility for the Lifeline program and fail to re-qualify and re-enroll in the HORIZON service so and you do not purchase any additional airtime minutes, then your HORIZON service will be deactivated and you will potentially lose your phone number, even if you have minutes remaining.

The purchase of any HORIZON airtime card is non-refundable. HORIZON airtime cards, airtime rate plans, and card denominations are subject to change without prior notice.

**Non-Utilization De-Enrollment and Deactivation:** If a Horizon subscriber exceeds two (2) months without any Utilization (as defined in this section), the Horizon subscriber will be de-enrolled from the Horizon Lifeline Program. "Utilization" is defined as any transaction including, but not limited to, making or receiving a call, making an attempted call, checking voicemail message, sending or opening a text message, checking airtime balance by dialing \*1776, downloading content, data usage or adding airtime. Upon de-enrollment for non-Usage, the Horizon subscriber will have up to a thirty (30) day grace period to reenroll by demonstrating usage activity or by contacting the Horizon Lifeline Program by calling 877-242-2046. If you do not re-enroll or call Horizon customer service within thirty(30) days of your de-enrollment, your phone service will be deactivated and any airtime will be lost.

In order to reactivate your Horizon phone and re-enroll in the Horizon Lifeline Program, you will need to call Horizon customer service and you will need to pay a Service Activation Fee ("SAF") Upon re-enrollment in the Horizon Lifeline Program, you will be provided your first entitlement of airtime for the thirty (30) day period of time in which the service was reactivated.

**MMS Data Services:** *HORIZON* is not responsible to provide Data Services. With existing *HORIZON* phone models, subscribers are not able to download ring tones, graphics, access information services such as news, weather and sports ("Information Services") and utilize multi-media services ("MMS") (ringtones, graphics, Information Services and MMS are collectively referred to as "Data Services"). UNLESS you have prepaid for a data plan.

**Data Services are currently an additional Service offered by the *HORIZON***

MMS Data service is only available in certain plans.

Horizon's services are provided solely for live dialogue between two individuals for personal use consisting of person to person voice calls, text and picture messaging (if available) and internet browsing and downloading of content (if available). Other uses have the potential to disrupt reliable service to other Horizon' subscribers and/or have an impact on network resources, so are therefore considered abuse of the service and are prohibited uses pursuant to the company's terms & conditions and the company's tariffs.

Such prohibited uses include, but are not limited to utilization of Horizon service for, connection to servers, connection to computers, connection to web cameras, connection to machine-to-machine, connection to dedicated data connections, telemarketing purposes, autodialing purposes, transmission of broadcasts, transmission of recorded material, tethering purposes, continuous mobile to mobile voice calls, continuous mobile to landline voice calls, automated text or picture messaging to another mobile device, automated text or picture messaging to another e-mail address, conference call purposes, use with monitoring services, auto-redial purposes, streaming of audio or video data, broadcast purposes, automatic data feed purposes, peer-to-peer (P2P) file sharing purposes, backup for private line purposes, or any and all other commercial uses.

Horizon reserves the right to determine at the company's sole discretion that abuse and prohibited use is taking place or evidence exists of a subscriber placing calls of unusually long duration. Horizon reserves the right to prevent to such abuse and limit prohibited use by terminating the use and defaulting the Horizon subscriber's service back to the standard pay-as-you-go prepaid plan (for Non-Lifeline subscribers), the default 50 minute plan, 68 minute plan, 125 minute plan, or the 250 minute plan based upon the subscriber's account as initially selected by the subscriber at time of initial activation, the most recent plan change as elected by the Horizon Lifeline subscriber. Additionally, Horizon reserves the right to determine that abuse and prohibited use is taking place and at company's sole discretion, may terminate or suspend service accordingly. By Horizon reserving the right to make changes to a subscriber's account, at the company's sole discretion does not mean that Horizon has imposed any type of cap on the minutes and/or texts subscribers are allowed to use. Horizon monitors subscriber calling activity

and the company has the ability to determine indications of abuse and can limit, restrict or terminate prohibited use.

As a Horizon subscriber, you are responsible for all calling activity that occurs in your wireless account, and all content that you transmit through a Horizon handset. Horizon reserves the right to, without notice, block access to certain categories of numbers (e.g. 976, 900, chat lines, and certain international destinations) or certain web sites if, in the company's sole discretion, Horizon experiences excessive billing, collection, fraud problems, misuse of the company's network, abnormal calling patterns, including repeated calls of an extended duration or a large number of repetitive calls to a particular number or numbers, or usage that may be harmful or disruptive to Horizons systems or others subscriber's reasonable ability to use Horizons services. Horizon may, but does not have an obligation to, refuse to transmit any information through Horizons service and may screen, filter and delete information prior to delivery to any Horizon subscriber at the company's sole discretion as permitted by law.

In case of damage or destruction of any of *HORIZON* equipment, handset or accessories due to the negligence or willful act of the *HORIZON* subscriber, the *HORIZON* subscriber will be held responsible for the cost of restoring the equipment, handset or accessories to its original condition, or of replacing the equipment, handset or accessories destroyed, or will be responsible to pay an equipment replacement fee. *HORIZON* may suspend a subscriber's service while the subscriber effectuates replacement or repair of the equipment, handset or accessories.

All *HORIZON* handset makes and models provided under the *HORIZON* program are selected and dispensed at the sole option of *HORIZON*.

*HORIZON* recycles used phones.

*HORIZON* phone models will vary. *HORIZON* reserves the right to substitute and/or replace any *HORIZON* equipment (including handsets) with other *HORIZON* equipment at any time and at the sole discretion of *HORIZON*.

*HORIZON* subscribers acquire no proprietary interest in any telephone number assigned to their *HORIZON* account. *HORIZON* subscribers must accept the telephone number assigned to the *HORIZON* account at the time of activation, which shall be assigned at the sole discretion of *HORIZON*.

Your *HORIZON* handset can only be used through *HORIZON* and cannot be activated with any other wireless or cellular service provider. Any unauthorized use of your *HORIZON* handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and may result in immediate discontinuance of service along with legal action. Any attempt at tampering with or altering *HORIZON* phone or its software by unlocking, re-flashing, entering unauthorized PINs, or engaging in any other unauthorized or illegal use of your *HORIZON* phone or the Service, or assisting others in such acts, including but not limited to selling your *HORIZON* handsets or minutes will be prosecuted to the fullest extent of the law.

You hereby agree that any illegal or unauthorized use or sale of your *HORIZON* phone or minutes shall entitle Horizon to recover liquidated damages from you in an amount of not less than \$5,000 per *HORIZON* handset used in violation of this agreement.

*HORIZON* service is subject to certain limitations caused by many factors. Some of but not all of the factors can include, system issues, equipment compatibility issues, geographical limitations, atmospheric conditions, and other conditions outside of the control of *HORIZON*<sup>TM</sup>. Likewise, *HORIZON* Service may be interrupted, quality degraded, blocked, or limited due to system capacity limitations, technology migration or limitations imposed by the Carrier, or due to but not limited to, equipment malfunction, outages, modifications, repairs or other similar actions on the part of *HORIZON* to maintain its service offering. Neither Horizon, nor any other Carrier, shall have any liability whatsoever for service failures, outages or limitations of *HORIZON* service.

*HORIZON* cannot and does not warrant or guarantee availability of its wireless services nor guarantee that *HORIZON* services will be provided without interruption.

*HORIZON* services are provided at Horizons sole discretion.

*HORIZON* may modify or cancel any Service or take corrective action at any time without prior notice and for any reason, including but not limited to your violation of *HORIZON* terms and conditions.

*HORIZON* customer service can be reached by dialing 1-877-242-2046.

**CHARGES YOU ARE RESPONSIBLE FOR:** You are responsible for paying all charges for or resulting from services provided hereunder. Charges may include, without limitation: airtime, roamer, recurring monthly service, activation, administrative, returned-check and late payment charges; network and other surcharges; optional feature charges; toll, collect call and directory assistance charges; any other charges or calls charged to your phone number; and applicable taxes, surcharges and governmental fees, whether assessed directly upon you or upon Horizon. Horizon reserves the right to add its own charges to those charged by third parties. Payment for all charges is made in advance and there is no proration of such charges. You hereby agree to pay for incoming and outgoing calls to and from your phone. Additional charges may apply for detailed information about your usage of services. Unless otherwise specifically provided for hereunder any unused allotment of services from one monthly period will not carry over to the next monthly period.

AIRTIME AND OTHER MEASURED VOICE USAGE ("CHARGEABLE TIME") IS BILLED IN FULL-MINUTE INCREMENTS AND IS ROUNDED UP TO THE NEXT FULL-MINUTE INCREMENT AT THE END OF EACH CALL FOR CHARGING PURPOSES. HORIZON CHARGES A FULL MINUTE OF AIRTIME USAGE FOR EVERY FRACTION OF THE LAST MINUTE OF AIRTIME USED ON EACH WIRELESS CALL.

Chargeable Time begins for outgoing calls when you press SEND (or similar key) and for incoming calls when a signal connection from the caller is established with our facilities.

Chargeable Time ends after you press END (or similar key), but not until your wireless telephone's signal of call disconnect is received by our facilities and the call disconnect signal has been confirmed.

**ACCOUNT ACCESS:** *HORIZON* may provide information about and to make changes to *HORIZON* subscriber's accounts, including, but not limited to, suspending, deactivating, adding new service, changing service, providing information that may amount to Customer Proprietary Network Information ("CPNI") upon the direction of any person able to provide information *HORIZON* deems sufficient to identify you as the *HORIZON* subscriber.

Your caller identification information (such as your name and phone number) may be displayed on the equipment or bill of the person receiving your call; technical limitations may, in some circumstances, prevent you from blocking the transmission of caller identification information. You hereby consent to the use by *HORIZON* or our authorized agents of regular mail, predictive or autodialing equipment, email, text messaging, facsimile or other reasonable means to contact you the *HORIZON* subscriber to advise you about our services or other matters *HORIZON* may believe to be of interest to you the *HORIZON* subscriber. The *HORIZON*<sup>TM</sup> reserves the right to contact you the *HORIZON* subscriber by any means regarding customer service related notifications, or other such information.

If you do not want to accept these terms and conditions, do not activate a *HORIZON* phone or use your *HORIZON* phone after you make a change to your account and contact *HORIZON* at 1-877-242-2046

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## Overview of the Lifeline Program

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*HORIZON* service offering is a part of a program that derives from the Universal Service Fund. The part of the program that *HORIZON* offers to qualified subscribers is called the Lifeline. Lifeline provides discounts that make telephone service (and wireless service) more affordable for more than 7 million Americans. The wireline and wireless companies that provide Lifeline are approved to participate in the low income program of the Universal Service Fund for the revenue they forego by providing discounted service to eligible consumers.

What is Lifeline Support?

Lifeline is essentially monthly support that lowers the cost of monthly local wireline or wireless telephone service. An eligible customer may receive the Lifeline discount on either a wireline or wireless connection, but the discount is available for only one telephone connection per household. Lifeline support is essentially a monthly support amount that varies between states, and eligible consumers can receive up to \$9.25 per month in Lifeline subsidies.

In order to qualify for and participate in the *HORIZON* Lifeline service offering, a person must meet certain state and federal eligibility requirements that can be unique to the particular state where the subscriber resides and the Service is to be provided.

These state and federal eligibility requirements are based on several factors. Eligible subscribers can qualify for the Lifeline one of two ways; through what is known as 1) Program Based Eligibility or 2) Income Based Eligibility.

**PROGRAM BASED ELIGIBILITY:** Generally under the Program Based Eligibility criteria, subscribers are eligible to receive Lifeline discounts if they participate in one or more of the following programs:

1. Medicaid
2. Food Stamps
3. Supplemental Security Income (also known as SSI)
4. Federal Public Housing Assistance (Section 8)
5. Low Income Home Energy Assistance Program (LIHEAP)
6. National School Lunch program's free lunch program
7. Temporary Assistance for Needy Families Program (TANF)

Program Based Eligibility criteria will vary by state. To determine if your state provides service in your area you should refer to the *HORIZON* website found at [www.horizoncellular.com](http://www.horizoncellular.com).

Generally under the Income Based Eligibility criteria, subscribers are eligible to receive Lifeline discounts if their total combined household income meets the Income Poverty Guidelines as defined by the U.S. Government. Income based criteria varies by state.

**INCOME BASED ELIGIBILITY:** To demonstrate eligibility based upon Income Based Eligibility criteria only, please fax or mail the following information:

A signed *HORIZON*<sup>TM</sup> Lifeline application form signed and dated along with documentation demonstrating proof of income and total amount of household income for last year (Example: income tax return form, W2 form).

Some states do not offer Income Based Eligibility criteria for Lifeline. Please review the state specific requirements for Income Based Eligibility criteria before submitting an Income Based Eligibility application.

Some restrictions on *HORIZON* Lifeline Service application requirements include, but are not limited to:

*HORIZON* Lifeline Service offering is limited to one (1) per household;

All potential subscribers applying for the HORIZON Lifeline Service offering must declare under penalty of perjury that:

Applicant authorizes Horizon, or its duly appointed representative(s) to access records relating to applicant, applicant's family, that may reside in any state or federal database to verify applicant's eligibility for the Lifeline program;

Applicant authorizes representatives of any state or federal assistance programs to discuss with and/or provide copies of or records relating to applicant if requested by *HORIZON*.

Applicant authorizes representatives of any state or federal assistance programs to verify applicant's participation in any state or federal assistance programs and applicant's eligibility for Lifeline service;

Applicant will notify *HORIZON* if and when applicant no longer participates in at least one of the qualifying state or federal assistance programs;

Applicant certifies that applicant does not currently have Lifeline service and no other resident at applicant's residential address participates in the Lifeline program;

If Applicant has Lifeline service now applicant agrees to cancel applicant's current Lifeline support in favor of *HORIZON*.

Applicant affirms that applicant is over eighteen, head of household and that applicant is not claimed as a dependent on another person's federal or state income tax return;

Applicant agrees to notify *HORIZON* if applicant has a change of address;

Applicant affirms under penalty of perjury, that the foregoing representations are true and correct to the best of applicant's knowledge and belief.

Upon written request, applicants who do not meet the eligibility requirements will be provided with the reason for non-eligibility.

*HORIZON* cannot certify or verify your eligibility for Lifeline service without the submission of your Social Security Number. *HORIZON* keeps your information strictly confidential and will not be disclosed without your consent. If you submit your Social Security Number online your personal information is Secure Socket Layer (SSL) encrypted.

### **Description of Annual Recertification/Verification**

For applicants who successfully submit a *HORIZON* application if and when required and for applicants who meet the specific eligibility requirements, those approved applicants will receive a free cellular phone provided by *HORIZON* along with a free allotment of airtime minutes each month for a period of twelve (12) consecutive months from the service start date.

Horizon reserves the right to determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate and/or continue to participate in the *HORIZON* Service.

The actual amount of airtime minutes an eligible subscriber will receive on a monthly basis varies from state to state. Horizon reserves the right to change or modify, increase or decrease the actual amount of airtime minutes an eligible subscriber will receive on a monthly basis without notice.

Every *HORIZON* Service enrolled subscriber will be required to re-qualify on an annual basis to remain eligible to receive benefits under the *HORIZON* program. Each *HORIZON* subscriber is required to re-qualify for the Lifeline program pursuant to the appropriate federal and/or state rules associated with verification of Lifeline.

Horizon reserves the right to determine at its sole discretion if a *HORIZON* subscriber meets the annual Recertification/Verification requirements and if the subscriber fails to re-qualify for *HORIZON* Service.

If Horizon determines that a customer fails to re-qualify for *HORIZON* Service, such customer will immediately be deemed ineligible to participate in the *HORIZON* Lifeline Service and will no longer receive the free monthly minutes. Once a customer no longer participates in the *HORIZON* Service (either by choice, disqualification, cancellation or termination), such customer may retain the *HORIZON* handset.

*HORIZON* subscribers, who fail to meet the annual Recertification/Verification requirements, may remain as a Horizon customer however that subscriber will no longer receive any free and or bonus monthly minutes.

Upon the request of a state and/or federal authority, a *HORIZON* customer's enrollment may also be cancelled. *HORIZON* reserves the right to cancel the enrollment of any customer and suspend or deactivate any *HORIZON* phone for any fraud related reasons.

**OPTION TO DE-ENROLL.** *HORIZON* subscribers have the ability to de-enroll from the *HORIZON* Lifeline program at any time for any reason. Subscribers who choose to de-enroll from the *HORIZON* Lifeline program will no longer be entitled to receive any free or bonus minutes that may have been previously offered. Subscribers who choose to voluntarily de-enroll from the *HORIZON* Lifeline program will be required to re-qualify for the Lifeline program pursuant to the appropriate federal and/or state rules associated with verification of Lifeline. Subscribers who choose to voluntarily de-enroll from the *HORIZON* Lifeline program will be required to contact *HORIZON* customer service via e-mail, fax or phone, and must provide *HORIZON* program sufficient information for *HORIZON* to conclusively determine the de-enrolling subscriber's identity. All voluntarily de- enrollments can be made by contacting the below:

Horizon  
P.O. Box 1095

Red Bluff, CA 96080  
Customer Service: (877) 242-2046  
Fax: (530) 527-6072  
E-Mail: mail@horizoncellular.com

## **SUPPORTED SERVICES**

Voice grade access to the public switched telecommunications network ("PSTN") is a functionality that enables a subscriber of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call in a bandwidth, at a minimum, between 300 and 3,000 Hertz. Horizon service provides wireless access to the Public Switched Network.

**Dual Tone Multi-Frequency ("DTMF") Signaling or Its Functional Equivalent:** DTMF is a method of signaling that facilitates the transportation of signaling through the public telecommunications network, shortening call set-up time. All Horizon provided telephone handsets are DTMF-capable.

**Single-party Service or its Functional Equivalent:** Single-party wireless service is a dedicated message path for the length of a subscriber's particular transmission. Horizon provides customers with single-party access for the duration of every phone call but does not provide multi-party or party Line service.

**Access to 911 and E911 Emergency Service:** Access to Emergency Service is a service that permits a subscriber, by dialing the three-digit code 911, to call emergency services through a Public Service Access Point (PSAP) operated by local government.

**Access to Operator Services:** Access to operator services is access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call.

**Access to Interexchange Service:** Access to interexchange service is a service that permits a telecommunications user to complete a long distance call or toll call.

**Access to Directory Assistance:** Access to directory assistance is access to a service of making available to customers, upon request, information contained in directory listing.

**Toll Limitation Service:** Horizon subscribers have the optional ability to use their service to complete a long distance call or toll call in an amount of service that limits the amount of service to which they have already paid.

**One subscriber per household rule:** *HORIZON* will follow any established FCC or state Public Service Commission procedures to comply with the "one-per-qualifying subscriber per household rule" for Lifeline support. *HORIZON* will make available state-specific Subscriber data, including name, address, to the Universal Service Administrative Company ("USAC") and to any state Public Regulatory Commission as required for the purpose of permitting USAC or the state Public Regulatory Commission to determine whether an existing Company Lifeline

Subscriber receives Lifeline service from another carrier. *HORIZON* will promptly investigate any notification that it receives from USAC or state Public Regulatory Commissions that one of its Subscribers already receives Lifeline service from another carrier. Should investigation by *HORIZON* conclude that the Subscriber receives Lifeline services from another carrier in violation of the FCC regulations, or if otherwise directed by USAC or the state Public Regulatory commission, *HORIZON* will immediately notify the Subscriber and deactivate Lifeline services.

**Penalties for Fraud:** As a *HORIZON* subscriber to Horizon Lifeline program, your Lifeline service and the resultant Lifeline subsidies may be terminated for various factors, including but not limited to a request to de-enroll your Lifeline benefits originating from either a federal and/or state authority. Please be advised, while as an active *HORIZON* subscriber to Horizon Lifeline and Link-Up program, you will be in VIOLATION OF FEDERAL AND STATE LAW if you attempt to or engage in activities that amounts to CONVEYING, SELLING OR GIVING AWAY A *HORIZON* HANDSET that is active and contains Lifeline subsidized minutes to someone other than the person that applied for the handset/service, OR CONVEYING, SELLING OR GIVING AWAY *HORIZON* LIFELINE-SUBSIDIZED SERVICE PROVIDED TO YOU, A LIFELINE END-USER, BY HORIZON, INC. to anybody. Violations by any *HORIZON* subscriber discovered in the normal course of business by Horizon will have their account information turned over to the designated law enforcement agencies for prosecution to the fullest extent of the law. Also, if it has been determined that an active *HORIZON* subscriber may have engaged in the acts listed above, Horizon, in the company's sole discretion, will de-enroll the subscriber from receiving Lifeline benefits, and will deactivate the subscriber's handset for fraud, and the subscriber's information, including account information, will be prevented from attempting to gain *HORIZON* Lifeline subsidized service in the future.

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Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

1. the prior year's state, federal, or tribal tax return
2. current income statement from an employer or paycheck stub
3. a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
4. an Unemployment/Workmen's Compensation statement of benefits
5. federal or tribal notice letter of participation in General Assistance

6. a divorce decree, child support, or other official document

If documentation that does not cover a full year is used to as proof of income, you must present three consecutive months' worth of the same types of document within that calendar year.

Discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *HORIZON* at 877-242-2046

### **How do I continue to receive Lifeline benefits?**

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

### **California Lifeline**

#### **How do I know if I am eligible?**

Eligibility for Lifeline discounts are based on the following.

**Program Based Eligibility** - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Bureau of Indian Affairs General Assistance
- California Work Opportunity and Responsibility to Kids (CalWORKs)
- Federal Public Housing Assistance or Section 8
- Food Stamps or Supplemental Nutrition Assistance Program (SNAP)
- Greater Avenues for Independence (GAIN)
- Head Start Income Eligible (Tribal Only)
- Healthy Families Category A
- Low-income Home Energy Assistance Program (LIHEAP)
- Medicaid/Medi-Cal
- National School Lunch's FREE Lunch Program (NSL)
- Stanislaus County Work Opportunity and Responsibility to Kids (StanWORKs)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- Tribal TANF
- Welfare-to-Work (WTW)
- Women, Infants and Children Program (WIC)

**Income Based Eligibility** – Income Based Eligibility: In addition, a consumer can also qualify for California Lifeline if their total household income is at or less than the following income maximums:

no.	Total Members	Total Monthly Household Income
1	1-2 members	\$24,700
2	3 members	\$28,800
3	4 members	\$34,800
4	Each additional member	\$6,000

In order to qualify for California Lifeline based on household income, you will need to provide documents proving that your total household income is at or below the income maximum for your household size. Income documents include:

- Prior year's state, federal, or tribal tax return.
- Income statements or paycheck stubs for three consecutive months within the calendar year.
- Statement of benefits from Social Security, Veterans Administration, retirement/pension, unemployment compensation, and/or workmen's compensation.
- Divorce decree.
- Child support document.
- Other official documents.

The household for which you are ordering CA Federal Lifeline must be your primary residence and you may not currently have Federal Lifeline service. You cannot be claimed as a dependent on someone else's income tax returns.

A household may qualify for a second Federal Lifeline phone line, if you or a member of your household is disabled and uses a telephone text device, TTY. Your household member who is disabled has to have immediate and continuous access within the household to a TTY and you must provide proof for the need of a TTY such as proof issued by DDTP or a medical certificate indicating the household member's need for a TTY device.

### **How do I apply?**

Individuals should contact *HORIZON* by calling toll free 877-870-9222 or by going online to [www.horizoncellular.com](http://www.horizoncellular.com) to state that they qualify for California lifeline. A *HORIZON* customer representative will review the California Lifeline eligibility requirements to determine if the individual qualifies for California Lifeline.

After gathering the individual's information, *HORIZON* will send the individual's information to a California federal Lifeline program administrator (Xerox), an organization that keeps track of California residents receiving Lifeline. If the individual's name is kept under Xerox's record of Lifeline subscribers, the individual will receive a handset preloaded with the minutes according to the plan chosen by the individual.

If your name is not under Cert A, the California Lifeline Administrator Xerox's record of Lifeline subscribers, you will receive a pink envelop from Cert A, the California Lifeline Administrator Xerox, within three (3) to five (5) business days. The letter will contain a unique

four (4) digit PIN number assigned exclusively to the individual. Once you receive the letter, you can either return the letter to Cert A, the California Lifeline Administrator Xerox, or you can complete online by entering the PIN number assigned to you. Completing the form online will expedite your approval process. Keep in mind the completed certification form must be completed on-line or filled in and returned to Cert A, the California Lifeline Administrator Xerox, by the deadline date indicated on the form. Cert A, the California Lifeline Administrator Xerox, will notify you and *HORIZON* once it determines whether or not you are eligible for Federal Lifeline and Link Up.

Consumers who are currently enrolled in Lifeline with a provider other than *HORIZON*<sup>TM</sup> are not required to inform their current Lifeline provider that they are changing providers.

New Federal Lifeline applicants must be approved for California Federal Lifeline by Cert A, the California Lifeline Administrator, before the discounted Federal Lifeline and Link-Up rates are received. Until you are approved by Cert a the California Lifeline Administrator, you will pay regular rates.

Individuals who do not qualify will be enrolled in the Company's non-Lifeline service and will be able to purchase airtime minutes in standard denominations, at standard non-Lifeline rates.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

You may opt to receive the instructions for the certification form in Braille (English Only) or instructions and certification form in large print from Cert A the California Lifeline Administrator Xerox, but you need to request this at the time of initial enrollment by specifically informing the Horizon Customer Service Representative at the time of initial sign up for Federal Lifeline service.

### **How do I continue to receive Lifeline benefits?**

Cert, A the California Lifeline Administrator Xerox, requires all existing federal Lifeline customers to renew their participation on an annual basis. Each year, on the customer's anniversary date, current participants will receive, from Cert A the California Lifeline Administrator Xerox, one of two types of federal Lifeline renewal forms in a Pink envelope.

There are two types of forms to renew one's participation in federal Lifeline. The first type is called "Renewal Form." The second type is called "Renewal Form (Documentation required)."

Consumers who receive the "Renewal Form" will receive a PIN number with their renewal form from Cert A the California Lifeline Administrator Xerox. As with initial certification, consumers can go online and renew their participation or they can return the signed and completed application form by US Mail.

Consumers who receive the "Renewal Form (Documentation required)" from Cert A, the California Lifeline Administrator Xerox, must fill out and return the signed and completed form with documents supporting his/her eligibility for federal Lifeline.

In either case, consumers must complete the renewal process by the date indicated on the renewal form provided by Cert A the California Lifeline Administrator Xerox.

Consumers who do not renew their participation in federal Lifeline or who no longer qualify will be dropped from the program at which time regular rates will apply.

Please note that you may be audited by Cert A the California Lifeline Administrator Xerox California Federal Lifeline administrator at any time.

## **Exhibit D**

### Key Management Resumes

# Travis Graff

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## Resume

### Work History

Multi Image Systems (Inventory Control) 1993-1995

Sierra online (Project Art Director) 1995-1997

Links Communications (Installer) 1998-2000

Tehama County Telephone Company (Partner) 2000-present

TC Telephone, LLC (Partner, CEO) 2006-Present

### Education

Red Bluff High School 1984-1987

US Military 1987-1991

# Steve Walden

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## Resume

### Work History

2000 to present, CFO, TC Telephone, LLC

1995 to present, Partner Tehama County Telephone Co.

1989-1995 Owner Tehama County Telephone Company

1983-1989 CEO, Diversicom, Inc

1983 Early Retirement from AT&T

1980-1982 Second Line Manager I & M, AT&T

1977-1980 Supervisor Complex I&M, AT&T

1970-1977 Install and Repair Technician, AT&T

#### Additional Duties:

1979-1980 Chief Union Steward, CWA

1974-1979 Union Steward, CWA

1990 to present, Member, Farm Bureau

1991 to present, Member, BPOE, Elk Order

## Exhibit E

### Proposed Lifeline Rate Plans

#### **Lifeline Plan 1 – 250 Minute Plan**

250 Anytime Minutes per month  
Net cost to Lifeline customer - \$0.00

#### **Lifeline Plan 2 – 450 Minute Plan**

450 Anytime Minutes per month  
Net cost to Lifeline customer - \$9.00 per month

#### **Lifeline Plan 3 – 750 Minute Plan**

750 Anytime Minutes per month  
Net cost to Lifeline customer - \$20.00 per month

#### **Lifeline Plan 4 – Unlimited Talk and Text**

Unlimited Anytime Minutes or Texts per month  
Net cost to Lifeline customer - \$29.99 per month

#### **Lifeline Plan 5 – 250 Minutes & 250MB Data**

250 Anytime Minutes plus 250MB of data per month  
Net cost to Lifeline customer - \$10.00 every 3 months

#### **Included in all plans:**

- Free calls to 911 emergency services
- Free calls to Customer Service
- Free domestic long distance
- Free access to Caller ID, Call Waiting, and Voicemail features
- Text messages and data at the rate of 1:1 (1 text or MB = 1 minute of usage)

#### **Additional Minutes:**

30 Anytime Additional Minutes	\$6.00
90 Anytime Additional Minutes	\$11.00
300 Anytime Additional Minutes	\$20.00
500 Anytime Additional Minutes	\$25.00
1000 Anytime Additional Minutes	\$55.00

#### **Additional Data:**

Available in increments on \$5 at \$0.02 per MB:

250MB	\$5.00
500MB	\$10.00