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

In the Matter of)
)
Telecommunications Carriers Eligible to) WC Docket No. 09-197
Receive Universal Service Support)
)
i-wireless, LLC)
)
Petition for Limited Designation as an Eligible)
Telecommunications Carrier in the State of)
Maine and Expansion of Designated Service)
Area in the State of Texas)

**PETITION FOR LIMITED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MAINE AND
EXPANSION OF DESIGNATED SERVICE AREA IN THE STATE OF TEXAS**

Lance J.M. Steinhart
Lance J.M. Steinhart, P.C.
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

Attorneys for i-wireless, LLC

September 9, 2013

TABLE OF CONTENTS

SUMMARY	iv
I. INTRODUCTION	1
II. BACKGROUND	2
A. i-wireless Overview	2
B. Company ETC Designations.....	4
C. Lifeline Program	4
D. Proposed Lifeline Offering	6
III. THE COMMISSION HAS AUTHORITY TO PERFORM THE ETC DESIGNATION	8
IV. I-WIRELESS REQUESTS ETC DESIGNATION IN ITS SERVICE AREAS IN THE NON-JURISDICTIONAL STATES FOR PARTICIPATION IN THE LIFELINE PROGRAM	10
A. i-wireless Requests ETC Designation in its Existing Service Area.....	10
B. i-wireless' Limited ETC Designation Request Only Seeks Authority to Participate in the Lifeline Program	10
V. I-WIRELESS SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC	11
A. i-wireless is a Common Carrier	11
B. i-wireless Will Provide the Supported Services Consistent With the Commission's Grant of Forbearance from Section 214's Facilities Requirements	11
C. i-wireless Offers All of the Required Services and Functionalities.....	13
1. Voice Grade Access to the Public Switched Telephone Network.....	13
2. Local Usage	13
3. Access to Emergency Services	14
4. Toll Limitation for Qualifying Low-Income Consumers	14
D. Advertising of Supported Services	15
E. Service Commitment Throughout the Proposed Designated Service Area.....	16
F. Five-Year Network Improvement Plan.....	16
G. Ability to Remain Funcional in Emergency Situations	17
H. Commitment to Consumer Protection and Service Quality.....	17
I. Financial and Technical Capability	17
VI. I-WIRELESS WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE LIFELINE AND LINK UP REFORM ORDER.....	18
A. Consumer Eligibility and Enrollment	18

1.	One-Per-Household.....	19
2.	Initial and Annual Certification	20
3.	Annual Re-Certification.....	25
B.	Other Reforms to Eliminate Waste, Fraud and Abuse.....	26
1.	National Lifeline Accountability Database.....	27
2.	Subscriber Usage	28
3.	Marketing & Outreach	29
4.	Audits.....	30
C.	De-Enrollment.....	30
D.	Additional Rule Amendments.....	32
1.	Reporting Requirements	32
2.	Reimbursement from USAC.....	32
VII.	DESIGNATION OF I-WIRELESS AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST	33
A.	Advantages of i-wireless' Service Offering	34
B.	The Benefits of Competitive Choice.....	35
C.	Impact on the Universal Service Fund.....	36
VIII.	ANTI-DRUG ABUSE CERTIFICATION.....	37
IX.	CONCLUSION.....	38

TABLE OF EXHIBITS

	<u>Exhibit</u>
i-wireless, LLC’s Lifeline Rates	A
Affirmative Statement of the Maine Public Service Commission.....	B
Affirmative Statement of the Texas Public Utility Control	C
Coverage Area	D
Key Management Bios.....	E
Sample Lifeline Certification Form.....	F

SUMMARY

The Commission previously designated i-wireless, LLC (“i-wireless”) as an Eligible Telecommunications Carrier (“ETC”) in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, North Carolina, New York, Tennessee, the Commonwealth of Virginia, and the District of Columbia pursuant to Section 214(e)(6) of the Communications Act, solely for purposes of offering services supported by the Universal Service Fund’s (“USF”) Low-Income program. i-wireless hereby seeks designation as an ETC in the State of Maine, and expansion of its ETC designated service area in the State of Texas.

i-wireless is a Mobile Virtual Network Operator (“MVNO”) that purchases wireless service on a wholesale basis from Sprint Nextel. Maine and Texas have provided affirmative statements that they do not exercise jurisdiction over wireless providers for purposes of Lifeline-only ETC designation. Accordingly, pursuant to Section 214(e)(6), the Commission has the authority to designate i-wireless as an ETC in Maine and expand i-wireless’ designated service area in Texas.

i-wireless 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 FCC granted i-wireless’ petition for forbearance from enforcement of this requirement on June 25, 2010 the purposes of participation in the Lifeline program. Through its contracts with underlying carriers, i-wireless 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. i-wireless respectfully requests that the Commission promptly approve the instant request for limited ETC designation to enable i-wireless to rapidly provide Lifeline services to qualifying customers in Maine and Texas.

Granting i-wireless' request for designation as an ETC in Maine and service area expansion in Texas will promote the public interest by providing qualifying low-income customers with low prices and high-quality wireless services. Many of these low-income customers have yet to reap the well-documented benefits of wireless service because of financial constraints, poor credit history, or intermittent employment. i-wireless' prepaid service offerings are ideally suited to provide these customers with reliable and cost-effective wireless services. As an ETC, i-wireless will be able to provide discounted and affordable services to these consumers, and will uniquely be able to do so through its affiliation with The Kroger Co. ("Kroger"), the nation's largest grocery retail chain and the second largest retailer overall.

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

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

In the Matter of)
)
Telecommunications Carriers Eligible to) WC Docket No. 09-197
Receive Universal Service Support)
)
i-wireless, LLC)
)
Petition for Limited Designation as an Eligible)
Telecommunications Carrier in the State of)
Maine and Expansion of Designated Service)
Area in the State of Texas)

**PETITION FOR LIMITED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MAINE AND
EXPANSION OF DESIGNATED SERVICE AREA IN THE STATE OF TEXAS**

I. INTRODUCTION

i-wireless, LLC (“i-wireless” or the “Company”), pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (“Communications Act”), and Section 54.201 of the rules of the Federal Communications Commission (“FCC” or “Commission”), hereby petitions for limited designation as an eligible telecommunications carrier (“ETC”) in the State of Maine and for expansion of its ETC-designated service area in the State of Texas (collectively the “Non-Jurisdictional States”). i-wireless 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.

Because the Maine Public Utilities Commission and the Public Utility Commission of Texas (collectively, the “State Commissions”) lack jurisdiction to designate i-wireless as an ETC, the Commission, under Section 214(e)(6) of the Communications Act, has the authority to consider

and grant this request.¹ As more fully described below, i-wireless satisfies the requirements for designation as an ETC in the Non-Jurisdictional States, including the requirements outlined in the FCC’s *USF/ICC Transformation Order*² and *Lifeline and Link Up Reform Order*,³ 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 i-wireless’ 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 – particularly as enabled by i-wireless’ affiliation with The Kroger Co. (“Kroger”), the nation’s largest grocery retail chain and the second largest retailer overall.

II. BACKGROUND

A. i-wireless Overview

i-wireless provides prepaid wireless telecommunications services to consumers by using the Sprint Nextel (“Sprint”) network on a wholesale basis. Sprint is a nationwide carrier that provides wholesale capacity on its wireless network to resellers like i-wireless. Pursuant to an

¹ See 47 U.S.C. § 214(e)(6).

² *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*”).

³ *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*”).

existing direct agreement, i-wireless obtains from Sprint the network infrastructure, including wireless transmission facilities, to allow i-wireless to operate as a Mobile Virtual Network Operator (“MVNO”). i-wireless is 50% owned by Genie Global, Inc. and 50% owned by The Kroger Co., and does not have any operating companies or affiliates. i-wireless provides Lifeline service under the brand name “Access Wireless.”

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, i-wireless 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 Communications Act, 47 U.S.C. § 254.

i-wireless offers consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. i-wireless 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. i-wireless does not plan to conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service, and does not do so today in the areas in which it already offers prepaid wireless services, including Lifeline services.

B. Company ETC Designations

i-wireless has been designated as an ETC by state public utility commissions (PUCs) in Arkansas, Arizona, Colorado, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, Ohio, South Carolina, Texas, Utah, Washington, West Virginia and Wisconsin, and by the FCC in Alabama, Connecticut, Delaware, District of Columbia, Florida, New Hampshire, New York, North Carolina, Tennessee, and Virginia.⁴ i-wireless currently has applications for ETC designation pending with California, Hawaii, Iowa, Massachusetts, Nebraska, New Jersey, New Mexico, Oklahoma, Oregon, Pennsylvania, Rhode Island and South Dakota; no such petitions have been denied.

When i-wireless received ETC designation from the Texas PUC, it was limited to non-rural incumbent service areas.⁵ i-wireless had intentions of applying with the Texas PUC to expand its ETC designation to include service areas of rural incumbent carriers; however, the Texas PUC has ceased to retain jurisdiction over wireless ETCs (see section III below and Exhibit C), and as a result i-wireless is making such request to the FCC.

C. Lifeline Program

Universal service has been a fundamental component of U.S. telecommunications policy since adoption of the Communications Act over 70 years ago. Section 254 of the Communications Act codified that commitment in 1996, and embodies the Commission's historical commitment to

⁴ See *In the Matter of Federal-State Joint Board on Universal Service, i-wireless, LLC Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, North Carolina, New York, Tennessee, the Commonwealth of Virginia, and the District of Columbia*, WC Docket No. 09-197, (“FCC ETC Application”) Order, DA 12-934 (rel. June 13, 2012)(“ETC Designation Order”).

⁵ See *Application of i-wireless, LLC for Designation as an Eligible Telecommunications Carrier in the State of Texas for the Limited Purpose of Offering Lifeline Service to Qualified Households*, Docket No. 40242, Order No. 4 (May 16, 2012).

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.⁶ 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.⁷

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.⁸ 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 "when 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

⁶ 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).

⁷ 47 C.F.R. §§ 54.400 and 54.401.

⁸ 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 Communications Act.”⁹

D. Proposed Lifeline Offering

i-wireless intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice usage at all price points. The Company’s Lifeline service offering will provide customers with the same features and functionalities enjoyed by all other i-wireless prepaid customers, with one notable exception: prepaid Lifeline services will not require payment of an out-of-pocket fee by subscribers, but instead, i-wireless will receive support from the Lifeline program as compensation for providing those services. Attached hereto as Exhibit A is a table of i-wireless’ rate plans, showing that i-wireless’ Lifeline service offering, provided under the brand name “Access Wireless,” proposes to give eligible customers a free handset and the following Lifeline Plan choices:¹⁰

1. 250 Anytime Minutes Plan. Eligible customers receive 250 anytime minutes each month (1 SMS text message = 1 minute of usage).
2. Retail Discount Plan. This option allows Lifeline eligible customers to apply the Lifeline subsidy, currently set by the Commission at \$9.25, to any i-wireless monthly retail plan.¹¹ Additionally, i-wireless currently applies a service credit, which is not subsidized, to bring the Lifeline customers’ total discount to \$15.00.

⁹ See *Lifeline and Link Up Reform Order* at ¶ 16.

¹⁰ The Company’s Lifeline terms and conditions are listed at www.accesswireless.com, and retail terms and conditions are maintained at www.iwirelesshome.com.

¹¹ Except a Text Only Plan.

Customers can change their plan on their monthly plan date, without penalty, should they determine that another plan better meets their needs or if their needs change. Where it offers service today, i-wireless does not impose burdensome credit checks or long-term service contracts, and does not currently have plans to do so in the Non-Jurisdictional States. Furthermore, i-wireless does not assess charges for activation or connection of service, and the 250 minute plan includes all applicable taxes and fees. Minutes are credited to a customer's account on their monthly anniversary date - which is set on their Lifeline activation date. A customer's handset does not have to be "on" to receive minutes, as i-wireless' operations are system-based, not handset-based. Customers may place calls to 911 for free, regardless of account balance or activation status.

In addition to wholly-supported voice services, prepaid Lifeline customers also will have access to voice mail, caller I.D. and call waiting features at no additional charge, even after their initial allotment of included minutes has been consumed. Customers are not bound by a local calling area requirement; all i-wireless plans come with domestic long distance at no extra charge and exceptional nationwide digital coverage on the Nationwide Sprint PCS Network. i-wireless does not decrement minutes for balance inquiries or calls placed to customer service, and unused minutes have the ability to carry over to the following month. i-wireless' Lifeline customers will have access to the same exceptional customer care provided to non-Lifeline retail customers. The Company contracts with a high quality, U.S. domestic customer care group whose hold time is among the lowest in the prepaid wireless industry.

Furthermore, through i-wireless' partnership with Kroger, customers can accumulate free minutes for dollars spent at participating Kroger-owned store locations simply by using their

Kroger loyalty shopper's card.¹² Lifeline customers can participate in this Free Minutes program even when utilizing government-subsidized forms of payment. By way of example, households can receive up to a \$668 monthly Supplemental Nutrition Assistance Program (SNAP; formerly known as "food stamps") allotment. When taking the Company's feature-rich 250 Minute plan as an example, these customers would qualify for an additional 134 free minutes, on average, per month, assuming they used their entire allotment. Added to their base plan, this would give them, on average, 384 minutes per month. Lifeline customers also can purchase additional airtime if needed. Airtime cards are sold in denominations of \$10, \$25 and \$50. Additional airtime may be purchased at Kroger stores, over the phone (by calling the IVR or through customer care interface) or online. i-wireless sends low and depleted balance alerts in the form of a free text message to the customer, and also alerts the customer through a free text message when minutes have been added to their account.

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."¹³ 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

¹² For every \$100 in qualified spending, 20 minutes will automatically be applied to a customer's account balance, or a \$1 credit will be applied to the account balance if the customer is on an unlimited voice plan. Detailed information on the Free Minutes program is located on the Company's website, www.iwirelesshome.com.

¹³ See 47 U.S.C. § 214(e)(6).

an application for ETC designation.¹⁴ The Commission also has stated that any carrier seeking 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.”¹⁵

None of the states for which i-wireless requests ETC designation from the FCC has the jurisdiction to designate i-wireless as an ETC:

a) The Maine Public Utilities Commission has concluded that it “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” and that “such carriers will apply to the FCC for ETC designation.” A copy of the Maine Public Utilities Commission’s order is attached as Exhibit B.

b) The Public Utility Commission of Texas has concluded that it “will exclude CMRS resellers from eligibility for designation by the commission as an ETC” and instead, “a CMRS reseller will be able to seek designation as an ETC by the FCC.” A copy of the Public Utility Commission of Texas’ Order is attached as Exhibit C.

Accordingly, for each of the Non-Jurisdictional States, i-wireless is “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission.”¹⁶ As such, the Commission is authorized to designate i-wireless as an ETC and to expand its ETC-designated service area.

¹⁴ 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).

¹⁵ 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).

¹⁶ 47 U.S.C. § 214(e)(6).

IV. I-WIRELESS REQUESTS ETC DESIGNATION IN ITS SERVICE AREAS IN THE NON-JURISDICTIONAL STATES FOR PARTICIPATION IN THE LIFELINE PROGRAM

A. i-wireless Requests ETC Designation in its Existing Service Area

Consistent with its *ETC Designation Order* and as detailed in attached Exhibit D, i-wireless requests ETC designation for its entire service area in Maine (i.e., the area served by the facilities-based carriers from whom it obtains wholesale service), but excluding any Tribal Areas. Furthermore, i-wireless request that its ETC designation in Texas be expanded to include the additional service areas set forth in Exhibit D. i-wireless 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. i-wireless does not seek ETC status in any Tribal Areas.

B. i-wireless' Limited ETC Designation Request Only Seeks Authority to Participate in the Lifeline Program

Consistent with the scope of forbearance granted by the Commission, i-wireless requests ETC designation in the Non-Jurisdictional States for the sole purpose of participating in the Lifeline program. i-wireless does not seek eligibility to receive support from the Link-Up program or 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, i-wireless' 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.

V. I-WIRELESS SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC

Section 214(e)(1) of the Communications 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 forbore from the "own facilities" requirement. Applicants also must commit to advertise the availability and rates of such services.¹⁷ As detailed below, i-wireless satisfies each of the above-listed requirements.

A. i-wireless is a Common Carrier

CMRS resellers like i-wireless are common carriers.¹⁸

B. i-wireless Will Provide the Supported Services Consistent With the Commission's Grant of Forbearance from Section 214's Facilities Requirements

In an Order released June 25, 2010, the FCC granted i-wireless' petition for forbearance for purposes of participating in the Lifeline program.¹⁹ Thus, as described above, in order to

¹⁷ See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

¹⁸ *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).

¹⁹ *Petition of i-wireless, LLC, for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45, Order, FCC 10-117 (rel. June 25, 2010), (*i-wireless Forbearance Order*).

provide the supported services, i-wireless purchases wireless network services on a wholesale basis from Sprint.

The FCC specifically conditioned its grant of forbearance on i-wireless as follows:

(a) i-wireless providing its Lifeline customers with basic 911 and enhanced 911 (“E911”) access regardless of activation status and availability of prepaid minutes; (b) i-wireless providing its new Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (c) i-wireless complying with conditions (a) and (b) as of the date it provides Lifeline service; (d) i-wireless obtaining a certification from each Public Service Answering Point (“PSAP”) where i-wireless seeks to provide Lifeline service confirming that i-wireless provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met; (e) i-wireless requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from i-wireless; (f) i-wireless establishing safeguards to prevent its customers from receiving multiple i-wireless Lifeline subsidies at the same address, and (g) i-wireless dealing directly with the customer to certify and verify the customer’s Lifeline eligibility.

The FCC required i-wireless to submit a plan describing the measures it would take to implement each of these conditions.²⁰ In accordance with the *i-wireless Forbearance Order*, i-wireless filed its Compliance Plan which the FCC approved on October 21, 2011.²¹ i-wireless commits to providing Lifeline service in the Non-Jurisdictional States in accordance with the Compliance Plan, except as modified by its *FCC ETC Application*, and in accordance with the *Lifeline and Link Up Reform Order* and i-wireless’ *ETC Designation Order*.

²⁰ See *id.* ¶ 16.

²¹ See i-wireless LLC’s Revised Compliance Plan, CC Docket No. 96-45, WC Docket No. 09-197 (filed Sept. 9, 2011) (“Compliance Plan”); *i-wireless, LLC Petition for Forbearance from 47 USC. §214(e)(1)(A)*, CC Docket No. 96-45, WC Docket No. 09-197, DA 11-1763, 2011 WL 5038791 (rel. Oct. 21, 2011) (“*Compliance Plan Order*”).

Consistent with paragraph 383 of the *Lifeline and Link Up Reform Order*, i-wireless will no longer follow the PSAP certification process outlined in the Company's forbearance order and Compliance Plan. i-wireless will, however, continue to comply with applicable 911/E911 public safety obligations, including 47 C.F.R. § 20.18(m), the requirement to provide 911-enabled handsets, and any state-imposed requirements.²²

C. i-wireless Offers All of the Required Services and Functionalities

Through its wholesale arrangements with Sprint, i-wireless is able to provide all of the services and functionalities supported by the universal service program under Section 54.101 of the Commission's rules in the Non-Jurisdictional States. i-wireless will make these services and functionalities available to qualifying consumers with service addresses in Maine and Texas.

1. Voice Grade Access to the Public Switched Telephone Network

i-wireless 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.²³ i-wireless offers a variety of rate plans that provide its customers that include minutes of use for, among other things, local service. i-wireless' Compliance Plan requires that it offer at least one plan with 250 included minutes,

²² See *Lifeline and Link Up Reform Order*, ¶ 375.

²³ See, e.g. *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

which i-wireless will continue to do.²⁴

3. Access to Emergency Services

i-wireless 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. i-wireless also complies with the Commission's regulations governing the deployment and availability of enhanced 911 compatible handsets. As stated previously, i-wireless will provide access to emergency services consistent with the requirements set forth in the *i-wireless Forbearance Order* as modified by Paragraph 383 of the *Lifeline and Link Up Reform Order*²⁵ and 47 C.F.R. § 20.18(m).

4. Toll Limitation for Qualifying Low-Income Consumers

In its *Lifeline and Link Up Reform Order*, the FCC stated that toll limitation would no longer be deemed a supported service.²⁶ "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."²⁷ Nonetheless, i-wireless'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. i-wireless' service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same. i-wireless will not seek reimbursement for toll limitation service.

²⁴ Compliance Plan Section V.

²⁵ See *i-wireless Forbearance Order* ¶ 11.

²⁶ See *Lifeline and Link Up Reform Order* at ¶ 367.

²⁷ See *id.* at ¶ 49.

D. Advertising of Supported Services

i-wireless 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,²⁸ and in accordance with the requirements set forth in the *Lifeline and Link Up Reform Order* (see section VI.B.3 below).²⁹ The Company will engage in advertising campaigns specifically targeted to reach low-income customers, promoting the availability of cost-effective wireless services to this neglected consumer segment.

i-wireless' partnership with Kroger presents a unique advantage when seeking to increase consumer awareness of the Lifeline program. Kroger has a long-standing relationship with the low-income consumer, and even caters to the consumer through store layout, such as clearly labeling food stamp-eligible items. i-wireless intends to utilize Kroger's existing relationship with Lifeline-eligible consumers in order to inform these consumers of their eligibility for Lifeline support. For example, when a customer pays with a government-subsidized form of payment at Kroger, their printed cash register receipt will automatically generate information informing them of their eligibility for the Lifeline program and how they can obtain more information. i-wireless will also make use of the Kroger in-store radio, printed advertisements, and signage. Given the relationship that exists between i-wireless, Kroger, and low income consumers, i-wireless 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.

²⁸ See 47 C.F.R. § 54.201.

²⁹ See *Lifeline and Link Up Reform Order* at Section VII.F.

Though Kroger will be a primary point of contact with consumers and a dynamic source for advertising the Lifeline program, i-wireless will also seek to reach eligible consumers outside of its Kroger footprint. Consumers are not required to visit a Kroger store – they will be made aware of a toll free number and website whereby they can apply for the Company’s Lifeline program. i-wireless intends to advertise its Lifeline service through mediums targeted to low-income customers, which may include printed advertisements, billboards and public transit signage. i-wireless may also promote the availability of its Lifeline offerings by distributing brochures at various state and local social service agencies, and may partner with nonprofit assistance organizations in order to inform customers of the availability of its Lifeline services.

E. Service Commitment Throughout the Proposed Designated Service Area

i-wireless will provide service in the Non-Jurisdictional States by reselling service that it obtains from its underlying facilities-based provider. The underlying provider’s network is operational and largely built out. Thus, i-wireless 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. i-wireless commits to comply with the service requirements applicable to the support that it receives.³⁰

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.³¹

³⁰ See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a)(1)(i).

³¹ See *id.* at ¶ 386.

G. Ability to Remain Functional in Emergency Situations

In accordance with 47 CFR §54.202(a)(2), i-wireless has the ability to remain functional in emergency situations. As described herein, i-wireless purchases wireless network services on a wholesale basis from Sprint, a large, national carrier that is itself subject to various regulatory requirements to remain functional in emergencies. Through Sprint, i-wireless 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, i-wireless 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 – as part of its previously-approved Compliance Plan.³²

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.³³ The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. i-wireless commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service.

I. Financial and Technical Capability

i-wireless is financially and technically capable of providing Lifeline-supported

³² Compliance Plan at 3-4; *Compliance Plan Order* at 2 ¶ 3 and n. 12.

³³ See 47 C.F.R. § 54.202(a)(3).

services.³⁴ i-wireless is 50% owned by Genie Global, Inc. and 50% owned by Kroger, the nation's largest grocery retail chain and the second largest retailer overall. i-wireless has been in business for 6 years and already successfully provides wireless services throughout the United States, including Lifeline services in 26 states. i-wireless has not been subject to enforcement action or ETC revocation proceedings in any state. i-wireless is financially able to provide Lifeline-supported services; the Company does not, and does not intend to, offer exclusively Lifeline-supported services—and is therefore not exclusively dependent on universal service support for its revenue. Furthermore, the senior management of i-wireless has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.³⁵ i-wireless will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carrier.

VI. I-WIRELESS WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE LIFELINE AND LINK UP REFORM ORDER

i-wireless will comply with the requirements set forth in the *Lifeline and Link Up Reform Order* in accordance with its *ETC Designation Order* and as detailed in its *FCC ETC Application* and restated below.

A. Consumer Eligibility and Enrollment

i-wireless will certify and verify consumer eligibility for Lifeline in accordance with its Compliance Plan and 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, i-wireless will rely on the state

³⁴ See *Lifeline and Link Up Reform Order* at ¶ 387.

³⁵ See Exhibit E for key management bios.

identification or database.³⁶ In instances where i-wireless 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

i-wireless 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.”³⁷ Upon receiving an application for Lifeline support, i-wireless will check the duplicates database, once in place, to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. As set forth in its Compliance Plan, i-wireless 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 i-wireless determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, i-wireless 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, i-wireless will require applicants to complete and submit to the Company USAC’s one-per-household template.³⁸

On its certification forms, a draft sample of which is attached,³⁹ i-wireless will obtain a consumer’s permanent residential address (which cannot be a P.O. Box or General Delivery

³⁶ See *Lifeline and Link Up Reform Order* at ¶ 98.

³⁷ See *id.* at ¶ 74.

³⁸ See *id.* at ¶ 78.

³⁹ See Exhibit F, attached. The draft form remains subject to change, but substantially reflects the content of i-wireless’ application.

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).⁴⁰ i-wireless will inquire on its certification forms whether or not the applicant's address is a temporary one.⁴¹ If and when the 90-day verification rules become effective, i-wireless 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 address, and that if the consumer fails to respond within 30 days of i-wireless' attempt to verify the temporary address, he or she will be de-enrolled from the Lifeline program. Also on its certification forms, i-wireless will explain that if the subscriber moves, they must provide their new address to the Company within 30 days of moving.⁴² If the subscriber has moved, i-wireless will update the duplicates database, once in place, with the information within 10 business days of receipt of the information.⁴³

As detailed below, i-wireless' 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

i-wireless' Lifeline certification form, a draft sample of which was filed as Exhibit O of i-wireless' *FCC ETC Application* and is attached hereto as Exhibit F, conforms to the list of requirements provided in the *Lifeline and Link Up Reform Order*, Appendix C and with C.F.R. §

⁴⁰ See *Lifeline and Link Up Reform Order* at ¶ 85.

⁴¹ See *id* at ¶ 89.

⁴² See *id* at ¶ 85.

⁴³ See *id*.

54.410(d), as amended.⁴⁴ i-wireless' Lifeline certification forms 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.

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

⁴⁴ See *id* at pp. 227-29.

meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006.⁴⁵

The Company will enroll Lifeline applicants in person at Kroger-owned stores as well as Company-sponsored community events. When a prospective customer applies in person, Company employees, agents or representatives (“personnel”) will ask to see a government issued ID and will validate the address via a USPS/Melissa Database and simultaneously input the name/address combination into a third party duplicates database (currently CGM, LLC’s aggregate database) to confirm that the applicant is not already receiving a Lifeline subsidy from i-wireless or any other CGM client. In cases where an eligibility database exists, i-wireless will query the database and either approve or deny the applicant. In states where eligibility databases are not available, Company personnel will request to 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. i-wireless’ Lifeline application contains an “Office Use Only” section, which must be completely filled out and signed by Company personnel in order to record information about the specific documentation reviewed as part of the eligibility verification process. Eligibility documents are returned to the customer after review. Finally, i-wireless personnel will verbally explain the certifications to consumers before they initial the required disclosure statements and sign the application. Upon successful completion of the certification process, the customer is allowed to choose a service plan and receive their free phone in person. In instances where eligibility databases cannot be accessed in real-time, i-wireless will mail the phone to the customer once verification of eligibility is complete. The customer’s account is then activated upon the

⁴⁵ See *id* at ¶ 168.

customer's personal initiation or actual use of the phone.

With respect to those enrolling via the phone, Company personnel are able to verbally explain the Lifeline program and its eligibility requirements, including required information and disclosures, as well as collect and input electronically the application form information and obtain the applicant's signature via IVR. The Company then has the information needed to qualify the applicant by accessing necessary databases (USPS/Melissa, duplicates database, eligibility databases). Upon receipt of copies of the applicant's proof documentation, if applicable, and government-issued ID, i-wireless is able to complete the eligibility verification process, destroy copies of proof documentation, and deliver phones to eligible customers by mail.

When enrolling via the Internet, prospective customers will be able to fill out an application form online and sign electronically. i-wireless will highlight the certifications that are required, for example, by requiring consumers to acknowledge each certification before moving on to the next field.⁴⁶ The Company will qualify the applicant by accessing necessary databases (USPS/Melissa, duplicates database, eligibility databases). Upon receipt of copies of the applicant's proof documentation, if applicable, and government-issued ID, i-wireless is able to complete the eligibility verification process, destroy copies of proof documentation, and deliver phones to eligible customers by mail.

Prior to enrolling a new subscriber, i-wireless will check the eligibility of low-income consumers first by accessing state or federal social services electronic eligibility databases, where available.⁴⁷ If a database is used to establish eligibility, i-wireless will not require documentation of the consumer's participation in a qualifying federal program; instead, i-

⁴⁶ See *Lifeline and Link Up Reform Order* at ¶ 123.

⁴⁷ See *id* at ¶ 97.

wireless or its representative will note in its records what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline.⁴⁸ 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 i-wireless to check electronic databases for eligibility, i-wireless will review documentation to determine eligibility for new subscribers until such time as a qualifying eligibility database is available.⁴⁹ As agreed to in its Compliance Plan, i-wireless will require acceptable documentation both for income eligibility and for program eligibility. 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.⁵⁰ i-wireless understands that it may permit agents or representatives to review documentation of consumer program eligibility for Lifeline, and in such cases i-wireless remains liable for ensuring the agent or representative's compliance with the Lifeline program rules.⁵¹

i-wireless provides employees, agents, and representatives 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 Company employee, agent, or representative 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

⁴⁸ *See id* at ¶ 98.

⁴⁹ *See id* at ¶ 99.

⁵⁰ *See id* at ¶ 101.

⁵¹ *See id* at ¶ 110.

Lifeline program training discusses the Company's Lifeline application form (see Exhibit F) 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

i-wireless understands that it must annually re-certify the eligibility of its entire Lifeline subscriber base by December 31 each year and report the results to USAC by January 31, and the Company may elect to perform this re-certification on a rolling basis throughout the year.⁵² By December 31 each year, i-wireless will re-certify the continued eligibility of all of its subscribers. To do so, i-wireless (or a state agency or third-party, where applicable) will query an available eligibility 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, i-wireless will contact the subscriber every year during the annual certification process to obtain a valid address.⁵³ In cases where an eligibility database is not available, i-wireless will contact its subscribers—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.⁵⁴ 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 i-wireless. i-wireless 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

⁵² See *id* at ¶ 130.

⁵³ See *id* at ¶ 131.

⁵⁴ See *id*.

termination to subscribers who do not respond to the annual re-certification within 30 days. i-wireless 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.⁵⁵

i-wireless 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 i-wireless' 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.⁵⁶

B. Other Reforms to Eliminate Waste, Fraud and Abuse

As detailed in its Compliance Plan, and as summarized in its confidential Waste, Fraud, and Abuse Prevention Matrix ("WFA Matrix"),⁵⁷ incorporated herein by reference, i-wireless has implemented enrollment procedures designed to prevent subsidies for duplicate, ineligible, or inactive subscribers. i-wireless shares the Commission's concern about abuse of the Lifeline

⁵⁵ See *id* at ¶ 132.

⁵⁶ See *id* at ¶ 126-27.

⁵⁷ See *Telecommunications Carriers Eligible to Receive Universal Service Support* WC Docket No. 09-197; *Federal-State Joint Board on Universal Service* CC Docket No. 96-45, confidential attachment to i-wireless, LLC's *Ex Parte* filed March 12, 2012.

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

1. National Lifeline Accountability Database

i-wireless will participate in the National Lifeline Accountability Database (NLAD), once it is established. As required by the *Lifeline and Link Up Reform Order*, i-wireless 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.⁵⁸ i-wireless will provide the information listed above for existing subscribers within 60 days of Commission notice that the NLAD is capable of accepting subscriber information.⁵⁹

Furthermore, on its certification form, i-wireless 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.⁶⁰ Within 30 days following Commission notice that the NLAD is capable of accepting queries, i-wireless 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 reimbursement from the Fund.⁶¹

⁵⁸ See *Lifeline and Link Up Reform Order* at ¶ 189.

⁵⁹ See *id* at ¶ 190.

⁶⁰ See *id*, Appendix C.

⁶¹ See *id* at ¶ 203.

2. Subscriber Usage

i-wireless 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, as set forth in its Compliance Plan, i-wireless will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.⁶² i-wireless 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.⁶³ 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; sends an outbound text message; initiates data usage; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue.⁶⁴ i-wireless 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 i-wireless' subsidy data to prevent a subsidy request for customers that are inactive under the Company's non-usage policy.⁶⁵ After notification, if the customer fails to use the phone, it is automatically de-enrolled pursuant to the procedures

⁶² *See id* at ¶ 257.

⁶³ *See id*.

⁶⁴ *See id* at ¶ 261.

⁶⁵ CGM, LLC is currently i-wireless' third party contractor.

outlined in section VI.C below. i-wireless 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.⁶⁶

3. Marketing & Outreach

i-wireless will implement the measures outlined in its Compliance Plan 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. In addition, i-wireless will explain in clear, easily understood language substantially the following disclosures in all marketing materials related to the supported service: (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. i-wireless will prepare printed collateral that will explain the documentation necessary for enrollment, and the details of i-wireless' plans, and will provide such information on its website. 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.⁶⁷ 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, i-wireless will include the URL link for the information disclosure page on its website. Additionally, i-wireless will disclose the company name under

⁶⁶ See *Lifeline and Link Up Reform Order* at ¶ 262. 911 transmission will actually be performed by i-wireless' underlying facilities-based CMRS provider.

⁶⁷ See *id* at ¶ 275.

which it does business.⁶⁸

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.⁶⁹ i-wireless will comply with this requirement if and when it is approved, including applicable rules regarding the dissemination of audit findings to the Commission, USAC, and relevant state and Tribal governments within 30 days upon issuance.⁷⁰

C. De-Enrollment

If at any time an i-wireless Lifeline customer wishes to de-enroll from the Company's Lifeline service, Company customer service representatives will handle such elective de-enrollment requests. i-wireless Lifeline customers simply call the Company, via 611 or the toll-free customer service number, to de-enroll from i-wireless' Lifeline service. i-wireless 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

⁶⁸ *See id.*

⁶⁹ *See id.* at ¶ 291.

⁷⁰ *See id.* at ¶ 294.

process for resolving duplicative Lifeline subscriptions described in section 54.405(e)(2).⁷¹

If a customer does not respond to the Company's annual verification survey within 30 days, or if i-wireless 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), i-wireless 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.⁷² Similarly, i-wireless will de-enroll a subscriber if they fail to respond to the Company's attempt to verify a temporary address within 30 days.⁷³

Duplicative Support. i-wireless 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. i-wireless 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. i-wireless 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. i-wireless will update the national database, once in place, within one business day of de-enrolling

⁷¹ See *id* at ¶ 122.

⁷² See *id*. In states that have dispute resolution procedures applicable to Lifeline termination, i-wireless will comply with the state requirements.

⁷³ See *id* at ¶ 89.

a subscriber for non-use and will submit a non-usage de-enrollment report annually to USAC.⁷⁴

D. Additional Rule Amendments

1. Reporting Requirements

i-wireless 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.⁷⁵

2. Reimbursement from USAC

In seeking reimbursement for Lifeline, i-wireless will comply with the requirements of CFR § 54.407, as revised by the *Lifeline and Link Up Reform Order*.⁷⁶ i-wireless will certify when seeking reimbursement that the Company has obtained a valid certification form for each consumer for whom the Company seeks Lifeline reimbursement,⁷⁷ and the Company will seek reimbursement for actual lines served, not projected lines.⁷⁸

⁷⁴ See *id* at ¶ 257.

⁷⁵ See *id.* 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.

⁷⁶ See *id* page 221.

⁷⁷ See *id* at ¶ 128.

⁷⁸ See *id* at ¶ 302.

VII. DESIGNATION OF I-WIRELESS AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST

One of the principal goals of the Communications 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.⁷⁹ The instant request for limited ETC designation must be examined in light of the Communications 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. 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.”⁸⁰ 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.⁸¹

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,

⁷⁹ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

⁸⁰ See *Lifeline and Link Up Reform Order* at ¶ 12.

⁸¹ 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 Surveys*, (April 2008), available at http://newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf.

these consumers often lack access to the benefits that wireless services bring to other consumers. Designating i-wireless as an ETC in the State of Maine and expansion of its ETC service area in Texas will enable it to expand the availability of affordable telecommunications services to qualifying consumers, leading to lower prices and increased choice – particularly because of i-wireless’ affiliation with Kroger.⁸² Given this context, designating i-wireless as an ETC would significantly benefit low-income consumers eligible for Lifeline services in the Non-Jurisdictional States—the intended beneficiaries of universal service.

A. Advantages of i-wireless’ Service Offering

In its *ETC Designation Order*, the Commission determined that i-wireless satisfied all of the eligibility requirements for designation as an ETC and that designation would serve the public interest.⁸³ The Commission specifically noted that designation of prepaid wireless providers as ETCs will provide a variety of benefits to low-income consumers, including increased consumer choice, high-quality service offerings and mobility.⁸⁴ 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

⁸² 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).

⁸³ See *ETC Designation Order* ¶ 28.

⁸⁴ See *ETC Designation Order* ¶ 27.

accordance with current FCC requirements. i-wireless' Lifeline customers will receive the same high-quality wireless services and exceptional customer service provided to all Company customers. i-wireless' 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. The proposed i-wireless Lifeline offerings compare favorably with those of other competitive ETCs, but also offer the customer a novel variety of useful options. Finally, i-wireless' affiliation with Kroger awards the consumer exclusive benefits, such as the Free Minutes program, and at the same time grants i-wireless both proximity to and unique insight into the Lifeline-eligible consumer.

Most importantly, i-wireless' 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 i-wireless 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 i-wireless with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

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.⁸⁵ Designation of i-wireless 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 i-wireless as an ETC will help assure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Communications Act.⁸⁶ Introducing i-wireless into the market as an additional wireless ETC provider will afford low income residents a wider choice of providers and available services while enhancing the competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers. Increasing the competitive marketplace of providers has the potential to effectively increase the penetration rate and reduce the number of individuals not connected to the PSTN.

C. Impact on the Universal Service Fund

With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is exactly the same whether the support is given through a company such as i-wireless or the Incumbent LEC operating in the same service area. i-wireless 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*, i-wireless 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. i-wireless’ ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of

⁸⁵ See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

⁸⁶ See 47 U.S.C. § 254(b)(1).

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. As noted in the FCC's *i-wireless Forbearance Order*, "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 [associated with granting i-wireless' *Petition for Forbearance*] in the context of the Lifeline program outweighs the potential costs."⁸⁷

VIII. ANTI-DRUG ABUSE CERTIFICATION

i-wireless 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.

⁸⁷ *i-wireless Forbearance Order*, ¶ 19.

IX. CONCLUSION

As discussed above, designation of i-wireless as an ETC in Maine and expansion of i-wireless' ETC-designated service area in Texas accords with the requirements of Section 214(e)(6) of the Communications Act and is in the public interest.

For all of the foregoing reasons, i-wireless respectfully requests that the Commission designate i-wireless as an ETC in Maine, and expand i-wireless' ETC designation in Texas to include the additional service areas requested herein.

Respectfully submitted,

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart
Lance J.M. Steinhart, P.C.
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

Attorneys for i-wireless, LLC

September 9, 2013

Exhibit A

i-wireless, LLC's Lifeline Rates

Option 1: Lifeline 250 Minutes Plan*

250 anytime minutes per month

-1 SMS text message = 1 minute of usage

-additional usage priced at 10 cents per minute or text

Net cost to Lifeline customer: **\$0**

Option 2: Lifeline Retail Discount Plan*

Lifeline eligible customers may choose any i-wireless monthly retail plan (excluding text only plans) at a discount. Retail monthly plans currently available may be found at www.iwirelesshome.com.

**both options include:*

- Free handset
- Free Voicemail, Caller-ID and call waiting features
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free balance inquiries
- Minutes can be rolled over to following month
- Customer can earn additional free minutes through Kroger Free Minute Loyalty Program

Exhibit B

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.¹

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.² 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

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

² 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.³ 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

³ 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.⁴ 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.

⁴ 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.

Exhibit C

Affirmative Statement of the Public Utility Commission of Texas

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 AM 11:37
OF TEXAS**

**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;

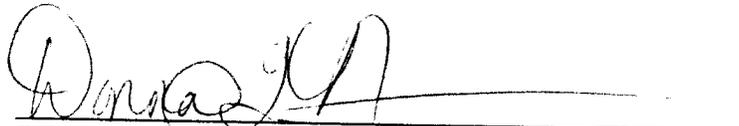
- (E) each support category complies with subparagraphs (A) and (B) of this paragraph;
 - (F) monthly payments of FUSF support shall be based upon the annual amount of FUSF support divided by 12 months if the rural ILEC's study area does not contain a competitive carrier designated as an ETC; and
 - (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 16th day of November 2012.

PUBLIC UTILITY COMMISSION OF TEXAS



DONNA L. NELSON, CHAIRMAN



KENNETH W. ANDERSON, JR., COMMISSIONER



ROLANDO PABLOS, COMMISSIONER

Exhibit D

Coverage Area

Proposed ETC Service Area in Maine and Texas

Maine

Non-Rural

NO NEW ENGLAND TEL OP DBA FAIRPOINT COMM – ME

Rural

MAINE TELEPHONE COMPANY
STANDISH TELEPHONE CO.
PINE TREE TELEPHONE LLC
OXFORD WEST TELEPHONE COMPANY
COBBOSSECONTEE TELEPHONE COMPANY
HAMPDEN TELEPHONE CO.
UNITY TELEPHONE CO., INC.
UNION RIVER TELEPHONE CO.
WEST PENOBSCOT TELEPHONE & TELEGRAPH CO.
HARTLAND & ST. ALBANS TELEPHONE CO.
MID-MAINE TELECOM, LLC

Texas

Non-Rural

GTE-SW DBA VERIZON SW INC.-TX
GTE-SW DBA VERIZON SW INC.-TX (CONTEL)
SOUTHWESTERN BELL

Rural

ALENCO COMMUNICATIONS, INC.
BIG BEND TELEPHONE CO., INC.
BLOSSOM TELEPHONE CO.
BORDER TO BORDER COMMUNICATIONS
BRAZORIA TELEPHONE CO.
BRAZOS TELECOMMUNICATIONS, INC.
BRAZOS TELEPHONE COOPERATIVE, INC.
CAMERON TELEPHONE CO.
CAP ROCK TELEPHONE COOPERATIVE
CENTRAL TEL. CO. OF TEXAS DBA CENTURYLINK
CENTRAL TEXAS TELEPHONE COOPERATIVE, INC.
CENTURYTEL OF LAKE DALLAS, INC. DBA CENTURYLINK
CENTURYTEL OF PORT ARANSAS, INC. DBA CENTURYLINK
CENTURYTEL OF SAN MARCOS, INC. DBA CENTURYLINK
COLEMAN COUNTY TELEPHONE COOPERATIVE, INC.
COLORADO VALLEY TELEPHONE COOPERATIVE, INC.
COMMUNITY TELEPHONE CO.
CONSOLIDATED COMMUNICATIONS OF FORT BEND COMPANY
CONSOLIDATED COMMUNICATIONS OF TEXAS COMPANY
CUMBY TELEPHONE COOPERATIVE, INC.
E.N.M.R. TELEPHONE COOPERATIVE

EASTEX TELEPHONE COOPERATIVE, INC.
ELECTRA TELEPHONE CO. , INC.
ETEX TELEPHONE COOPERATIVE, INC.
ETS TELEPHONE COMPANY, INC.
FIVE AREA TELEPHONE COOPERATIVE, INC.
GANADO TELEPHONE CO., INC.
GUADALUPE VALLEY TELEPHONE COOPERATIVE, INC.
HILL COUNTRY TELEPHONE COOPERATIVE, INC.
INDUSTRY TELEPHONE CO.
LA WARD TELEPHONE EXCHANGE, INC.
LAKE LIVINGSTON TELEPHONE COMPANY
LIPAN TELEPHONE CO.
LIVINGSTON TELEPHONE CO.
MID-PLAINS RURAL TELEPHONE COOPERATIVE, INC.
MUNSTER TELEPHONE CORP. OF TEXAS DBA NORTEX COMM
NORTH TEXAS TELEPHONE CO.
PEOPLES TELEPHONE COOPERATIVE
POKA - LAMBRO TELEPHONE COOPERATIVE, INC.
RIVIERA TELEPHONE CO., INC.
SANTA ROSA TELEPHONE COOPERATIVE, INC.
SOUTH PLAINS TELEPHONE COOPERATIVE, INC.
SOUTHWEST ARKANSAS TELEPHONE COOPERATIVE, INC.
SOUTHWEST TEXAS TELEPHONE CO.
TATUM TELEPHONE CO.
TAYLOR TELEPHONE COOPERATIVE, INC.
TEXAS WINDSTREAM, INC.
TOTELCOM COMMUNICATIONS, LLC
UNITED TELEPHONE OF TEXAS INC DBA CENTURYLINK
VALLEY TELEPHONE COOPERATIVE, INC.
VALOR TELECOMM TX, LD-TX #2 DBA WINDSTREAM COMM SW
VALOR TELECOMM TX, LP-TX #1 DBA WINDSTREAM COMM SW
WES - TEX TELEPHONE COOPERATIVE, INC.
WEST PLAINS TELECOMMUNICATIONS, INC.
WEST TEXAS RURAL TELEPHONE COOPERATIVE, INC.
WINDSTREAM COMMUNICATIONS KERRVILLE, L.P.
WINDSTREAM SUGAR LAND, INC.
XIT RURAL TELEPHONE COOPERATIVE, INC.

Exhibit E

Key Management Bios

Paul McAleese

Paul McAleese, CEO and co-founder of i-wireless, LLC, has 20 years of experience in the wireless telecommunications industry.

In 2005, Mr. McAleese co-founded i-wireless LLC, a privately held company with 51-200 employees. i-wireless is the private-label wireless service sold exclusively within the Kroger family of stores. As one of the nation's largest grocery retail chains, Kroger operates over 2500 stores under two dozen local banner names including: Kroger, Ralphs, Fred Meyer, Food4Less, Fry's, King Soopers, Smith's, Dillons, and QFC.

Unique among US wireless operators, i-wireless offers Kroger customers the ability to earn Free Minutes loyalty rewards on their i-wireless phone when they use their Shopper's card on qualifying purchases, potentially eliminating their cell phone bill altogether.

i-wireless is proud to count amongst its investors Spark Capital, Sprint, and the Kroger Company.

CEO and co-founder

i-wireless LLC

July 2005 - Present (6 years 8 months)

Chief Marketing Officer

Cincinnati Bell

January 2004 - July 2005 (1 year 7 months)

General Manager, Consumer Markets

O2 PLC, London

June 1998 - December 2003 (5 years 7 months)

Vice-President, Consumer Marketing & Sales Rogers Wireless August 1992 - May 1998 (5 years 10 months)

John Willis

John Willis is Chief Operating Officer of i-wireless LLC, a privately held company with 51-200 employees. i-wireless is the private-label wireless service sold exclusively within the Kroger family of stores. As one of the nation's largest grocery retail chains, Kroger operates over 2500 stores under two dozen local banner names including: Kroger, Ralphs, Fred Meyer, Food4Less, Fry's, King Soopers, Smith's, Dillons, and QFC.

Prior to his role as COO, Mr. Willis served as Vice President of Operations for i-wireless, LLC. Before joining i-wireless, LLC in 2006, Mr. Willis served as Director at Cincinnati Bell and Manager at Verizon Wireless.

Exhibit F

Sample Lifeline Certification Form

LIFELINE APPLICATION

This signed authorization is required in order to enroll you in the Lifeline Program in your state. This authorization is only for the purpose of verifying your participation in these programs and will not be used for any other purpose. Service requests will not be processed until this form has been received and verified by Company. I authorize the company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program.

Things to know about the Lifeline Program:
 (1) Lifeline is a federal benefit.
 (2) Lifeline Service is available for only one line per household. A household cannot receive benefits from multiple providers; and
 (3) 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.

Applicant Information:

First Name: _____ MI: _____ Last Name: _____ Date of Birth: Month ____ Day ____ Year ____

Social Security Number (or Tribal ID Number) : _____ (XXX-XX-XXXX) Contact Telephone Number: _____

Residence Address (No P.O. Boxes, Must be your principal address): This address is Permanent Temporary Multi-Household

_____ APT/ Floor/ Other _____ City: _____ State: _____ ZIP Code: _____

Billing Address (May Contain a P.O. Box)

_____ APT/ Floor/ Other _____ City: _____ State: _____ ZIP Code: _____

_____ I hereby certify that I participate in at least one of the following programs: (Check all that apply)

Initial Here

- _____ Supplemental Nutrition Assistance Program (SNAP)
- _____ Supplemental Security Income (SSI)
- _____ Federal Public Housing Assistance
- _____ Low- Income Home Energy Assistance Program (LIHEAP)
- _____ National School Lunch Program (free program only)
- _____ Temporary Assistance for Needy Families (TANF)
- _____ Medicaid

_____ I certify that my household income is at or below 135% of the Federal Poverty Guidelines (FPG). There are _____ individuals in my household.

Initial Here

FOR OFFICE USE ONLY:
 Company Representative:

Documentation Verified: _____

Representative Signature: _____

Date: _____

Is this a multi- family dwelling? _____

You must provide documented proof of your participation in the above programs or your income.

I certify, under penalty of perjury: *(Initial by Each Certification)*

- _____ (1) The information contained in my application remains true and correct to the best of my knowledge and I acknowledge that willfully providing false or fraudulent information to receive Lifeline benefits is punishable by law and may result in me being barred from the program.
- _____ (2) I am a current recipient of the program checked above, or have an annual household income at or below 135% of the Federal Poverty Guidelines.
- _____ (3) I have provided documentation of eligibility if required to do so.
- _____ (4) I understand that I and my household can only have one Lifeline-supported telephone service. Access Wireless has explained the one-per household requirement. I understand that violation of the one-per-household requirement constitutes a violation of the FCC's rules and will result in my de-enrollment from the Lifeline program, and could result in criminal prosecution by the United States Government.
- _____ (5) I attest to the best of my knowledge, that I and no one in my household is receiving a Lifeline-supported service from any other land line or wireless company such as Safelink, Assurance, or Reachout Wireless.
- _____ (6) I understand my Access Wireless Lifeline service is non-transferable. I may not transfer my service to any individual, including another eligible low-income consumer.
- _____ (7) I understand that if my service goes unused for sixty (60) days, my service will be terminated; I will be notified thirty (30) days before termination, during which period I may use the service or contact Access Wireless to confirm that I want to continue receiving their service.
- _____ (8) I will notify Access Wireless within thirty (30) days if I no longer qualify for Lifeline. I understand this requirement and may be subject to penalties if I fail to notify my phone company. Specifically, I will notify my company if:
 - (1) I cease to participate in the above federal or state program, or my annual household income exceeds 135% of the Federal Poverty Guidelines.
 - (2) I am receiving more than one Lifeline supported service;
 - (3) I no longer satisfy the criteria for receiving Lifeline support.
- _____ (9) I will notify Access Wireless within thirty (30) days of moving. Additionally, if my address listed above is a temporary address, I understand that I must verify my address with Access Wireless every ninety (90) days. If I fail to respond to Access Wireless' address verification attempts within thirty (30) days, my Access Wireless Lifeline service may be terminated.
- _____ (10) Access Wireless has explained to me that I am required each year to re-certify my continued eligibility for Lifeline. If I fail to do so within thirty (30) days, it will result in the termination of my Access Wireless Lifeline service.
- _____ (11) I authorize and understand that Access Wireless may provide to state and Federal agencies, as required by law, for the purposes of complying with the Lifeline program all the information related to my account including but not limited to my name, date of birth, social security, usage history, address and phone number.
- _____ (12) I understand that my name, telephone number, date of birth, last four digits of my social security number, and address will be divulged to the Universal Service Administrative Company (USAC) and/or its agents for the purpose of verifying that I do not receive more than one Lifeline subsidy.
- _____ (13) I understand that if USAC identifies I am receiving more than one Lifeline subsidy, all carriers involved may be notified so that I may select one service and be de-enrolled from the other.

 APPLICANT'S SIGNATURE

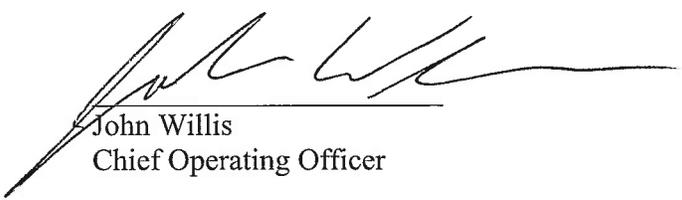
 DATE

Exhibit G
DECLARATION OF I-WIRELESS, LLC

I, John Willis, do hereby declare under penalty of perjury as follows:

1. I am Chief Operating Officer of i-wireless, LLC, a North Carolina limited liability company with its principal place of business at 1 Levee Way, Suite 3104, Newport, Kentucky 41071.
2. To the best of my knowledge, the Petitioner referred to in the foregoing Petition, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting or non-voting) are not subject to denial of federal benefits, including Federal Communications Commission benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.
3. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on 9/9, 2013.



John Willis
Chief Operating Officer