Before the STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS PUBLIC UTILITIES COMMISSION

In the Matter of

Petition of Telrite Corporation d/b/a Life Wireless
For Designation as an Eligible Telecommunications
Carrier in the State of Rhode Island for the Limited
Purpose of Offering Wireless Lifeline and Link Up
Service To Qualifying Households

Docket No.	
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PETITION OF TELRITE CORPORATION D/B/A LIFE WIRELESS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF RHODE ISLAND FOR THE LIMITED PURPOSE OF OFFERING WIRELESS LIFELINE AND LINK UP SERVICE TO QUALIFYING HOUSEHOLDS

Telrite Corporation d/b/a Life Wireless ("Telrite" or the "Company"), by its undersigned counsel, hereby petitions the State of Rhode Island and Providence Plantations Public Utilities Commission (the "Commission") for designation as an eligible telecommunications carrier (an "ETC") pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Communications Act"), Section 54.201, et seq. of the rules of the Federal Communications Commission (the "FCC Rules"), and the Commission's ETC Rules (the "Commission Rules"). Telrite seeks ETC designation in Rhode Island only to participate in the Universal Service Fund's (the "USF") Lifeline and Link Up programs; Telrite will not seek funds from the USF to provide service to high-cost areas. In support hereof, Telrite submits the following.

⁴⁷ U.S.C. § 214(e)(6).

² 47 C.F.R. §§ 54.201 et seq.

Rules and Regulations Governing the Certification and Verification Procedures for Telecommunications Carriers Eligible to Receive Payments from the Federal Universal Service Fund and Certification and Verification Processes for Compliance with Providing Lifeline and LinkUp Service, effective November 4, 2010.

I. ABOUT TELRITE

A. Company Overview

Telrite Corporation, d/b/a Life Wireless, is a Georgia corporation with its principal offices located at 4113 Monticello Street, Covington, Georgia 30014. Telrite is currently licensed as both a CLEC and Interexchange carrier in Rhode Island. Copies of the Declaration Of Telrite Corporation, the Articles of Incorporation, the Certificate of Existence, and the Rule 1.9 Statement are attached hereto as Exhibit A.

Correspondence or communications pertaining to this Petition should be directed to Telrite's attorneys of record:

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B. Previous ETC Designations

Telrite has been providing telecommunication services since 2003. The public utility commissions of Arkansas, Illinois, Louisiana, Maryland, Missouri, West Virginia, Georgia, and Puerto Rico have designated Telrite as an ETC. Copies of pertinent orders are attached hereto as Exhibit B. Furthermore, Telrite has applications for ETC designation in process in the states of Michigan, Minnesota, Mississippi, New Jersey, Washington, and Wisconsin.

C. The Commission has Jurisdiction to Designate Telrite as an Eligible Telecommunications Carrier

Pursuant to Section 214(e)(2) of the Communications Act, the Commission has jurisdiction to make the ETC designation requested herein.⁴ The Communications Act provides that "[a] State Commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier." The Commission has historically accepted this jurisdiction and exercised its authority to grant ETC status to applying wireless carriers.⁵ By offering all of the services supported by the federal USF and advertising the availability of such services, Telrite currently meets all of the

⁴⁷ U.S.C. § 214(e)(2).

See In re: Petition of Tracfone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Rhode Island for the limited purpose of Offering Lifeline Service to Qualified Households, Docket No. 4153, Order No. 20134 issued on September 14, 2010.

requirements of Section 214 of the Communications Act, and the Commission Rules. The Commission, therefore, has jurisdiction to accord Telrite ETC status.

II. TELRITE REQUESTS ETC DESIGNATION IN ITS RHODE ISLAND SERVICE AREA FOR PARTICIPATION IN THE LIFELINE AND LINK-UP PROGRAMS

A. Telrite Requests ETC Designation for its Entire Rhode Island Service Area

Rhode Island includes only non-rural service areas. For non-rural service areas, there are no restrictions on how a state commission defines the service area for purposes of designating a competitive ETC. The carrier must describe the geographic areas within which it requests designation.⁶ Accordingly, Telrite requests designation as an ETC within the geographic area served by its underlying carrier in the state of Rhode Island. A list of each wire center for which Telrite is requesting ETC status in the State of Rhode Island, as well as a map of Telrite's service area is attached hereto as Exhibit C.

B. Telrite Requests ETC Designation for Participation in the Lifeline & Link-Up Programs

Telrite requests ETC designation in Rhode Island for the purpose of participating in the Lifeline and Link-Up programs as a prepaid wireless carrier. Telrite will not seek to provide services supported by the USF's high-cost program. As more fully described below, the instant request to participate promotes the goals of universal service and offers many benefits to low-income customers in the State of Rhode Island.

The services provided by Telrite will contain many features specifically designed for qualifying customers. Indeed, Telrite's Lifeline plan will provide affordable and convenient wireless services to qualifying Rhode Island customers, many of whom are otherwise unable to afford wireless services. Telrite's designation as an ETC solely for Lifeline and Link-Up purposes also would not unduly burden the USF or otherwise reduce the amount of funding

Public Notice - Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act, FCC 97-419, 12 FCC Red 22947 (1997).

available to other carriers. The nature by which Lifeline support is provided to wireless carriers also obviates any concerns that multiple ETC designations in Rhode Island would have a negative impact on the USF. Lifeline support is provided on a customer-specific basis, and only after a carrier has acquired and begun to serve an eligible customer does the carrier receive Lifeline support for that customer. By tying support to actual service of a customer, moreover, the Lifeline program ensures that USF support only funds the carrier that actually "wins" the customer's service.

C. Telrite Lifeline Offering

Under Telrite's wireless Lifeline plan, a copy of which is attached as Exhibit D, Telrite will provide qualified Lifeline customers who reside in the State of Rhode Island with sixty-eight (68) minutes of free anytime local and long distance minutes each month and will use all low-income universal service support to allow the Company to provide the service with no monthly recurring charge, thus ensuring that the consumer receives 100% of all universal service support funding for which the Company will seek reimbursement. A Lifeline customer may opt to increase available minutes in any month by purchasing additional time at \$0.099 per minute. Several unlimited talk and text options are also available, but there is no obligation that customers purchase these additional offerings or add money to their accounts.

To ensure that customers receive uninterrupted access to 9-1-1 emergency and customer care services, Lifeline customers will be able to access 9-1-1 emergency and customer care services regardless of whether they have any remaining minutes in their account. In addition, minutes used for calls placed to 9-1-1 emergency services and Telrite customer cares are not decremented from a customer's account. As a result, Lifeline customers will receive free service so long as they do not elect to exceed 68 minutes of voice service per month with no additional charges for taxes or activation.

The wireless plan will also include a free handset and the following Custom Calling features:

- (1) Caller ID;
- (2) Call Waiting;
- (3) Call Forwarding;
- (4) 3-Way Calling; and
- (5) Voicemail.

At the customer's option, wireless handsets will be delivered or existing handsets updated at no charge to qualifying customers. Service will be activated, and the requisite number of minutes will be added upon certification of the customer for Lifeline and Link-Up, as applicable.

D. Telrite Link-Up Offering

Consistent with FCC requirements, Telrite will use Link-Up support to reduce the company's "customary charge for commencing service" by "half of the customary charge...",7 which will result in a reduction of the Company's wireless activation charge by \$30.00. Qualifying subscribers will have the option of deferring the reduced activation charge over a twelve-month period with no interest, thus allowing subscribers to obtain service without being required to pay any up-front fees to activate service with Telrite.

III. TELRITE SATISFIES THE REQUIREMENTS FOR ETC DESIGNATION

In order to be designated as an ETC, Section 214(e)(1), as well as the FCC and Commission Rules, requires that carriers offer all of the services supported by the USF, either through their own facilities or a combination of their own facilities and the resale of another carrier's services. As demonstrated below, Telrite will offer all of the supported services throughout its service area through a combination of its own facilities and resale of other carriers' services.

A. Telrite is a Common Carrier

Section 153(10) of the Communications Act defines a common carrier as "any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio

⁷ 47 C.F.R. § 54.411(a)(1).

...." The FCC has determined on numerous occasions that providers of mobile wireless services shall be treated as common carriers for regulatory purposes. As a provider of wireless telecommunications services, therefore, Telrite is a common carrier eligible for designation as an ETC.

B. Telrite Will Provide the Nine Supported Services

1. Voice Grade Access to the Public Switched Network.

Through interconnection agreements with local exchange carriers ("LECs") in Rhode Island, Telrite's customers will be able to make and receive calls on the public switched telephone network with a minimum bandwidth of 300 to 3000 Hertz. See 47 C.F.R. § 54.101(a)(1), Commission Rules, Section II(A)(2).

2. Local Usage.

The FCC has specified that a local usage plan is acceptable if it is "comparable to the one offered by the incumbent LEC in the service areas for which the applicant seeks designation." This comparability analysis must proceed on a case-by-case basis, and take account of value-added capabilities and services incorporated into a plan. The FCC has determined that a carrier satisfies the local usage requirement when it offers customers rate plans containing varying amounts of local usage.

Telrite's current local usage plan is comparable in value to those offered by the incumbent LECs operating in the requested service area. For instance, Telrite's plans will offer Lifeline and Link-Up customers larger local calling areas as compared to traditional wireline carriers, the convenience and security afforded by mobile telephone service, the opportunity to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional

¹⁰ *Id*.

⁸ See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d).

⁹ See Federal-State Joint Board on Universal Service. 20 FCC Rcd 6371, at ¶ 32 (2005).

usage in the event that included usage has been exhausted, 9-1-1 service and, where available, enhanced 9-1-1 ("E 9-1-1") service in accordance with current FCC requirements. See 47 C.F.R. § 54.101(a)(2); Commission Rules, Section II(A)(9).

3. Dual Tone Multi-Frequency Signaling or its Functional Equivalent.

The FCC has recognized that, with respect to wireless carriers, it "is appropriate to support out-of-band signaling mechanisms as an alternative to DTMF signaling." Federal-State Joint Ed On Universal Srv., Report and Order, 12 FCC Red 8776, at ¶ 71 (1997). Telrite currently uses out-of-band digital signaling and in-band multi-frequency signaling that is the functional equivalent to DTMF signaling. See 47 C.F.R. § 54.101(a)(3); Commission Rules, Section II(A)(3).

4. Single-Party Service or its Functional Equivalent

With respect to wireless carriers, "single-party service" affords a user a dedicated message path for the length of a user's particular transmission. Telrite meets this requirement with respect to each of its service offerings. See 47 C.F.R. § 54.101(a)(4); Commission Rules, Section II(A)(1).

5. Access to Emergency Services.

"Access to emergency service" includes access to services, such as 9-1-1 and E 9-1-1, provided by local governments or other public safety organizations. Telrite currently provides its voice customers in Rhode Island with such access, is capable of delivering automatic numbering information ("ANI") and automatic location information ("ALI") over its existing network, and otherwise satisfies applicable state and federal E 9-1-1 requirements. Further, Telrite pays all applicable E 9-1-1 fees in a timely manner. Telrite will continue to work with local public safety answering points ("PSAPs") within its ETC service areas to make 9-1-1 and E 9-1-1 service available to its customers. See 47 C.F.R. § 54.101(a)(5); Commission Rules, Section II(A)(4).

6. Access to Operator Services.

Telrite customers may access operator services with respect to billing questions by dialing "6-1-1," and may access operator services with respect to call completion by dialing "4-1-1." See 47 C.F.R. § 54.101(a)(6); Commission Rules, Section II(A)(5).

7. Access to Interexchange Service.

Telrite meets this requirement by providing all of its subscribers with the ability to make and receive interexchange, i.e., long distance, telephone calls through Telrite's network. See 47 C.F.R. § 54.101(a)(7); Commission Rules, Section II(A)(6).

8. Access to Directory Assistance.

"Access to directory assistance" means access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Telrite meets this requirement; its customers may access directory assistance by dialing "4-1-1." See 47 C.F.R. § 54.101(a)(8); Commission Rules, Section II(A)(7).

9. Toll Limitation.

Telrite meets the Toll Limitation requirement because Telrite is a prepaid service provider, which means that customers pay for their service in advance and can use only the amount of service for which they have already paid. Telrite customers can use their service to complete both local and domestic long distance telephone calls. Customers cannot be disconnected for failure to pay telephone toll charges or usage as the company does not differentiate domestic telephone toll usage from local usage and all usage is paid for in advance. This service is ideal for low-income consumers who enjoy the ability to control or limit their charges for both local and long distance telephone service. See 47 C.F.R. § 54.101(a)(9); Commission Rules, Section II(A)(8).

C. Telrite Will Provide the Supported Services Over a Combination of its Own Facilities and Resale of Another Carrier's Services

Consistent with the requirements of Section 214 of the Communications Act, Sections 54.101 through 54.207 of the FCC Rules, Telrite, in its provision of wireless services, will rely on a combination of resold services which the Company will obtain from underlying wireless providers that currently operate their own networks and Company-owned facilities, thus allowing Telrite to meet the FCC's test that requires an ETC to provide services, at least in part, through a "combination of its own facilities and resale of another carrier's services." Telrite owns and operates its own facilities, located in its headquarter state of Georgia, through which Telrite provides call routing and control for calls going to Directory Assistance and/or Operator Service providers. Telrite's facilities description is attached hereto as Exhibit E. Due to the highly competitive nature of the telecommunications marketplace, Telrite deems these materials to be proprietary. Accordingly, Exhibit E has been marked as confidential and is being submitted under seal to be maintained by the Commission and the Staff on a confidential basis.

Telrite also obtains services through commercial mobile radio service ("CMRS") providers that allow the Company to supplement the services provided through Company-owned facilities. Through these arrangements, Telrite is able to offer all of the services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC Rules, throughout its Service Area, 12 thereby allowing the Company to provide service to its customers throughout the geographic area served by non-rural provider AT&T.

Currently, there is no state or federal definition or requirement as to the number of, or the amount of, the supported services that an ETC must offer via its "own facilities." The ETC must provide some portion of the supported facilities through the use of the same, which Telrite does.

¹¹ See 47 U.S.C. § 214(e)(1)(A).

¹² See 47 C.F.R. § 54.101(a).

Therefore, Telrite is able to meet the federal requirement that an ETC must offer the supported services at least in part through the use of its own facilities. Additionally, Federal law does not require any particular level of facilities. The FCC stated in its Universal Service Order, 12 FCC Rcd 8853, FCC 97-157 ("USF Order"), at para. 169 that:

We adopt the Joint Board's analysis and conclusion that a carrier need not offer universal service wholly over its own facilities in order to be designated as eligible because the statute allows an eligible carrier to offer the supported services through a combination of its own facilities and resale. Although the Joint Board did not reach this issue, we find that the statute does not dictate that a carrier use a specific level of its "own facilities" in providing the services designated for universal service support given that the statute provides only that a carrier may use a "combination of its own facilities and resale" and does not qualify the term "own facilities" with respect to the amount of facilities a carrier must use. For the same reasons, we find that the statute does not require a carrier to use its own facilities to provide each of the designated services but, instead, permits a carrier to use its own facilities to provide at least one of the supported services.

In affirming its own decisions, the FCC chose to continue to define the term "own facilities" as "any physical components of the telecommunications network that are used in the transmission of the services that are designated for support" (emphasis added). The Communications Act's definition of "network element" matches that of the FCC and defines a "network element" as "a facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service." All facilities-based carriers have and use network elements.

¹³ See 47 C.F.R. § 54.101; 47 C.F.R. § 54.201(e).

¹⁴ See 47 U.S.C. § 153(29).

Only ILEC network elements can be designated as "unbundled" under 47 U.S.C § 251(c)(3) using the criteria in 47 U.S.C. § 251(d)(2), but all facility-based carriers, including nondominant wireline and wireless carriers also have "network elements."

IV. TELRITE SATISFIES ALL ADDITIONAL REQUIREMENTS FOR DESIGNATION AS AN ETC

In addition to providing the supported services discussed above, Telrite satisfies the FCC's remaining requirements for designation as an ETC.

A. Telrite Will Offer Service to Requesting Customers Within a Reasonable Time

Because Telrite relies on a combination of resold services which the Company will obtain from underlying wireless providers that currently operate their own networks, and Companyowned facilities, Telrite will be able to make Lifeline and Link-Up service available to qualifying customers in the service area within a reasonable period of time of designation as an ETC, in accordance with 47 C.F.R. § 54.202(a)(1).

In accordance with the requirements of 47 C.F.R. § 54.202(a)(1), upon request by a potential customer within Telrite's service area where Telrite's network already passes the potential customer's premises, Telrite will promptly provide service using standard customer equipment upon verification of Lifeline eligibility. If a potential customer is within Telrite's service area but outside its existing network, Telrite will provide service within a reasonable period of time if it determines that such service can be provided at a reasonable cost. Telrite will follow the process described in 47 C.F.R. § 54.202(a)(1)(i) to determine if provision of services may be made at a reasonable cost by: (i) modifying or replacing the requesting customer's equipment; (ii) deploying a roof-mounted antenna or other equipment; (iii) adjusting the nearest cell tower; (iv) adjusting network or customer facilities; (v) reselling services from another carrier's facilities to provide service; or (vi) employing, leasing or constructing an additional cell cite, cell extender, repeater, or other similar equipment.

B. Telrite will Satisfy Consumer Protection and Service Quality Standards

A carrier requesting designation as an ETC must "demonstrate that it will satisfy applicable consumer protection and service quality standards." This requirement is satisfied by a wireless applicant if it commits to "comply[ing] with the Cellular Telecommunications and Internet Association's Consumer Code of Wireless Service." Telrite will comply with the Consumer Code.

C. Telrite Will Comply With the Lifeline and Link Up Certification and Verification Requirements of the Commission Rules

Since the Commission mandates Lifeline and Link-Up support, Telrite must comply with the Commission's rules regarding certification of initial eligibility and the verification of continued eligibility. Accordingly, Telrite will follow Sections V and VI of the Commission Rules.

D. Telrite Can Remain Functional in Emergency Situations

Under the FCC Rules, an ETC applicant must demonstrate its ability to remain functional in emergency situations.¹⁸ Since Telrite is providing service to its customers through the use of facilities obtained from other carriers, this arrangement allows Telrite to provide to its customers the same ability to remain functional in emergency situations as currently provided by the carriers to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

E. Telrite Will Advertise the Availability of the Supported Services

Telrite will comply with the advertising requirement and utilize all universal service support for the provision, maintenance, and upgrading of the supported services. Telrite will

¹⁶ 47 C.F.R. § 54.202(a)(3).

¹⁷ Id.

¹⁸ 47 C.F.R. § 54.202(a)(2); USF Order at Para 25.

advertise its Lifeline and Link-Up offering in traditional media such as television, radio and print targeted at low income audiences. Telrite will also place informational material in independently-owned stores, such as convenience stores, cell phone stores and short-term loan locations. A sample of Telrite's planned advertising is attached hereto as Exhibit F. All Telrite advertising will be unambiguous, informative and consistent with applicable federal and state consumer protection statutes.

F. Telrite Will Provide Equal Access

As required by FCC rule 54.202(a)(5), in the event that no other eligible telecommunications carrier is providing equal access to long distance carriers within the service area for which Telrite seeks ETC designation, Telrite will provide such equal access to long distance carriers, to the extent it is able to do so.

G. FCC Form 497

In compliance with Section VI.G. of the Commission Rules, Telrite hereby notifies the Commission that it files FCC Form 497 with the Universal Service Administrative Company monthly.

H. Collection and Remittance of E 9-1-1 Charges

Telrite acknowledges that the 911 Emergency Telephone Number Act (the "E 9-1-1 Act")¹⁹ obligates Telrite to collect E 9-1-1 charges from its customers. As required by the E 9-1-1 Act, Telrite will remit the required E 9-1-1 surcharge to the Division of Taxation.

¹⁹ H 2009-7397 Aaa.

V. DESIGNATING TELRITE AN ETC IS IN THE PUBLIC'S INTEREST

A. Designating Telrite as an ETC Will Create Greater Competition and Choice for Rhode Island Consumers

Telrite's Lifeline offering will provide low income Rhode Island consumers with increased competitive choice and the benefits of Telrite's unique Lifeline service. As discussed above, Telrite intends to offer Rhode Island consumers a greater number of free minutes and less expensive additional minutes (i.e., minutes purchased after the customer has used all of his or her free minutes) than other pre-paid wireless ETCs in Rhode Island. Low income consumers will benefit significantly from Telrite's low cost service. Further, in response to Telrite's Lifeline offering, other carriers that provide Lifeline service will have an incentive to improve their Lifeline service offerings.

B. Telrite Will Satisfy Consumer Privacy Rules

Telrite will satisfy all federal and state laws and regulations regarding the protection of customer proprietary network information ("CPNI") and consumer information generally. In accordance with Section 64.2009(e) of the FCC's rules, Telrite will certify annually with the FCC, its compliance with the FCC's rules addressing CPNI.²⁰

C. Telrite will Take Significant Measures to Minimize Waste and Fraud

To guard against potential fraudulent use of Lifeline service, Telrite will work with the Department of Human Services and the Department of Administration, Division of Planning to certify subscriber eligibility for the Lifeline and Link-Up programs.²¹ This will ensure that subscribers benefitting from the subsidy are truly eligible. Further, Telrite will follow the Verification of Continued Eligibility requirements of Section VI of the Commission Rules. In particular, Telrite intends to work with the Department of Human Services and the Department

²⁰ 47 C.F.R. § 64.2009(e).

²¹ Section V, Commission ETC Rules.

of Administration, Division of Planning to verify annually that subscribers continue to be eligible for the Lifeline program.

In addition to the above, applicants for Lifeline service must provide a variety of information, including their name, residential address and relevant eligibility criteria. The enrollment form includes an applicant certification section where each applicant must attest and sign under penalty of perjury that the applicant receives Lifeline-supported service only from Telrite. The applicant must submit the signed enrollment form and all supporting documentation as required by federal or state guidelines to the Company prior to commencement of Lifeline service. As an additional protection against fraudulent use of the Company's Lifeline services, Telrite tracks each applicant's primary residential address and cross checks this information against internal databases to confirm that a Telrite Lifeline account has not already been activated for that address or individual. If a name or address submitted by a Lifeline applicant is associated with a customer who already receives Telrite Lifeline service, or if the address provided is not a valid U.S. postal address, Telrite will review the application to ascertain whether the customer is attempting to activate multiple Telrite Lifeline accounts and, if so, deny the application.²²

To ensure that USF funds are received only for customers who actively use their Lifeline services, Telrite will implement an inactivity policy in Rhode Island. Under this policy, if a customer does not make a voice call or send a text message or otherwise demonstrate activity at least once during any continuous 60-day period, Telrite will promptly notify the customer that the customer is no longer eligible for Lifeline service subject to a 30-day grace period. During the 30-day grace period, the customer's account would remain active, and Telrite will engage in outreach efforts to determine whether the customer desires to remain on its Lifeline service. If

²² It is important to note that Telrite does not have access to the customer lists of other ETCs and, thus, cannot cross reference its customer list against another ETC's list.

the customer's account does not show any customer-specific activity during the grace period (such as making or receiving a voice call, receiving or sending a text message, downloading data or adding money to the account), Telrite will deactivate Lifeline services for that customer. In addition, Telrite will not recover a federal USF subsidy for the free minutes provided to the customer during the grace period or thereafter report that customer on its USAC Form 497.

D. Customer Assistance & Complaints

As stated above, Telrite will provide live customer service to its Lifeline customers. The customer service number is 888-543-3620, and the customer service department is open 7 days each week from 8:00 am to midnight EST. This will help Telrite detect problems, if any, with its Lifeline offering. Telrite will track and analyze the nature of customer complaints and will make adjustments to its Lifeline program, if necessary. Telrite will also dedicate sufficient resources to reach a satisfactory resolution of customer complaints within a reasonable period of time.

E. Minimal Impact on the Universal Service Fund.

Designating Telrite as an ETC will have minimal impact on the USF. Telrite seeks designation as an ETC for participation in the Lifeline and Link-Up program only; it does not seek access to funds for the purpose of providing service to high-cost areas. Low income support accounts for a relatively small percentage of funds distributed by USAC. Further, the FCC has concluded that "[a]ny increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline program, furthering the statutory goal of providing access to low-income consumers.²³ The fact that the Commission designated TracFone an ETC, demonstrates that the Commission's position with respect to the benefits and costs of designating a carrier an ETC for the purpose of participating in the Lifeline and Link Up programs, is consistent with that of the FCC.

Petition of TracFone Wireless, Inc. for Forbearance from 47 USC § 214(e)(l)(A) and 47 CFR § 54.201(i), 20 FCC Rcd 15095, '17 (2005).

F. **Anti-Drug Abuse Certification**

Telrite 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.

VI. **CONCLUSION**

Having demonstrated that Telrite satisfies the conditions necessary for designation as an ETC in Rhode Island, and having shown that the public and universal service interests of the telecommunications consumers of the State of Rhode Island will be properly served, Telrite respectfully requests that the Commission designate Telrite Corporation d/b/a Life Wireless as an ETC for the provision of low income support on a wireless basis in the State of Rhode Island.

RESPECTFULLY SUBMITTED this 11th day of October, 2011

Counsel for Telrite Corporation d/b/a Life Wireless

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SUMMARY OF EXHIBITS

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EXHIBIT A

CERTIFICATION ARTICLES OF INCORPORATION & CERTIFICATE OF GOOD STANDING RULE 1.9 APPLICATION REQUIREMENTS STATEMENTS & INFORMATION

DECLARATION OF TELRITE CORPORATION D/B/A LIFE WIRELESS

- I, Brian Lisle do hereby declare under penalty of perjury as follows:
- I am President of Telrite Corporation, a Georgia corporation with its principal offices located at 4113 Monticello Street, Covington, Georgia 30014, and am authorized to sign this Declaration on Telrite's behalf
- I have read the Petition of Telrite Corporation d/b/a Life Wireless for Designation as an 2. Eligible Telecommunications Carrier in the State of Rhode Island for the Limited Purpose of Offering Wireless Lifeline and Link-Up Service to Qualifying Households and confirm that the information contained therein to be true and correct to the best of my knowledge.
- To the best of my knowledge, Telrite Corporation, including all officers, directors, or 3. persons holding five percent or more of the outstanding stock or shares (voting or non-voting) of the Company, are not subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.
- I certify that Telrite Corporation is an authorized telecommunications carrier under the laws of the State of Rhode Island.
- I certify that Telrite Corporation provides all federally-required and state-required services throughout its service area, and so advertises them in media of general circulation.
- I certify that I have reviewed and am familiar with both the federal and Rhode Island's ETC rules and that Telrite Corporation offers Lifeline services that comply with the federal and state requirements.
- 7. I certify that the company can provide the required services.

VERIFICATION

The undersigned hereby swears under pains and penalties of perjury that the facts stated herein are true and accurate to the best of his knowledge, or that, as to facts stated on information and belief, that he believes such facts to be true

Sworn to and subscribed before me by Brian Lisle this 144 day of September, 2011.

Notary Public

My commission expires: Notary Public, Cobb County, Georgia My Commission Expires July 2, 2015

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STATE OF GEORGIA

Secretary of State

Corporations Division 315 West Tower #2 Martin Luther King, Jr. Dr. Atlanta, Georgia 30334-1530

CERTIFICATE OF AMENDMENT

I, Cathy Cox, the Secretary of State and the Corporations Commissioner of the State of Georgia, hereby certify under the seal of my office that

TELRITE CORPORATION

a Domestic Profit Corporation

has filed articles/certificate of amendment in the Office of the Secretary of State and has paid the required fees as provided by Title 14 of the Official Code of Georgia Annotated. Attached hereto is a true and correct copy of said articles/certificate of amendment.

WITNESS my hand and official seal of the City of Atlanta and the State of Georgia on June 22, 2006

Cathy Cox Secretary of State

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF TELRITE CORPORATION

1.

The name of the Corporation is TELRITE CORPORATION (the "Corporation").

2.

Effective the date hereof, the Articles of Incorporation of Telrite Corporation are amended to replace ARTICLE IV with the following:

ARTICLE IV

The Corporation shall have authority to be exercised by the Board of Directors to issue at total of up to One Million (1,000,000) shares of common stock with the par value of \$0.00 per share.

3.

All other provisions of the Articles of Incorporation shall remain in full force and effect

4.

This amendment was duly adopted without shareholder action by the Board of Directors of the Corporation. Shareholder action was not necessary pursuant to the provisions of Section 14-2-1002 of the Georgia Business Corporation Code.

5.

This amendment was duly approved and adopted on June 1, 2006.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment this **20** day of June, 2006.

TELRITE CORPORATION

Valerie D. Barton, Attorney-in-Fac

State of Georgia Amend/Restate 1 Page(s)

RULE 1.9 APPLICATION REQUIREMENTS STATEMENTS & INFORMATION

Legal Name of Applicant:	Telrite Corporation d/b/a Life Wireless		
State of Organization:	Georgia		
Principal Place of Business	4113 Monticello St., Covington, GA 30014		
States Wherein Authorized to do Business:	All 50 States plus Puerto Rico		
Correspondence directed to:	J. Richard Ratcliffe #2603 Ratcliffe Harten Burke & Galamaga, LLP 40 Westminster Street, 7th Floor Providence, RI 02903 Tel: (401) 331-3400 Fax: (401) 331-3440 Email: rratcliffe@rhbglaw.com and		
	J. Andrew Gipson Margarett A. Johnson Watkins Ludlam Winter & Stennis, P.A. 190 E. Capitol Street, Suite 800 Jackson, Mississippi 39201 Telephone: (601) 949-4900 Facsimile: (601) 949-4804 Email: agipson@watkinsludlam.com mjohnson@watkinsludlam.com		

EXHIBIT B

PREVIOUS ETC DESIGNATIONS

ARKANSAS PUBLIC SERVICE COMMISSION OCT 27 10 44 M 10

IN THE MATTER OF THE APPLICATION OF TELRITE CORPORATION FOR CERTIFICATION AS AN ELIGIBLE)	DOCKET NO. 10-078-ULED ORDER NO. 3
TELECOMMUNICATIONS CARRIER)	
(LOW INCOME ONLY))	

ORDER

On August 27, 2010, Telrite Corporation (Telrite) filed in this docket its Application for Designation as an Eligible Telecommunications Carrier (Application) in the state of Arkansas pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, and the Rules of the Federal Communications Commission (FCC), including 47 C.F.R. §§ 54.201 and 54.207. Telrite's Application seeks ETC status on a wireless basis with services to be provided via a combination of Telrite's own facilities and resold wireless services. The Application indicates that Telrite will comply with all applicable rules governing ETC designation required by the Federal Communications Commission and by the Arkansas Public Service Commission. The Application further indicates that Telrite is seeking ETC status for the provision of Lifeline and Link-Up services only and that Telrite is not seeking federal high cost support. Telrite's request is limited to the non-rural service area of Southwestern Bell Telephone, L.P. d/b/a AT&T (AT&T Arkansas) exchanges.

Order No. 2 of this Docket gave notice that any certified Arkansas telecommunications carrier desiring to participate as an Intervenor Party in this proceeding may do so and file comments or testimony on or before October 22, 2010. The Secretary of the Commission was directed to serve a copy of the Order on all

Docket No. 10-078-U Order No.3 Page 2 of 2

certified Arkansas telecommunications carriers. There were no intervenors, and no objections to the granting of Telrite's request were received.

Based on the record in this docket, Telrite has established that the availability of basic telecommunications services to low-income consumers would benefit the public health, safety and welfare by allowing consumers to choose from a variety of telecommunications providers and the variety of telecommunications services they offer. The wireless service offered by Telrite will provide these consumers with an alternative to traditional telecommunications service that can be used while at home and away from home. Inclusion of Telrite's wireless Lifeline and Link Up programs will enable consumers to obtain wireless service which might otherwise be unavailable to these customers. The granting of Telrite's request is in the public interest.

It is therefore ordered that the Application of Telrite Corporation for Designation as an Eligible Telecommunications Carrier on a wireless basis is granted, and Telrite Corporation is hereby authorized as an ETC to provide Lifeline and Link-Up services via wireless operations throughout the non-rural service area of AT&T Arkansas, and to participate in the low-income mechanisms of the Universal Service Fund, to include both Lifeline and Link-Up.

BY ORDER OF THE ADMINISTRATIVE LAW JUDGE PURSUANT TO DELEGATION.

This the 27 day of October, 2010.

Myn. fhia Mbyweather (Acting)
Office of the Secretary of the Commission

mail, using the email addre

COMMISSIONERS:

STAN WISE, CHAIRMAN CHUCK EATON TIM G. ECHOLS H. DOUG EVERETT LAUREN "BUBBA" McDONALD, JR. FILED

AUG 28 2011

EXECUTIVE SECRETARY G.P.S.C.

DUCKER 21955

DEBORAH K. FLANNAGAN EXECUTIVE DIRECTOR

REECE MCALISTER EXECUTIVE SECRETARY

Georgia Public Service Commission

(404) 656-4501 (800) 282-5813

244 WASHINGTON STREET, S.W. ATLANTA, GEORGIA 30334-5701.

FAX: (404) 656-2341 www.psc.state.ga.us

Docket No. 21955

In Re:

Application of Telrite Corporation for Designation as an Highe 137 993
Telecommunications Carrier on a Wireless Basis

ORDER ON APPLICATION FOR DESIGNATION AS ELIGIBLE TELECOMMUNICATIONS CARRIER

Background

On August 2, 2010, Telrite Corporation ("Telrite") filed with the Georgia Public Service Commission ("Commission") its Application for Designation as an Eligible Telecommunications Carrier on a Wireless Basis. Telrite is not seeking Universal Service Fund ("USF") support for the purpose of providing service to high cost areas, but rather is seeking designation for the limited purpose of offering Lifeline service to qualified households.

Telrite asserts that it meets all the requirements of the Federal Communications Commission ("FCC") for designation as an ETC. 47 C.F.R. § 54.101(a) requires the following services and functionality: (1) Voice grade access to the public switched telephone network, (2) Local usage, (3) Dual tone multi-frequency signaling or its functional equivalent, (4) Single-party service or its functional equivalent, (5) Access to 911 and E911 emergency service, (6) Access to operator services, (7) Access to interexchange service, (8) Access to directory assistance, and (9) Toll limitation for qualified low-income customers.

Telrite also asserted that it meets the additional eligibility criteria that ETC applicants must satisfy in order to be granted ETC status adopted by the FCC in its March 17, 2005 Report and Order. The FCC found that ETC applicants must demonstrate: (1) a commitment and ability to provide the supported services throughout the designated area; (2) the ability to remain functional in emergency situations; (3) that it will satisfy consumer protection and quality of service standards; (4) that it offers local usage

Commission Order Docket No. 21955 Page 1 of 5 comparable to that offered by the incumbent LEC; and (5) an acknowledgement that it may be required by the FCC to provide equal access if all other ETCs in the designated service area relinquish their designations pursuant to Section 214(e)(4) of the Act.

Telrite's Lifeline product is a wireless-based service, with no monthly service charge and up to 250 minutes of local and long-distance usage per month. Telrite does not require a credit check, deposit, or long-term contract. Additional minutes and text messages are priced at \$0.099 and \$0.05, respectively. Telrite customers do not incur charges for roaming.

Telrite is also requesting Link-Up funding. Telrite's customary activation charge is \$60, which, after the Link-Up subsidy, is reduced to \$30. The company will waive the remaining \$30 for Lifeline customers. The company will also provide new customers with a handset free of charge.

Telrite requests ETC designation in the non-rural exchange areas shown in Exhibit 1 to this order.

Telrite provided evidence that it is a facilities-based carrier and therefore meets the requirements of 47 U.S.C. §214(e)(1)(A). Telrite also committed to "advertise the availability of such services and the charges therefor using media of general distribution." 47 U.S.C. §214(e)(1)(B).

Telrite submitted its proposed advertising, customer sign-up form, and terms and conditions of service.

Telrite also submitted its proposed "non-usage plan" in accordance with the Commission's decision in Docket Nos. 18664 and 26282. In those dockets, the Commission found that it was appropriate to require Lifeline-only ETCs that provide service with no monthly fee to monitor the usage of their customers and disconnect customers that have not used the service for 60 days.

In its October 15, 2007 order in Docket No. 10396 approving the ETC Application of Alltel Communications, Inc. ("Alltel"), the Commission adopted the Staff's recommendation. In that docket, the Staff recommendation was as follows:

[T]he Staff recommends that the Commission approve Alltel's Application with the following conditions and filing requirements:

- The Commission reserves the right to conduct audits as needed to determine that the funds are used for permitted purposes.
- Alltel's ETC designation may at any time be suspended or revoked by order of the Commission.

Commission Order
Docket No. 21955
Page 2 of 5

- Alltel shall make all service offerings, including Lifeline/ Link-Up available on its internet website.
- Alltel shall file within 30 days of approval of its ETC application
 its terms and conditions of service, and rate plans including its
 Link-Up and Lifeline discounts available to qualifying low-income
 customers. Further, Alltel shall have the ongoing obligation to
 notify the Commission of any future changes to its rates, terms, or
 conditions.
- Alltel shall file within 30 days of approval of its ETC application proposed language to be used in all advertising of Lifeline/ Link-Up services and on its website. The language should include information directing customers to the Commission's Consumer Affairs unit for complaints regarding any service issues. The Staff shall have the right to review and make changes to any proposed language.
- Alltel shall file the following information on March 31, 2008 (and updated information every March 31 thereafter, unless otherwise ordered by the Commission):
 - 1. A map showing Alltel's actual January 2007 service area, and a map showing the January 2008 estimated service area *increase* or decrease. Additionally, the map should include locations of all new facilities constructed.
 - 2. Alltel shall report all instances in which the company refuses to serve a customer. Alltel shall be required to provide information regarding the specific location of the customer (street address), the company's rationale for refusal of service, and the company's progress with establishing interconnection arrangements which permit resale of either wireless or Incumbent Local Exchange Carrier ("ILEC") services in the customer's location.
 - 3. Estimated total 2007 federal funds, actual total federal funds received in 2007, and estimated total funds to be received in 2008.
 - 4. A spreadsheet listing each wire center, the name of the ILEC associated with that wire center, estimated 2007 expenses (from trade secret filing made with the Application), actual 2007 expenses, and estimated 2008 expenses.

Ocker No. 21955
Page 3 of 5

Staff Recommendation

The Staff recommended that the Commission designate Telrite as an ETC in the areas shown in Exhibit 1 for the limited purpose of providing Lifeline service, and that the Commission apply the same conditions to Telrite as it did Alltel, to the extent those conditions apply to Lifeline service.

The Staff further recommended that the Commission condition the grant of ETC designation to Telrite upon the company's satisfactory resolution of complaints filed with the Commission in connection with Telrite's Lifeline service offering, consistent with the Commission's decision in Docket No. 26282, Application of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Georgia for the Limited Purpose of Offering Lifeline Service to Qualified Households.

The Commission finds the Staff's recommendation reasonable and hereby adopts the Staff's recommendation.

WHEREFORE, it is

ORDERED, that Telrite is granted ETC designation for the limited purpose of providing Lifeline and Link-Up service.

ORDERED FURTHER, that the conditions imposed upon Alltel in Docket No. 10396 shall be imposed upon Telrite, to the extent those conditions apply to Lifeline service.

ORDERED FURTHER, that Telrite's ETC designation shall also be conditioned upon the satisfactory resolution of complaints filed with the Commission's Consumer Affairs Unit, consistent with the Commission's decision in Docket No. 26282.

ORDERED FURTHER, that any proposed increases in the company's Lifeline rates or connection charges, or any proposed surcharges, other than those specifically provided for in State or Federal law, will require an amendment to the company's ETC designation.

ORDERED FURTHER, that Telrite will include its lowest cost Lifeline product in all advertisements.

ORDERED FURTHER, that Telrite's non-usage plan is hereby approved.

ORDERED, that Telrite shall file with the Commission quarterly reports, due no later than 15 days from the close of each quarter, that report the number of customers that have been deactivated for not having activity in a 60-day period, the number of customers

Commission Order Docket No. 21955 Page 4 of 5 that did not pass annual verification, and the number of customers that were voluntarily deactivated.

ORDERED FURTHER, that a motion for reconsideration, rehearing, oral argument, or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order(s) as this Commission may deem just and proper.

The above by action of the Commission in Administrative Session on the 16th day of August 2011.

Stan Wise

Reece McAlister

Executive Secretary

Chairman

DATE DATE

Commission Order Docket No. 21955 Page 5 of 5

Exhibit 1

Non-Rural Wire Centers

Company BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INCIDBA SOUTHERN BELL OFF A TELE

Wire Center **ACWOGAMA AGSTGAAU** AGSTGAFL **AGSTGAMT AGSTGATH AIVLGAMA ALBYGAMA** ALPRGAMA AMRCGAMA **APNGGAES ARTNGAES ASTLGAMA** ATHNGAMA ATLNGAAD **ATLNGABH ATLNGABU** ATLNGACD **ATLNGACS** ATLNGAEL ATLNGAGR ATLNGAHR ATLNGALA **ATLNGAPP ATLNGASS** ATLNGATH ATLNGAWD ATLNGAWE **BCHNGAES BCTNGAMA BGRTGAMA BLCSGAES BNBRGAMA BNTNTNMT** BRMNGAES **BRVIGAMA BRWKGAMA BUFRGABH BWDNGAMA BXLYGAES CCHRGAMA CDTWGAMA CHMBGAMA CHTGTNBR CHTGTNNS CHTGTNRO CHTGTNSE CLHNGAES** CLXTNGAMA CLMBGAAT CLMBGABY

BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BLELSOUTHETELECOMM INCIDEA SOUTHERN BELL TELL THE

CLMBGAMT CLMBGAMW CLMTGAMA **CLQTGAES CMLLGAMA CMNGGAMA CNCRGAMA** CNYRGAMA CORDGAMA CRHLTNCB CRTNGAMA **CRVLGAMA CSSTGAMA CVSPGAMA** CVTNGAMT CXTNGAMA **DBLNGAMA DGVLGAMA** DLLSGAES **DLTHGAHS EBTNGAMA ESMNGAES ETTNGAES FKLNGAMA FLBRGAMA FRBNGAEB FRSYGAMA FTVYGAMA FYVLGASG GAY GAMA GBSNGAES GNBOGAES GNVLGAMA GRFNGAMA GSVLGAMA GTVLGAMA HGVLGAMA HMPNGAJW HMTNGAMA HPHZGAES HRLMGAMA HZLHGAMA JCSNGAMA JESPGAES JHCRGAES** JKISGAMA **JNBOGAMA** KGTNGAMA **LERYGAMA LGRNGAMA LGVLGACS** LKPKGAMA **LMCYGAMA** LMKNGAMA

LRVIGAOS

BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INCIDBA SOUTHERN BELL TEL & 1FU

LSBGGAMA LSVLGAMA LTHNGAJS LTVLGACS LULAGAMA LYNSGAMA MACNGAGP MACNGAMT MACNGAVN **MCDNGAGS MDSNGAMA** MLLNGAMA **MNTIGAMA MRTTGAEA MRTTGAMA** NRCRGAMA **NWNNGAMA NWTNGAHD PANLGAMA PLHMGAMA PLMTGAMA PNMTGAMA POLRGAMA PWSPGAAS RCKMGAES** RCLDGAMA ROMEGATL **RPVLGAMA RSWLGAMA RTLGGAMA RYTNGAMA** SCCRGAMA **SENOGAMA SMVLGAMA SMYRGAMA SMYRGAPF SNLVGAMA** SNMTGALR SPRKGAMA **SPRTGAMA SRDSGAES SSISGAES** STBRGANH **SVNHGABS** SVNHGADE SVNHGAGC SVNHGASI SVNHGAWB SVNHGAWI **SWBOGAES SYLVGAES TBISGAMA TFTNGAMA THSNGAMA**

THVLGAMA

BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL

TLLPGAES TMPLGAMA TUKRGAMA VDALGAMA **VLDSGAMA VLRCGAES WDBYGAES WDLYGAMA WDSTGACR WGVLGAES** WRNSGAMA WRRBGAMA WRTNGAMA WTVLGAES **WYBOGAES WYCRGAMA ZBLNGAMA**

COMMISSIONERS

STATE OF MARYLAND

DOUGLAS R. M. NAZARIAN

HAROLD D. WILLIAMS SUSANNE BROGAN LAWRENCE BRENNER THERESE M. GOLDSMITH



PUBLIC SERVICE COMMISSION

#28, 4/6/11 AM; ML# 129043, TE-10424

April 6, 2011

J. Andrew Gipson Watkins Ludlam Winter & Stennis, P.A. 190 East Capitol Street, Suite 800 Jackson, MS 39201

Dear Mr. Gipson:

The Commission has reviewed the Application for Designation as an Eligible Telecommunications Carrier in the State of Maryland for the Limited Purpose of Offering Wireless Lifeline and Link-Up Service to Qualified Households (Low Income Only) filed on March 4, 2011 by Telrite Corporation.

After considering this matter at the April 6, 2011 Administrative Meeting, the Commission found that designation as an Eligible Telecommunications Carrier ("ETC") pursuant to 47 U.S.C. §214(e) is in the public interest, and granted Telrite Corporation designation as an ETC for the service territory specified in the Application for the limited purpose of offering lifeline and link-up services to qualified households in Maryland subject to a 30-day comment period, in which no adverse comments are submitted.

By Direction of the Commission,

Terry J. Romine Executive Secretary

TJR/gjd

COMMONWEALTH OF PUERTO RICO TELECOMMUNICATIONS REGULATORY BOARD OF PUERTO RICO

In the Matter of Petition by Telrite Corporation d/b/a Life Wireless For Designation as an Eligible Telecommunications Carrier in the Commonwealth of Puerto Rico for the **Limited Purpose of Offering Lifeline** and Link-Up Services to Qualified Household

Petitioner

DE PUERTO

DAN ATMUI

CASE NO. JRT-JRT-2011-SU-0001

RESOLUTION AND ORDER

On April 28, 2011, Telrite Corporation d/b/a Life Wireless (Telrite) filed Petition of Telrite d/b/a Life Wireless for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Puerto Rico for the Limited Purpose of Offering Lifeline and Link/Up Services to Qualified Households (Petition). Petitioner requests to be designated as an eligible telecommunications carrier (ETC) for the purpose of receiving federal and local universal service support exclusively for the provision of prepaid wireless services for low income consumers in Puerto Rico under the Lifeline and Link-Up programs. Telrite indicates that it does not seek designation as an ETC on a wireline basis and adds that the company does not request ETC status for the purpose of participating in any high cost programs under the federal Universal Service Fund.

In the process of evaluating Telrite's request, we note, at the outset, that Exhibits A and B, supposed to be attached to the Petition were not included. Exhibit A is said to be petitioner's Network Diagram, while Exhibit B is identified as the plans, terms and conditions for its Lifeline and Link-Up programs. Given the sensitive nature of such information, Telrite requests confidential treatment for the information contained therein.

Accordingly, petitioner indicated said information was being submitted under seal to be maintained by the Board and the staff on a confidential basis. However, the information in Exhibits A and B was not received by this Board. The same is critical for an initial evaluation of petitioner's ETC designation. Henceforth, we request the same be submitted for this Board's review, and anticipate it shall be granted confidential treatment.

However, at this stage of the proceeding, we estimate appropriate to direct petitioner to our Universal Service Regulations, Regulation Number 7795, which includes specific requirements for ETC designation with which petitioner shall comply. Specifically, Section 9 describes the designation process and identifies the essential information to be submitted. Once received, we may be in a better position to commence the process of evaluating petitioner's request. As an initial inquiry we request Telrite to inform this Board if it is actually, or has been in the past, a provider of Lifeline and Link-Up programs in other TELECOMUNICACIONS.

In view of the above, this Board RULES AND ORDERS:

Telrite is ordered to provide the information mentioned above and any other which may be pertinent for evaluation of its petition for ETC designation in Puerto

NOTIFY this RESOLUTION AND ORDER to the petitioner, Roberto L. Prats Palerm, RPP Law PSC, American Air Lines Building, 1509 López Landrón, 10th Floor, San Juan, PR 00911; Osvaldo Carlo, RPP Law PSC, American Air Lines Building, 1509

¹ The following sections of the Regulation are pertinent to the process: Section 9.1, Designation; Section 9.2, Eligibility requirements and to maintain designation; Section 9.3, Additional eligibility requirements and to maintain designation; Section 9.4, Request for eligibility designation.

JRT-2011-SU-0001 20110622 RO Page 2 of 2

NORA DE TELECO

López Landrón, 10th Floor, San Juan, PR 00911; J. Andrew Gipson, Margarett A. Johnson, Watkins Ludlam Winter & Stennis, PA, 190 E. Capitol Street, Suite 800, Jackson, Mississippi 39201.

So the Board approved on June 22, 2011.

Sandra Torres López

President

Vicente Aguirre Iturrino Associate Member Nixyvette Santini Hernández Associate Member

CERTIFICATE OF SERVICE

CIORAH I. MONTES GILORMINI

Secretary of the Board

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Telrite Corporation

Docket No. 10-0512

Application for Designation as an Eligible Telecommunications Carrier in the State of Illinois for the Limited Purpose of Offering Lifeline Service to Qualified Households

JOINT DRAFT PROPOSED ORDER

By the Commission:

I. PROCEDURAL HISTORY; NATURE AND PURPOSE OF FILINGS

On August 23, 2010, Telrite Corporation ("Telrite" or the "Company"), filed with the Illinois Commerce Commission ("Commission") an Application seeking wireline and wireless Eligible Telecommunications Carrier ("ETC") designation under Section 214(e)(2) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, for the limited purpose of receiving federal low income Universal Service support in Illinois.

Pursuant to notice as required by law and the rules and regulations of the Commission, a prehearing conference was convened before a duly authorized Administrative Law Judge ("ALJ") of the Commission at its offices in Chicago, Illinois on September 29, 2010. Staff of the Illinois Commerce Commission ("Staff") noted its intent to issue Data Requests regarding several perceived deficiencies in the application. This matter was continued for status to October 18, 2010 and then to December 16, 2010. Telrite submitted an amended application on December 13, 2010 seeking a wireless ETC designation, but withdrew its request for wireline ETC designation. At the December 16, 2010 status, the matter was continued to February 3, 2011. It was again continued to March 7, 2011 and then to April 4, 2011. On April 4, 2011, the matter was marked as heard and taken, and Staff and Telrite entered into a Joint Stipulation ("Stipulation"), which set forth additional conditions that Telrite will meet when and if it is granted a wireless ETC designation.

II. BACKGROUND

Telrite is a telecommunications carrier within the meaning of Section 13-202 of the Illinois Public Utilities Act (220 ILCS 5/13-202) ("the Act"), and is authorized to provide telecommunications services in Illinois. In an Order dated January 15, 2011 in Docket 10-0513, the Commission authorized Telrite to provide commercial mobile radio service ("CMRS") in Illinois. Telrite now seeks a wireless ETC designation for purposes

of receiving federal low income support for qualifying wireless customers in Illinois areas served by AT&T Illinois and Illinois areas formerly served by Verizon North and Verizon South.

Pursuant to Section 214(e)(2) of the Federal Act, a state commission may, upon its own motion or upon request, designate a common carrier to be an "eligible telecommunications carrier" for purposes of receiving universal service support under the Federal Act. Section 214(e)(2) also requires that the carrier designated meet the requirements of §214(e)(1), which states that a telecommunications carrier may be designated as an ETC and thereby receive universal service support if the carrier, throughout its service areas: (a) offers the services that are supported by federal universal service support mechanisms under §254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale of another carrier's services (including services offered by another ETC); and (b) advertises the availability of and charges for such services using media of general distribution. Section 54.201(b) of the Federal Communications Commission's ("FCC") rules states that the state commission shall, on its own motion or upon request, designate a common carrier an ETC so long as the carrier meets the requirements of §54.201(d), which restates the requirements found in §214(e)(1) of the Federal Act. Section 214(e)(2) of the Federal Act and §54.201(c) of the FCC's rules state that the state commission may, in the case of an area serviced by a rural telephone company and shall, in the case of all other areas, designate more than one common carrier as an ETC for a service area the state commission designates, provided each additional requesting carrier satisfies §214(e)(1) of the Federal Act and §54.201(d) of the FCC's rules, and such designation is found to be consistent with the public interest.

The federal Universal Service Fund ("USF") consists of four programs administered by the Universal Service Administrative Company ("USAC"): (1) High Cost Support Program, providing financial support to carriers serving high cost areas; (2) School and Library Support Program (also known as the E-rate program), providing assistance for discounted services (local and long distance telephone service, Internet access, and internal connections) to eligible schools and libraries; (3) Low Income Support Program, assisting low income consumers with discounted installation and monthly telephone services; and (4) Rural Health Care Support, providing discounted services to rural health care providers.

Telrite limits its requested USF support to the federal USF low income support. It certifies that all low income funding it receives from the USAC will be used to subsidize rates for its Lifeline/Linkup customers, consistent with 47 CFR §54.403.

III. ANALYSIS

A. Federal Statutory Requirements

Section 214(e) of the Federal Act provides in pertinent part:

(e) PROVISION OF UNIVERSAL SERVICE.—

- (1) ELIGIBLE TELECOMMUNICATIONS CARRIERS.—A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received—
 - (A) offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
 - (B) advertise the availability of such services and the charges therefore using media of general distribution.
- (2) DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS. -- A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.
- (4) RELINQUISHMENT OF UNIVERSAL SERVICE. A State commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission shall require the remaining eligible telecommunications carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission shall establish a time,

not to exceed one year after the State commission approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

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

State commissions were granted the ability to designate a common carrier as an ETC, as set forth in §214(e)(2) of the Federal Act and implemented by 47 CFR §54.201(b). Section 54.201(b) states that the Commission shall, on its own motion or upon request, designate a common carrier as an ETC so long as the carrier meets the requirements of §54.201(d) of said rules, which restates the requirements found in §214(e)(1) of the Federal Act.

Section 214(e)(2) of the Federal Act and 47 CFR §54.201(c) state that upon request and consistent with the public interest, convenience and necessity, the state commission may, in the case of an area served by a rural telephone company and shall, in the case of all other areas, designate more than one common carrier as an ETC for a service area the state commission designates, provided each additional requesting carrier satisfies 214(e)(1) and §54.201(d). Before designating an additional ETC for an area served by a rural telephone company, the state commission shall find that such designation is in the public interest.

As we consider whether Telrite satisfies the foregoing requirements, the Commission notes that Telrite, as the applicant for ETC designation, bears the burden of proving that it has met each of the necessary elements required for such designation.

1. Service Area

With regard to non-rural telephone companies, Section 214(c)(5) of the Federal Act and 47 CFR §54.207 define the term "service area" to be the "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms." In Docket 97-0507, the Commission determined that the "service area" or minimum geographic area that AT&T Illinois must serve to be designated an ETC is an exchange. For service areas served by a rural incumbent local exchange company ("ILEC"), Section 214(c)(5) of the Federal Act and 47 CFR §54.207 define the term "service area" to be a rural telephone company's "study area" unless and until the [FCC] and the States, after taking into account recommendations of a Federal-State Joint Board instituted under Section 410(c), establish a different definition of service area for such company." With respect to "service area" definitions, the FCC, which along with the Commission must approve any service area redefinition,

has declared that it will "rigorously apply" a standard whereby the wire center is the appropriate minimum geographic area for ETC designation. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC No. 05-46.

Telrite's requested ETC area consists of Illinois areas served by AT&T Illinois, and the former Verizon North and Verizon South, respectively. Telrite will provide the Commission with a map depicting the requested service area. Telrite agrees and acknowledges that the Company seeks ETC designation only for the limited purposes of receiving federal low income USF support and will not seek High Cost USF support.

The Commission finds that Telrite has met the service area requirement.

2. Required USF Service Offerings

Pursuant to 47 CFR §54.101(a), the following services and functions are to be offered by all eligible telecommunications carriers:

- (a) Voice grade access to the public switched network;
- (b) Local usage;
- (c) Dual tone multi-frequency signaling or its functional equivalent;
- (d) Single-party service or its functional equivalent;
- (e) Access to emergency services;
- (f) Access to operator services;
- (g) Access to interexchange service;
- (h) Access to directory assistance; and
- (i) Toll limitation for qualifying low-income consumers.

§214(e)(1)(A) of the Federal Act provides that an ETC shall, throughout the designated service area, "offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services including the services offered by another eligible telecommunications carrier."

47 CFR §54.101(a) identifies nine services and functions that are supported by federal universal support mechanisms and are to be offered by an ETC. Telrite provided evidence in its petition demonstrating that its Lifeline service will include each of those nine services and functions to the extent that they are applicable.

The first function identified in §54.101(a) is **voice-grade access to the public switched network**. "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call and to receive voice communications, including receiving a signal indicating there is an incoming call. For

the purposes of this function, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz. Telrite has demonstrated it meets this requirement.

The second service is identified as **local usage**. "Local usage" means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users. Telrite' wireless Lifeline service plan provides 100 free usage minutes per month for lifeline customers consistent with the requirements of 47 CFR §54.101(a)(2).

The third service is **Dual Tone Multi-frequency Signaling** or its Functional Equivalent. Dual tone multi-frequency signaling ("DTMF") is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time. For wireless communications, DTMF signaling is the technology that shortens call set-up time and makes "touchtone" dialing possible by facilitating the transportation of signaling throughout the network. Such signaling is included in Telrite' service offerings and all wireless handsets offered for sale by the Company are DTMF-capable. (Application at 5)

The fourth service is "single-party service." "Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed. In the case of wireless telecommunications carriers which use spectrum shared among users, a dedicated message path is provided for the length of a user's particular transmission. Telrite provides single party service as that term is defined in 47 CFR §54.101. (Id.)

The fifth supported service is **access to emergency service** through the dialing of "9-1-1" and includes access to services, such as 9-1-1 and enhanced 9-1-1 to the extent the local government or other public safety organization in the eligible carrier's area has implemented such service. 9-1-1 is defined as a service that permits a telecommunications user, by dialing the three-digit code "9-1-1," to call emergency services through a Public Safety Answering Point ("PSAP") operated by the local government. "Enhanced 9-1-1" is defined as 9-1-1 service that includes the ability to provide automatic numbering information ("ANI"), which enables the PSAP to call back if the call is disconnected and automatic location information ("ALI"), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 9-1-1 and enhanced 9-1-1 services to the extent the local government in an ETC's service area has implemented 9-1-1 or enhanced 9-1-1 systems.

Telrite has certified that through its wholesale provider(s) it satisfies (and will continue to satisfy) all 9-1-1 related conditions imposed in the FCC TracFone Forbearance Order (FCC 05-165, released: September 8, 2005). All 9-1-1 traffic will be handled in accordance with 83 III. Adm. Code 725 and the Emergency Telephone Act. (50 ILCS 750/0.01 et seq.)

The sixth USF supported service is access to operator services, defined as any automatic or live assistance provided to a consumer to arrange for the billing or

completion or both, of a telephone call. Telrite meets this requirement by providing access to operator services to customers dialing "611" and access to directory services to customers dialing "411." (Application at 6)

The seventh supported service is **access to interexchange service**, defined as the use of the loop, as well as that portion of the switch that is paid for by the end user or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network. Telrite' wireless service will provide all its customers the ability to make and receive interexchange or toll calls. (Id. at 6-7)

The eighth service is **access to directory assistance**, defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Telrite will provide all its wireless customers with access to information contained in directory listings by dialing "411." (Id. at 7)

The ninth supported service is **toll limitation for qualifying low-Income customers**. Under FCC Rules, ETCs must offer "Toll Limitation," (which the FCC has defined to include either "Toll Blocking" or "Toll Control") to qualifying Lifeline and Link-Up universal service customers as no charge. Telrite provides its wireless service on a prepaid basis. Service is not offered on a distance-sensitive basis, and minutes are not charged separately for local or domestic long distance services. Therefore, the prepaid nature of Telrite' wireless service works as effective toll control. (Id.)

Telrite will provision wireless service in Illinois through resale of AT&T's wireless services, however, Telrite will provision Directory Assistance ("DA") services using its own switch. (Certification Application, Docket No. 10-0513) Under the current FCC rules, a carrier is considered to satisfy the facilities requirement of Section 214(e)(1)(A) by using its own facilities to provide access to DA service while providing the remaining supported services though resale.¹

Having reviewed the record, the Commission finds that Telrite has demonstrated that it will offer and has the capability to provide each of the nine supported services in the requested wireless ETC area. Telrite has also satisfied the facilities requirements of Section 214(e)(1)(A) of the 1996 Federal Act.

3. Required Advertising

In addition to the foregoing service offerings required by Section 214(e)(1)(B) of the Federal Act, FCC rules provide that an ETC shall, throughout the designated service area, "advertise the availability of such services and the charges therefor using media of general distribution." Additionally, the rules require an ETC to advertise the availability of their low income support services in a manner reasonably designed to reach those likely to qualify for them. 47 CFR §§54.405; 54.411. Telrite will comply fully with all provisions contained in Part 54.411, as well as other applicable requirements contained

¹ FCC, First Report and Order, In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, FCC 97-157 (May 8, 1997), ¶169.

in 47 CFR Part 54. (Application at 7) It will advertise the supported services through a combination of media channels such as television and radio, newspaper, magazine and other printed advertisements, outdoor advertising, direct marketing, and the Internet. (Id)

The Commission concludes that Telrite has demonstrated that it will publicize the availability of Lifeline/Linkup services in a manner reasonably designed to reach those likely to quality for the service, as directed by 47 CFR 54.405 and 54.411.

B. FCC's ETC Order

On March 17, 2005, the FCC issued a Report and Order ("ETC Order") clarifying existing requirements and imposing additional requirements, which the FCC is to use in evaluating applications for ETC designation on a going forward basis. Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC No. 05-46. Paragraph 20 of the ETC Order lists these requirements for each ETC applicant: (1) a commitment and ability to provide services, including providing service to all customers within its proposed service area; (2) ability to remain functional in emergency situations; (3) satisfaction of consumer protection and service quality standards; (4) offering local usage comparable to that offered by the incumbent LEC; and (5) an acknowledgement that it may be required to provide equal access if all other ETCs in the designated service area relinquish their designations pursuant to §214(e)(4) of the Federal Act.

The FCC referred to these additional guidelines as "the minimum requirements" it would use in designating a carrier as an ETC and urged that these procedures serve as guidelines for state commissions to follow in their evaluation of ETC applications properly before those commissions. These additional guidelines are codified in 47 CFR §54.202. State commissions are not bound by the guidelines in the ETC Order when they evaluate ETC applications. (ETC Order at ¶¶58-64) In ¶31 of its ETC Order, the FCC further stated, "Therefore, states may extend generally applicable, competitively neutral requirements that do not regulate rates or entry and that are consistent with §214 and §254 of the Act to all ETCs in order to preserve and advance universal service."

The FCC's ETC Order requires that an ETC Applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. 47 CFR §54.202(a)(3). The FCC explained the requirement more fully in ¶28 of its ETC Order as follows:

We find that an ETC applicant must make a specific commitment to objective measures to protect consumers. Consistent with the designation framework established in the Virginia Cellular ETC Designation Order and Highland Cellular ETC Designation Order and as suggested by commenters, a commitment to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service will satisfy this requirement for a wireless ETC applicant

seeking designation before the Commission. We will consider the sufficiency of other commitments on a case-by-case basis. ...In addition, an ETC applicant, as described *infra*, must report information on consumer complaints per 1,000 handsets or lines on an annual basis.

The FCC's ETC Order requires that an ETC Applicant must demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation. The FCC has not adopted a specific local usage threshold. ETC Order at ¶32; 47 CFR §54.202(a)(4).

The FCC's ETC Order requires that an ETC Applicant must certify that the FCC may require it to provide equal access to long distance carriers if no other ETC is providing equal access within the service area. ETC Order at ¶35; 47 CFR §54.202(a)(5).

The FCC's ETC Order requires that an ETC Applicant must comply with certain reporting requirements in connection with the annual certification of ETCs. 47 CFR §54.209.

In its ETC Order ¶40, the FCC clarified the public interest analysis for ETC designations by adopting the fact-specific public interest analysis developed in prior orders. The FCC acknowledged that Congress did not establish specific criteria to be applied under the public interest test. The FCC stated that the public interest benefits of a particular ETC designation must be analyzed in a manner that is: (1) consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; (2) ensuring the availability of quality telecommunications services at just reasonable and affordable rates; and (3) promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high cost areas.

In cases before it, the FCC stated that it would first consider a variety of factors in the overall ETC determination, including an examination of the benefits of increased consumer choice and the unique advantages and disadvantages of the competitor's service offering. Second, in areas where an ETC applicant seeks designation below the study area level of a rural telephone company, the FCC said it will also conduct a "creamskimming" analysis that compares the population density of each such wire center in which the ETC applicant seeks designation against that of all wire centers in the study area in which the ETC applicant does not seek designation. ETC Order at ¶41; 47 CFR §54.202(c).

The FCC declined to adopt a specific test to use when considering if the designation of an ETC will affect the size and sustainability of the high-cost fund, but it did identify the level of federal high-cost per-line support in a given wire center as one relevant factor in considering whether or not it is in the public interest to have additional ETCs designated in that wire center. ETC Order at ¶54-55.

It is clear from the FCC's ETC Order that the burden of proof rests with the ETC applicant. With respect to the public interest evaluation, the FCC stated, "In determining whether an ETC has satisfied these criteria, the [FCC] places the burden of proof upon the ETC applicant." ETC Order at ¶44.

The FCC stated its belief that §214(e)(2) of the Federal Act "demonstrates Congress's intent that state commissions evaluate local factual situations in ETC cases and exercise discretion in reaching their conclusions regarding the public interest, convenience and necessity, as long as such determinations are consistent with federal and other state law." The FCC noted that states "are particularly well-equipped to determine their own ETC eligibility requirements." ETC Order at ¶61.

In addition, the ETC Order recognizes in ¶72 that "state commissions possess the authority to revoke ETC designations for failure of an ETC to comply with the requirement of §214(e) of the Act or any other conditions imposed by the state."

Consistent with past Commission rulings, the Commission holds that it will use the guidelines from the FCC's ETC Order as the general framework (and minimal requirements) for considering ETC designations and for establishing whether an application is in the public interest. The following analysis implements that holding.

C. General FCC ETC Order Requirements

1. Commitment to Provide Service throughout ETC-Designated Area

Under FCC guidelines, (and as required by this Commission), an ETC applicant must agree to provide service throughout its proposed designated service area to all customers making a reasonable request for service. E TC Order at ¶22; 47 CFR §54.202(a)(1)(i). Telrite commits to providing service throughout its requested ETC area to all customers making a reasonable request for service. (Application at 8)

The Commission concludes that Telrite presented sufficient evidence regarding its willingness and ability to provide service throughout its requested ETC area to all customers who make a reasonable request for service.

2. Functionality in Emergency Situations

Under FCC guidelines, (and as required by this Commission), an ETC Applicant must demonstrate its ability to remain functional in emergency situations. 47 CFR §54.202(a)(2), as explained more fully in paragraph 25 of that order:

Specifically, in order to be designated as an ETC, an applicant must demonstrate it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. We believe that functionality during emergency situations is an important consideration for the public interest.

The Commission concludes that Telrite has made the necessary showing on this issue.

3. Consumer Protection and Service Quality Standards

Under 47 CFR §202(a)(3), (and as required by this Commission), an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. ETC Order at ¶28. Telrite must abide by the applicable service quality and consumer protection rules set forth in 83 Ill. Adm. Code Parts 732, 735 and 736. Telrite commits to comply with Illinois' consumer protection and service quality standards as set forth in the Commission regulations cited above. Telrite commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards, and specifically commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. (Application at 9)

The Commission concludes that Telrite has made the necessary showing on this issue.

4. Local Usage/Rate Plans

Pursuant to 47 CFR §54.202(a)(4), (and as required by this Commission), an ETC applicant must demonstrate that it offers a local usage plan comparable to the one offered by the ILEC in the service areas for which it seeks designation. The FCC requires that an ETC's local usage plans should be reviewed on a case-by-case basis to ensure that each ETC provides a local usage component in its universal service offering that is comparable to the plan offered by the ILEC. The plans need not be identical and the FCC has not adopted any minimum local usage requirements. ETC Order at ¶32.

As a designated ETC, Telrite is required to comply with any applicable minimum local usage requirements Telrite offers, in lieu of a Lifeline discount, 100 usage minutes each month. Any unused free minutes will be rolled over into the next month. (ld.) And each Lifeline customer may purchase additional minutes (beyond the 100 free minutes) in \$10.00 and \$25.00 denomination with 9.9¢ each minute. Telrite will also offer its wireless customers free customer service calling (611 calls). (ld)

The Commission concludes that Telrite has made the necessary showing on this issue.

5. Carrier of Last Resort - Equal Access Requirement

An ETC applicant must certify its acknowledgement that it may be required to "provide equal access to long distance carriers in their designated service area in the event that no other ETC is providing equal access within the service area." 47 CFR 54.202(a)(5); ETC Order at ¶35. Telrite certifies to the Commission that it may be required to provide equal access to long distance carriers in the event that no other

eligible telecommunications carrier is providing equal access within the service area. (Application at 10)

The Commission concludes that Applicant has made the necessary showing on this issue.

- 6. Annual Reporting and Certification Requirements
- 47 CFR §54.209 (as applied by this Commission) contains the following annual reporting requirements for ETCs:
 - "(a) A common carrier designated under Section 214(e)(6) as an eligible telecommunications carrier shall provide:
 - (1) A progress report on its five-year service quality improvement plan, including maps detailing its progress towards meeting its plan targets, an explanation of how much universal service support was received and how it was used to improve signal quality, coverage, or capacity and an explanation regarding any network improvement targets that have not been fulfilled. The information shall be submitted at the wire center level:
 - (2) Detailed information on any outage, as that term is defined in 47 CFR 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases or otherwise utilizes that potentially affect:
 - (i) At least ten percent of the end users served in a designated service area; or
 - (ii) A 911 special facility, as defined in 47 CFR 4.5(e).
 - (iii) Specifically, the eligible telecommunications carrier's annual report must include information detailing:
 - (A) The date and time of onset of the outage;
 - (B) A brief description of the outage and its resolution;
 - (C) The particular services affected;
 - (D) The geographic areas affected by the outage;
 - (E) Steps taken to prevent a similar situation in the future; and
 - (F) The number of customers affected.
 - (3) The number of requests for service from potential customers within the eligible telecommunications carrier's service areas that were unfulfilled during the past year. The carrier shall also detail how it attempted to provide service to those potential customers, as set forth in § 54.202(a)(1)(i);

- (4) The number of complaints per 1,000 handsets or lines;
- (5) Certification that it is complying with applicable service quality standards and consumer protection rules;
- (6) Certification that the carrier is able to function in emergency situations as set forth in § 54.201(a)(2);
- (7) Certification that the carrier is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas; and
- (8) Certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.
- (b) Filing deadlines. In order for a common carrier designated under section 214(e)(6) to continue to receive support for the following calendar year, or retain its eligible telecommunications carrier designation, it must submit the annual reporting information in paragraph (a) no later than October 1, 2006, and thereafter annually by October 1 of each year. Eligible telecommunications carriers that file their reports after the October 1 deadline shall receive support pursuant to the following schedule:
 - (1) Eligible telecommunication carriers that file no later than January 1 of the subsequent year shall receive support for the second, third and fourth quarters of the subsequent year.
 - (2) Eligible telecommunication carriers that file no later than April 1 of the subsequent year shall receive support for the third and fourth quarters of the subsequent year.
 - (3) Eligible telecommunication carriers that file no later than July 1 of the subsequent year shall receive support for the fourth quarter of the subsequent year."

ETC Order at ¶69.

Telrite commits to comply with all applicable annual reporting requirements set forth in the FCC ETC Order. Telrite will also provide detailed quarterly reporting as specified in 83 Ill. Adm. Code 757 (Exhibit A) to the Commission and UTAC. (Application at 8)

The Commission concludes that Applicant has made the necessary showing on this issue.

7. Five-Year Network Improvement Plan

Under FCC guidelines, an ETC Applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's

network on a wire center-by-wire center basis throughout its proposed designated service area. The Commission determined in Dockets 06-0003, 06-0038, 06-0381 and 06-0410 that the only circumstance warranting deviation from this requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. In this proceeding, Telrite is not seeking high cost support. Thus, it is not submitting network improvement plan. (ld.) The Commission thus concludes that Applicant has made the necessary showing on this issue.

VI. PUBLIC INTEREST ANALYSIS

A. Introduction

Before designating an additional ETC for an area served by an ETC, the State Commission must find such designation to be in the public interest, 47 U.S.C. §214(e)(2).

In its ETC Order, the FCC encouraged state commissions to implement the FCC's framework for analyzing the public interest so as to promote a consistent approach among the states in applying the universal service principles of preserving and advancing universal service and competitive neutrality and improving the long-term sustainability of the USF. ETC Order at ¶19, ¶58.

The FCC acknowledged that state commissions may use and have used additional factors in their public interest analysis. The burden of proving whether an Applicant's service is in the public interest is on the Applicant. Finally, the FCC stressed that although it has set forth criteria for evaluating public interest, it and state commissions may conduct the analysis differently or reach a different outcome, depending on the area being served by the Applicant. Id at ¶¶40-44, ¶60.

The FCC indicated that it would continue to balance the following factors in performing its public interest analysis for ETC applicants:

- (1) Consumer Choice: The [FCC] takes into account the benefits of increased consumer choice when conducting its public interest analysis. In particular, granting an ETC designation may serve the public interest by providing a choice of service offerings in rural and high-cost areas. The [FCC] has determined that, in light of the numerous factors it considers in its public interest analysis, the value of increased competition, by itself, is unlikely to satisfy the public interest test.
- (2) Advantages and Disadvantages of Particular Service Offering: The [FCC] also considers the particular advantages and disadvantages of an ETC's service offering. For instance, the [FCC] has examined the benefits of mobility that wireless carriers provide in geographically isolated areas, the possibility that an ETC designation will allow customers to be subject

to fewer toll charges and the potential for customers to obtain services comparable to those provided in urban areas, such as voicemail, numeric paging, call forwarding, three-way calling, call waiting and other premium services. The [FCC] also examines disadvantages such as dropped call rates and poor coverage.

ETC Order at ¶44

In addition to the foregoing factors, the FCC conducts a "creamskimming" analysis in areas for which an applicant seeks designation below the study area level of a rural telephone company. Telrite is not seeking designation below the study area level of rural ILECs. A creamskimming analysis is, therefore, not required, and does not factor into the Commission's public interest analysis in this case.

The FCC also suggests that a state commission may consider limiting the number of ETCs due to the strain on the federal USF by examining per-line USF support received by the individual LEC, on a case-by-case approach. The FCC, however, declined to adopt a specific national per-line support benchmark to be applied in analyzing the strain on the federal USF. Id. at ¶55-56.

The Commission has broad discretion in analyzing whether the designation of an additional carrier as an eligible telecommunications carrier in a given area, thereby allowing the carrier to seek Universal Service funding support, is in the public interest. The Commission will adopt and implement the FCC's analytical framework, so that the guidelines described in the ETC Order will be the minimum guidelines applied in this proceeding. However, in this and any future proceeding, we reserve our discretion to supplement, or depart from, the FCC's framework when Illinois circumstances suggest that we do so.

A public interest analysis in the context of ETC applications involves a number of factors. One such factor is the benefit of increased customer choice, although that value alone is unlikely to satisfy the public interest test. In the instant proceeding, the designation of Telrite as an ETC for the limited purpose of offering Lifeline service will increase customer choice for low income consumers eligible for Lifeline support in the areas requested. Another factor for consideration is the advantages and disadvantages of the particular service offering. Telrite's offering is intended to provide additional options for low income customers and increased access to emergency services for the public overall, to the extent that it enables low income customers to obtain service.

Telrite acknowledges that 47 CFR §54.405 requires all ETCs to make Lifeline services available to qualifying low income consumers and this service is available in Telrite's requested service areas. Designation of Telrite as an ETC would make Lifeline service available to customers, thereby offering telecommunications to a market that is often limited in service and selection.

In sum, the Commission finds that the commitments made by Telrite in its Application, as amended, regarding compliance with the federal guidelines described in

the ETC Order and with Illinois-specific requirements, as set forth herein, support a positive public interest finding.

VII. TELRITE'S ADDITIONAL COMMITMENTS AND CONDITIONS

Telrite has made the following additional commitments under the Joint Stipulation it has entered into with Staff:

- 1. Telrite will require that all Lifeline/Linkup applicants provide documentation of Lifeline/Linkup eligibility at the time of initial customer enrollment, and in all verification of ongoing eligibility for Lifeline participation. This will consist of documentation verifying current participation in one or more of the qualifying proxy programs listed in §757.10 of Code Part 757 or §54.409(b) of Code of Federal Regulation. Acceptable documentation includes a valid, dated copy of a document issued by a qualifying agency, such as the Department of Human Services, establishing proof of participation in the claimed proxy program. These documentations shall be made available to Staff upon request.
- 2. Telrite will require all Lifeline/Linkup applicants to identify on the Lifeline/Linkup certification forms the qualifying proxy programs that he or she is currently participating in.
- 3. Telrite will require all Lifeline/Linkup applicants to certify on its Lifeline/Linkup certification forms that (i) the customer understands that he or she may not receive more than one Linkup subsidy at the same residential address and (ii) that the customer has not previously received Linkup subsidy at his current address, respectively.
- 4. Telrite will require all Lifeline/Linkup applicants to certify on its Lifeline/Linkup certification forms (i) that he or she is the head of a household and (ii) that he or she is not currently receiving Lifeline subsidy from another (wireline or wireless) carrier, respectively.
- 5. Telrite will provide detailed quarterly reporting as specified in 83 III. Adm. Code 757 to the Commission and UTAC.
- 6. Telrite certifies that it satisfies (and will continue to satisfy) all 9-1-1 related conditions imposed in the FCC TracFone Forbearance Order (FCC05-165, rel. September 8, 2005).
- 7. Telrite will utilize competitive, reasonable rates and Telrite's usage plan(s) and its Illinois tariffed rates will be capped at the levels [set forth in the proposed wireless Lifeline/Linkup tariff provided in response to Staff DR QL-3.05] for one year. In addition:

- a. All rates (non-recurring and recurring) must be identical for subsidized and non-subsidized customers (before application of the subsidy) and are specifically set forth in the tariff. In addition, each subsidy is specifically set forth in the tariff. A copy of the tariff is provided to Staff prior to entry of the ICC ETC Order.
- b. Telrite will notify Staff 30 days prior to any reductions in rates, (including promotions and/or discounts), and after the 1 year capped rates period, Telrite will provide Staff with a minimum of 30 days notice prior to any rate increase.
- 8. Telrite will not charge its wireless Lifeline customer service for making calls to its customer service representatives (i.e., 611 calls).
- 9. In lieu of Lifeline discount, Telrite will provide Lifeline wireless customers 100 free usage minutes per month. In the event that a Lifeline customer does not use all free minutes provided in a given month, those minutes will roll over to the next month.
- 10. Telrite will pay wireless E911 surcharges on behalf of its wireless customers.
- 11. Telrite will identify inactive handsets, remove them from the Lifeline roll, and discontinue receiving USAC support for those customers. The following procedure will be utilized:
 - a. In the event that a Telrite wireless customer goes 60 days without any usage, independent of the service end date, Telrite will attempt to contact that customer. Telrite will first attempt to text message the customer asking them to call customer service. In the event that this is unsuccessful Telrite will then attempt to contact the customer via a telephone call to the handset and/or an alternative number.
 - b. If the customer wishes to discontinue service or if Telrite is still unable to contact the customer after 75 days without any usage, the customer will be immediately de-enrolled from Telrite's Lifeline program, their Telrite Lifeline benefits will be discontinued, and Telrite will not seek further USF reimbursements for that customer, unless within 30 days from de-enrollment, the customer uses the phone or contacts customer service to request re-enrollment in the Lifeline program. Lifeline benefits will not be applied retroactively.
 - c. If the customer does not use the phone or request re-enrollment within 30 days of the de-enrollment, the customer's phone will be de-activated and they will no longer be able to make or

receive calls other than 9-1-1 calls. Customers shall be able to make 9-1-1 calls even after they are de-enrolled and deactivated.

- 12. In accordance with Commission rules set forth in Code Part 757, Subpart C, Telrite acknowledges that it will not seek Illinois UTSAP supplemental connection fee assistance, and that such assistance is not available to wireless ETCs as they are not local exchange carriers or "LECs". See 83 Ill. Adm. Code 757.200.
- 13. Telrite will comply fully with all provisions contained in §54.400-418 (Universal Service Support for Low-Income Consumers) of Title 47 C.F.R. as well as all other applicable requirements contained in Section 54 of Title 47 C.F.R.
- 14. Telrite will cooperate fully with any formal or informal Commission or Staff investigation or audit.

The Commission finds that these additional requirements set forth above are necessary and appropriate conditions that Telrite, as a wireless ETC, must comply with. Accordingly, the Commission adopts each of the above additional commitments as conditions to this Order and to the wireless ETC designation granted to the Applicant.

VIII. OVERALL CONCLUSIONS

The Commission has found that the requirements set forth in the FCC's ETC Order and rules provide appropriate minimum guidelines for this Commission in evaluating the ETC petition in this proceeding. Telrite has committed to comply with all applicable Commission requirements. In view of the determinations on the issues made above, and subject to the commitments and conditions found appropriate herein, the Commission finds that Telrite has made the necessary showings to be designated an eligible telecommunications carrier in the requested service area for the purpose of receiving federal Lifeline Universal Service Fund support.

The Commission also observes that the findings herein are based on the record in this proceeding and in large part are reflective of the eventual concurrence of the parties on ultimate conclusions. As such, the findings are not intended to create any specific presumptions with respect to any future application for designation as an ETC.

IX. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record herein and being fully advised in the premises, is of the opinion and finds that:

(1) Telrite Corporation is a CMRS provider in Illinois;

- (2) the Commission has jurisdiction over Applicant and the subject matter of this proceeding;
- (3) the recitals of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (4) the commitments and conditions found appropriate in this Order are hereby imposed with respect to the ETC designation to be granted herein and the granting of such designation is subject to compliance with those conditions:
- (5) Telrite Corporation shall be designated as a wireless Eligible Telecommunications Carrier for purposes of receiving federal low-income USF support with respect to the requested ETC service area.

IT IS THEREFORE ORDERED that Telrite Corporation is hereby designated, effective as of the date of this Order, a wireless Eligible Telecommunications Carrier for purposes of receiving federal low-income USF support in the ETC designated service territory, pursuant to Section 214(e)(2) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED that Telrite Corporation shall comply with the commitments and conditions set forth this Order.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 III. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this [X] day of April, 2011.

(SIGNED) DOUG SCOTT

Acting Chairman

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 10th day of November, 2010.

In the Matter of the Application of Telrite)	
Corporation for Designation as an Eligible)	
Telecommunications Carrier on a Wireless)	File No. XO-2011-0062
Basis (Low Income Only))	

ORDER GRANTING DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

Issue Date: November 10, 2010 Effective Date: November 20, 2010

Syllabus: Through this order, the Missouri Public Service Commission grants eligible telecommunications carrier status to Telrite Corporation for the purpose of receiving low-income and disabled customer support in the AT&T Missouri service areas.

Background

Telrite filed its verified application on September 2, 2010, for designation as an Eligible Telecommunications Carrier on a Wireless Basis solely for the purpose of providing the services supported by and participating in the Low Income Programs of the Universal Service Fund. The Commission issued an order directing that notice of the application be sent and setting an intervention deadline of September 29. There were no applications to intervene. The company thereafter filed a supplement to the application by referencing certain additional commitments which the Commission found necessary in other ETC dockets.

The Staff of the Commission filed its recommendation on November 4, 2010. Staff recommends that the Commission grant Telrite's application to be designated as an ETC for the receipt of low-income support from the federal Universal Service Fund.

Discussion

The application is within the Commission's jurisdiction.¹ Because no party objects to Telrite's application, no evidentiary hearing is required.² Thus, the Commission deems the hearing waived³ and bases its findings on the verified filings, and makes its conclusions as follows.

Telrite is a Georgia corporation authorized to do business in the State of Missouri.

This Commission has previously granted to Telrite the authority to provide interexchange telecommunications service in Missouri.

4 Telrite is in compliance with the Missouri USF Assessment, this Commission's assessment and its annual report.

As required by the Federal Communications Commission and this Commission's rule, Telrite will provide service using at least a portion of its own facilities. It will ensure that certain service features are provided: touchtone, single-party, access to 911, IX service, relay (711), directory assistance, operators and toll limitation. Because the company is a wireless service, it will, within 30 days of receiving ETC status, make an informational filing describing all service offerings. It has committed to providing service throughout the proposed service area and in a timely manner, to remain functional in emergencies, to satisfy consumer protection and quality of service standards, to offering a comparable usage plan to the incumbent, and to maintain records of customer complaints.

¹ 47 U.S.C. §214(e)(2).

² State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Comm'n, 776 S.W.2d 494 (Mo.App.1989).

³ Section 536.060, RSMo

⁴ File No. XA-2004-0197.

The company has provided statements that it will provide equal access if all other ETCs in that service area relinquish their ETC designations. It has also stated that it will satisfy consumer privacy protection standards. The company will also provide a clear bill design, provide online customer service contact information as well as billing statements. It will publicize Lifeline and will not collect a deposit from a Lifeline subscriber if the consumer voluntarily elects toll limitation service nor will it change a Lifeline subscriber a monthly number portability charge.

Consistent with the federal plan, the company will provide the following discounts:

Tier 1: \$1.75 (fed discount)

Tier 2: \$6.50 (waive subscriber line charge), which it limited to ILEC's subscriber line charge

Tier 3: \$1.75 (half of a state's or carrier's contribution)

\$3.50 state MoUSF for a maximum of \$13.50.

Also, under FCC rules, the company is required to comply with state verification procedures in states that mandate state Lifeline support. This Commission requires the company to verify a customer's initial and continued eligibility and develop a process for documentation received. Finally, the company is to notify the Commission of any changes in contact information.

The Staff of the Commission points out that Telrite proposes to offer a wireless service for qualifying low-income customers. The proposed service will provide essentially a free wireless handset to qualifying customers with no monthly fees, and 68 minutes of usage per month with additional usage available for fees. Staff further notes that the company does not intend to seek Missouri USF funding for this service. Staff concludes that the company meets all requirements for ETC designation in order to receive low-income support.

Based upon the company's verified application and Staff's verified Memorandum, the Commission will grant Telrite's application and designate the company has an eligible telecommunications carrier.

THE COMMISSION ORDERS THAT:

- 1. Telrite Corporation's application as an Eligible Telecommunications Carrier for the receipt of low-income support from the federal Universal Service Fund is granted.
 - 2. This order shall become effective on November 20, 2010.
 - 3. This case shall be closed on November 21, 2010.

BY THE COMMISSION

Steven C. Reed Secretary

(SEAL)

Clayton, Chm., Davis, Jarrett, Gunn, and Kenney, CC., concur.

Jones, Senior Regulatory Law Judge

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER S-31512

TELRITE CORPORATION **EX PARTE**

Docket Number S-31512 In re: Telrite Corporation, ex parte. In re: Request for Authority for Designation as an Eligible Telecommunications Carrier on a Wireless Basis.

(Decided at the Open Session dated December 8, 2010)

Overview

Telrite Corporation ("Telrite" or "the Company") filed an application with this Commission seeking designation as an Eligible Telecommunications Carrier ("ETC") pursuant to 47 U.S.C. § 214(e)(2) of the Communications Act of 1934, as amended (the "Act") for purposes of receiving low-income federal universal service support. Telrite's Application specified that the Company "requests ETC status solely for the purpose of providing the services supported by and participating in the Low Income Programs of the Universal Service Fund. Telrite does not request ETC status for the purpose of participating in any High Cost programs of the Universal Service Fund." Furthermore, Telrite's Application explicitly stated that Company is seeking to be designated as an ETC on a wireless basis only, and that it currently does not seek designation as an ETC on a wireline basis. The Company's Application stated that Telrite seeks ETC status throughout the BellSouth Telecommunications, Inc. d/b/a AT&T Louisiana service territories; however, the Application requested that Telrite be designated as an ETC in several

The Act provides that state commissions, upon request and consistent with the public interest, convenience, and necessity, may in an area served by a rural telecommunications carrier, and shall in all other areas, designate more than one common carrier as an ETC for a service area designated by the state commission if the carrier meets the requirements of the Act.

Applicable Law

rural exchanges and service areas.

The Louisiana Public Service Commission ("Commission") exercises jurisdiction over public utilities in Louisiana pursuant to Article IV, Section 21(B) of the Louisiana Constitution, which states:

> The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and

47 U.S.C. § 214(e) (2).

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enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

The Commission is given broad power to regulate telephone utilities and may adopt all reasonable and just rules, regulations, and orders affecting or connected with the service or operation of such business.

Pursuant to the Act, state commissions are given the authority to designate those common carriers that meet the service requirements found in 47 C.F.R. § 54.101 as "Eligible Telecommunications Carriers" ("ETCs") entitling them to universal service support in accordance with 47 U.S.C. § 254.

The service requirements enumerated in 47 C.F.R. § 54.101 are as follows:

- 1) Voice grade access to the public switched network;
- 2) Local usage;
- Dual tone multi-frequency signaling or its functional equivalent;
- 4) Single-party service or its functional equivalent;
- 5) Access to emergency services;
- 6) Access to operator services;
- 7) Access to interexchange service;
- 8) Access to directory assistance; and
- 9) Toll limitation for qualifying low-income consumers.

Under 47 U.S.C. § 254 (c), a common carrier seeking ETC status must offer all of the above services and must advertise the availability of such services using media of general distribution.² Section 214(e)(1) of the Act further provides that an ETC must offer service using its own facilities or a combination of its own facilities and resale of another carrier's services. Accordingly, pursuant to 47 C.F.R. § 54.201(i), state commissions generally cannot designate as an ETC a carrier that offers services supported by federal universal service support mechanisms exclusively through resale of another carrier's service.

To ensure compliance with the public interest requirement codified at Section 214(e)(2) of the Act, the Commission issued General Order R-27841, which established a list of thirteen public interest criteria that are to be applied on a case specific basis in connection with all

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⁴⁷ U.S.C. § 254 (1)

requests for ETC designation in areas served by rural telephone carriers:

- 1. Benefits of increased competitive choice resulting from the designation.
- 2. Impact of multiple designations on the Universal Service Fund. Specifically, the Commission, upon the petition of any rural ILEC, shall determine if any changes by the FCC in the rules affecting how rural ILECs received Federal USF support causes a material negative impact on the rural ILECs level of Federal USF support. The Commission shall render a decision on any petition filed by a rural ILEC regarding its finding within 90 days. In the event the Commission finds the change has had an actual material negative impact and that decertifying a wireless ETC will mitigate such reduction in funding, the competitive ETC certification shall be considered to no longer be in the public interest by the LPSC and shall be immediately revoked by the LPSC, to the extent that revoking such certification will mitigate such reduction. Nothing herein shall impact a competitive ETC's certification in non-rural areas, if any.
- Unique advantages and disadvantages of the competitive service offering.
- 4. Commitment to quality of service by the competitive provider.
- Submission of records and documentation, on a quarterly basis, declaring the carriers plans for use of universal service funding received as a result of this Commission's designation, including updates as to the progress of said projects.
- For wireless carriers, compliance with the CTIA Consumer Code for Wireless Services and submission of the number of consumer complaints per 1000 mobile headsets to the LPSC on a quarterly basis.
- 7. Information regarding the number of requests for service in the designated area that go unfulfilled and adoption of a process setting forth specific steps that will be considered if a request for service is received from a customer within the designated ETC service area, but outside the existing signal coverage area.
- Compliance with all existing and future state and federal 911 and E-911 mandates.
- 9. Compliance with Section 401B of the LPSC's Regulations for Competition in the Local Telecommunications Market. For all areas serviced by a wireless ETC in which the carrier received federal USF funds, the wireless ETC shall file retail rates with the LPSC's regulations prior to implementing any such retail rates. As a condition of receiving ETC status, each wireless carrier agrees that the LPSC shall have the authority to reject any retail rate found by the LPSC to be artificially low or below the wireless ETC's costs of providing service, without considering federal USF funding. Additionally, the wireless ETC shall not offer any promotion in the rural service area that it does not offer in the remainder of its service area. Lifeline and Linkup offerings will not be subject to this provision.

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- 10. Compliance with Section 302(A) of the LPSC's Regulations for Competition in the Local Telecommunications Market. (Annual Report Filings).
- 11. Compliance with Sections 301A-C and 401 of the Commission's TSP Billing Order.
- 12. Compliance with any additional requirements established by the Commission in Docket R-27733.
- 13. Conduction of a rural cream-skimming analysis.

Background and Procedural History

The Commission has previously designated ETC status to the following carriers serving non-rural service areas: Sprint Corporation, Alltel Communications Wireless, Inc., 4 Cox Communications, LBH, LLC, VCI Company, Nexus Communications, ABC Telecom, October 1981 Image Access, 10 BLC Management, 11 dPi, 12 Everycall Communications, Inc., 13 Tennessee Telephone Services, L.L.C., ¹⁴ Triarch Marketing d/b/a Triarch Communications. ¹⁵ Fast Phones. Inc., 16 TracFone Wireless, Inc. ("TracFone"), 17 Affordable Phone Services, Inc, 18 Virgin Mobile, USA, L.P. ("Virgin Mobile"), 19 and Phoneaid Communications. Inc. 20

Telrite filed its request for designation as an ETC carrier on a wireless basis on August 26, 2010. Notice of the request was published in the Commission's Official Bulletin dated September 3, 2010, with an intervention period of twenty-five (25) days. On September 27, 2010, the Small Company Committee of the Louisiana Telecommunications Association ("SCC"), on behalf of itself and each of its members, 21 filed notice of intervention pursuant to

LPSC Order No. U-28009.

LPSC Special Order No. 27-2006.

LPSC Order No. U-26437.

LPSC Special Order No. 43-2006.

LPSC Special Order No. 3-2007.

LPSC Order No. S-30699.

LPSC Order No. S-30601.

LPSC Order No. S-30637.

LPSC Order No. S-30589.

LPSC Order No. S-30502.

LPSC Order No. S-30891. 14

LPSC Order No. S-30982. 15 LPSC Order No. S-31003.

¹⁶ LPSC Order No. S-31090.

¹⁷ LPSC Order No. S-31097. Similar to Telrite's application, TracFone Wireless was granted limited designation as an ETC for the sole purpose of receiving federal low-income Lifeline USF support. LPSC Order No. S-31222

LPSC Order No. S-31282. Virgin Mobile was also granted limited designation as an ETC for the sole purpose of receiving federal low-income Lifeline USF support. LPSC Order No. S-31511.

The members of the SCC that participated in this docket were: Cameron Telephone Company, LLC; Campti-Pleasant Hill Telephone Co., Inc.; CenturyTel of Chatham, LLC; CenturyTel of Central Louisiana, LLC; CenturyTel of East Louisiana, LLC; CenturyTel of Evangeline, LLC; CenturyTel of North Louisiana, LLC; CenturyTel of Northwest Louisiana, Inc.; CenturyTel of Ringgold, LLC; CenturyTel of Southeast Louisiana, Inc.; CenturyTel of Southwest Louisiana, LLC; Delcambre Telephone Co., LLC; East Ascension Telephone Co., LLC;

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Rule 10 of this Commission's Rules of Practice and Procedure. This matter was thereafter converted from an "S" docket to a "U" docket.

In its intervention, the SCC observed that Telrite's Application stated that the Company seeks ETC status throughout the BellSouth Telecommunications, Inc. d/b/a AT&T Louisiana service territories. The SCC noted though that Telrite requested ETC status for exchanges and service areas of several SCC member companies. Accordingly, the SCC argued that Telrite should be subject to and comply with the conditions imposed upon TracFone and Virgin Mobile when those carriers were granted limited ETC status for the purpose of obtaining federal low-income Universal Service Fund support.²²

A status conference was conducted before Administrative Law Judge Caroyln DeVitis on October 11, 2010, at which time Counsel for the SCC proposed that that if Telrite were to amend its Application, either to remove the rural exchanges or to modify its Application to be consistent with the Commission's Orders concerning TracFone and Virgin Mobile, then the SCC could likely file a non-opposition to the amended application. Counsel for Telrite declared that Telrite would be amenable to amending its Application accordingly.

Telrite then filed an Amendment to Application and Stipulation on October 21, 2010, wherein the Company stipulated to the following commitments:

- Telrite's ETC designation shall be limited to and for the sole purpose of obtaining federal Lifeline and Link-Up universal service support;
- Telrite shall be ineligible to receive federal high cost universal service support;
- If the Commission designates Telrite as an ETC, such designation shall have no effect on the definition of rural LEC study areas;
- If the Commission designates Telrite as an ETC, such designation will have no ability to affect the designation of rural LEC study areas on a going forward basis; and
- Telrite will comply with the requirements of the Commission's General Order No. R-27841, including the reporting requirements established therein.²³

Elizabeth Telephone Company, LLC; Kaplan Telephone Co., Inc.; Lafourche Telephone Co., Inc.; Northeast Louisiana Telephone Co., Inc.; Reserve Telephone Co., Inc.; and Star Telephone Co., Inc.

See Order No. S-31097, In re: Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Louisiana for the Limited Purpose of Offering Lifeline Service to Qualified Households (December 22, 2009), and Order No. S-31282, In re: Virgin Mobile USA, L.P., ex parte. In re: Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Louisiana by Virgin Mobile USA, L.P. (July 12, 2010).

These additional commitments were in addition to the commitments, limitations and requests included in Telrite's original Application.

On November 1, 2010, the SCC filed a Non-Opposition to Amendment to Application & Stipulation, wherein the SCC expressed its non-opposition to Telrite's Application as amended by the Company's October 21, 2010 Amendment to Application and Stipulation. The SCC further withdrew its status as an Intervenor to this docket, and requested to be designated as an Interested Party with the full right to reinstate its Intervenor status without objection from Staff and/or Telrite in the event that either Telrite's Application as amended by the Amendment to Application and Stipulation, or the commitments made by Telrite, should be further amended or modified.

The Tribunal then issued a Notice of Reversion on November 16, 2010, in which Judge DeVitis granted the SCC's request to be designated as an Interested Party. The Administrative Law Judge further directed that the instant docket was to be removed from the contested docket and reverted to be handled on Staff level.

As set forth in the Application, Telrite offers all of the supported services required by the act through a combination of its own facilities and resale of other carriers' services. Additionally, Telrite will advertise the availability of these services and the charges for those services through media of general distribution as required by FCC Rules. Furthermore, Telrite will comply with the public interest requirements established by the Commission in General Order No. R-27841, including the reporting requirements.

Staff's Recommendation and Commission Consideration

After reviewing Telrite's Application, Staff was of the opinion that the request should be granted and that Telrite should be designated as a limited ETC on a wireless basis for the sole purpose of obtaining federal low income/Lifeline and Link-Up universal service fund support, subject to the conditions stipulated to in Telrite's Amendment to Application and Stipulation. Staff noted that Telrite seeks designation as an ETC on a wireless basis both in areas served by AT&T, a non-rural carrier and in areas served by rural telephone companies, but that Telrite has requested ETC status only for the purpose of receiving low-income universal support, i.e. Lifeline and Link-Up. The Commission's General Order No. R-27841 establishes public interest requirements that are mandatory for common carriers seeking designation as ETCs in high-cost rural service areas. Although Telrite is seeking only low-income/Lifeline and Link-Up support and is not seeking high cost universal service support, the Company has stipulated to complying

Order Number S-31512 Page 6 of 8 with the public interest requirements of General Order No. R-27841.

In its Report and Order released March 17, 2005, in FCC Docket No. 96-45, the FCC instructed states to conduct a public interest analysis regardless of whether the area sought is rural or non-rural. Furthermore, Telrite seeks to be designated as an ETC on a wireless basis only, and the Company's Application specifically states that Telrite does not seek designation on a wireline basis at this time.

In its review, Staff concluded that the designation of Telrite as an ETC on a wireless basis would be in the public interest, as the request is very similar to those previously granted by the Commission, particularly those involving CLECs. However, because Staff recommended that Telrite be designated as a limited ETC on a wireless basis for the sole purpose of receiving low income/Lifeline and Link-Up support only, Staff recommended that Telrite's designation as an ETC on a wireless basis have no effect on the definition of Rural LEC federal study areas, and should furthermore have no ability to affect such study areas.²⁴ Telrite stipulated to this requirement in its October 21, 2010 Amendment to Application and Stipulation.

Finally, as Lifeline and Link-Up funds are designed only to lower the costs of telecommunications services on an eligible per-customer basis, the designation of Telrite as an ETC on a wireless basis will have no impact on the size of the universal service fund.

Accordingly, Staff recommended that Telrite be designated as a limited ETC on a wireless basis for the sole purpose of obtaining federal low income/Lifeline and Link-Up universal service fund support, subject to the conditions stipulated to in Telrite's October 21, 2010 Amendment to Application and Stipulation, to wit:

- That Telrite's designation be limited to and for the sole purpose of obtaining federal Lifeline and Link-Up universal service support;
- That Telrite be ineligible to receive federal high cost universal service support;
- That if Telrite should be designated as an ETC, such designation will have no effect on the definition of rural LEC study areas;
- That if Telrite should be designated as an ETC, such designation will have no ability to affect the designation of rural LEC study areas on a going forward basis;

Order Number S-31512

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Staff notes that its analysis, recommendations and conclusions are limited to the facts of this docket and are based and conditioned on the fact that Telrite is not seeking and does not qualify for any federal High Cost USF support.

5) That Telrite be required to comply with the requirements of the Commission's General Order no. R-27841, including the reporting requirements established therein.

Staff's Recommendation was considered by the Commission at its December 8, 2010 Business and Executive Session. On motion of Commissioner Boissiere, seconded by Commissioner Skrmetta, with Commissioners Campbell and Holloway concurring and Commissioner Field temporarily absent, the Commission voted to accept the Staff Recommendation and grant the request for designation as a limited ETC.

IT IS THEREFORE ORDERED THAT:

- Telrite Corporation is hereby designated as a limited ETC on a wireless basis for the sole purpose of obtaining federal low-income/Lifeline universal service support, and said designation is limited to Lifeline and Link-Up universal service support only.
- 2. Telrite Corporation shall be ineligible to receive federal high cost universal service support.
- Telrite Corporation designation as a limited ETC on a wireless basis shall have no effect on the definition of rural LEC study areas.
- 4. Telrite Corporation's designation as a limited ETC on a wireless basis shall have no ability to affect the designation of rural LEC study areas on a going forward basis.
- Telrite Corporation is required to comply with the requirements of the Commission's General Order No. R-27841, including the reporting requirements established therein.
- 6. This Order shall be effective immediately.

BY ORDER OF THE COMMISSION BATON ROUGE, LOUISIANA

December 14, 2010

/s/ LAMBERT C. BOISSIERE, III
DISTRICT III
CHAIRMAN LAMBERT C. BOISSIERE, III

ABSENT
DISTRICT II
VICE CHAIRMAN JAMES M. FIELD

/s/ FOSTER L. CAMPBELL
DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/s/ ERIC F. SKRMETTA

DISTRICT I

COMMISSIONER ERIC F. SKRMETTA

EVE KAHAO GONZALEZ SECRETARY

/s/ CLYDE C. HOLLOWAY

DISTRICT IV

COMMISSIONER CLYDE C. HOLLOWAY

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PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered: December 2, 2010

FINAL

12/22/2010

CASE NO. 10-1306-T-PC

TELRITE CORPORATION

Petition for consent and approval for limited designation as an eligible telecommunications carrier.

RECOMMENDED DECISION

On August 18, 2010, Telrite Corporation (Telrite), a public telephone utility, Covington, Georgia, filed a petition with the Public Service Commission of West Virginia, pursuant to Section 214(e)(2) of the Telecommunications Act of 1934, as amended (Act), seeking designation as an eligible telecommunications carrier (ETC) throughout West Virginia for the purposes of receiving federal universal service fund (USF) support for providing wireline and wireless services through various low-income programs. Telrite asserted that, by Order entered on January 9, 2006, in Case No. 05-1062-T-CN, the Commission had authorized Telrite to provide resold local exchange telecommunications services throughout West Virginia, and, by Order entered on September 20, 2006, in Case No. 06-0406-T-CN, the Commission had authorized Telrite to provide facilities-based local exchange telecommunications services throughout West Virginia. Telrite is a competitive local exchange carrier (CLEC). Telrite asserted that it meets all of the qualifications necessary to be designated as an ETC under Act §214(e)(1) solely to provide services supported by and participating in the low income programs of the USF. Telrite provides CLEC services throughout West Virginia and is committed to provide those services at reasonably priced rates to areas where such services are not currently available. Telrite's offer in this case includes providing a handset at no cost to the subscriber. Telrite's proposal is to supplement, and not detract from, its current service offerings, and does not seek ETC designation beyond the geographic area for which it already has received certification. Telrite asserted that its proposal would benefit wireline and wireless customers by increasing customers' competitive choices; increasing the customers' geographical local calling areas by providing the customers with this service for a preset amount of air time at no charge, with the flexibility to purchase additional air time (with 911 and E911 services not using air time minutes); and otherwise make Telrite's service offering more appealing and valuable to its customers, outweighing any potential harms. Telrite provides Lifeline and Link-Up services that benefit needy low-income consumers, which enables many to obtain wireline and/or wireless services who otherwise would not be able to obtain those services. Telrite summarized several other components of its offering in support of receiving designation as an ETC.

> PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

On September 20, 2010, Staff Attorney Lisa L. Wansley filed the Initial Joint Staff Memorandum, attaching the September 15, 2010 Utilities Division Initial Recommendation from Utilities Analyst David Kennedy, indicating that, once it had completed its investigation, Commission Staff would submit a substantive recommendation. Staff detailed the specific requirements that Telrite must meet before the Commission can designate it as an ETC and outlined several documents and other information that Staff required before it could make a final substantive recommendation.

By the Commission Referral Order entered on September 28, 2010, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before March 16, 2011.

On October 4, 2010, Telrite filed responses to data requests from Staff.

By the Procedural Order issued on November 5, 2010, the Administrative Law Judge (ALJ) ordered that, on or before Tuesday, November 16, 2010, Commission Staff file its final substantive recommendation, and, on or before Monday, November 29, 2010, Telrite Corporation file its response to Staff's final substantive recommendation.

On November 10, 2010, Staff Attorney Wansley filed the Final Joint Staff Memorandum, attaching the November 8, 2010 Utilities Division Final Recommendation from Mr. Kennedy. Staff outlined the requirements that a telecommunications provider must meet in order to receive ETC status. Staff opined that Telrite was a common carrier as determined by federal law, citing §153(10) of the Act, and stating that the Commission had granted Telrite a certificate of public convenience and necessity to provide resold local exchange telecommunications services in Case No. 05-1062-T-CN and to provide facilities-based local exchange telecommunications services in Case No. 06-0406-T-CN. Telrite offers the services using its own facilities, or a combination of its own facilities and resale, throughout its designated service area. Telrite has an interconnection agreement with Verizon West Virginia Inc., now Frontier West Virginia Inc., approved by the Commission in Case No. 07-2260-T-PC, and also has mobile virtual network operator agreements with AT&T and Verizon nationwide. Telrite offers at least some portion of the Lifeline services through its own facilities as prescribed by the Federal Communications Commission (FCC). Telrite plans to advertise the availability of the Lifeline and Link-Up services using generally distributed media. Telrite meets its universal service obligations throughout its service territory, which it has requested to be the same as Frontier's service area. Telrite can provide voice-grade access to the public switched telephone network; local usage; dual-tone multi-frequency signal or its equivalent function; single party service or its functional equivalent; access to emergency services; access to operator services; access to interexchange services; access to directory assistance; and toll limitation for qualifying low-income customers. Telrite must satisfy applicable consumer protection and quality standards; file annually a report showing consumer complaints per 1,000 customers and demonstrate its ability to remain functional during emergency situations. Telrite does not have to submit a five-year plan describing proposed improvements or upgrades to its network since it is just seeking ETC status for the Lifeline and Link-Up services and not the high-cost programs. Telrite also assured Staff that it would ensure

that a single customer only receives one Lifeline discount by requiring each affected customer to certify annually, in writing, that the customer is the head of the household; participates in one of the state-approved means-tested programs; receives Lifeline-supported services solely through Telrite; and will notify Telrite if the customer is no longer eligible for Lifeline assistance. Telrite has asserted that it will use 100% of the USF support for providing the Lifeline program. Based on the above, Staff recommended that the Commission grant Telrite ETC status for the sole purpose of offering wireline and prepaid wireless Lifeline and Link-Up service to low-income households in West Virginia supported by the USF, and not the high cost program. Staff indicated that Telrite would provide these services under the name of Life Wireless, which would charge a \$30.00 activation fee for Lifeline customers which will be collected via agent store fronts, checks, credit card and money order. As long as the customer remains legitimately eligible for the Lifeline program, Telrite will provide the following services without additional charge:

- 1. Customers will incur no contractual obligation to continue service;
- 2. Customers will incur no roaming charges;
- 3. No cash deposit obligation is required for customers enrolled in the Lifeline program;
- 4. Customers may purchase additional minutes in denominations of \$10.00 (101 minutes), \$25.00 (252 minutes) and \$50.00 (unlimited talk and text);
- 5. Unless the customer is on the unlimited plan, text messaging is charged at a rate of \$0.05 per message;
- 6. Purchased minutes do not expire at the end of the 30-day service cycle and remain available until used or the customer account is terminated;
- 7. Eligible customers qualifying under the Lifeline program will receive a free handset with E911 capability;
- 8. Eligible customers qualifying under the Lifeline program will receive 68 free minutes each month. Unused minutes will roll over to the next month and do not expire for active customers; and
- 9. Eligible customers qualifying under the Lifeline program will receive free voice mail, caller ID, call waiting and call forwarding features which will remain in effect after the 68 free minutes have been consumed.

Finally, Staff recommended that the Commission require that Telrite file the appropriate tariff sheet revisions to its wireline service tariff currently on file and provide a tariff outlining the terms and conditions of service for wireless customers qualifying for the Lifeline and Link-Up programs.

On November 12, 2010, Telrite filed a letter accepting Staff's final substantive recommendations.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing.

The ALJ holds that, since Telrite accepts Staff's recommendation to grant ETC status to Telrite as prescribed by Staff, he will grant Telrite ETC status to the extent recommended by Staff.

FINDINGS OF FACT

- Telrite Corporation filed an application under §214(e)(2) of the Communications Act of 1934, as amended, seeking designation by the Commission as an ETC for the sole purpose of providing "Lifeline" and "Link Up" service to qualifying low income West Virginia consumers. Telrite indicated that it will not seek access to the USF for the purpose of providing service to highcost locales. Pursuant to Case No. 05-1602-T-CN, Telrite is a reseller of local exchange services throughout West Virginia, providing its services through a virtual network comprised of services provided by numerous licensed wireless networks, and, pursuant to Case No. 06-0406-T-CN, Telrite provides facilities based services throughout West Virginia. Telrite asserted that it meets all of the qualifications necessary to be designated as an ETC under Act §214(e)(1) solely to provide services supported by and participating in the low income programs of the USF. Telrite provides CLEC services throughout West Virginia and is committed to provide those services at reasonably priced rates to areas where such services are not currently available. Telrite's offer in this case includes providing a handset at no cost to the subscriber. Telrite's proposal is to supplement, and not detract from, its current service offerings, and it does not seek ETC designation beyond the geographic area for which it already has received certification. Telrite asserted that its proposal would benefit wireline and wireless customers by increasing customers' competitive choices; increasing the customers' geographical local calling areas by providing the customers with this service for a preset amount of air time at no charge, with the flexibility to purchase additional air time (with 911 and E911 services not using air time minutes); and otherwise make Telrite's service offering more appealing and valuable to its customers, outweighing any potential harms. Telrite provides Lifeline and Link-Up services that benefit needy low-income consumers, which enables many to obtain wireline and/or wireless services who otherwise would not be able to obtain those services. Telrite summarized several other components of its offering in support of receiving designation as an ETC. (See, petition filed on August 18, 2010).
- 2. Staff recommended that the Commission designate Telrite as an ETC throughout West Virginia, provided that Telrite provides its customers access to basic 911 and enhanced E911 services, provides E911-compliant handsets to all new Telrite customers and replaces non-compliant handsets at no charge to existing customers. The ETC status to be granted to Telrite is solely for the purpose of Telrite offering wireline and prepaid wireless Lifeline and Link-Up services to low-income households in West Virginia, not the high-cost program, supported by the USF. (See, Final Joint Staff Memorandum, with attachment, file on November 10, 2010).

- 3. Telrite will provide the Lifeline and Link-Up services under the name of Life Wireless, which would charge a \$30.00 activation fee for Lifeline customers that will be collected via agent store fronts, checks, credit card and money order. As long as the customer remains legitimately eligible for the Lifeline program, Telrite will provide the following services without additional charge:
 - (a) Customers will incur no contractual obligation to continue service;
 - (b) Customers will incur no roaming charges;
 - (c) No cash deposit obligation is required for customers enrolled in the Lifeline program;
 - (d) Customers may purchase additional minutes in denominations of \$10.00 (101 minutes), \$25.00 (252 minutes) and \$50.00 (unlimited talk and text);
 - (e) Unless the customer is on the unlimited plan, text messaging is charged at a rate of \$0.05 per message;
 - (f) Purchased minutes do not expire at the end of the 30-day service cycle and remain available until used or the customer account is terminated;
 - (g) Eligible customers qualifying under the Lifeline program will receive a free handset with E911 capability;
 - (h) Eligible customers qualifying under the Lifeline program will receive 68 free minutes each month. Unused minutes will roll over to the next month and do not expire for active customers; and
 - (i) Eligible customers qualifying under the Lifeline program will receive free voice mail, caller ID, call waiting and call forwarding features which will remain in effect after the 68 free minutes have been consumed.

(See, Final Joint Staff Memorandum, with attachment, file on November 10, 2010).

- 3. Staff also recommended that the Commission require that Telrite file the appropriate tariff sheet revisions to its wireline service tariff currently on file and provide a tariff outlining the terms and conditions of service for wireless customers qualifying for the Lifeline and Link-Up programs. (See, Final Joint Staff Memorandum, with attachment, file on November 10, 2010).
- 4. Each of Telrite's Lifeline customers in West Virginia will receive 68 minutes of air time each month for all months in which the customers are enrolled in the program and any unused minutes will roll over to the following month. (See, Final Joint Staff Memorandum, with attachment, file on November 10, 2010).
- 5. Eligibility for participation in Telrite's Lifeline program will be based upon customer enrollment in certain public assistance programs. Under Telrite's eligibility plan, applicants will be required to self-certify under penalty of perjury that they are enrolled in one of those qualifying public assistance programs. (See, Final Joint Staff Memorandum, with attachment, file on November 10, 2010).

6. Telrite has demonstrated that it will comply with each of Staff's final substantive recommendations. (See, Final Joint Staff Memorandum, with attachment, file on November 10, 2010).

CONCLUSIONS OF LAW

- 1. Telrite has demonstrated that it is a common carrier capable of offering and advertising all of the service offerings set forth in Section 214(e) of the Telecommunications Act of 1996 for eligible telecommunications carriers through the designated service areas, using either its own facilities or a combination of its own facilities and the resale of another carrier's services, for the sole purpose of providing Lifeline and Link Up services to all qualifying customers who request such service in West Virginia.
- 2. Telrite should be designated as an ETC to provide Lifeline and Link Up services to all qualifying customers who request such service in West Virginia.
- 3. It is reasonable to require that the Commission's Executive Secretary provide the FCC and the Universal Service Administrative Company a certified copy of this Order designating Telrite as an ETC to provide Lifeline and Link Up services to all qualifying customers who request such service in West Virginia, but that Telrite will not seek access to funds from the federal Universal Service Fund for the purpose of providing service to high-cost locales.
- 4. It is reasonable to require that Telrite publish a Notice of the granting of its petition for designation as an ETC solely to provide Lifeline and Link Up services to all qualifying customers who request such service in West Virginia, as a Class I legal advertisement once in a newspaper duly qualified by the Secretary of State, published and generally circulated in each of the 19 cities designated for statewide legal publications.

ORDER

IT IS, THEREFORE, ORDERED that the application filed with the Commission on August 18, 2010, by Telrite Corporation, under §214(e)(2) of the Communications Act of 1934, as amended, seeking designation by the Commission as an Eligible Telecommunications Carrier for the sole purpose of providing "Lifeline" and "Link Up" service to qualifying low income West Virginia consumers, be, and hereby is, approved, provided that Telrite provides:

- 1. Its customers access to basic 911 and enhanced E911 services;
- E911 compliant handsets to all new Telrite customers and replaces noncompliant handsets at no charge to existing customers;

- 3. The eligible service for the sole purpose of offering wireline and prepaid wireless Lifeline and Link-Up service to low income households in West Virginia supported by the USF, and not the high cost program;
- 4. These services under the name of "Life Wireless," which will charge a \$30.00 activation fee for Lifeline customers which will be collected via agent store fronts, checks, credit card and money order. As long as the customer remains legitimately eligible for the Lifeline program, Telrite will provide the following services without additional charge:
 - (a) Customers will incur no contractual obligation to continue service;
 - (b) Customers will incur no roaming charges;
 - (c) No cash deposit obligation is required for customers enrolled in the Lifeline program;
 - (d) Customers may purchase additional minutes in denominations of \$10.00 (101 minutes), \$25.00 (252 minutes) and \$50.00 (unlimited talk and text):
 - (e) Unless the customer is on the unlimited plan, text messaging is charged at a rate of \$0.05 per message;
 - (f) Purchased minutes do not expire at the end of the 30-day service cycle and remain available until used or the customer account is terminated;
 - (g) Eligible customers qualifying under the Lifeline program will receive a free handset with E911 capability;
 - (h) Eligible customers qualifying under the Lifeline program will receive 68 free minutes each month. Unused minutes will roll over to the next month and do not expire for active customers; and
 - (I) Eligible customers qualifying under the Lifeline program will receive free voice mail, caller ID, call waiting and call forwarding features which will remain in effect after the 68 free minutes have been consumed.(a) Telrite will provide E911 compliant handsets to all Lifeline customers and non-compliant handsets in the possession of existing Telrite customers will be replaced with E911 compliant handsets at no charge to the customers upon their enrollment in the Lifeline program;
- 5. Each of Telrite's Lifeline customers in West Virginia will receive 68 minutes of airtime each month for all months in which the customers are enrolled in the program and any unused minutes will roll over to the following month;
- 6. Eligibility for participation in Telrite's Lifeline program will be based upon customer enrollment in certain public assistance programs. Under Telrite's eligibility plan applicants will be required to self-certify under penalty of perjury that they are enrolled in one of those qualifying public assistance programs; and

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall provide the Federal Communications Commission and the Universal Service Administrative Company a certified copy of this Order designating Telrite Corporation as an Eligible Telecommunications Carrier solely to provide Lifeline and Link Up services to all qualifying customers who request such service in West Virginia, and that Telrite will not seek access to funds from the federal Universal Service Fund for the purpose of providing service to high cost locales.

IT IS FURTHER ORDERED that Telrite Corporation be, and hereby is directed, to publish the Notice of ETC Status, attached as Appendix A, as a Class I legal advertisement once in a newspaper duly qualified by the Secretary of State, published and generally circulated in each of the 19 cities designated for statewide legal publications.

IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; by electronic service upon all parties of record who have filed an eservice agreement with the Commission; and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave hereby is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this Recommended Decision is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this Recommended Decision shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's recommended decision by filing an appropriate petition in writing with the Executive Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's recommended decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

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Ronnie Z. M[®]Cann
Deputy Chief Administrative Law Judge

RZM:s 101306aa.wpd

> PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

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PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

CASE NO. 10-1306-T-PC

TELRITE CORPORATION

Petition for consent and approval to be designated an eligible telecommunications carrier.

NOTICE OF ETC STATUS

On August 18, 2010, Telrite Corporation (Telrite), a public telephone utility, Covington, Georgia, filed a petition with the Public Service Commission, pursuant to Section 214(e)(2) of the Telecommunications Act of 1934, as amended (Act), seeking designation as an eligible telecommunications carrier (ETC) throughout West Virginia for the purposes of receiving federal universal service fund (USF) support for providing wireline and wireless services through various low-income programs. The Commission previously authorized Telrite to provide resold and facilitiesbased local exchange service throughout West Virginia as a competitive local exchange carrier. Telrite meets all of the qualifications necessary to be designated as an ETC under Act §214(e)(1) solely to provide services supported by and participating in the low income programs of the USF. Telrite provides CLEC services throughout West Virginia and is committed to provide those services at reasonably priced rates to areas where such services are not currently available. Telrite's offer in this case includes providing a handset at no cost to the subscriber. Telrite's proposal is to supplement, and not detract from, its current service offerings, and does not seek ETC designation beyond the geographic area for which it already has received certification. Telrite's proposal would benefit wireline and wireless customers by increasing customers' competitive choices; increasing the customers' geographical local calling areas by providing the customers with this service for a preset amount of air time at no charge, with the flexibility to purchase additional air time (with 911 and E911 services not using air time minutes); and otherwise make Telrite's service offering more appealing and valuable to its customers, outweighing any potential harms. Telrite provides Lifeline and Link-Up services that benefit needy low-income consumers, which enables many to obtain wireline and/or wireless services who otherwise would not be able to obtain those services.

According to the Commission's guidelines, a carrier seeking ETC status must advertise, on a quarterly basis, in media targeted to the general residential market throughout the carrier's service areas and substantially similar to the media in which the serving incumbent local exchange carrier advertises its service in the particular service area. In addition, such carriers must maintain an Internet site where members of the public can obtain information regarding services and rates provided by the carrier. The Telrite site is located at http://www.telrite.com. The Life Wireless site is located at http://www.telrite.com. The Life Wireless site is located at http://www.telrite.com.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

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Also, carriers seeking ETC status must offer the supporting services required by §214(e)(2). These services include: voice-grade access to the public switched telephone network; local usage; dual tone multi-frequency signaling or its functional equivalent; single party service or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance service; and toll limitation for qualifying low income subscribers. Telrite is capable of providing all of these required service offerings and currently is offering them in its service territory.

By Recommended Decision entered on December 2, 2010, Telrite's petition was granted. Telrite will provide these services under the name of Life Wireless.

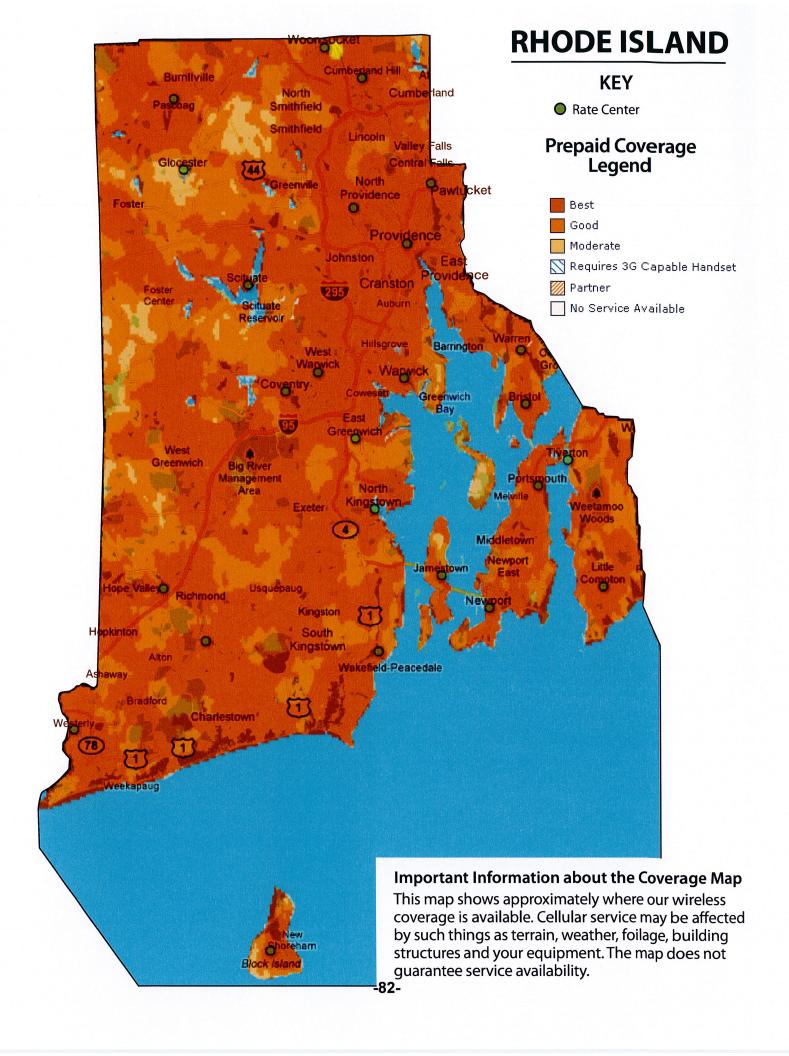
This Notice is being provided in accordance with the Commission's requirements and is not for the purpose of seeking public comment or protest.

TELRITE CORPORATION

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

EXHIBIT C

WIRE CENTERS & MAP OF SERVICE AREA



Telrite / Life Wireless State of Rhode Island Rate Center List

Rate Center /	CIII
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Dimore	PRVDRINWDSO
CAROLINA	THV DIMINAND SO
	PRVDRINWDSO
CENTREDALE	
CLITTICESTELL	PRVDRINWDSO
	WWWKRIDBDSO
COVENTRY	
	PRVDRINWDSO
	PRVDRIRSWAC
CUMBLND HL	THE STATE OF THE S
	EPRVRIELCM1
	PRVDRINWDSO
	PRVDRIRSWAC
	WWWKRIDBDSO
GREENWICH	
	PRVDRINWDSO
HOPEVALLEY	
	EPRVRIELCM1
	PRVDRINWDSO
JAMESTOWN	
10.700111011041041100410001001	PRVDRINWDS0
	WWWKRIDBDS0
LTLCOMPTON	
factoria de la composição	PRVDRINWDS0
NARRAGNSTT	
	PRVDRINWDS0
	PRVDRIWAXGY
NEWPORT	
TO A STATE OF THE PARTY OF THE	EPRVRIELCM1
	PRVDRINWDSO
NO KINGSTN	
	PRVDRINWDS0
PASCOAG	
	EPRVRIELCM1
	PRVDRINWDS0
	WWWKRIDBDS0
PAWTUCKET	
	EPRVRIELCM1
	PRVDRINWDS0
	WWWKRIDBDS0

PORTSMOUTH

PRVDRINWDSO PRVDRIRSWAC PRVDRIWAXGY PTMORIEMDSO

PROVIDENCE

EPRVRIELCM1 PRVDRINWDSO PRVDRIRSWAC PRVDRIWAXGY WWWKRIDBDSO

SCITUATE

PRVDRINWDSO WWWKRIDBDSO

TIVERTON

PRVDRINWDSO

W WARWICK

PRVDRINWDS0 WWWKRIDBDS0

WARREN

PRVDRINWDSO

WARWICK

PRVDRINWDSO

WESTERLY

PRVDRINWDSO

WGLOCESTER

PRVDRINWDS0 WWWKRIDBDS0

WOONSOCKET

PRVDRINWDSO PRVDRIWAXGY WWWKRIDBDSO

EXHIBIT D

SUMMARY OF TELRITE LOCAL USAGE PLANS

LIFE WIRELESS TERMS

You are bound to the following with regard to your use of the LIFE WIRELESS™ service:

1) The Terms of Service, including the binding arbitration clause

2) The "Plan Terms" and other information regarding your Rate Plan contained on the Rate Plan page

3) The terms and conditions and other information regarding features provided on the page where you selected your features. Printed materials containing much of this information will also be provided to you. Go to www.lifewireleast.com for information about the 14 day return policy.

- 1. LIFE WIRELESS TERMS OF SERVICE: "LIFE WIRELESS" or "we," "us" or "our" refers to LIFE WIRELESS Holdings LLC, acting on behalf of its FCC-licensed partners doing business as LIFE WIRELESS. "You" or "your" refers to the person or entity that is the customer of record and/or purchases or uses the Equipment or Device (as defined below). This LIFE WIRELESS Terms of Service is an agreement between LIFE WIRELESS and you ("Agreement.") PLEASE READ THIS AGREEMENT CAREFULLY TO ENSURE THAT YOU UNDERSTAND EACH PROVISION. PLEASE NOTE: This Agreement requires the use of arbitration on an individual basis to resolve disputes, rather than jury trials or class actions, and also limits the remedies available to you in the event of a dispute.
- CHARGES: You are responsible for paying all charges for or resulting from services provided under this Agreement. Charges may include, without limitation: airtime, roamer, recurring monthly service, activation, administrative, returnedcheck and late payment charges; network and other surcharges; optional feature charges; toll, collect call and directory assistance charges; any other charges or calls charged to your phone number; and applicable taxes, surcharges and governmental fees, whether assessed directly upon you or upon LIFE WIRELESS. LIFE WIRELESS may add its own charges to those charged by third parties. Payment for all charges is made in advance and there is no proration of such charges. You agree to pay for incoming and outgoing calls to and from your phone. AIRTIME AND OTHER MEASURED VOICE USAGE ("CHARGEABLE TIME") IS BILLED IN FULL-MINUTE INCREMENTS AND IS ROUNDED UP TO THE NEXT FULL-MINUTE INCREMENT AT THE END OF EACH CALL FOR CHARGING PURPOSES. LIFE WIRELESS CHARGES A FULL MINUTE OF AIRTIME USAGE FOR EVERY FRACTION OF THE LAST MINUTE OF AIRTIME USED ON EACH WIRELESS CALL DATA TRANSPORT IS BILLED IN FULL-KILOBYTE INCREMENTS, AND ACTUAL TRANSPORT IS ROUNDED UP TO THE NEXT FULL KILOBYTE INCREMENT AT THE END OF EACH DATA SESSION FOR CHARGING PURPOSES. LIFE WIRELESS CHARGES A FULL KILOBYTE OF DATA TRANSPORT FOR EVERY FRACTION OF THE LAST KILOBYTE OF DATA TRANSPORT USED ON EACH DATA SESSION. NETWORK OVERHEAD, SOFTWARE UPDATE REQUESTS, AND RE-SEND REQUESTS CAUSED BY NETWORK ERRORS CAN INCREASE MEASURED KILOBYTES. If you select a rate plan or additional features that include a predetermined allotment of services (for example, a predetermined amount of airtime, megabytes or text messages), unless otherwise specifically provided as part of such rate plan, any unused allotment of services from one monthly period will not carry over to the next monthly period. Additional charges may apply for detailed information about your usage of services. Chargeable Time begins for outgoing calls when you press SEND (or similar key) and for incoming calls when a signal connection from the caller is established with our facilities. Chargeable Time ends after you press END (or similar key), but not until your wireless telephone's signal of call disconnect is received by our facilities and the call disconnect signal has been confirmed. All outgoing calls for which we receive answer supervision or which have at least 30 seconds of Chargeable Time, including ring time, shall incur a minimum of one-minute airtime charge. Answer supervision is generally received when a call is answered; however, answer supervision may also be generated by voicemail systems, private branch exchanges, and interexchange switching equipment. Chargeable Time may include time for us to recognize that only one party has disconnected from the call, time to clear the channels in use, and ring time. Chargeable Time may also occur from other uses of our facilities, including by way of example, voicemail deposits and retrievals, and call transfers.
- 3. **DISPUTES:** WITHIN 60 DAYS OF THE DATE OF ANY EVENT GIVING RISE TO A DISPUTE, YOU MUST NOTIFY US IN WRITING AT LIFE WIRELESS, BILL DISPUTE, PO BOX 2207, COVINGTON GA 30015 ("LIFE WIRELESS'S ADDRESS") OF SUCH DISPUTE, INCLUDING A DISPUTE OVER ANY CHARGES AND ANY SERVICE WE PROVIDED, OR YOU WILL HAVE WAIVED YOUR RIGHT TO DISPUTE THE CHARGE OR SUCH SERVICES AND TO BRING, OR PARTICIPATE IN, ANY LEGAL ACTION RAISING ANY SUCH DISPUTE.
- 4. **DEVICE:** The wireless phone or other device assigned to your account ("Device") must be compatible with, and not interfere with, our service, and must comply with all applicable laws, rules and regulations. A Device capable only of using data service is not allowed with LIFE WIRELESS service. We may periodically program your Device remotely with system

settings for roaming service, to direct your Device to use network services most appropriate for your typical usage, and other features that cannot be changed manually. Devices purchased for use on LIFE WIRELESS's systems are designed for use only on LIFE WIRELESS's network ("Equipment") and may not function on other wireless networks. Equipment is sold exclusively for use with LIFE WIRELESS service and may not be resold. By purchasing such Equipment you agree to activate and use it on LIFE WIRELESS service. You also agree that you will not make, nor will you assist others to make, any modifications to the Equipment or programming to enable the Equipment to operate on any other system. LIFE WIRELESS may, at its sole and absolute discretion, modify the programming to enable the operation of the Equipment on other systems. You understand and acknowledge that the Equipment is sold solely for use with LIFE WIRELESS service and that LIFE WIRELESS will be significantly damaged if you use or assist others to use the Equipment for any other purpose. You agree not to take any action to circumvent limits on the quantity of Equipment that may be purchased. You will be liable to LIFE WIRELESS for any damages resulting from the conduct prohibited in this section.

5. PURCHASES AND AUTHORITY TO USE: Your Device can be used to purchase goods and services including ring tones, graphics, games or news alerts (including subscription plans) from LIFE WIRELESS or elsewhere from third parties ("Goods, Content, and Services"). Goods, Content, and Services may be purchased directly with any Device assigned to your account or on-line. Data transport charges are also incurred in the purchase of Goods, Content, and Services. Unless you have a data feature, in which case you will be billed according to your data feature, you will be charged at the standard per kilobyte charge for the Goods, Content, and Services transport when delivered. You have full-time access to your Goods, Content, and Services transaction history on our website. You are responsible for all Devices containing a SIM assigned to your account. Except as otherwise provided in this Agreement, if such Device is used by others to purchase Goods, Content, and Services, you are responsible for all such purchases and all associated charges. You are giving those other users your authority 1) to order Goods, Content, and Services from the Device, including subscription services, and to incur charges for those Goods, Content, and Services, and 2) to give any consent required for those Goods, Content, and Services, including the consent to use that user's location information to deliver customized information to that user's Device, or to make any representation required for those Goods, Content, and Services, including a representation of the user's age, if requested. Usage by others can be restricted by use of parental controls or similar features. Visit our website to learn more.

6. Unlimited Voice and Text Services: UNLIMITED DOES NOT MEAN UNREASONABLE USE. Unlimited voice services are provided primarily for live dialogue between two individuals. If your use of unlimited services for conference calling or call forwarding exceeds 750 minutes per month, LIFE WIRELESS may, at its option, terminate your service or change your plan to one with no unlimited usage components. Unlimited voice services may not be used for conference calling, call forwarding, monitoring services, data transmissions, transmission of broadcasts, transmission of recorded material, or other connections that do not consist of uninterrupted live dialogue between two individuals. If LIFE WIRELESS finds that you are using an unlimited voice service offering for anything other than live dialogue between two individuals, LIFE WIRELESS may at its option terminate your service or change your plan to one with no unlimited usage components. LIFE WIRELESS will provide notice that it intends to take any of the above actions, and you may terminate the Agreement. With the monthly and daily Unlimited plans, unlimited text within the U.S. includes text only. The rate plan charge for the Unlimited Daily Talk & Text plan is assessed each day you use your phone to make or receive voice calls, including a call to voice mailbox, or send a text message. The day for purposes of the daily rate plan charge starts at midnight and ends at midnight based on the time zone in which you are located when you make a call or send a message. A minimum account balance sufficient to pay the rate plan charge for the daily Unlimited plan is required to place or receive the first call of the day, use IM or send a message.

7. LOCATION-BASED SERVICES: Your Device may be location-enabled meaning that the Device is capable of using optional Goods, Content, and Services, at your request or the request of a user on your account, offered by LIFE WIRELESS or third parties that make use of a user's location ("Location-Based Services"), using location technology such as Global Positioning Satellite ("GPS"), wireless network location, or other location technology. Please review the terms and conditions and the associated privacy policy for each Location-Based Service to learn how the location information will be used and protected. We may also use location information to create aggregate data from which your personally identifiable information has been removed or obscured. Such aggregate data may be used for services like traffic-monitoring. It is your responsibility to notify users on your account that the Device they are using may be location-enabled. The use of certain Location-Based Services or the disclosure of location information may be restricted by use of parental controls or similar

features. Visit our website to learn more.

- 8. LIFE WIRELESS 411 INFO: In some cases our directory assistance service (411) will use the location of the Device to deliver relevant customized 411 information based upon the user's request for a listing or other 411 service. By using this directory assistance service, the user is consenting to our use of that user's location information for such purpose. This location information may be disclosed to a third party to perform the directory assistance service and for no other purpose. Such location information will be retained only as long as is necessary to provide the relevant customized 411 information and will be discarded after such use. Please see our privacy policy at http://privacy-policy.truste.com/verified-policy/www.LIFE WIRELESS.com for additional details about our use and protection of your personal information.
- 9. LOST OR STOLEN PHONES: If your Device is lost or stolen, you must contact us immediately to report the Device lost or stolen. If your Device is lost or stolen, you will be responsible for all charges incurred on your phone number until you report the theft or loss. You can report your Device as lost or stolen and suspend service without a charge by contacting us. After you report the theft or loss to us, you remain responsible for complying with your other obligations under this Agreement including, but not limited to, payment of any monthly service fees. We and you have a duty to act in good faith and in a reasonable and responsible manner, including in connection with the loss or theft of your Device.
- 10. DISHONORED CHECKS AND OTHER INSTRUMENTS: We will charge you \$30.00 or the highest amount allowed by law, whichever is less, for any check or other instrument (including any credit card chargebacks) tendered by you and returned unpaid by a financial institution for any reason. You agree to reimburse us the fees of any collection agency, which may be based on a percentage at a maximum of 33% of the debt, and all costs and expenses, including reasonable attorneys' fees, we incur in such collection efforts or the most allowed by law, whichever is less.
- 11. CHANGES TO TERMS AND RATES: We may change any terms, conditions, rates, fees, expenses, or charges regarding your service at any time. We will provide you with notice of such changes (other than changes to governmental fees, proportional charges for governmental mandates, roamer rates or administrative charges) by such means as LIFE WIRELESS determines to be most practicable, including playing a recorded message when you attempt to place a call or attempt to add funds to your account, sending written notice to the address provided at the time of activation, sending an SMS message to your phone, or by such other means as LIFE WIRELESS may determine. You understand and agree that State and Federal Universal Service Fees and other governmentally imposed fees, whether or not assessed directly upon you, may be increased based upon the government's or our calculations. IF WE INCREASE THE PRICE OF ANY OF THE SERVICES TO WHICH YOU SUBSCRIBE, AS SUCH PRICES ARE SET FORTH IN YOUR RATE PLAN BROCHURE, OR IF WE MATERIALLY DECREASE THE GEOGRAPHICAL AREA IN WHICH YOUR AIRTIME RATE APPLIES (OTHER THAN A TEMPORARY DECREASE FOR REPAIRS OR MAINTENANCE), WE WILL DISCLOSE THE CHANGE IN ADVANCE. If you lose your eligibility for a particular rate plan, we may change your rate plan to one for which you qualify.
- 12. TERMINATION: Either party may terminate this Agreement (which will terminate the provision of the Service) at any time on advance notice to the other party. Funds deposited into your account via any method will not be refunded. LIFE WIRELESS may terminate this Agreement at any time without notice if we cease to provide service in your area. We may interrupt or terminate your service without notice for any conduct that we believe violates this Agreement or any terms and conditions of your rate plan, or if you behave in an abusive, derogatory or similarly unreasonable manner with any of our representatives, or if you fail to make all required payments when due or if we have reasonable cause to believe that your Device is being used for an unlawful purpose or in a way that may adversely affect our service. If you have more than one account with us, you must keep all accounts in good standing to maintain service. If one account is past due or over its limit, all accounts in your name are subject to interruption or termination and all other available collection remedies. Any provision of this Agreement which by its context is intended to apply after termination of the Agreement will survive termination, including, but not limited to, any restrictions on the use of Devices or Equipment.
- 13. SERVICE LIMITATIONS; LIMITATION OF LIABILITY: Limitations of liability set forth herein govern unless they are prohibited by applicable law. Service may be interrupted, delayed or otherwise limited for a variety of reasons, including environmental conditions, unavailability of radio frequency channels, system capacity, priority access by National Security and Emergency Preparedness personnel in the event of a disaster or emergency, coordination with other systems, equipment modifications and repairs, and problems with the facilities of interconnecting carriers. We may block access to certain categories of numbers (e.g. 976, 900 and international destinations) in our sole discretion. Your plan may include the ability to make and/or receive calls while roaming internationally. Certain eligibility restrictions apply which may be based on factors such as service tenure and/or payment history and LIFE WIRELESS, in its sole discretion, may block your ability to use your phone while roaming internationally until eligibility criteria is met. International roaming rates, which vary by country, will apply for all calls placed or received while outside the U.S., Puerto Rico and USVI. Compatible international-capable device required. If you want to block the ability to make and/or receive calls or use data functions while roaming

internationally please call customer service for assistance. When outside the U.S., Puerto Rico and USVI, you will be charged normal international roaming airtime when incoming calls are routed to voicemail, even if no message is left. Many devices transmit and receive data messages without user intervention and can generate unexpected charges when powered "on" outside the United States, Puerto Rico and USVI. LIFE WIRELESS may send "alerts" via SMS or email, to notify you of usage. These are courtesy alerts. There is no guarantee you will receive them. We may, but do not have the obligation to, refuse to transmit any information through the service and may screen and delete information prior to delivery of that information to you. There are gaps in service within the service areas shown on coverage maps, which, by their nature, are only approximations of actual coverage. WE DO NOT GUARANTEE YOU UNINTERRUPTED SERVICE OR COVERAGE. WE CANNOT ASSURE YOU THAT IF YOU PLACE A 911 CALL YOU WILL BE FOUND. Airtime and other service charges apply to all calls, including involuntarily terminated calls. LIFE WIRELESS MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR PERFORMANCE REGARDING ANY SERVICES OR GOODS, AND IN NO EVENT SHALL LIFE WIRELESS BE LIABLE, WHETHER OR NOT DUE TO ITS OWN NEGLIGENCE, for any: (a) act or omission of a third party; (b) mistakes, omissions, interruptions, errors, failures to transmit, delays or defects in the service provided by or through us; (c) damage or injury caused by the use of service or Device, including use in a vehicle; (d) claim against you by third parties; (e) damage or injury caused by a suspension or termination of service by LIFE WIRELESS; or (f) damage or injury caused by failure or delay in connecting a call to 911 or any other emergency service. Notwithstanding the foregoing, if your service is interrupted for 24 or more continuous hours by a cause within our control, we will issue you, upon request, either a credit equal to a pro-rata adjustment of any recurring charge (if applicable) for the time period your service was unavailable, not to exceed the charges collected for the period of interruption, or an extension of the expiration period. Our liability to you for service failures is limited solely to the credit set forth above. Unless applicable law precludes parties from contracting to so limit liability, and provided such law does not discriminate against arbitration clauses, LIFE WIRELESS shall not be liable for any indirect, special, punitive, incidental or consequential losses or damages you or any third party may suffer by use of, or inability to use, service or Device provided by or through LIFE WIRELESS, including loss of business or goodwill, revenue or profits, or claims of personal injuries. To the full extent allowed by law, you hereby release, indemnify, and hold LIFE WIRELESS and its officers, directors, employees and agents harmless from and against any and all claims of any person or entity for damages of any nature arising in any way from or relating to, directly or indirectly, service provided by LIFE WIRELESS or any person's use thereof (including, but not limited to, vehicular damage and personal injury), INCLUDING CLAIMS ARISING IN WHOLE OR IN PART FROM THE ALLEGED NEGLIGENCE OF LIFE WIRELESS, or any violation by you of this Agreement. This obligation shall survive termination of your service with LIFE WIRELESS. LIFE WIRELESS is not liable to you for changes in operation, equipment or technology that cause your Device or software to be rendered obsolete or require modification. SOME STATES, INCLUDING THE STATE OF KANSAS, DO NOT ALLOW DISCLAIMERS OF IMPLIED WARRANTIES OR LIMITS ON REMEDIES FOR BREACH. THEREFORE, THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. THIS AGREEMENT GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY HAVE OTHER RIGHTS, WHICH VARY FROM STATE TO STATE.

14. ACCOUNT ACCESS: You authorize us to provide information about and to make changes to your account, including adding new service, upon the direction of any person able to provide information we deem sufficient to identify you. An account password will be assigned to you. In order to protect the security of your account, you should change this password as soon as possible after your account is activated. If you do not change your password, your account may not be secure.

15. VOICEMAIL SERVICE: We may deactivate your voicemail service if you do not initialize it within a reasonable period after activation. We will reactivate the service upon your request.

16. DISPUTE RESOLUTION BY BINDING ARBITRATION: Please read this carefully. It affects your rights. Summary: Most customer concerns can be resolved quickly and to the customer's satisfaction by calling our customer service department at 1-888-543-3620. In the unlikely event that LIFE WIRELESS' customer service department is unable to resolve a complaint you may have to your satisfaction (or if LIFE WIRELESS has not been able to resolve a dispute it has with you after attempting to do so informally), we each agree to resolve those disputes through binding arbitration or small claims court instead of in courts of general jurisdiction. Arbitration is more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, allows for more limited discovery than in court, and is subject to very limited review by courts. Arbitrators can award the same damages and relief that a court can award. Any arbitration under this Agreement will take place on an individual basis; class arbitrations and class actions are not permitted. For any non-frivolous claim that does not exceed \$75,000, LIFE WIRELESS will pay all costs of the arbitration. Moreover, in arbitration you are entitled to recover attorneys' fees from LIFE WIRELESS to at least the same

extent as you would be in court. In addition, under certain circumstances (as explained below), LIFE WIRELESS will pay your more than the amount of the arbitrator's award and will pay your attorney (if any) twice his or her reasonable attorneys' fees if the arbitrator awards you an amount that is greater than what LIFE WIRELESS has offered you to settle the dispute.

17. ARBITRATION AGREEMENT

a. LIFE WIRELESS and you agree to arbitrate all disputes and claims between us. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to:

i. claims arising out of or relating to any aspect of the relationship between us, whether based in contract, tort,

statute, fraud, misrepresentation or any other legal theory;

ii. claims that arose before this or any prior Agreement (including, but not limited to, claims relating to advertising); iii claims that are currently the subject of purported class action litigation in which you are not a member of a certified class; and

iv. claims that may arise after the termination of this Agreement.

- v. References to "LIFE WIRELESS," "you," and "us" include our respective subsidiaries, affiliates, agents, employees, predecessors in interest, successors, and assigns, as well as all authorized or unauthorized users or beneficiaries of services or Devices under this or prior Agreements between us. Notwithstanding the foregoing, either party may bring an individual action in small claims court. This arbitration agreement does not preclude you from bringing issues to the attention of federal, state, or local agencies, including, for example, the Federal Communications Commission. Such agencies can, if the law allows, seek relief against us on your behalf. You agree that, by entering into this Agreement, you and LIFE WIRELESS are each waiving the right to a trial by jury or to participate in a class action. This Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this provision. This arbitration provision shall survive termination of this Agreement.
- b. A party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to LIFE WIRELESS should be addressed to: General Counsel, LIFE WIRELESS, PO BOX 2207 COVINGTON, GA 30015 ("Notice Address"). The Notice must (a) describe the nature and basis of the claim or dispute; and (b) set forth the specific relief sought ("Demand"). If LIFE WIRELESS and you do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or LIFE WIRELESS may commence an arbitration proceeding. During the arbitration, the amount of any settlement offer made by LIFE WIRELESS or you shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you or LIFE WIRELESS is entitled.
- c. After LIFE WIRELESS receives notice at the Notice Address that you have commenced arbitration, it will promptly reimburse you for your payment of the filing fee, unless your claim is for greater than \$75,000. (The filing fee currently is \$125 for claims under \$10,000 but is subject to change by the arbitration provider. If you are unable to pay this fee, LIFE WIRELESS will pay it directly upon receiving a written request at the Notice Address.) The arbitration will be governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Agreement, and will be administered by the AAA. The AAA Rules are available online at www.adr.org, by calling the AAA at 1-800-778-7879, or by writing to the Notice Address. The arbitrator is bound by the terms of this Agreement. All issues are for the arbitrator to decide, except that issues relating to the scope and enforceability of the arbitration provision are for the court to decide. Unless LIFE WIRELESS and you agree otherwise, any arbitration hearings will take place in the county (or parish) of your billing address. If your claim is for \$10,000 or less, we agree that you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based. Except as otherwise provided for herein, LIFE WIRELESS will pay all AAA filing, administration, and arbitrator fees for any arbitration initiated in accordance with the notice requirements above. If, however, the arbitrator finds that either the substance of your claim or the relief sought in the Demand is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the payment of all such fees will be governed by the AAA Rules. In such case, you agree to reimburse LIFE WIRELESS for all monies previously disbursed by it that are otherwise your obligation

- to pay under the AAA Rules. In addition, if you initiate an arbitration in which you seek more than \$75,000 in damages, the payment of these fees will be governed by the AAA rules.
- d. If, after finding in your favor in any respect on the merits of your claim, the arbitrator issues you an award that is greater than the value of LIFE WIRELESS's last written settlement offer made before an arbitrator was selected, then LIFE WIRELESS will:
- i. pay you the amount of the award; and
 - ii. pay your attorney, if any, the amount of attorneys' fees, and reimburse any expenses (including expert witness fees and costs) that your attorney reasonably accrues for investigating, preparing, and pursuing your claim in arbitration ("the attorney premium").
 - iii.If LIFE WIRELESS did not make a written offer to settle the dispute before an arbitrator was selected, you and your attorney will be entitled to receive the payment and the attorney premium, respectively, if the arbitrator awards you any relief on the merits. The arbitrator may make rulings and resolve disputes as to the payment and reimbursement of fees, expenses, and the payment and the attorney premium at any time during the proceeding and upon request from either party made within 14 days of the arbitrator's ruling on the merits.
- e. The right to attorneys' fees and expenses discussed in paragraph (4) supplements any right to attorneys' fees and expenses you may have under applicable law. Thus, if you would be entitled to a larger amount under the applicable law, this provision does not preclude the arbitrator from awarding you that amount. However, you may not recover duplicative awards of attorneys' fees or costs. Although under some laws LIFE WIRELESS may have a right to an award of attorneys' fees and expenses if it prevails in an arbitration, LIFE WIRELESS agrees that it will not seek such an award.
- f. The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. YOU AND LIFE WIRELESS AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. Further, unless both you and LIFE WIRELESS agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding. If this specific provision is found to be unenforceable, then the entirety of this arbitration provision shall be null and void.
- g. Notwithstanding any provision in this Agreement to the contrary, we agree that if LIFE WIRELESS makes any future change to this arbitration provision (other than a change to the Notice Address) during your Service Commitment, you may reject any such change by sending us written notice within 30 days of the change to the Arbitration Notice Address provided above. By rejecting any such change, you are agreeing that you will arbitrate any dispute between us in accordance with the language of this provision.
- 18. MISCELLANEOUS: This Agreement, any applicable rate summary sheet, the terms included in the rate brochure(s) describing your plan and services, terms of service for products and services not otherwise described in this Agreement or the brochure that are posted on a LIFE WIRELESS website and any documents expressly referred to herein or therein, make up the complete agreement between you and LIFE WIRELESS, and supersede any and all prior agreements and understandings relating to the subject matter of this Agreement. If any provision of this Agreement is found to be unenforceable by a court or agency of competent jurisdiction, the remaining provisions will remain in full force and effect. The foregoing does not apply to the prohibition against class or representative actions that is part of the arbitration clause; if that prohibition is found to be unenforceable, the arbitration clause (but only the arbitration clause) shall be null and void. LIFE WIRELESS may assign this Agreement, but you may not assign this Agreement without our prior written consent. In the event of a dispute between us, the law of the state of your address of record on your account at the time the dispute is commenced, whether in litigation or arbitration, shall govern except to the extent that such law is preempted by or inconsistent with applicable federal law. Your caller identification information (such as your name and phone number) may be displayed on the equipment or bill of the person receiving your call; technical limitations may, in some circumstances, prevent you from blocking the transmission of caller identification information. You consent to the use by us or our authorized agents of regular mail, predictive or autodialing equipment, email, text messaging, facsimile or other reasonable means to contact you to advise you about our services or other matters we believe may be of interest to you. In any event, we reserve the right to contact you by any means regarding customer service related notifications, or other such information. The original version of this Agreement is in the English language. Any discrepancy or conflicts between the English version and any other language version will be resolved with reference to and by interpreting the English version.

Connecticut Customers/Questions About Your Service: If you have any questions or concerns about your service, please call Customer Care at: 1-888-543-3620, dial 611 from your wireless phone or visit www.lifewireless.com. If you are a Connecticut customer and we cannot resolve your issue, you have the option of contacting the Department of Public Utility Control (DPUC): Online: www.state.ct.us/dpuc; Phone: 800-382-4586; Mail: Connecticut DPUC, 10 Franklin Square, New Britain, CT 06051.

Puerto Rico Customer: If you are a Puerto Rico customer and we cannot resolve your issue, in addition to binding arbitration or small claims court, you may notify the Telecommunications Regulatory Board of Puerto Rico of your grievance. Mail: Capital Center Building, Tower II, 235 Avenida Arterial Hostos Suite 1001, San Juan, Puerto Rico 00918-1453; Phone: 787-756-0804 or 1-866-578-5500; Online: www.jrtpr.gobierno.pr.

California Customers: For tips on how to protect against fraud, please visit the CPUC's website at, www.CalPhoneInfo.com

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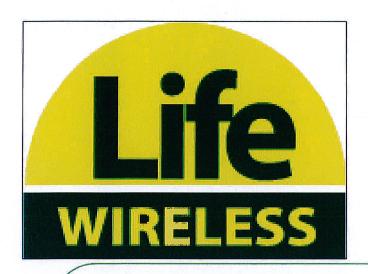
Georgia Customer: Complaints concerning Lifeline/ Linkup service can be directed to the Georgia Public Service Commission's Consumer Affairs Unit at <u>404-656-4501</u>.

EXHIBIT E

DESCRIPTION OF FACILITIES

FILED UNDER SEAL

$\underline{\textbf{EXHIBIT F}}$ SAMPLE OF PLANNED ADVERTISING



LIFE WIRELESS

LIFE WIRELESS is a government supported program that provides a free cell phone, activation, and monthly minutes to LinkUp & LifeLine eligible customers. Contact us to see if you are eligible today!

- FREE ACTIVATION!
- FREE PHONE!
- FREE MONTHLY MINUTES!
- NO ROAMING!
- FREE LONG DISTANCE!
- REFILL WITH OUR OTHER GREAT CALLING PLANS!
- NATIONWIDE GSM COVERAGE!
- FREE VOICE MAIL
- FREE CALLER ID
- FREE CALL WAITING
- 911 ACCESS





CUSTOMER SERVICE— 1-888-543-3620 ACTIVATION LINE— 888-543-3640 customerservice@lifewireless.com support@lifewireless.com



LIFE WIRELESS is a government supported service that provides FREE cellular service, a FREE cell phone, and FREE monthly minutes to LinkUp & LifeLine eligible customers.

QUALIFYING GOVERNMENT PROGRAMS:

- Federal Public Housing Assistance or Section 8
- Supplemental Nutrition Assistance Program formerly known as Food Stamps
- Low Income Home Energy Assistance Program
- Medicaid
- National School Lunch Program's free lunch program
- Supplemental Security Income
- Temporary Assistance for Needy Families

LIFE WIRELESS CALLING PLANS

<u>PLAN 1</u>	PLAN 2	PLAN 3	PLAN 4
 68 Free Minutes 3 Days Unlimited Talk & Text Per Month .50 (1/2) Minutes Per Text Rollover 	 125 Free Minutes 1 Minute Per Text Rollover 	250 Free Minutes1 Minute Per TextNo Rollover	 Unlimited Talk and Text for 1 month \$29.45 No Rollover

^{*}SMS Messages deduct from your Free Minute Balance.

CUSTOMER SERVICE — 1-888-543-3620 www.lifewireless.com EMAIL- info@lifewireless.com

Questions or Concerns?

Questions or concerns regarding Lifeline and/or Link-Up or any service issues in the State of Georgia should be directed to the Georgia Public Service Commission Consumer Affairs Division by calling 404-656-4501 or toll free 800-282-5813.













