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December 13, 2012

### VIA OVERNIGHT DELIVERY

Ms. Luly Massaro Commission Clerk Rhode Island Public Utilities Commission 89 Jefferson Blvd. Warwick, Rhode Island 02888 (401) 941-4500

Re: YMax Communications Corp.

Dear Ms. Massaro:

Enclosed please find for filing an original and three (3) copies of YMax Communications Corp.'s Application for Designation as an Eligible Telecommunications Carrier.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,

Lance J.M. Steinhart

Lance J.M. Steinhart, P.C.

Attorneys for YMax Communications Corp.

Enclosures

cc: Shelby Ramsey

RECEIVED

# BEFORE THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS PUBLIC UTILITIES COMMISSION

PETITION OF	)	
YMAX COMMUNICATIONS CORP.	ĺ	
FOR DESIGNATION AS AN ELIGIBLE	í	DOCKET NO.
TELECOMMUNICATIONS CARRIER	í	- 5 512211(0)

# PETITION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

YMax Communications Corp. ("YMAX", "Applicant" or the "Company"), pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act")<sup>1</sup> and Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission ("FCC"),<sup>2</sup> and the rules and regulations of the State of Rhode Island and Providence Plantations Public Utilities Commission (the "Commission"),<sup>3</sup> hereby applies to the Commission for Designation as an Eligible Telecommunications Carrier ("ETC") throughout all exchanges in the Verizon New England, Inc. ("Verizon") service area (the "Designated Service Area") for the purpose of receiving federal universal service support. The Company is seeking only low income support, and is not requesting high cost support. As demonstrated below, YMAX satisfies all of the statutory and regulatory requirements for designation as an ETC in the Designated Service Area, including the Commission's ETC Rules and the new requirements outlined in the FCC's *Lifeline* 

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 214(e)(2).

<sup>&</sup>lt;sup>2</sup> 47 C.F.R. §§ 54.101-54.207.

See Rules and Regulations Governing the Certification and Verification Procedures for Telecommunications Carriers Eligible to Receive Payments from the Federal Universal Service Fund, effective August 30, 2012 ("Commission's ETC Rules").

and Link Up Reform Order.<sup>4</sup> Furthermore, designation of YMAX as an ETC in the Designated Service Area will serve the public interest. Accordingly, YMAX respectfully requests that the Commission grant this Petition.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Petition should be addressed to:

Lance J.M. Steinhart Lance J.M. Steinhart, P.C. Attorneys for Applicant 1725 Windward Concourse, Suite 150 Alpharetta, Georgia 30005

Telephone: 770-232-9200 Facsimile: 770-232-9208

E-Mail: lsteinhart@telecomcounsel.com

### I. Background

1. YMAX is a Delaware Corporation.<sup>5</sup> A copy of the Company's Certificate of Incorporation is on file with the Commission and incorporated herein by reference. The Company was granted Authorization to Operate as a Competitive Local Exchange Carrier in Rhode Island in Docket No. 3735 on April 6, 2006. The principal office of the Company is located at 5700 Georgia Ave, West Palm Beach, Florida 33405. The telephone number of the Applicant is (561) 586-3380. The Company will provide local exchange services in the Designated Service Area using either its own facilities or a combination of its own facilities and resale of another carrier's services.

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

The Company was incorporated in the State of Delaware on May 24, 2005

- 2. As set forth in Section 214(e)(2) of the Act, the Commission "shall upon its own motion or upon request designate a common carrier that meets the requirements of [Section 214(e)(1)] as an eligible telecommunications carrier for a service area designated by the State commission." Upon designation as an ETC, the carrier shall be eligible to receive universal support in accordance with Section 254 of the Act.<sup>7</sup>
- 3. The requirements for designation as an ETC set forth in Section 214(e)(1) are that the carrier must:
  - (A) offer the services that are supported by Federal universal 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 the media of general distribution.<sup>8</sup>

# II. YMAX Satisfies the Requirements for Designation as an ETC to Serve the Designated Service Area

- 4. YMAX is a common carrier as that term is defined in the Act. The Company will provide the supported services in the Designated Service Area.
- 5. YMAX will offer all of the supported services enumerated under Section 254(c) using either its own facilities or a combination of its own facilities and resale of another carrier's services. Accordingly, the Company satisfies the requirement set forth in Section 214(e)(1)(A).

<sup>6 47</sup> U.S.C. § 214(e)(2); see 47 C.F.R. § 54.201(b) (FCC Rules citing the Act's requirements).

<sup>&</sup>lt;sup>7</sup> 47 U.S.C. § 214(e)(1).

<sup>8</sup> Id.

See 47 U.S.C. § 153(10) ("the term 'common carrier' or 'carrier' means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy . . . .).

- 6. The services that are supported by Federal universal support mechanisms under section 254(c) are enumerated at 47 C.F.R. § 54.101(a). These services are:
  - a) Voice grade access to the public switched telephone network (PSTN).

    "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. YMAX is able to originate and terminate telephone service for all of its subscribers;
  - b) Local usage. As part of the voice grade access to the PSTN, an ETC must provide minutes of use for local service at no additional charge to end-users. The Company's service includes unlimited local usage that allows customers to originate and terminate calls within the local calling area without incurring toll charges;
  - c) Access to emergency services. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. The Company will provide its customers with access to these services;
  - d) Toll limitation for qualifying low-income consumers. Toll Blocking allows customers to block the completion of outgoing toll calls. Toll Control allows the customer to limit the dollar amount of toll charges a subscriber can incur during a billing period. YMAX provides

- qualifying Lifeline customers with access to toll limitation.<sup>10</sup> The Company will seek toll limitation service ("TLS") reimbursement from the USF;
- e) While no longer required by 47 C.F.R. § 54.101(a), YMAX provides dual tone multi-frequency ("DTMF") signaling to expedite the transmission of call set up and call detail information throughout the network, single party service for the duration of each telephone call and not multi-party (or "party-line") services, access to operator services, the ability to make interexchange, or long distance, telephone calls, and access to directory assistance services.
- 7. YMAX will advertise the availability of the above-referenced services and the charges for those services in the Designated Service Area using media of general distribution and in a manner reasonably designed to reach those likely to qualify for those services, as required by FCC Rules. Accordingly, the Company satisfies the requirement set forth in Section 214(e)(1)(B). In accordance with the Commission's ETC Rules, Applicant has provided a sample advertisement attached hereto as Exhibit 2.

### III. Area for Which ETC Designation Is Requested

8. YMAX requests ETC designation throughout all Verizon exchanges. YMAX does not seek certification as an ETC in any areas served by rural telephone companies.

On December 30, 1997, the FCC issued an order clarifying its definition of "toll limitation" services as either toll blocking or toll control and requires carriers to offer only one, not necessarily both, of these services to be designated as an ETC.

<sup>&</sup>lt;sup>11</sup> See 47 C.F.R. § 54.201(d)(2).

### IV. YMAX Satisfies the Additional Requirements for Designation as an ETC

- 9. In accordance with 47 C.F.R. § 54.202(a)(1)(i), Applicant commits to comply with the service requirements applicable to the support that it receives. As a common carrier seeking designation as an ETC for low-income support only, Applicant is not required to submit a five-year network improvement plan.<sup>12</sup>
- 10. An ETC Applicant must demonstrate its ability to remain functional in emergency situations (47 CFR §54.202(a)(2)). Since Applicant is providing service to its customers through the use of its own redundant facilities, Applicant will provide to its customers the same ability to remain functional in emergency situations as currently provided by the ILECs 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.
- 11. An ETC Applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards (47 C.F.R § 54.202(a)(3)). Applicant will satisfy all such standards. As part of its certification requirements for providing local exchange services, Applicant must abide by the service quality and consumer protection rules. In addition, Applicant commits to reporting information on an annual basis consistent with 47 C.F.R. § 54.422.

See Lifeline and Link Up Reform Order at ¶ 386; see also 47 C.F.R. § 54.202(a)(1)(ii).

- 12. FCC Rules no longer require an applicant for ETC status to acknowledge that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area.<sup>13</sup>
- 13. An applicant for ETC designation is no longer required to demonstrate that it offers a local usage plan that is "comparable" to the plan offered by the ILEC in the relevant service territory. Nevertheless, Applicant will offer a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation. Applicant will offer a local usage plan with unlimited calling within the customer's local calling area for a flat monthly fee with the same calling scope as Verizon.
- 14. In accordance with 47 C.F.R. § 54.202(a)(4), Applicant demonstrated its financial and technical capabilities in Docket No. 3735 referenced above.
- 15. The Company will provide reduced billing to Lifeline-eligible customers throughout its designated service area. The reduction will include the maximum federal Lifeline subsidy amount.
- 16. YMAX will certify a customer's initial and annual eligibility for Lifeline in accordance with 47 C.F.R. § 54.410 and Section 7 of the Commission's ETC Rules. The Company will annually re-certify its Lifeline customers, by relying on certification of eligibility from the Department of Human Services, when possible, or by contacting its customers—either by mail, by phone, by email, or otherwise through the Internet—to obtain a signed certification from the subscriber that meets the certification requirements of 47 C.F.R. § 54.410(d). In

See id.

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

accordance with the Commission's ETC Rules, a copy of the Company's draft Lifeline certification form is attached hereto as Exhibit 3.

17. YMAX will comply with the annual reporting requirements outlined in Section 8 of the Commission's ETC Rules.

### V. Granting YMAX's Petition Will Serve the Public Interest

- 18. Congress requires that the Commission grant competitive ETC applications in non-rural areas.<sup>15</sup> No specific public interest test is mentioned, as is the case for areas served by rural telephone companies.<sup>16</sup> Thus, the Act provides that the Commission "shall" designate YMAX as an ETC upon finding that the company meets the requirements of Section 54.101(a) and Section 54.202(a) of the FCC's Rules (47 C.F.R. § 54.101(a) and 47 C.F.R. § 54.202(a)).
- 19. Grant of the Company's Application will serve the public interest and the market as a whole by promoting additional deployment of its unique service offering to the unserved and underserved exchanges in the Designated Service Area and will allow the Company to participate in and offer Lifeline to qualifying consumers throughout these same exchanges. As relevant to the Commission's public interest inquiry, the Company's presence will undeniably include a benefit of increased customer choice, as its service is unique, and serves a specific sector of the public who might well not otherwise be able to obtain wire line service from traditional providers.
- 20. The unique advantages and disadvantages of the Company's service offering are as follows:

The services are offered to customers on a monthly basis. Services are provided without

<sup>&</sup>lt;sup>15</sup> See 47 U.S.C. 214(e)(2).

See Id.

requiring a security deposit or gaining credit worthiness. Customers have the opportunity to choose products based on current needs and change products if necessary on a monthly basis without incurring large costly fees. The Company's offering provides long distance calling which eliminates the billing of additional monthly fees. Services can be discontinued simply by nonpayment of the next month's services without penalty or disconnection fees.

- 21. A central purpose of the Telecommunications Act of 1996 was to "promote competition and reduce regulation ... [thereby securing] lower prices and higher quality services ... and encourage the rapid deployment of new telecommunications technologies." Designation of YMAX as an ETC would further these goals. Granting ETC status to YMAX would allow the Company to obtain federal universal service support, which it will use to offer innovative telecommunications services at competitive prices to consumers in the Designated Service Area.
- 22. YMAX will announce and advertise telecommunications services as an ETC where it provides service in its Designated Service Area in Rhode Island and will publicize the availability of Lifeline services in a manner reasonably designed to reach those likely to qualify for those services. Accordingly, more low-income Rhode Island residents will be made aware of the opportunities afforded to them under the Lifeline program and will be able to take advantage of those opportunities by subscribing to the Company's service.
- 23. Since YMAX's service is of particular interest to credit-challenged customers—many of whom are low income—who generally cannot obtain service from the incumbent carrier, the granting of ETC status is clearly in the public interest; access to Lifeline can be

The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, 56 (1996).

critically important to a significant portion of the eligible low income consumers. To Applicant's knowledge, Lifeline services are not being sufficiently advertised and made available to eligible low income consumers in the Designated Service Area. Statistics suggest that there are many eligible customers who are not yet aware of the programs. According to the best data available to Applicant, as of December 31, 2010, only between 20-50% of consumers eligible for Lifeline Services in the State of Rhode Island were being provided such services. When additional carriers enter the market with programs designed specifically for such customers, it increases the likelihood that eligible customers will become generally aware of these valuable options for telecommunications service.

See attached Exhibit 4, 2010 Lifeline Participation Rates by State, which was obtained from the Universal Service Administrative Company ("USAC"), an independent not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the FCC.

### VI. Relief Requested

For the foregoing reasons, YMAX respectfully requests that the Commission grant its Petition and Designate the Company as an Eligible Telecommunications Carrier for the Designated Service Area.

Respect#ully submitted,

Lance J.M. Steinhart Georgia Bar No. 678222 Lance J.M. Steinhart, P.C. 1725 Windward Concourse, Suite 150

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E-Mail: lsteinhart@telecomcounsel.com

Attorneys for YMax Communications Corp.

### List of Exhibits

Exhibit 1 Certification

Exhibit 2 Sample Advertisement

**Exhibit 3** Lifeline Certification Form

**Exhibit 4** 2010 Lifeline Participation Rates by State

### **EXHIBIT 1**

### Certification

State of Florida	)		
County of Palm Beach	)		
Certification			
Russo, who first being duly sworn, YMax Communications Corp., App.	rsigned, an officer duly authorized to administer oaths, Peter deposes and states that he is the Chief Financial Officer of licant in this application, and has read the same and knows that the statements made herein are true to the best of his		
Dated: <u>NOV. 27, 2012</u>	Peter Russo, Chief Financial Officer		
Subscribed and sworn to before me th	his <u>27</u> day of <u>NOV</u> 2012.		
(Notary Seal)	(Signature of person authorized to administer oath)		
My Commission Expires: 9-14-	2015		
	BENJAMIN VANDERPLOEG NOTARY PUBLIC STATE OF FLORIDA Comm# EE130289 Expires 9/14/2015		

### **EXHIBIT 2**

Sample Advertisement

## YMax Communications Corp. Radio Ad

"Is home phone service just out of reach? If you currently receive government assistance from programs like Medicaid, Food Stamps, or Low Income Home Energy Assistance, you may qualify for assistance with your home phone service. YMAX is happy to offer qualifying low income households a Lifeline-supported discount on their home phone bills. Everyone needs a little help now and then and at YMAX we're happy to give you a helping hand. Visit us at ymaxcorp.com/lifeline for additional information on discounted service. LIFELINE IS A GOVERNMENT BENEFIT PROGRAM. ONLY ELIGIBLE CONSUMERS MAY ENROLL. THE PROGRAM IS LIMITED TO ONE BENEFIT PER HOUSEHOLD."

### **EXHIBIT 3**

### **Lifeline Certification Form**

### Application for YMAX Lifeline Service (Rhode Island)

(Discounted Telephone Service)

Back Spirite April 1979		AD CAREFULLY, US			
Billing Telepho	ne Number (a	rea code + number):			
Billing Name O	n Account:	(first name)	(last name)	(middle initial)	_
Home Address:					_
	(number)	(street)		(apartment number)	
	(city)		(state)	(zip)	-
ls this address	temporary (cir	rcle YES or NO): YES /	NO		
Billing Address	if different from	om Home Address:			
	(number)	(street)		(apartment number)	-
	(city)		(state)	(zip)	
Santa Cara Panakhina a Panak	continuedado todo destados Militar	PROGRAM PARTICI	BATION AND OFFI	TELEATION	
	ing the Lifeline	that I or a member of my discount. I or a member	of my household rece		following program (check
INLUIOAID			, ,	as Food Stamps)	,
SUPPLEME	NTAL SECURIT	Y INCOME (SSI)	SECTION 8 ASSISTANCE	FEDERAL PUBLIC H	ousing
LOW INCOM	IE HOME ENER	RGY ASSISTANCE	NATIONAL	SCHOOL LUNCH PRO	OGRAM
TEMPORAR	Y CASH ASSIS	TANCE	BUREAU O ASSISTANCE	F INDIAN AFFAIRS (B	IA) GENERAL
TEMPORAR	Y ASSISTANCE	FOR NEEDY FAMILIES	HEAD STAF	RT (TRIBAL LAND RES	BIDENTS ONLY)
ELIGIBILITY	BASED ON INC	COME (SEE PAGE 3)	FOOD DIST RESIDENTS ON	RIBUTION PROGRAM	(TRIBAL LAND

Along with this application, please attach or fax a photocopy (do not send an original) of one of the following:

- · your current or prior year's statement of benefits from a qualifying state, federal or Tribal program or
- · a notice letter of participation in a qualifying state, federal or Tribal program or
- · a program participation document, for example, benefit card or
- an official document indicating your participation in a qualifying state, federal or Tribal program.

### PLEASE READ AND CERTIFY THE PROGRAM RULES

The Lifeline discount program is a federal benefit and willfully making false statements to obtain this benefit can result in fines, imprisonment, de-enrollment or being barred from the program. YMAX is required by the Federal Communications Commission, or FCC, to verify your eligibility to participate in the Lifeline discount program.

<u>Under penalty of perjury</u> you must certify the following statements are true to the best of your knowledge. Please indicate your acknowledgement of each statement by a checkmark.
Only one Lifeline discount is allowed per household, consisting of either wireline or wireless service. A household is not permitted to receive Lifeline benefits from multiple providers. Violation of the one-per-household requirement constitutes a violation of Federal Communications Commission rules and will result in your de-enrollment from the program, and potentially, prosecution by the United States government.
A household is defined as any individual or group of individuals who live together at the same address and share income and expense
I certify my household will receive only one Lifeline service and, to the best of my knowledge, my household is not already receivin a Lifeline service.
Your name, telephone number, address and information contained in this application, as well as information associated with your Lifeline service may be provided to the Universal Service Administrative Company (USAC - administrator of the Lifeline discount program) and/or its agents for the purpose of verifying your household does not receive more than one Lifeline benefit. You will be denied Lifeline benefits if you fail to provide YMAX with consent to provide the specified information to USAC.
I acknowledge and consent that YMAX may provide my name, telephone number, address and information contained in this application, as well as information associated with your Lifeline service to the Universal Service Administrative Company (USAC) and/o its agents for the purpose of verifying that I or another member of my household does not receive more than one Lifeline benefit.
I agree to allow YMAX to exchange any necessary information with the appropriate federal or state agency, or fund administrator, to verify my eligibility to participate in the Lifeline discount program
Lifeline service is a non-transferable benefit. You may not transfer your Lifeline service to any individual, including another eligible low-income consumer.
I agree not to transfer my Lifeline discount benefit to another person.
I agree to notify YMAX within 30 calendar days if I move to another address and to provide the new address.
I agree to notify YMAX within 30 calendar days if, for any reason, I or my household:  No longer receive benefits from the federal or state program that qualified me for the Lifeline discount program.  Annual household income exceeds the Federal Poverty amount listed on page 3 that qualified me for the Lifeline discount program.  Receives more than one Lifeline benefit or another member of my household is receiving a Lifeline service.
I acknowledge that I may be required to recertify my continued eligibility for Lifeline at any time and my failure to recertify will result in de-enrollment and termination of my Lifeline benefits.
I agree to participate in the certification of my continued eligibility in the Lifeline discount program.
The information contained in this application form is true and correct to the best of my knowledge.
I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.

### REQUIRED INFORMATION

Please provide the last 4 digits of your Social Security Number:				
Please provide your date of birth: _		_/	_/	
	(day)	(month)	(year)	
If you do not have a Social Security provide your Tribal identification nu			n Federally recognized Tribal lands please	

### INCOME ELIGIBILITY GUIDELINES

The following chart can be used to determine eligibility for the Lifeline discount program based solely on income level. You may qualify for the Lifeline discount program if your household annual income is at or below 150% of the Federal Poverty Guidelines. A household is defined as any individual or group of individuals who live together at the same address and share income and expenses.

The chart below lists the annual income amount that cannot be exceeded in order to qualify based on household size. If the annual income amount for your household size is more than the amount shown on the chart below you do not qualify for the Lifeline discount based solely on income.

Household Size	150% of Federal Poverty Levels
1	\$16,755
2	\$22,695
3	\$28,635
4	\$34,575
Each additional person after 4	\$5,940

Please indicate the number of individuals in your household:

If your household qualifies based on the above income chart, please attach or fax a photocopy (do not send an original) of the following applicable documents. If you provide documentation that does not cover a full year (such as current pay stubs), you must submit three (3) consecutive months worth of the same type of document from the previous 12 months.

- · your prior year's state, federal or Tribal tax return
- · current income statement from an employer or paycheck stub
- · a Social Security statement of benefits
- · a Veterans Administration statement of benefits
- · a retirement or pension statement of benefits
- · an Unemployment or Workmen's Compensation statement of benefits
- · federal or Tribal notice letter of participation in General Assistance
- · a divorce decree
- · a child support award
- · other official document containing income information

PLEASE SIGN AND DATE THIS APPLICATION FORM AND PROVIDE	PROGRAM BENEFICIARY NAME
Billing Name Signature:	
Name of Household Member Receiving Benefits:	or SELF
Relationship to Household Member Receiving Benefits:	er SELF
PLEASE FAX OR MAIL SIGNED APPLICATION AND PROOF C	OF ELIGIBILITY TO:

Fax Number: (561) 722-0433

or Mail to:

YMAX Communications Corp Lifeline Service PO BOX 6785 West Palm Beach, FL 33405

### **EXHIBIT 4**

### 2010 Lifeline Participation Rates by State

- Below 107

- 107 - 207

- 202 - 502

Rbove 507.

# 2010 Lifeline Participation Rates by State

