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July 16, 2013

Luly E. Massaro, Clerk  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: i-wireless, LLC

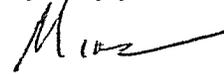
Dear Luly:

This office is local counsel to i-wireless, LLC, together with its regulatory counsel Lance J.M. Steinhart.

Enclosed for filing is an original and nine copies of the Application for Designation as an Eligible Telecommunications Carrier in the State of Rhode Island for i-wireless, LLC, together with various exhibits.

Please docket this matter and contact me if you have any questions or need any further information.

Very truly yours,



Michael R. McElroy

MRMc:tmg  
cc: Lance J.M. Steinhart

RECEIVED  
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PUBLIC UTILITIES COMMISSION

**Lance J.M. Steinhart, P.C.**

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July 15, 2013

VIA OVERNIGHT DELIVERY

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

Re: i-wireless, LLC

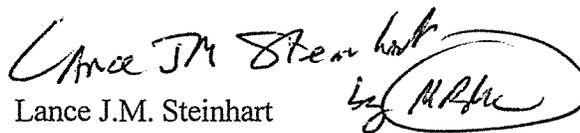
Dear Ms. Massaro:

Enclosed please find for filing one original and nine (9) copies of i-wireless, LLC's Application for Designation as an Eligible Telecommunications Carrier in the State of Rhode Island. i-wireless, LLC's Statement of Business Operations is being filed concurrently.

I have enclosed an extra copy of this letter to be date-stamped and returned to me in the enclosed pre-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully submitted,

 Lance J.M. Steinhart

Lance J.M. Steinhart  
Lance J.M. Steinhart, P.C.  
Attorneys for i-wireless, LLC

Enclosures

cc: Nicki Wollenhaupt

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

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In the Matter of the Application of i-wireless, LLC )  
for Designation as an Eligible Telecommunications )  
Carrier in the State of Rhode Island )     Docket No. \_\_\_\_\_  
\_\_\_\_\_ )

**APPLICATION OF I-WIRELESS, LLC  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF RHODE ISLAND**

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*Attorneys for i-wireless, LLC*

July 12, 2013

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

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In the Matter of the Application of i-wireless, LLC	)	
for Designation as an Eligible Telecommunications	)	
Carrier in the State of Rhode Island	)	Docket No. _____
	)	

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**APPLICATION OF I-WIRELESS, LLC  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF RHODE ISLAND**

**I. INTRODUCTION**

i-wireless, LLC (“i-wireless” or the “Company”), by its undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”)<sup>1</sup>, Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission (“FCC”),<sup>2</sup> and the Rhode Island and Providence Plantations Public Utility Commission’s (“Commission”) Eligible Telecommunications Carrier (“ETC”) Rules,<sup>3</sup> hereby submits this Application for Designation as an ETC in the State of Rhode Island. i-wireless seeks ETC designation solely to provide Lifeline to qualifying Rhode Island households; it will not seek access to funds from the federal Universal Service Fund (“USF”) for the purpose of participating in the Link-Up program or providing service to high cost areas.<sup>4</sup> As demonstrated herein, and as

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<sup>1</sup> 47 U.S.C. § 214(e)(2)

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

<sup>3</sup> See Rules and Regulations Governing the Certification and Verification Procedures for Telecommunications Carriers Eligible to Receive Payment from the Federal Universal Service Fund, effective August 30, 2012 (the “Commission’s ETC Rules”). The Company does not seek ETC designation for purposes of participating in the Link-Up program.

<sup>4</sup> Given that i-wireless only seeks support from the low-income program and does not seek any high-cost support, ETC certification requirements for the high-cost program are not applicable to i-wireless.

certified in Exhibit 1 to this Application, i-wireless meets all the statutory and regulatory requirements for designation as an ETC in the State of Rhode Island, including the Commission's ETC Rules and the new requirements outlined in the FCC's *Lifeline and Link Up Reform Order*.<sup>5</sup> Rapid grant of i-wireless's request, moreover, would advance the public interest because it would enable the Company to commence much needed Lifeline service to low-income Rhode Island residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Application for ETC designation.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed to Applicant's local counsel:

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with a copy to:

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<sup>5</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) ("*Lifeline and Link Up Reform Order*").

## II. I-WIRELESS' UNIVERSAL SERVICE OFFERING

### A. Company Overview

i-wireless is a North Carolina Limited Liability Company.<sup>6</sup> Its principal office is located at 1 Levee Way, Suite 3104, Newport, Kentucky 41071. i-wireless is a provider of commercial mobile radio service ("CMRS") throughout the United States and, concurrent with this Application, is registering as a Telecommunications Service Provider (Class VI) in Rhode Island. i-wireless provides prepaid wireless telecommunications services to consumers by using the Sprint Spectrum, L.P. ("Sprint") network on a wholesale basis to offer nationwide service. i-wireless obtains from Sprint the network infrastructure, including wireless transmission facilities to allow the Company to operate as a Mobile Virtual Network Operator ("MVNO"). i-wireless has been designated as an ETC in Arkansas, Arizona, Colorado, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, Ohio, South Carolina, Texas, Utah, Washington, West Virginia and Wisconsin, and by the FCC in Alabama, Connecticut, Delaware, District of Columbia, Florida, New Hampshire, New York, North Carolina, Tennessee, and Virginia.<sup>7</sup> i-wireless currently has applications for ETC designation pending with California, Massachusetts, New Jersey, New Mexico, Oregon, and Pennsylvania; no such petitions have been denied.

i-wireless's prepaid wireless services that are affordable and easy to use are attractive to low-income and lower-volume consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in

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<sup>6</sup> i-wireless was organized in the State of North Carolina on September 7, 2006. i-wireless registered with the Rhode Island Secretary of State on March 9, 2011.

<sup>7</sup> See *In the Matter of Federal-State Joint Board on Universal Service, i-wireless, LLC Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, North Carolina, New York, Tennessee, the Commonwealth of Virginia, and the District of Columbia*, WC Docket No. 09-197, Order, DA 12-934 (rel. June 13, 2012).

touch with friends and family and for contacting prospective employers. i-wireless offers consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of other, similar MVNOs' customers, i-wireless anticipates that many of its customers will be from low-income backgrounds and will not previously have enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. i-wireless does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service.

By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or were previously ignored by traditional carriers, i-wireless will expand the availability of wireless services to many more consumers, which is the principal reason that Congress created the universal service program.

#### **B. Proposed Lifeline Offering**

i-wireless has the ability to provide all services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) throughout Rhode Island. i-wireless intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice usage at all price points. The Company's Lifeline service offering will provide customers with the same features and functionalities enjoyed by all other i-wireless prepaid customers, with one notable exception: prepaid Lifeline services will not require payment of an out-of-pocket fee by subscribers, but instead, i-wireless will receive support from the Lifeline program as compensation for providing those services.

i-wireless will provide Lifeline service under the brand name “Access Wireless.” As Exhibit 2 demonstrates, i-wireless’ Lifeline service offering proposes to give eligible customers the following Lifeline Plan choices:

1. 250 Anytime Minutes Plan. Eligible customers enjoy a free handset and 250 anytime minutes per month.
2. Retail Discount Plan. The second option allows Lifeline eligible customers to choose from any i-wireless monthly retail plan<sup>8</sup> at a \$15 discount.<sup>9</sup> Under this Retail Discount Plan, a customer can, for example, pay \$35 per month and receive unlimited voice minutes, unlimited text messaging and 2.0 GB of data.

Customers can change their plan on their monthly plan date, without penalty, should they determine that another plan better meets their needs or if their needs change. i-wireless does not impose burdensome credit checks or long-term service contracts. Furthermore, i-wireless does not assess charges for activation or connection of service, and the 250 Minute plan includes all applicable taxes and fees. Minutes are credited to a customer’s account at the beginning of every 30-day cycle, which is initiated on their Lifeline activation date. A customer’s handset does not have to be “on” to receive minutes, as i-wireless’ operations are system-based, not handset-based. Customers may place calls to customer service and 911 for free, regardless of account balance or activation status.

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<sup>8</sup> Except a Text Only Plan.

<sup>9</sup> i-wireless currently offers a \$15 discount; however, the Company may re-evaluate the discount applied to its retail plans based on the outcome of the FNPRM regarding a change in the federal Lifeline support amount. *See Lifeline and Link Up Reform Order* Section XIII.D. i-wireless commits that it will continue to offer a Lifeline discount at a minimum equal to the federal Lifeline support amount, plus any state funds, if applicable.

In addition to wholly-supported voice services, prepaid Lifeline customers will also receive a free handset as well as have access to voice mail, caller I.D. and call waiting services at no additional charge, even after their initial allotment of included minutes has been consumed. Customers are not bound by a local calling area requirement; all i-wireless plans come with domestic long distance at no extra charge and exceptional nationwide digital coverage on the Nationwide Sprint PCS Network. i-wireless does not decrement minutes for balance inquiries or calls placed to customer service. i-wireless Lifeline customers will have access to the same exceptional customer care provided to retail customers. The Company contracts with a high quality, U.S. domestic customer care group whose hold time is among the lowest in the prepaid wireless industry. Additional airtime may be purchased over the phone (by calling the IVR or through customer care interface) or online; airtime cards are sold in denominations of \$10, \$25 and \$50 and include a set number of minutes with unlimited text messaging for a period of time and a preset amount of mobile internet access and picture mail. The chart in Exhibit 2 provides details for each card denomination.<sup>10</sup> i-wireless sends low and depleted balance alerts in the form of a free text message to the customer, and also alerts the customer through a free text message when minutes have been added to their account. i-wireless' prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

### **C. Plan Enrollment**

Customers interested in obtaining information on the Lifeline program will be directed to a toll-free telephone number and to the Company's website, which will contain information regarding the Company's Lifeline service plans, including a detailed description of the program

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<sup>10</sup> i-wireless may run promotions from time to time to increase the amount of minutes, texts and/or data included.

and state-specific eligibility criteria. Customers may then request that a certification form be mailed to them, or they can download a form from the internet. The certification form, a sample of which is attached hereto as Exhibit 3 in accordance with the Commission's ETC Rules, will explain in clear, easily understandable language that:

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

The Company's certification form will also require all consumers, at sign up and annually thereafter, to provide the information and certifications, under penalty of perjury, required by revised CFR § 54.410(d).<sup>11</sup> See Exhibit 5 for more detailed enrollment information. i-wireless will annually re-certify the continued eligibility of all of its subscribers.

#### **D. Prevention of Waste, Fraud and Abuse**

i-wireless recognizes the importance of safeguarding the USF. Therefore, the Company has implemented the following 60-day non-usage policy in an effort to avoid waste, fraud, and abuse of the program. i-wireless will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.<sup>12</sup> i-wireless will notify its subscribers at service initiation about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage

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<sup>11</sup> See *Lifeline and Link Up Reform Order* page 227-29.

<sup>12</sup> See *Lifeline and Link Up Reform Order* at ¶ 257.

in any 60-day period of time.<sup>13</sup> An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue.<sup>14</sup> i-wireless will provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage; such notice may be given after 30 days of non-usage. Customers that have been deactivated may participate in the Company's Lifeline service in the future by reapplying and re-establishing eligibility.

To further protect the integrity of the USF, i-wireless has contracted with: CGM, LLC of Roswell, Georgia, a lifeline service bureau, to edit all subsidy request data. CGM will process and validate the Company's subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines. Through the processes described above, i-wireless ensures that it does not over-request from support funds.

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<sup>13</sup> See *id.*

<sup>14</sup> See *Lifeline and Link Up Reform Order* at ¶ 261.

### III. THE COMMISSION HAS JURISDICTION TO DESIGNATE WIRELESS ETCs

Section 214(e)(2) of the Act provides state public utility commissions with the “primary responsibility” for the designation of ETCs.<sup>15</sup> Although Section 332(c)(3)(A) of the Act prohibits states from regulating the entry of or the rates charged by any provider of commercial mobile service or any private mobile service, this prohibition does not allow states to deny wireless carriers ETC status.<sup>16</sup> Therefore, the Commission has the authority to designate i-wireless as an ETC. Pursuant to this authority, the Commission has historically participated in determining whether to grant ETC status to an applying carrier, including any requesting wireless carrier.<sup>17</sup>

Under the Act, a state public utility commission with jurisdictional authority over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1). i-wireless recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC’s Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier’s services. However, on April 1, 2009, i-wireless filed with the FCC a petition requesting that the FCC exercise its forbearance authority under Section 10 of the Act (47 U.S.C. § 160) with

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<sup>15</sup> 47 U.S.C. § 214(e)(2).

<sup>16</sup> *USF Order*, at 8858-59, ¶ 145.

<sup>17</sup> *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 (September 14, 2010) (“*TracFone ETC Order*”); *see also In re: Petition of Nexus Communications, 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. 4238, Order No. 20440 (July 26, 2011) (“*Nexus ETC Order*”);

respect to the facilities-based service requirement Lifeline-only ETC designation.<sup>18</sup> The FCC granted the *Petition for Forbearance* for the purposes of participating in the Lifeline program in an Order dated June 25, 2010. Section 10(e) of the Act (47 U.S.C. § 160(e)) provides: “[a] State commission may not continue to apply or enforce any provision of this chapter that the [Federal Communications] Commission has determined to forbear from applying under subsection (a) of this section.” As such, the Commission is required by Section 10(e) to act in accordance with the FCC’s grant of forbearance, and therefore may not apply the facilities-based requirement to i-wireless. Therefore, the Commission has the authority under Section 214(e)(2) of the Act to grant i-wireless’ request for designation as an ETC throughout the State of Rhode Island.

**A. The ETC Designation Request is Consistent with Recent Commission Precedent**

i-wireless’s request for ETC designation to participate in the Lifeline program is consistent with the Commission’s designation of TracFone and Nexus as ETCs.<sup>19</sup> In its decision, the Commission determined that TracFone and Nexus satisfied all of the necessary eligibility requirements and that designation of a prepaid wireless provider as an ETC would serve the public interest. i-wireless requests that the Commission expeditiously process its ETC Application so that it can quickly commence providing qualifying low-income Rhode Island customers with affordable USF-supported wireless services during these challenging economic times for all state residents. Designation of i-wireless as an ETC would further competition for wireless Lifeline service and would offer eligible consumers an additional choice of providers

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<sup>18</sup> See *i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45, filed Apr. 1, 2009, (“*Petition for Forbearance*”), Order, FCC 10-117 (rel. June 25, 2010) (“*i-wireless Forbearance Order*”). A copy of the *i-wireless Forbearance Order* is attached hereto as Exhibit 4.

<sup>19</sup> See *TracFone ETC Order*; see also *Nexus ETC Order*.

for accessing telecommunications services, representing a significant step towards ensuring that all low-income consumers share in the many benefits associated with access to wireless services.

#### **IV. I-WIRELESS SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC**

Section 254(e) of the Act provides that “only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support.” Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to designate wireless ETCs.<sup>20</sup> Section 214(e)(1) of the Act and Section 54.201(d) of the FCC’s rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services, except where the FCC has forbore from the “own facilities” requirement. Applicants also must commit to advertise the availability and rates of such services.<sup>21</sup> As detailed below, i-wireless satisfies each of the above-listed requirements, as well as the Commission’s ETC Rules.

##### **A. i-wireless Will Provide Service Consistent with the FCC’s Grant of Forbearance from Section 214’s Facilities Requirements**

In the *i-wireless Forbearance Order*, The FCC conditionally granted i-wireless’ *Petition for Forbearance* from the facilities requirement, “given the importance of public safety and in light of the fact that a Lifeline ETC is generally a low-income customer’s only connection to the public switched telephone network.”<sup>22</sup> The FCC further explained that “requiring a Lifeline

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<sup>20</sup> See *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) (“*USF Order*”).

<sup>21</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

<sup>22</sup> *i-wireless Forbearance Order* ¶ 11.

provider to own the facilities it uses to offer service does not necessarily further the statutory goal of the low-income program.”<sup>23</sup>

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

(a) i-wireless providing its Lifeline customers with basic 911 and enhanced 911 (“E911”) access regardless of activation status and availability of prepaid minutes; (b) i-wireless providing its new Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (c) i-wireless complying with conditions (a) and (b) as of the date it provides Lifeline service; (d) i-wireless obtaining a certification from each Public Service Answering Point (“PSAP”) where i-wireless seeks to provide Lifeline service confirming that i-wireless provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met; (e) i-wireless requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from i-wireless; (f) i-wireless establishing safeguards to prevent its customers from receiving multiple i-wireless Lifeline subsidies at the same address, and (g) i-wireless dealing directly with the customer to certify and verify the customer’s Lifeline eligibility. The FCC required i-wireless to submit a plan describing the measures it would take to implement each of these conditions.<sup>24</sup>

In accordance with the *i-wireless Forbearance Order*, i-wireless filed its Compliance Plan which the FCC approved on October 21, 2011.<sup>25</sup> A copy of its Compliance Plan, as approved, is attached hereto as Exhibit 5. i-wireless commits to providing Lifeline service in Rhode Island in accordance with its Compliance Plan and in accordance with the *Lifeline and Link Up Reform Order*.

Consistent with paragraph 383 of the *Lifeline and Link Up Reform Order*, i-wireless will no longer follow the PSAP certification process outlined in the Company’s forbearance order and Compliance Plan. i-wireless will, however, continue to comply with applicable 911/E911

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<sup>23</sup> *Id.* ¶ 15.

<sup>24</sup> *See i-wireless Forbearance Order* ¶ 16.

<sup>25</sup> *See* i-wireless LLC’s Revised Compliance Plan, CC Docket No. 96-45, WC Docket No. 09-197 (filed Sept. 9, 2011) (“Compliance Plan”); *i-wireless, LLC Petition for Forbearance from 47 USC. §214(e)(1)(A)*, CC Docket No. 96-45, WC Docket No. 09-197, DA 11-1763, 2011 WL 5038791 (rel. Oct. 21, 2011) (“*Compliance Plan Order*”).

public safety obligations, including 47 C.F.R. § 20.18(m), the requirement to provide 911-enabled handsets, and any state-imposed requirements.<sup>26</sup>

**B. i-wireless Is a Common Carrier**

CMRS providers like i-wireless are treated as common carriers.<sup>27</sup>

**C. i-wireless Will Provide All Required Supported Services**

Through its wholesale arrangements with Sprint, i-wireless is able to provide all of the services designated for support by 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)), and the Commission's ETC Rules, including the following:

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

i-wireless provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from Sprint.

**2. Minutes of Use for Local Service**

As part of the voice grade access to the PSTN, an ETC must provide minutes of use for local service at no additional charge to end-users. The FCC has not specified a minimum amount of local usage that an ETC must offer.<sup>28</sup> i-wireless offers a variety of rate plans that provide its customers with minutes of use for local service at no additional charge.

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<sup>26</sup> See *Lifeline and Link-up Reform Order*, ¶ 375.

<sup>27</sup> *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); See also *PCIA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services and resellers of such services.").

<sup>28</sup> See e.g., *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

### **3. Access to Emergency Services**

i-wireless provides 911 and E911 access for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. i-wireless also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.

### **4. Toll Limitation for Qualified Low-Income Customers**

In its *Lifeline and Link Up Reform Order*, the FCC stated that toll limitation would no longer be deemed a supported service.<sup>29</sup> "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."<sup>30</sup> Nonetheless, i-wireless's offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. i-wireless's service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same. i-wireless will not seek reimbursement for toll limitation service.

### **5. Other Services**

While no longer required by 47 C.F.R. § 54.101(a), i-wireless 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 by dialing "411" from the provided wireless handsets.

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<sup>29</sup> See *Lifeline and Link Up Reform Order* at ¶ 367.

<sup>30</sup> See *Lifeline and Link Up Reform Order* at ¶ 49.

**D. i-wireless Will Advertise the Availability of Supported Services**

i-wireless will advertise the availability and rates for the services described above using media of general distribution as required by 47 C.F.R § 54.201(d)(2). i-wireless' advertising will comply with the requirements set forth in the *Lifeline and Link Up Reform Order*.<sup>31</sup> The Company will advertise engage in advertising campaigns specifically targeted to reach those likely to qualify for Lifeline service, promoting the availability of cost-effective wireless services to this neglected consumer segment.

Consumers will be made aware of a toll free number and website whereby they can apply for the Company's Lifeline program. i-wireless intends to advertise its Lifeline service through mediums targeted to low-income customers, which may include printed advertisements, billboards and public transit signage.<sup>32</sup> i-wireless may also promote the availability of its Lifeline offering by distributing brochures at various state and local social service agencies, and may partner with nonprofit assistance organizations in order to inform customers of the availability of its Lifeline service.

i-wireless will explain in clear, easily understood language the following disclosures in all marketing materials related to the supported service: (1) the offering is a Lifeline-supported service; (2) only eligible consumers may enroll in the program; (3) the program is limited to one benefit per household, consisting of either wireline or wireless service; and (4) Lifeline is a government benefit program. i-wireless' website and printed collateral will explain the documentation necessary for enrollment, and the details of i-wireless' plans. Such collateral and website information, as well as its application, will make clear that consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or

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

<sup>32</sup> In accordance with the Commission's ETC Rules, see attached Exhibit 6 for a sample advertisement.

can be barred from the program.<sup>33</sup> For broadcast advertisements and outdoor signs, and any other situation in which inclusion of documentation information and warnings against willful false statements are not practicable, i-wireless will include the URL link for its website where disclosures will be listed. Additionally, i-wireless will disclose the company name under which it does business and the details of its Lifeline service offerings in any Lifeline-related marketing and advertising.<sup>34</sup>

Statistics suggest that there are many eligible customers who are not yet aware of the programs. According to the best data available to the Company, as of December 31, 2011, only between 20-50% of consumers eligible for Lifeline Services in the State of Rhode Island were being provided such services.<sup>35</sup> i-wireless believes that its advertising and outreach efforts will inform consumers of the availability of Lifeline service in a manner that will result in increased participation in the Lifeline program.

**E. i-wireless Requests Designation Throughout Its Service Area in Rhode Island**

i-wireless is not a rural telephone company as defined in Section 153(37) of the Act (47 U.S.C. § 153(37)). Accordingly, the Company is required to describe the geographic area(s) within which it requests designation as an ETC. i-wireless requests ETC designation for its entire service area in Rhode Island, as identified by the wire center list attached hereto as Exhibit 8.

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

i-wireless provides service in Rhode Island by reselling service which it obtains from its

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<sup>33</sup> See *Lifeline and Link Up Reform Order* at ¶ 275.

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

<sup>35</sup> See attached Exhibit 7, 2011 Lifeline Participation Rates by State, which was obtained from USAC, an independent not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the FCC. USAC administers USF programs for high cost companies serving rural areas, low-income consumers, rural health care providers, and schools and libraries.

underlying facilities-based provider. The provider's network is operational and largely built out. Thus, i-wireless will be able to commence offering its Lifeline service to all locations served by its underlying carrier very soon after receiving approval from the Commission. i-wireless commits to comply with the service requirements applicable to the support that it receives.<sup>36</sup>

#### **G. Network Improvement Plan**

As set forth in the *Lifeline and Link Up Reform Order*, a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC.<sup>37</sup>

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

In accordance with 47 CFR §54.202(a)(2), i-wireless, through its underlying carrier, has the ability to remain functional in emergency situations. i-wireless's agreement with Sprint allows the Company to provide to its customers the same ability to remain functional in emergency situations as currently provided by Sprint to its own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. As a Tier I carrier, Sprint has redundancies, back-up generator power and an extensive disaster recovery program. Sprint has built its network from the ground up, which means that its network is consistent across the entire network so that it is easy to monitor and to troubleshoot should any outage or disruption occur.

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

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable

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<sup>36</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a)(1)(i).

<sup>37</sup> See *Lifeline and Link Up Reform Order* at ¶ 386.

consumer protection and service quality standards.<sup>38</sup> The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. Specifically, i-wireless commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service.

**J. Local Usage Requirement**

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.<sup>39</sup> Nevertheless, not only will the Company's offering be comparable to the underlying ILEC plans, but it also will exceed them in several respects. i-wireless will offer customers a certain amount of service free of charge. In contrast to the ILEC plans, which contain relatively small local calling areas, i-wireless customers can use these free minutes to place calls statewide (and even nationwide) because i-wireless does not constrict customers' use by imposing a local calling area requirement. i-wireless will also provide Lifeline customers with E911 capabilities and access to voice mail, caller I.D., and call waiting services at no cost. The very nature of the wireless phone, i.e. mobility, has a tremendous benefit to many consumers, a benefit to which a monetary value cannot be easily assigned.

**K. Equal Access Requirement**

The FCC's Rules no longer require an applicant for ETC status to provide a certification that it acknowledges 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>40</sup>

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<sup>38</sup> See 47 C.F.R. § 54.202(a)(3).

<sup>39</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a).

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

#### **L. Financial and Technical Capability**

i-wireless is financially and technically capable of providing Lifeline-supported services.<sup>41</sup> i-wireless is 50% owned by Genie Global, Inc. and 50% owned by The Kroger Co., the nation's largest grocery retail chain and the second largest retailer overall. i-wireless has been in business for 6 years and successfully provides wireless services throughout the United States, including Lifeline services in 26 states. i-wireless has not been subject to enforcement action or ETC revocation proceedings in any state. i-wireless is financially able to provide Lifeline-supported services; the Company does not, and does not intend to, offer exclusively Lifeline-supported services—and is therefore not exclusively dependent on universal service support for its revenue. Furthermore, the senior management of i-wireless has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.<sup>42</sup>

#### **M. i-wireless Will Comply with Certification and Verification Requirements**

Section 54.410 of the FCC's Rules requires ETCs to certify and verify a Lifeline customer's initial and continued eligibility. i-wireless will certify and annual re-verify consumer eligibility in accordance with the FCC's requirements, with Sections 6 and 7 of the Commission's ETC Rules, and in accordance with its Compliance Plan and the requirements set forth in the *Lifeline and Link Up Reform Order*. In particular, the Company will work with the Department of Human Services ("DHS") to certify initial subscriber eligibility for the Lifeline program and to annually verify continued eligibility for the Lifeline program. The Company understands that it may rely upon certification from DHS that a subscriber is still enrolled in a

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<sup>41</sup> See *Lifeline and Link Up Reform Order* at ¶ 387.

<sup>42</sup> See Exhibit 9 for key management bios.

Qualifying Assistance Program to meet the requirements of 47 C.F.R. § 54.541(f), annual recertification.

**N. i-wireless Will Comply With All Regulations Imposed By The Commission**

By this Application, i-wireless hereby asserts its willingness and ability to comply with the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Application. Upon Commission request, the Company is prepared to answer questions or present additional testimony or other evidence about its services within the state. Where and when applicable, the Company will remit the applicable 911 surcharge on behalf of its customers to the Division of Taxation. The Company will comply with the annual reporting requirements outlined in Section 8 of the Commission's ETC Rules.

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

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all citizens, regardless of geographic location or income.<sup>43</sup> Designation of i-wireless as an ETC in Rhode Island will further the public interest by providing Rhode Island consumers, especially low-income consumers, with low prices and high quality services. Many low-income customers in Rhode Island have yet to reap the full benefits of the intensely competitive wireless market. Whether because of financial constraints, poor credit history or intermittent employment, these consumers often lack the countless choices available to most consumers.

The instant request for ETC designation must be examined in light of the Act's goal of providing low-income consumers with access to telecommunications services. The primary

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<sup>43</sup> *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.

purpose of universal service is to ensure that consumers—particularly low-income consumers—receive affordable and comparable telecommunications services. Given this context, designating i-wireless as an ETC would significantly benefit low-income consumers eligible for Lifeline service in the State of Rhode Island—the intended beneficiaries of universal service.

**A. Advantages of i-wireless’ Service Offering**

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

i-wireless’ Lifeline program will provide low-income Rhode Island residents with the convenience and security offered by wireless services—even if their financial position deteriorates. According to the U.S. Department of Labor Bureau, Rhode Island’s unemployment rate was 8.9% as of May 2013. The economic circumstances indicate that low-income individuals, now more than ever, can greatly benefit from the advantages offered by the Company’s Lifeline service, thus allowing those adversely impacted by the failing economy or job loss to have access

to a wholly-supported wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members.

It is also a commonly accepted fact that in today's market all consumers, including qualified Lifeline customers, view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment the ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location. Providing i-wireless with the authority necessary to offer discounted Lifeline service to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

Moreover, grant of i-wireless' Application will serve the public interest in increasing the number of ETCs in Rhode Island. By granting ETC status to i-wireless, the Commission will enable the Company to increase the number of Rhode Island residents receiving Lifeline support, thereby increasing the amount of USF money flowing into Rhode Island. In sum, ETC designation in the State of Rhode Island would enable i-wireless to provide all of the public benefits cited by the FCC in its analysis in the *Virgin Mobile Order*. Namely, i-wireless would provide "increased consumer choice, high-quality service offerings, and mobility,"<sup>44</sup> as well as the safety and security of effective 911 and E911 services.<sup>45</sup>

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

The benefits to consumers of being able to choose from among a variety of telecommunications service providers have been acknowledged by the FCC for more than three

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<sup>44</sup> See *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38.

<sup>45</sup> See *Id.* at 3391 ¶ 23.

decades.<sup>46</sup> Designation of i-wireless as an ETC will promote competition and innovation, and spur other carriers to target low-income consumers with service offerings tailored to their needs and to improve their existing networks to remain competitive, resulting in improved services to consumers. Designation of i-wireless as an ETC will help assure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.<sup>47</sup> Introducing i-wireless into the market as an additional wireless ETC provider will afford low income Rhode Island residents a wider choice of providers and available services while enhancing the competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers. Increasing the competitive marketplace of providers has the potential to effectively increase the penetration rate and reduce the number of individuals not connected to the PSTN.

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

With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is exactly the same whether the support is given through a company such as i-wireless or the Incumbent LEC operating in the same service area. i-wireless will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not enrolled in another ETC’s Lifeline program. By implementing the safeguards set forth in the *Lifeline and Linkup Reform Order*, i-wireless will minimize the likelihood that its customers are not eligible or are receiving duplicative support either individually or within their household. Significantly, the Company’s designation as an ETC will not increase the number of persons eligible for Lifeline support. The Company’s ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to telecommunications service, and

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<sup>46</sup> See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

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

thus any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers. According to the FCC, “the additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest,” and “A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance in the context of the Lifeline program outweighs the potential costs.”<sup>48</sup>

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

i-wireless certifies that no party to this Application is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

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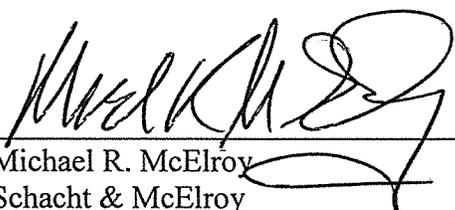
<sup>48</sup> See *i-wireless Forbearance Order* at ¶ 19.

## VII. CONCLUSION

Based on the foregoing, designation of i-wireless as an ETC in the State of Rhode Island accords with the requirements of Section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, i-wireless respectfully requests that the Commission promptly designate i-wireless as an ETC in the State of Rhode Island.

Respectfully submitted,

  
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*Attorneys for i-wireless, LLC*

July 12, 2013

**EXHIBIT 1**

**Certification of Paul McAleese, CEO of i-wireless, LLC**

State of Kentucky )  
 )  
County of Campbell )

### Certification

Personally appeared before the undersigned, an officer duly authorized to administer oaths, Paul McAleese, who first being duly sworn, deposes and states that he is the CEO of K-Wireless, LLC, Applicant in this application, and has read the same and knows the contents thereof, and confirms that the statements made herein are true to the best of his knowledge and belief.

Dated: 6/19/13



\_\_\_\_\_  
Paul McAleese, CEO

Subscribed and sworn to before me this 19<sup>th</sup> day of June 2013.

  
(Notary Seal)

Neoma Wollenhaupt  
(Signature of person authorized to administer oath)

My Commission Expires: My Commission Expires August 29, 2015

**EXHIBIT 2**

**Proposed Lifeline Offering**

**Option 1: Lifeline 250 Minutes Plan\***

250 anytime minutes per month  
(1 SMS text message = 1 minute of usage)  
Net cost to Lifeline customer: \$0

**Option 2: Lifeline Retail Discount Plan\***

Lifeline eligible customers may apply their Lifeline discount, currently \$15, to any i-wireless monthly retail plan (excluding text only plans). Current retail monthly plans are listed at [www.iwirelesshome.com](http://www.iwirelesshome.com)

*\*both options include:*

- Free handset
- Free access to Voicemail, Caller-ID and call waiting features
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free balance inquiries
- Unused minutes can rollover to following month

**Additional Airtime:**

<b>Amount</b>	<b>Talk Minutes</b>	<b>Unlimited Text</b>	<b>Data</b>	<b>Picture Mail</b>
\$10	150	10 days	100MB	25
\$25	300	30 days	.5G	50
\$50	Unlimited	30 days	1G	100

**EXHIBIT 3**

**Sample Lifeline Certification Form**

**RHODE ISLAND LIFELINE CERTIFICATION FORM**

This signed authorization is required in order to enroll you in the Lifeline Program in your state. This authorization is only for the purpose of verifying your participation in these programs and will not be used for any other purpose. Service requests will not be processed until this form has been received and verified by Company.

**Things to know about the Lifeline Program:**

- (1) Lifeline is a federal benefit.
- (2) Lifeline Service is available for only one line per household. A household cannot receive benefits from multiple providers; and
- (3) A household is defined, for purposes of the Lifeline Program, as any individual or group of individuals who live together at the same address and share income and expenses.

Mail application to: Access Wireless, 420 Progress Drive, Mattoon, IL 61938-9949 OR for faster processing fax to: 1-973-599-6573

**APPLICANT INFORMATION:**

First Name: \_\_\_\_\_ MI: \_\_\_\_\_ Last Name: \_\_\_\_\_

Residence Address: \_\_\_\_\_ APT/Floor/Other \_\_\_\_\_ This address is:  Permanent  Temporary  Multi-Household  
(No PO Boxes, Must be your principal address)

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_ Contact Telephone Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Last 4 digits of your Social Security Number (or Tribal ID Number): \_\_\_\_\_

I hereby certify that I am currently enrolled in at least one of the following programs: (Check all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP) Food Stamps | <input type="checkbox"/> Federal Public Housing Assistance (FPHA)/ Section 8                    |
| <input type="checkbox"/> Medicaid   | <input type="checkbox"/> Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE)          |
| <input type="checkbox"/> Supplemental Security Income (SSI)                           | <input type="checkbox"/> Rhode Island Medical Assistance Program                                |
| <input type="checkbox"/> Temporary Assistance for Needy Families (TANF)               | <input type="checkbox"/> Rhode Island Works (formerly, Aid to Families with Dependent Children) |
| <input type="checkbox"/> National School Lunch Program's Free Lunch Program (NSLP)    | <input type="checkbox"/> General Public Assistance  |
| <input type="checkbox"/> Low Income Home Energy Assistance Plan (LIHEAP)              |   |

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

**YOU MUST PROVIDE DOCUMENTED PROOF OF YOUR PARTICIPATION IN THE ABOVE PROGRAMS OR PROOF OF INCOME.**

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

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

X \_\_\_\_\_ / / Shopper Loyalty Number: \_\_\_\_\_  
 APPLICANT'S SIGNATURE (Please use blue or black ink) Date

Application Number \_\_\_\_\_ Agent Name \_\_\_\_\_ Dealer/Kroger ID: \_\_\_\_\_

**EXHIBIT 4**

*i-wireless Forbearance Order*

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

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Telecommunications Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197
	)	
i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)	)	

**ORDER**

Adopted: June 22, 2010

Released: June 25, 2010

By the Commission:

**I. INTRODUCTION**

1. In this order, we grant in part and deny in part a petition for forbearance filed by i-wireless, LLC (i-wireless), a prepaid wireless resale provider, requesting that the Commission forbear from the requirement that a carrier designated as an eligible telecommunications carrier (ETC) for purposes of federal universal service support provide services, at least in part, over its own facilities.<sup>1</sup> As a result, i-wireless may seek ETC designation to offer discounted service to qualified low-income consumers through the universal service Lifeline program. i-wireless will be subject to the same conditions that the Commission previously applied to prepaid wireless resellers TracFone Wireless, Inc. and Virgin Mobile USA, L.P. in granting similar requests. The conditions will help to ensure that, if i-wireless is granted ETC designation for the purpose of providing Lifeline service, its low-income consumers have access to 911 and enhanced 911 services and will help to protect the universal service fund against waste, fraud and abuse. However, we deny i-wireless's petition for forbearance for the purposes of participating in the Link Up program because the company has not demonstrated that granting its request satisfies the three-prong statutory test for forbearance.<sup>2</sup>

**II. BACKGROUND**

2. Congress directed the Commission to establish the universal service fund to help ensure that "[q]uality services [are] available at just, reasonable, and affordable rates" for consumers throughout the nation, "including low-income consumers."<sup>3</sup> The Commission's Lifeline program furthers this goal by reducing the price of monthly telephone service for low-income consumers, and the Commission's

<sup>1</sup> i-wireless, LLC Petition for Forbearance, CC Docket No. 96-45 (filed Apr. 1, 2009) (Forbearance Petition). On March 23, 2010, pursuant to section 10(c) of the Act, the Wireline Competition Bureau (Bureau) extended until June 30, 2010, the date on which the Forbearance Petition shall be deemed granted in the absence of a Commission decision that the petition fails to meet the standard for forbearance under section 10(a) of the Act. *i-wireless, LLC Petition for Forbearance*, CC Docket No. 96-45, Order, 25 FCC Rcd 2762 (Wireline Comp. Bur. 2010); 47 U.S.C. § 214(e).

<sup>2</sup> 47 U.S.C. § 160(a).

<sup>3</sup> 47 U.S.C. § 254(b)(3).

Link Up program furthers this goal by reducing the customary connection charge for commencing telephone service at a low-income consumer's principal place of residence.<sup>4</sup>

3. The Communications Act of 1934, as amended (the Act), provides that only an entity designated as an eligible telecommunications carrier shall be eligible for universal service high-cost and low-income support.<sup>5</sup> To become an ETC, a common carrier must offer the services supported by the federal universal service support mechanisms "either using its own facilities or a combination of its own facilities and resale of another carrier's services" to each customer in its designated service area.<sup>6</sup> Carriers designated as ETCs generally must participate in the Lifeline and Link Up programs and are reimbursed for the revenues foregone through their participation in these programs.<sup>7</sup>

4. The Commission has granted two petitions for forbearance from the facilities requirement for ETC designation in section 214(e) of the Act. In 2005, the Commission forbore from applying the facilities requirement to TracFone Wireless, Inc. (TracFone), a wireless reseller, insofar as TracFone sought ETC designation only for the purpose of receiving Lifeline support.<sup>8</sup> Similarly, in 2009, the Commission forbore from applying the facilities requirement to another wireless reseller, Virgin Mobile USA, L.P. (Virgin Mobile).<sup>9</sup> In both orders, the Commission conditioned forbearance on the carriers' meeting certain obligations upon being designated as an ETC that are tailored to the concerns arising from each carrier's lack of facilities and proposed service offering.<sup>10</sup>

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<sup>4</sup> Through the Lifeline program, low-income consumers may receive discounts of up to \$13.50 off the monthly cost of telephone service, with the federal program reimbursing the ETC up to \$10 each month. 47 C.F.R. § 54.401(a)(2). In tribal areas, the federal program reimburses ETCs up to an additional \$25 each month. 47 C.F.R. § 54.405(a)(4). Through the Link Up program, low-income consumers may receive discounts of up to \$30 off the connection charge. 47 C.F.R. § 54.411(a)(1). In tribal areas, low-income consumers may receive up to an additional \$70 off the connection charge. 47 C.F.R. § 54.411(a)(3).

<sup>5</sup> 47 U.S.C. § 254(e). A carrier need not be an ETC to participate in the schools and libraries or rural health care universal service programs. 47 U.S.C. § 254(h)(1)(A) and (B)(ii); see *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9015, para. 449 (1997) (*Universal Service First Report and Order*) (subsequent history omitted); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-46, Fourteenth Order on Reconsideration, 14 FCC Rcd 20106, 20114-15, para. 19 (1999) (*Fourteenth Order on Reconsideration*).

<sup>6</sup> 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d)(1). Because a carrier need not be an ETC to participate in the schools and libraries or rural health care universal service programs, a carrier need not offer service over its own facilities to receive support from those programs. See *supra* note 5.

<sup>7</sup> See 47 C.F.R. § 54.407(b)-(c). ETCs designated for the limited purpose of participating in the Lifeline program, in contrast, may only receive Lifeline support.

<sup>8</sup> *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (*TracFone Forbearance Order*).

<sup>9</sup> *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Tennessee*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009) (*Virgin Mobile Forbearance Order*).

<sup>10</sup> Specifically, each carrier must: (1) provide its Lifeline customers with 911 and enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes; (2) provide its Lifeline customers with E911-compliant handsets and replace, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (3) comply with conditions (1) and (2) as of the date it provides Lifeline service; (4) obtain a certification from each public-safety answering point (PSAP) where the carrier provides Lifeline service confirming that the carrier provides its customers with 911 and E911 access or self-certify that it does so if certain conditions are met; (5) require each customer to self-certify at time of service activation and (continued . . .)

5. *i-wireless Forbearance Petition.* Like Tracfone and Virgin Mobile, i-wireless is a non-facilities-based commercial mobile radio service (CMRS) provider (i.e., a pure wireless reseller) that provides prepaid wireless telecommunications services.<sup>11</sup> On April 1, 2009, i-wireless filed a petition seeking forbearance from the facilities requirement of section 214(e) of the Act so that it may be designated as an ETC and be eligible to receive Lifeline and Link Up low-income support.<sup>12</sup> i-wireless states that its request for forbearance satisfies the statutory requirements and is in the public interest.<sup>13</sup> Further, i-wireless agrees to abide by the conditions imposed on TracFone and Virgin Mobile as part of the Commission's decisions granting those carriers' requests to forbear from the ETC facilities requirement to allow them to receive Lifeline support only.<sup>14</sup>

### III. DISCUSSION

6. The Act requires the Commission to forbear from applying any requirement of the Act or of our regulations to a telecommunications carrier if and only if the Commission determines that: (1) enforcement of the requirement is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier are just and reasonable and are not unjustly or unreasonably discriminatory; (2) enforcement of that requirement is not necessary for

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annually thereafter that he or she is the head of household and receives Lifeline-supported service only from that carrier; (6) establish safeguards to prevent its customers from receiving multiple Lifeline subsidies from that carrier at the same address; (7) deal directly with the customer to certify and verify the customer's Lifeline eligibility; and (8) submit to the Wireline Competition Bureau a compliance plan outlining the measures the carrier will take to implement these conditions. *See id.* at 3386-87, 3392, paras. 12, 26; *TracFone Forbearance Order*, 20 FCC Rcd at 15098-99, 15104, paras. 6, 19; *Federal-State Joint Board on Universal Service; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Designation as an Eligible Telecommunications Carrier in the State of Connecticut; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Massachusetts; Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama; Petition for Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Designation as an Eligible Telecommunications Carrier in the State of Tennessee; Petition for Designation as an Eligible Telecommunications Carrier in the State of Delaware for the Limited Purpose of Offering Lifeline Service to Qualified Households; Petition for Designation as an Eligible Telecommunications Carrier in the State of New Hampshire for the Limited Purpose of Offering Lifeline Service to Qualified Households; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania for the Limited Purpose of Offering Lifeline Service to Qualified Households; Petition for Designation as an Eligible Telecommunications Carrier in the District of Columbia for the Limited Purpose of Offering Lifeline Service to Qualified Households*, CC Docket No. 96-45, Order, 24 FCC Rcd 3375 (2009) (*TracFone Forbearance Modification Order*).

<sup>11</sup> Forbearance Petition at 2.

<sup>12</sup> *See* Forbearance Petition. On June 5, 2009, the Bureau issued a public notice seeking comment on the Forbearance Petition. *Comment Sought on i-wireless, LLC Petition for Forbearance from Eligible Telecommunications Carrier Facilities Requirement*, CC Docket No. 96-45, Public Notice, 24 FCC Rcd 7682 (Wireline Comp. Bur. 2009). Comments on the Forbearance Petition were filed by the National Association of State Utility Consumer Advocates (NASUCA) and the National Emergency Number Association (NENA). Reply comments were filed by NASUCA, i-wireless, and the Pennsylvania Public Utility Commission (Pennsylvania Commission). We interpret i-wireless's petition to request forbearance not only from the statutory facilities requirement, 47 U.S.C. § 214(e)(1)(A), but also from our parallel regulatory requirements, 47 C.F.R. § 54.201(d)(1), (i). We have previously read these requirements to have the same scope and purpose as the statutory provision. *See Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3386-87 n.41.

<sup>13</sup> Forbearance Petition at 8-13.

<sup>14</sup> Forbearance Petition at 13; *TracFone Forbearance Order*, 20 FCC Rcd at 15098-99, 15104, paras. 6, 19; *Virgin Mobile Forbearance Order*, 24 FCC Rcd 3386-87, 3392, paras. 12, 26.

the protection of consumers; and (3) forbearance from applying that requirement is consistent with the public interest.<sup>15</sup> As in the *TracFone Forbearance Order* and the *Virgin Mobile Forbearance Order*, we examine the facilities requirement from which i-wireless seeks forbearance in light of the statutory goal of providing low-income consumers with access to telecommunications services and in light of the specific programs in which i-wireless seeks to participate. Because our prior orders have laid the path for examining forbearance requests in the context of the Lifeline program, we first evaluate i-wireless's petition in that context. We then turn to the new issue of whether i-wireless has demonstrated that the statutory requirements for forbearance are met in the context of the Link Up program.

#### A. Forbearance for Lifeline

7. In this section, we evaluate whether i-wireless has met the three-prong statutory test for forbearance to receive Lifeline support. For the reasons provided below, we conditionally grant the request of i-wireless for forbearance from the facilities requirement of section 214(e) for the purpose of seeking ETC designation to provide Lifeline support only.

8. *Just and Reasonable.* As an initial matter, we note that a provision or regulation is "necessary" if there is a strong connection between the requirement and regulatory goal.<sup>16</sup> Section 10(a)(1) of the Act requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation for Lifeline support only is necessary to ensure that the charges, practices, classifications or regulations are just and reasonable and not unjustly or unreasonably discriminatory.<sup>17</sup>

9. As the Commission found in the *TracFone Forbearance Order* and the *Virgin Mobile Forbearance Order*, we conclude that the section 214(e) facilities requirement is not necessary to ensure that i-wireless's charges, practices, and classifications are just and reasonable and not unjustly or unreasonably discriminatory where it is providing Lifeline service only.<sup>18</sup> As a reseller, i-wireless is by definition subject to competition. We expect that i-wireless's Lifeline offerings will compete, at a minimum, with the Lifeline offerings of the incumbent wireline carrier in a given geographic area, and potentially, depending on the states where i-wireless seeks ETC designation, with the offerings of TracFone and Virgin Mobile.<sup>19</sup> We also expect that this competition will spur innovation amongst carriers in their Lifeline offerings, expanding the choice of Lifeline products for eligible consumers. For these reasons, we find that the first prong of section 10(a) is met. In the limited context of Lifeline support, the facilities requirement is not necessary to ensure that i-wireless's charges, practices, and classifications are just and reasonable.

10. *Consumer Protection.* Section 10(a)(2) requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation only for Lifeline support is necessary for the protection of consumers. As in the cases of TracFone and Virgin Mobile, we find that imposing the facilities requirement on i-wireless is not necessary for the protection of consumers so long as the carrier complies with the obligations described below. Specifically, we conclude that forbearance from this provision will benefit consumers. Indeed, if i-wireless is ultimately granted limited ETC status, it would be offering Lifeline-eligible consumers an additional choice of providers for accessing telecommunications services. The prepaid feature may be an

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<sup>15</sup> 47 U.S.C. § 160(a)–(b). In making a public interest determination, section 10(b) requires the Commission to consider whether forbearance will promote competitive market conditions.

<sup>16</sup> See *CTIA v. FCC*, 330 F.3d 502, 512 (D.C. Cir. 2003).

<sup>17</sup> 47 U.S.C. § 160(a)(1); 47 U.S.C. § 214(e).

<sup>18</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15100, para. 12; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3389, para. 20.

<sup>19</sup> See 47 C.F.R. § 54.405(a) (requiring ETCs to offer Lifeline service).

attractive alternative for such consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

11. Given the importance of public safety and in light of the fact that a Lifeline ETC is generally a low-income customer's only connection to the public switched telephone network, however, we condition this grant of forbearance on i-wireless's compliance with certain obligations upon being designated as an ETC, consistent with the public safety obligations previously imposed on TracFone and Virgin Mobile.<sup>20</sup> Specifically, our forbearance is conditioned on i-wireless:

- (1) providing its Lifeline customers with 911 and enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes;
- (2) providing its Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service;
- (3) complying with conditions (1) and (2) as of the date it provides Lifeline service; and
- (4) obtaining a certification from each PSAP where the carrier seeks to provide Lifeline service confirming that the carrier provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met.

12. The Commission has an obligation to promote "safety of life and property" and to "encourage and facilitate the prompt deployment throughout the United States of a seamless, ubiquitous, and reliable end-to-end infrastructure" for public safety.<sup>21</sup> The provision of 911 and E911 services is critical to our nation's ability to respond to a host of crises, and this Commission has a longstanding and continuing commitment to a nationwide communications system that promotes the safety and welfare of all Americans, including Lifeline customers.<sup>22</sup> As we have held previously, we believe these obligations are necessary to ensure that the Lifeline customers of these wireless resellers have meaningful access to emergency services.<sup>23</sup>

13. Consistent with the obligations we have placed on TracFone and Virgin Mobile, these obligations apply in any state in which i-wireless becomes an ETC and plans to serve any customers without using its own facilities. Additionally, i-wireless must furnish to the Commission upon request copies of all certifications required by the fourth obligation.<sup>24</sup> Furthermore, if i-wireless seeks to use the self-certification option, it may do so only after complying with the following procedures. *First*, i-wireless must request certification from the PSAP and notify the PSAP that the carrier may self-certify compliance if the PSAP has neither provided certification nor made an affirmative finding that the carrier does not provide its customers with access to 911 and E911 service within the PSAP's service area within 90 days of the request. This evaluation period commences upon proper notification.<sup>25</sup> The evaluation

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<sup>20</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15101-02, paras. 15-16; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3390-91, paras. 21-23.

<sup>21</sup> *Applications of Nextel Communications, Inc. and Sprint Corporation For Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 05-63, Memorandum Opinion and Order, 20 FCC Rcd 13967, 14020, para. 144 (2005).

<sup>22</sup> *Id.*

<sup>23</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15101-02, paras. 15-16; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3390-91, para. 21-23.

<sup>24</sup> See *Virgin Mobile ETC Designation Order*, 24 FCC Rcd at 3390, para. 22.

<sup>25</sup> *Id.* at 3390-91, para. 22. Consistent with the *Virgin Mobile Forbearance Order*, in providing notice that it may self-certify, i-wireless must provide a PSAP with all of the information and/or equipment requested by the PSAP in analyzing i-wireless's ability to provide 911 and E911 to its customers.

period is tolled whenever a PSAP reasonably requests information or equipment to evaluate the carrier's request until the carrier responds with that information or equipment.<sup>26</sup> If a PSAP determines that the carrier will not offer its Lifeline customers appropriate access to emergency services or has concerns regarding the carrier's ability and if the PSAP notifies the carrier of its concerns during the evaluation period, the evaluation period is extended by an additional 90 days and the carrier may not self-certify compliance until it has addressed the PSAP's concerns.<sup>27</sup> *Second*, before self-certifying, the carrier must obtain from its underlying carrier in that area certification that the underlying carrier routes emergency calls from the carrier's customers to the PSAP in the same manner that it routes emergency calls from its own customers.<sup>28</sup> *Third*, the carrier must provide the PSAP with a copy of the relevant self-certifications at the time it is effective.<sup>29</sup> *Fourth*, if a PSAP finds that i-wireless does not provide its customers with 911 and E911 access after the carrier has self-certified that it does, the carrier must notify the Commission of this finding upon receiving notice and must explain how it plans to meet the PSAP's concerns and provide Lifeline customers with appropriate 911 and E911 access.<sup>30</sup>

14. Accordingly, we find that, subject to the 911 and E911 conditions and the self-certification and other conditions set out above, and consistent with the Commission's grant of forbearance to TracFone and Virgin Mobile, the ETC facilities-based requirement is not necessary for consumer protection with respect to i-wireless's receipt of Lifeline support only. We therefore conclude that the second element of section 10(a) is satisfied.

15. *Public Interest.* Section 10(a)(3) requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation for Lifeline support only is in the public interest. In evaluating whether forbearance is in the public interest, we follow the path we laid out in the *TracFone Forbearance Order* and the *Virgin Mobile Forbearance Order*. We note first that the Commission's traditional concern with a carrier doubling its recovery by reselling facilities that are already supported by the high-cost fund does not apply in the low-income context.<sup>31</sup> We also note that Lifeline support is designed to reduce the monthly cost of telecommunications service for qualifying low-income consumers and is directly reflected in the price that the low-income customer pays.<sup>32</sup> Requiring a Lifeline provider to own the facilities it uses to offer service does not necessarily further the statutory goal of the low-income program.<sup>33</sup> In accordance with our forbearance grants to TracFone and Virgin Mobile, we find that the public interest is served by forbearing from the facilities requirement in section 214(e) to allow i-wireless to receive Lifeline support.<sup>34</sup>

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<sup>26</sup> *Id.* at 3391, para. 22.

<sup>27</sup> *Id.* at 3390 n.67.

<sup>28</sup> *Id.* at 3391, para. 22. Like other certifications, the carrier is required to retain these underlying carrier certifications and provide them to the Commission upon request.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15100-01, para. 12; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3389, para. 18.

<sup>32</sup> 47 C.F.R. §§ 54.401, 54.504.

<sup>33</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15104-05, para. 23; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3393, para. 29.

<sup>34</sup> See *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3392-93, para. 27 (“[W]e do not believe that similar requests will have a detrimental impact on the fund. We note that to the extent any similarly situated prepaid wireless reseller seeks forbearance from these requirements for the purpose of providing only Lifeline support, it (continued . . .)

16. Continued growth of the universal service fund has highlighted in recent years the importance of the Commission's continued commitment to fight waste, fraud, and abuse. Accordingly, in addition to the consumer protection conditions outlined above and consistent with obligations imposed on TracFone and Virgin Mobile, we find that it is necessary to require i-wireless to assume additional obligations designed to protect against waste, fraud, and abuse.<sup>35</sup> Specifically, we condition our forbearance from the facilities requirement on i-wireless:

- (5) requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from that carrier;
- (6) establishing safeguards to prevent its customers from receiving multiple Lifeline subsidies from that carrier at the same address;
- (7) dealing directly with the customer to certify and verify the customer's Lifeline eligibility; and
- (8) submitting to the Wireline Competition Bureau a compliance plan outlining the measures the carrier will take to implement the obligations contained in this order within 30 days of the effective date of this order.

17. As we have held previously, we believe these obligations are necessary safeguards to help deter waste, fraud, and abuse.<sup>36</sup> These obligations apply in any state in which i-wireless becomes an ETC and plans to serve any customers without using its own facilities. Consistent with the obligations we have placed on TracFone and Virgin Mobile, we require i-wireless to clearly state the penalties for perjury on the self-certification form it uses to comply with the fifth obligation and to monitor compliance of its customers' self-certifications by retaining those self-certifications and providing them, as well as documentation of how the carrier obtained the certification, to the Commission upon request.<sup>37</sup>

18. We disagree with parties that argue that we should condition our forbearance on i-wireless complying with additional obligations, such as offering a particular usage package or complying with state-level 911 and E911 obligations.<sup>38</sup> We believe it is appropriate to leave those assessments to whichever commissions will rule on i-wireless's petitions for designation as an ETC. A state commission is generally in a better position than we to assess whether a particular offering will benefit that state's low-income consumers and to determine whether it is necessary to condition ETC designation on compliance with state-level 911 and E911 obligations.<sup>39</sup> We therefore encourage parties arguing for

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will be expected to comply with all the conditions we imposed upon TracFone, which Virgin Mobile has agreed to do.”).

<sup>35</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15103–04, 15105, paras. 18, 25; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3392, para. 25.

<sup>36</sup> These obligations are in addition to, and do not supplant, the certification and verification eligibility already required by our rules for federal default states and any similar state rules for the non-federal default states. See, e.g., 47 C.F.R. § 54.410. On May 4, 2010, the Commission asked the Federal-State Joint Board on Universal Service to review the Commission's eligibility, verification, and outreach rules for the Lifeline and Link Up universal service programs. See *Federal-State Joint Board on Universal Service; Lifeline and Link Up*, CC Docket No. 96-45, WC Docket No. 03-109, Order, 25 FCC Rcd 5079 (2010).

<sup>37</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15103–04, 15105, paras. 18, 25; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3392, para. 25 & n.74.

<sup>38</sup> See, e.g., NASUCA Comments at 4–5 (arguing that forbearance is inappropriate unless i-wireless explains how it will apply the Lifeline discount to its plans); NENA Comments at 1–2 (arguing that carriers seeking forbearance should commit to complying with state-level 911 and E911 obligations as a condition of forbearance).

<sup>39</sup> Of course, if a state commission does not have jurisdiction to designate i-wireless as a limited-purpose ETC, we will consider i-wireless's application as well as whether any additional obligations are necessary for that particular designation to be in the public interest. See 47 U.S.C. § 214(e)(6).

additional obligations to redirect their arguments to ETC designation proceedings rather than this proceeding.

19. Similarly, we are not persuaded by comments regarding the impact on the size of the universal service fund and the associated contribution obligation if we grant the forbearance petition.<sup>40</sup> Granting forbearance here would allow i-wireless to compete with TracFone and Virgin Mobile (as well as other ETCs) for the existing pool of low-income customers, and the size of that pool is determined by Lifeline program eligibility requirements, not by the number of providers competing for those customers. The additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest. A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance in the context of the Lifeline program outweighs the potential costs.<sup>41</sup>

20. In conclusion, we find that conditionally granting i-wireless forbearance for purposes of seeking ETC designation to participate in the Lifeline program only will further the statutory goal of providing low-income subscribers access to telecommunications and emergency services, while protecting the universal service fund against waste, fraud, and abuse.<sup>42</sup> To the extent, however, that our predictive judgment proves incorrect and these conditions prove to be inadequate safeguards, parties may file appropriate petitions with the Commission and we have the option of reconsidering this forbearance ruling.<sup>43</sup>

#### B. Forbearance for Link Up

21. We decline to grant the request of i-wireless for forbearance from the facilities requirement for the purpose of seeking ETC designation to receive Link Up support.<sup>44</sup> Petitioners seeking forbearance bear the burden of proof and must show that each of the statutory elements of forbearance is met.<sup>45</sup> i-wireless has not done so in the context of the Link Up program. Specifically, i-wireless does not

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<sup>40</sup> See Pennsylvania Commission Reply at 5–6.

<sup>41</sup> For example, Virgin Mobile (the second wireless reseller to receive forbearance) has recently increased the number of minutes it offers to low-income consumers through its Lifeline product to attract more customers. Compare, e.g., Pennsylvania Commission Reply, CC Docket No. 96-45, at 6 n.16 (filed July 20, 2009) (noting that Virgin Mobile planned to offer 120 free prepaid minutes to Lifeline customers), with Virgin Mobile Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Alabama, WC Docket No. 09-197, at 8 (filed Jan. 15, 2010) (noting that Virgin Mobile plans to offer 200 free prepaid minutes to its Lifeline customers).

<sup>42</sup> i-wireless has committed to complying with all the obligations imposed on TracFone and Virgin Mobile as conditions of forbearance. See Forbearance Petition at 13.

<sup>43</sup> See *Petition for Forbearance of the Verizon Telephone Companies Pursuant to 47 U.S.C. § 160(c)*, WC Docket No. 01-338, Memorandum Opinion and Order, 19 FCC Rcd 21496, 21508–09, para. 26 & n.85 (2004); see also *Petition of SBC Communications Inc. for Forbearance from Structural Separations Requirements of Section 272 of the Communications Act of 1934, As Amended, and Request for Relief to Provide International Directory Assistance Services*, CC Docket No. 97-172, Memorandum Opinion and Order, 19 FCC Rcd 5211, 5223–24, para. 19 & n.66 (2004); *Cellnet Communications, Inc. v. FCC*, 149 F.3d 429, 442 (6th Cir. 1998).

<sup>44</sup> See Forbearance Petition at 8–14.

<sup>45</sup> See, e.g., *Petition to Establish Procedural Requirements to Govern Proceedings for Forbearance under Section 10 of the Communications Act of 1934, As Amended*, WC Docket No. 07-267, Report and Order, 24 FCC Rcd 9543, 9554–55, para. 20 (2009) (“We now state explicitly that the burden of proof is on forbearance petitioners at the outset and throughout the proceeding.”); *Petitions of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver, Minneapolis-St. Paul, Phoenix, and Seattle Metropolitan Statistical Areas*, WC Docket No. 07-97, Memorandum Opinion and Order, 23 FCC Rcd 11729, 11750, 11754–58, paras. 28, 36, 39 (2008) (noting that Qwest had failed to meet its burden of persuasion regarding sufficiency of market share).

address in its petition the differences between the Lifeline and Link Up programs, nor does the company explain how the obligations conditional to Lifeline participation would apply in the context of Link Up. Moreover, i-wireless does not explain how the public interest would be served by forbearing from the facilities requirement in this context.<sup>46</sup> General references to the statutory goal of ensuring that low-income consumers have access to telecommunications services do not suffice to replace a particularized argument regarding the facts and policy surrounding the facilities requirement and the Link Up program.<sup>47</sup> We thus conclude that i-wireless has failed to meet its burden to show that forbearing from the facilities requirement in the context of the Link Up program is in the public interest.<sup>48</sup>

#### IV. ORDERING CLAUSES

22. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 254, the petition for forbearance filed by i-wireless Telecom, LLC IS GRANTED IN PART to the extent discussed herein and conditioned on fulfillment of the obligations set forth in this order and otherwise DENIED.

23. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 254, we forbear from applying sections 54.201(d)(1) and 54.201(i) of the Commission's rules, 47 C.F.R. § 54.201(d)(1), (i), to i-wireless Telecom, LLC to the extent discussed herein and conditioned on fulfillment of the obligations set forth in this order.

24. IT IS FURTHER ORDERED that, pursuant to section 1.103(a) of the Commission's rules, 47 C.F.R. § 1.103(a), this order SHALL BE effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

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<sup>46</sup> See Forbearance Petition at 8-14 (discussing Link Up only in the context of its discussion of Lifeline).

<sup>47</sup> See *Amendment of the Commission's Rules Concerning Maritime Communications*, PR Docket No. 92-257, Third Report and Order and Memorandum Opinion and Order, 13 FCC Rcd 19853, 19879-80, para. 55 (1998) ("MariTEL's request cannot be granted because it is too vague, both as to the specific provisions from which we should forbear from enforcing, and as to why forbearance would be in the public interest.").

<sup>48</sup> Because we find that i-wireless has not met its burden of proof on the third statutory element, we do not examine whether it did so on the first or second elements.

**EXHIBIT 5**

**i-wireless' FCC-Approved Compliance Plan**

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

In the Matter of the	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Telecommunications Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197
	)	
i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)	)	

**I-WIRELESS, LLC’S REVISED COMPLIANCE PLAN**

i-wireless, LLC (“i-wireless” or the “Company”), by its attorney, hereby files its revised plan outlining the measures it will take to implement the conditions imposed by the Federal Communications Commission (“Commission”) in its recent Order, released June 25, 2010, in the above-captioned matter.<sup>1</sup> Given the severe economic environment that is forcing many lower-income customers to forego wireless service, i-wireless respectfully requests expeditious approval of this plan so that the Company, upon designation as an Eligible Telecommunications Carrier (“ETC”), may quickly deploy much-needed Lifeline services to many low-income customers. i-wireless will provide Lifeline services under the brand name “Access Wireless.”

**BACKGROUND**

The Commission’s *Order* conditionally granted i-wireless’ request for forbearance from the Section 214(e)(1)(A) requirement that a carrier designated as an ETC for purposes of federal universal service support provide services, at least in part, over its own facilities, stating “i-wireless may seek ETC designation to offer discounted services to qualified low-income consumers through

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<sup>1</sup> See *Federal-State Joint Board on Universal Service; In the Matter of i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, Order, FCC 10-117, released June 25, 2010 (“*Order*”).

the universal service Lifeline program<sup>2</sup>.”

The Commission found that a conditional grant of forbearance for i-wireless from the facilities requirement of section 214(e) for the purpose of seeking ETC designation to provide Lifeline support only “will further the statutory goal of providing low-income subscribers access to telecommunications and emergency services, while protecting the universal service fund against waste, fraud and abuse<sup>3</sup>.” The Commission’s grant of forbearance is subject to the following conditions: (a) i-wireless providing its Lifeline customers with 911 and Enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes; (b) i-wireless providing its Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (c) i-wireless complying with conditions (a) and (b) as of the date it provides Lifeline service; and (d) i-wireless obtaining a certification from each PSAP where the carrier seeks to provide Lifeline service confirming that the carrier provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met; (e) i-wireless requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from i-wireless; (f) i-wireless establishing safeguards to prevent its customers from receiving multiple Lifeline subsidies from i-wireless at the same address; and (g) i-wireless dealing directly with the customer to certify and verify the customer’s Lifeline eligibility.<sup>4</sup> The Commission required i-wireless to submit a plan describing the measures it would take to implement each one of these conditions within thirty days of the release of the Order.<sup>5</sup> i-wireless is not seeking support for Link-up, as the Commission denied that portion of i-

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<sup>2</sup> *Order* at ¶ 1.

<sup>3</sup> *Order* at ¶ 20.

<sup>4</sup> *See Order* at ¶¶ 11, 16.

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

wireless' request for forbearance.<sup>6</sup>

### COMPLIANCE PLAN

i-wireless commends the Commission's commitment to a nationwide communications system that promotes the safety and welfare of all Americans, including Lifeline customers.<sup>7</sup> i-wireless will comply with all conditions set forth in the *Order*, the provision of this Compliance Plan, all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States and in addition take the steps set forth herein.

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

In the *Order*, the Commission required i-wireless to provide its Lifeline customers with access to 911 and E911 services immediately upon activation of service, and stated that, in order to demonstrate compliance with the condition, i-wireless must obtain certification from each PSAP where it provides Lifeline service confirming that its customers receive 911 and E911 services. If within 90 days of i-wireless' request, a PSAP has neither provided the certification nor made an affirmative finding that the Company does not provide its customers with 911 and E911 services within the applicable service area, the *Order* allowed i-wireless to self-certify that it meets the requirements.<sup>8</sup> The Commission and consumers are hereby assured that all i-wireless customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from i-wireless handsets, even if the account associated with the handset has no minutes remaining.

i-wireless can ensure the Commission that all Lifeline customers will have meaningful access to emergency calling services at the time the customer activates Lifeline service, and that such access will continue regardless of the customer's account status of the availability of prepaid

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<sup>6</sup> See *Order* at ¶ 1.

<sup>7</sup> See *Order* at ¶ 12.

<sup>8</sup> See *Order* at ¶ 13.

minutes. The Company's existing practices currently provide access to 911 and E911 services to the extent that these services have been deployed by its underlying carrier, Sprint Nextel ("Sprint"). i-wireless also currently enables 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active, suspended or terminated. Finally, the Company transmits all 911 calls initiated from any of its handsets even if the account associated with the handset has no remaining minutes.

To satisfy the conditions of the *Order* regarding 911 and E911 services, i-wireless will implement the following measure prior to deploying Lifeline services in a given area. Initially, the Company will confirm that its underlying carrier has deployed E911 services in a specific PSAP territory. i-wireless will obtain the requisite certification from each PSAP where it provides Lifeline service confirming that its customers receive 911 and E911 services.<sup>9</sup> If within 90 days of receiving the Company's request, a PSAP has neither provided such certification nor made an affirmative finding that the Company does not provide its customers with 911 and E911 services within the applicable service area, i-wireless will self-certify that it meets the basic and E911 requirements.

## **II. E911-Compliant Handsets**

The Commission also conditioned its grant of forbearance determination on i-wireless providing only E911-compliant handsets to its Lifeline customers.<sup>10</sup> i-wireless will ensure that all handsets used in connection with the Lifeline service offering will be E911-compliant. In fact, i-wireless' phones have always been and will continue to be 911 and E911-compliant. i-wireless uses phones from Sprint that have been through a stringent certification process in Sprint's handset certification lab, which ensures that the handset models used meet all 911 and E911 requirements. In i-wireless' five year history, only one handset model has failed the E911 process during the

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<sup>9</sup> A form of this PSAP certification request is attached hereto as Exhibit A.

<sup>10</sup> See *Order* at ¶ 11.

handset lab certification, and that is a model the Company did not launch. As a result, any existing customer that qualifies for and elects Lifeline service will already have a 911/E911-compliant handset, which will be confirmed at the time of enrollment in the Lifeline program. Furthermore, in the event that an existing customer does not have an E911-compliant handset, the Company will replace it with a new 911/E911-compliant handset at no charge to the customer. Any new customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911/E911-compliant handset as well, free of charge.

### **III. Certification of Lifeline Customers' Eligibility**

To safeguard against misuse of the Lifeline service plan, the *Order* required i-wireless to deal directly with the customer and require each customer to self-certify under penalty of perjury at time of service activation and annually thereafter that they are the head of household and receive Lifeline-supported service only from i-wireless.<sup>11</sup> The Commission also required i-wireless to establish safeguards to prohibit more than one supported i-wireless service at each residential address.<sup>12</sup> Unless and until the Commission's issuance of new rules in its Lifeline rulemaking proceeding that set forth different requirements, i-wireless proposes the following plan to implement these certification and verification conditions (the plan would be modified to conform to any new rules and orders, once issued and effective):

#### **A. Policy**

i-wireless will comply with all certification and verification requirements for Lifeline eligibility established by states where it is designated as an ETC. In states where there are no state-imposed requirements, i-wireless will comply with the certification and verification procedures in effect in that state as reflected on the website of the Universal Service Administration Company.

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<sup>11</sup> See *Order* at 16.

<sup>12</sup> See *id.*

For any states which do not mandate Lifeline support and/or which do not have established rules of procedure in place, i-wireless will certify at the outset and will verify annually consumers' Lifeline eligibility in accordance with the Commission's requirements.

**B. Certification Procedures**

i-wireless will implement certification procedures that enable consumers to demonstrate their eligibility for Lifeline assistance by contacting i-wireless in person or via telephone, facsimile, or the internet. At the point of sale, consumers will be provided with printed information describing i-wireless' Lifeline program, including eligibility requirements, and with instructions for enrolling. Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to i-wireless' website, which will contain a link to information regarding the Company's Lifeline service plan, including a detailed description of the program and state-specific eligibility criteria. i-wireless' application form for its Access Wireless service will identify that it is a "Lifeline" application. i-wireless understands and accepts the Commission's requirement that the Company have direct contact with all customers applying for participation in the Lifeline program.<sup>13</sup> i-wireless will have direct contact with all customers applying for Lifeline service, either in person through its employees or agents or via the telephone (including facsimile) or mail. i-wireless will provide Lifeline-specific training to all personnel, whether employees or agents, that interact with actual or prospective consumers with respect to obtaining, changing or terminating its Lifeline services.

Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006, and any

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<sup>13</sup> See Order at ¶ 16.

applicable state laws. Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under i-wireless' supervision by managers experienced in the administration of the Lifeline program.

i-wireless will ensure that all required documentation is taken care of properly by using state-specific compliance checklists. For states with program-based eligibility criteria, the form will list each of the qualifying programs, and the applicant will be required to identify the program(s) in which they participate, and to furnish proof that they currently participate in such program(s), regardless of whether such proof is required pursuant to state law. For states with income-based eligibility criteria, the applicant will be required to certify under penalty of perjury that their household income does not exceed the relevant threshold (*e.g.*, 135% of the Federal Poverty Guidelines for federal default states) and will be required to provide proof of income-based eligibility. Notwithstanding the foregoing with respect to program or income eligibility, for states that require i-wireless to enroll subscribers identified by the state or as eligible in a state database, i-wireless may continue to rely on the state identification or database. In addition, the Lifeline application form will include a certification section where the applicant must attest and sign under penalty of perjury that the applicant's representations are true and correct. Applicants will also be required to certify under penalty of perjury that they are head of their household and receive Lifeline-supported service only from i-wireless. Penalties for perjury will be clearly-stated on the certification form, as required by the *Order*.<sup>14</sup> i-wireless will use substantially the following form of its certification, printed in at least 10 point font:<sup>15</sup>

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<sup>14</sup> See *Order* at ¶ 17.

<sup>15</sup> Among other things, i-wireless may, at its option, periodically update or change the list of Lifeline services identified in certification item no. 3 to reflect its judgment as to the most common prepaid wireless Lifeline products offered in its service areas, taken together, under names that are not readily identifiable as Lifeline services.

By signing below, I certify under penalty of perjury – (additionally, please initial each of the 5 statements below)

1. The information contained within this application is true and correct. I acknowledge that providing false or fraudulent documentation in order to receive assistance is punishable by law. \_\_\_\_\_
2. I understand that Lifeline is only available for one phone line per household, whether landline or wireless. I am the head of household and will only receive Lifeline from Access Wireless. \_\_\_\_\_
3. I am not currently receiving a Lifeline telephone service from any other landline or wireless telephone company. (Some Lifeline services are not marketed under a “Lifeline” name; these include Lifeline services sold under the names Life Wireless, TAG Mobile, Reachout Wireless, Assurance Wireless and Safelink.) \_\_\_\_\_
4. Furthermore, I certify that I will only use this phone for my family’s own use and will not resell it. \_\_\_\_\_
5. I will notify Access Wireless immediately if I no longer qualify for Lifeline, or if I have a question as to whether I would still qualify. \_\_\_\_\_

Perjury and false statements are punishable by fines and/or imprisonment.

Signature (required) \_\_\_\_\_ Date \_\_\_\_\_

Finally, the application forms will require each applicant to provide their name and primary residential address. i-wireless will incorporate this information into its customer information database. Prior to initiating service for a customer, the Company will check the address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives i-wireless Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with the address. i-wireless will deny the Lifeline application of any such individual and advise the applicant of the basis for the denial. In addition, prior to requesting a subsidy, i-wireless will process and validate i-wireless’ subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (“Double Dip,” *i.e.*, any household that is already receiving a Lifeline subsidy from i-

wireless will be automatically prevented from receiving a second lifeline subsidy in that same month); and (2) Inactive lines receiving subsidy (*i.e.*, systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines).<sup>16</sup> i-wireless shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that the procedures it will implement will prevent i-wireless customers from engaging in such abuse of the program, inadvertently or intentionally.

### C. Annual Verification Procedures

As required by the Commission's *Order*, i-wireless will require every consumer enrolled in the Lifeline program to verify on an annual basis that they are the head of their household and only receive Lifeline service from i-wireless.<sup>17</sup> i-wireless will notify each participating Lifeline consumer prior to their service anniversary date that they must confirm their continued eligibility in accordance with the applicable requirements. This notification will be mailed via the U.S. Postal Service to the address the subscriber has on record with i-wireless. The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact i-wireless. Customers will have 60 days to complete the form, certify under penalty of perjury that they are the head of household and receive Lifeline service only from i-wireless, and return the form to i-wireless by mail. Anyone who does not respond to the mailing and certify their continued eligibility will be removed from the Lifeline program.

Currently, customers will be required to complete the verification process by mail; however, i-wireless may offer additional options, such as web-based methods, in the future. Such verification will be required in order for the consumer to continue to receive free Lifeline service or

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<sup>16</sup> See Usage Policy, below.

<sup>17</sup> See *Order* at ¶ 16.

to purchase prepaid airtime from i-wireless at the discounted rate only available to those customers who are enrolled in its Lifeline program.

#### **IV. Additional Measures to Prevent Waste, Fraud, and Abuse**

##### **A. Non-usage Policy**

i-wireless will implement a non-usage policy whereby we will identify Lifeline customers that have not used the Company's Lifeline service for 60 days, and cease to claim Lifeline reimbursements for such customers if they do not use their service within a 30-day grace period following the initial 60-day non-usage period.<sup>18</sup> Specifically, if no usage appears on an i-wireless Lifeline customer's account during any continuous 60-day period, i-wireless will promptly notify the customer that the customer is no longer eligible for i-wireless Lifeline service subject to a 30-day grace period. During the 30-day grace period, the customer's account will remain active, but i-wireless will engage in outreach efforts to determine whether the customer desires to remain on the Company's Lifeline service. If the customer's account does not show any customer-specific activity during the grace period (such as making or receiving a voice call, sending a text message, downloading data or adding money to the account), i-wireless will deactivate Lifeline services for that customer. In addition, i-wireless will not seek to recover a federal Universal Service Fund subsidy for the minutes provided to the customer during the grace period or thereafter report that customer on its USAC Form 497 unless the customer re-initiates service.

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<sup>18</sup> i-wireless will consult with the state commissions (PUCs) in the states where it provides Lifeline services regarding implementation of the policy described above. i-wireless expects that certain state PUCs or similar agencies may seek to incorporate state-specific variations to the policy. Consequently, i-wireless may modify the parameters of the inactivity policy described herein after consultation with the respective state PUCs.

## **B. Customer Education with Respect to Duplicates**

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, i-wireless will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence.

- a) Call Center Scripts – i-wireless will emphasize the “one Lifeline phone per household” restriction through its interaction with the potential customer at the call center. The call center introduction script substantially in the form that i-wireless would use is attached as Exhibit B.
- b) Sales Scripts – i-wireless will also emphasize the “one Lifeline phone per household” restriction through its direct sales contact with the potential customer. The sales training materials will include a discussion of the limitation to one Lifeline phone per household, and the need to ensure that the customer is informed of this restriction. Attached as Exhibit C is a sample of training material that would meet the requirements of this provision.
- c) Marketing, Advertising and Website Content – i-wireless, in its marketing materials, will reinforce the limitation of one Lifeline phone per household. The following statement will appear in conspicuous place in bold font in an offsetting color, minimum 10 point font, to ensure it is not overlooked.

**Note: By law, the Lifeline program is only available for one phone per household**

This statement will also appear on the company’s website ([www.accesswireless.com](http://www.accesswireless.com)) during the customer information/education cycle. At the point on its website when a customer inputs his/her zip code to verify that Access Wireless/i-wireless offers service in their area, i-wireless would display the above message in the section where the website explains the service and rate plan options. The message would flash to draw attention to it. In addition, i-wireless will include in its printed materials and website substantially the following statement “Not all Lifeline supported programs are identified as ‘Lifeline’ and may be marketed under other brand names.”

## **D. Cooperation with state and federal regulators**

i-wireless has and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse, including:

- Providing state commissions (PUC), the FCC or USAC upon request with data

that will enable that state, the FCC or USAC to determine whether some consumers are enrolled in more than one Lifeline program. Specifically, i-wireless agrees to make available state-specific customer data, including name and address, upon request to each state PUC where it operates, the FCC or USAC for the purpose of permitting the PUC, FCC or USAC to determine whether an existing Lifeline customer receives Lifeline service from another carrier, and will participate in such a duplicate resolution process, provided that costs for participation are reasonable or defrayed through the universal service contribution mechanisms;

- Promptly investigate any notification that it receives from a state PUC, the FCC or USAC that one of its customers already receives Lifeline service from another carrier;
- Immediately deactivate a customer's Lifeline service and no longer report that customer on USAC Form 497 if i-wireless' investigation, a state, the FCC or USAC concludes that the customer receives Lifeline services from another carrier in violation of the Commission's regulations and that i-wireless' Lifeline service should be discontinued such as a de-enrollment notification pursuant to the FCC's June 17, 2011 Report and Order (Section III, B.).

#### **V. Included Usage**

i-wireless will offer at least one Lifeline plan that provides consumers with at least 250 included minutes-of-use per month at the lowest end user rate permitted under FCC rules. This provision will expire 36 months from the date of approval of this Compliance Plan.

#### **CONCLUSION**

i-wireless submits that its Compliance Plan fully satisfies the conditions set forth in the Commission's *Order* granting forbearance to the Company. Implementation of the procedures described herein will promote public safety and should ensure that Lifeline customers have access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, i-wireless respectfully requests that the Commission expeditiously approve its Compliance Plan so that i-wireless may begin providing the benefits of much-needed Lifeline service to qualifying low-income consumers as quickly as possible.

Respectfully submitted,

I-WIRELESS, LLC

/s/

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Lance J.M. Steinhart  
Lance J.M. Steinhart, P.C.  
1725 Windward Concourse  
Suite 150  
Alpharetta, Georgia 30005  
(770) 232-9200

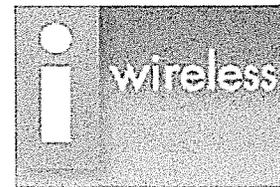
*Its Counsel*

Dated September 9, 2011

**Exhibit A**

**PSAP Certification Request**

**EXHIBIT A**



[Date]

Public Safety Answering Point Coordinator  
Name  
Address Line 1  
Address Line 2  
[City], [state] [zip]

**PSAP Certification for i-wireless Lifeline Program**

Dear PSAP Coordinator,

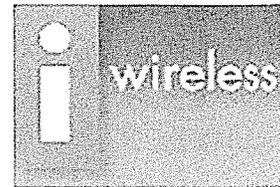
This letter is being sent to inform you that i-wireless, LLC (“i-wireless”) plans to offer Lifeline service in your state in the near future, and we are seeking your assistance with PSAP certification.

Lifeline provides affordable phone service for more than 7 million low-income Americans. Eligible consumers receive approximately a \$15 discount off of their monthly telephone service charges. Presently, only about one-third of the Lifeline eligible households subscribe to the program. i-wireless is pleased to be one of the companies to offer Lifeline in your state.

Before we can offer this service in [state], the FCC requires that i-wireless receive the following:

1. Forbearance from the facilities based services requirement of the Communications Act of 1934
2. Eligible Telecommunications Carrier (“ETC”) status for your state
3. Certification from Public Safety Answering Points (“PSAPs”) in areas where i-wireless will offer Lifeline, confirming that 911/E911 access will be available to Lifeline customers regardless of activation status and availability of prepaid minutes

On June 22, 2010 the Federal Communications Commission (FCC) granted i-wireless forbearance from the facilities-based services requirement (see enclosed Forbearance Order), and i-wireless is currently awaiting ETC status for the state of [state].



Although i-wireless is still awaiting ETC status for your state, we are moving forward with the PSAP certification process in order to be prepared to launch Lifeline in your area soon after ETC status is received. i-wireless is requesting your certification based on the information you receive in this letter or any other information you may request of us.

Please keep in mind that i-wireless provides prepaid wireless telecommunications services to customers using the Sprint PCS network. Sprint Nextel is a nationwide facilities-based carrier that provides wholesale capacity to resellers such as i-wireless. All i-wireless 911/E911 calls are routed by Sprint to the appropriate PSAP, the same way that Sprint routes its own 911/E911 calls.

Sprint has deployed the FCC required Phase II caller location functionality on their CDMA network in your area, which enables Sprint and i-wireless to provide E911 access. In addition, all i-wireless customers will be provided with E911 compliant handsets.

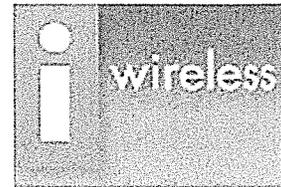
Please review and sign the enclosed PSAP certification form and return it in the postage-paid envelope provided. i-wireless will keep this form on file in case the state or federal commissions request a review of this documentation. **If i-wireless does not receive your signed form (or documentation stating that i-wireless does not provide 911/E911 functionality in your area) within the next 90 days, i-wireless is permitted to and will self-certify 911/E911 compliance for your area.**

If you have any questions relating to the certification process or you would like to request a test handset, please contact [i-wireless contact] at i-wireless via email (email address), regular mail or fax (fax number). Please include your PSAP jurisdiction along with your name on the attached form. Please call me (phone number) should you have any questions or requests.

Thank you for your assistance in enabling i-wireless to offer Lifeline to low-income households in your area.

Sincerely,

[i-wireless contact]  
i-wireless, LLC



**To: [i-wireless contact]  
i-wireless Lifeline Program  
PSAP Certification Form**

**State of [state]**

PSAP Name/Jurisdiction: .....

PSAP Coordinator: .....

Business Address: .....

.....

.....

I am the PSAP Coordinator for the above listed Public Safety Answering Point ("PSAP") and I am responsible for 911/E911 service in accordance to the rules and regulations of the Federal Communication Commission (FCC).

i-wireless has informed me that on June 22, 2010 the Federal Communications Commission (FCC) granted them forbearance from the facilities-based services requirement of the Communications Act of 1934, and they are currently awaiting ETC status for the state of [state]. We understand that the i-wireless designation as an ETC is subject to conditions including certification from PSAPs where they will offer Lifeline service, confirming that Lifeline customers will have 911/E911 access regardless of activation status and availability of prepaid minutes.

i-wireless has also confirmed that they provide prepaid wireless telecommunications services to customers using the Sprint PCS network and that Sprint Nextel is a nationwide facilities-based carrier that provides wholesale capacity to resellers such as i-wireless. It is understood that i-wireless 911/E911 calls are routed by Sprint to the appropriate PSAP, the same way that Sprint routes its own 911/E911 calls.

Finally, i-wireless communicated that Sprint has deployed the FCC required Phase II caller location functionality on their CDMA network in my area, which enables Sprint and i-wireless to provide E911 access, and that all i-wireless customers will be provided with E911 compliant handsets.

Based on all of the information provided by i-wireless and belief, as PSAP Coordinator, I hereby certify that i-wireless has provided sufficient proof that they will comply with the FCC requirement to provide Lifeline customers with 911/ E911 service regardless of activation status and availability of prepaid minutes.

.....  
Date

.....  
Signature of PSAP Coordinator

**Exhibit B**

Call Center Script

## EXHIBIT B

**Access Wireless (i-wireless Lifeline) Call Center Script  
Call Initiation – Part 1  
Created February 4, 2011  
Updated May 26, 2011 for discussions with the FCC**

**Greeting: “Thank you for calling Access Wireless. This is (Agent Name). May I please have your last name and the state you are calling from?”**

**\*\* Agent – Perform customer search while asking customer \*\***

- “Are you calling for a new application or to check status?”
- **If status of application:** “May I please have your address?”
- **If new application:** Validate that they are the head of household and that they are not currently receiving a Lifeline subsidized phone with the following line of questioning:
  - a) “Do you currently have wireless or home phone service?” (if no, skip (b) – (e))
  - b) **If yes:** “Is that [wireless or home phone] service a subsidized service or do you pay full price?”
  - c) **If subsidized:** “By law, the Lifeline program is only available for one phone per household. Do you know if your current phone is subsidized under the Lifeline program?”
  - d) **If they are unsure:** “Who is your provider for that service?” (Safelink, Assurance, TSI / Nexus Communications, Smith Bagley or DPI only offer Lifeline so go to (e) – if a more ambiguous provider, e.g., Verizon, Pacific Bell or Illinois Bell, try to question further to determine if they have Lifeline).
  - e) **If it is Lifeline:** “We cannot provide you with a second Lifeline phone. If there is a problem with that service or you want to be on our service, you must first disconnect your service with your other provider and then call back to establish service with us.”

**\*If it is evident that they don’t already have Lifeline service then click on add new customer and fill out appropriate information.**

**Exhibit C**

Sample Sales Training Material

**Access Wireless (i-wireless Lifeline)  
Sales Training Materials  
Updated May 26, 2011 for discussions with the FCC**

**Refer to the state specific one page Sales Information sheet for state specific, program information.**

If customer is interested in Lifeline service and is eligible under one of the programs or the income threshold listed in the “Who is eligible to receive an Access Wireless phone and Free Service?” section of the state specific information sheet, please complete the following procedures:

1. Ask the following questions:
  - a) “Do you currently have wireless or home phone service?” (if no, skip (b) – (f))
  - b) **If yes:** “Is that [wireless or home phone] service a subsidized or no-charge service, or do you pay full price?”
  - c) **If subsidized:** “By law, the Lifeline program is only available for one phone per household. Do you know if your current phone is subsidized under the Lifeline program?”
  - d) **If they are unsure:** “Who is your provider for that service?” (Safelink, Assurance, TSI / Nexus Communications, Smith Bagley or DPI only offer Lifeline so go to (e) – if a more ambiguous provider, e.g., Verizon, Pacific Bell or Illinois Bell, try to dig further to determine if they have Lifeline).
  - e) **If it is Lifeline:** “We cannot provide you with a second Lifeline phone. If there is a problem with that service or you want to be on our service, you must first disconnect your service with your other provider and then call back to establish service with us.”

If it is evident that they don’t already have Lifeline service, then proceed to 2.:

2. Click on “check customer’s address” to perform an address check to insure there isn’t already an Access Wireless phone registered to that address.
  - a) If there is an active Access Wireless phone registered at that address, then thank customer for their interest, explain the situation and say “by law, the Lifeline program is only available for one phone per household”.
  - b) If there isn’t an active Access Wireless phone registered at that address, proceed to 3.
3. Assist customer in filling out the state specific application. Use the application guide/checklist to make sure it is filled out appropriately. Review the documentation for program/income proof closely against the guidelines to make sure the documentation meets the requirements.



# access WIRELESS

## **What is Access Wireless by i-wireless?**

Access Wireless from i-wireless is a part of the Lifeline Assistance program designed to ensure that quality telecommunications services are available to low-income customers at reasonable and affordable rates. Access provides program and income-eligible customers with a free wireless phone and free monthly service. The phone offers in-demand features: voicemail, text, three-way calling, call waiting, caller ID and access to 911.

## **Who is eligible to receive an Access Wireless phone and Free Service?**

Eligibility guidelines vary by state, but in Illinois, individuals qualify if they participate in a public assistance program such as Food Stamps (SNAP), Medicaid, Low Income Home Energy Assistance Program (LIHEAP), National Free School Lunch, Federal Housing/Section 8 Assistance, Supplemental Security Income (SSI; Not the same as Social Security Benefits) or Temporary Assistance to Needy Families (TANF).

**Note: Lifeline is only available to the head-of-household. Furthermore, there is a limit of only one Lifeline phone per household. Please make sure that the customer does not already receive a Lifeline subsidy from another provider**

## **How to Apply?**

In Illinois, applicants must provide proof of program participation and complete an application (attached). Program documents submitted must be “a valid, dated copy of a document issued by a qualifying agency.” It also needs to show the individual’s name and address. Typically this needs to be a dated enrollment letter showing the name and address of the eligible individual. Submission of a program card typically will not be sufficient because many of the enrollment cards do not show the name, address, or date of eligibility. Many of the state issued cards (i.e. food stamp) only display an ID number similar to the debit card look.

## **What’s included with my Access phone service?**

Access offers eligible customers a free wireless phone and free service. The minutes can be used for local or domestic long distance calling. There are no bills, no long-term contracts, no activation fees, and no recurring fees or surcharges for Access Wireless customers. Upon verification, Access Wireless users may renew their service on an annual basis.

## **Customers may choose between 3 plan options:**

- a. **150 FREE MINUTES**: These minutes will be added on the first day of the monthly service cycle, and may be used for making or receiving voice calls. All incoming text messages and calls to Customer Care are FREE. Unused minutes will be carried over to the next month.
- b. **250 FREE MINUTES**: These minutes will be added on the first day of the monthly service cycle, and may be used for making or receiving voice calls. All incoming and outbound text messages will be deducted at a rate of 1 minute per text. All calls made to Customer Care from the handset will be deducted from the monthly minute allocation. All unused minutes expire at the end of the month. If you run out of minutes within the monthly service period and you have money on your account, each minute of talk or text message will cause a deduction of \$0.10 from your account.
- c. **\$15 Credit** - Customers can apply a \$15 credit (free to the customer) to any retail plan of their choice. In this way, Access Wireless customers can opt into the 200 minute, unlimited text messaging and 200 MB of data plan for only \$10 + tax (this plan is normally \$25 less the \$15 credit).

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

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service;	)	CC Docket No. 96-45
	)	
Telecommunications Carriers Eligible for	)	WC Docket No. 09-197
Universal Service Support	)	
	)	
i-wireless, LLC Petition for Forbearance from 47	)	
U.S.C. § 214(e)(1)(A);	)	

**ORDER**

**Adopted: October 21, 2011**

**Released: October 21, 2011**

By the Chief, Wireline Competition Bureau:

1. In this order, we approve a Revised Compliance Plan submitted by i-wireless, LLC (i-wireless) for complying with conditions imposed in the *i-wireless Forbearance Order*.<sup>1</sup> In the *i-wireless Forbearance Order*, the Commission conditionally granted, for the limited purpose of Lifeline universal service support, i-wireless's request for forbearance from section 214(e)(1)(A) of the Communications Act of 1934, as amended (the Act), which requires that an eligible telecommunications carrier (ETC) provide universal service supported services, at least in part, over its own facilities.<sup>2</sup> In order to receive federal universal service support for Lifeline as a non-facilities based provider, i-wireless must comply with the conditions set forth in the *i-wireless Forbearance Order*.<sup>3</sup> In approving the i-wireless Revised Compliance Plan, we find that it adequately implements the conditions of forbearance established in the *i-wireless Forbearance Order*. Accordingly, i-wireless is eligible to seek designation as a non-facilities based ETC for Lifeline-only support provided it fulfills the commitments in its Revised Compliance Plan in each state where it is designated to provide Lifeline service, and otherwise is in compliance with the Act and Commission rules.

2. i-wireless is a non-facilities-based commercial mobile radio services provider (*i.e.*, a pure wireless reseller) that provides prepaid wireless telecommunications services.<sup>4</sup> On April 1, 2009, i-wireless filed a petition seeking forbearance from the facilities requirement of section 214(e)(1)(A) of the Act.<sup>5</sup> In the *i-wireless Forbearance Order*, the Commission found that i-wireless met the statutory

<sup>1</sup> i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A), CC Docket No. 96-45, WC Docket No. 09-197, Compliance Plan (filed September 9, 2011) (Revised Compliance Plan); *i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45, WC Docket No. 09-197, Order, 25 FCC Rcd 8784 (2010) (*i-wireless Forbearance Order*).

<sup>2</sup> *i-wireless Forbearance Order*, 24 FCC Rcd at 3381, para. 1; *see* 47 U.S.C. § 214(e)(1)(A). The Commission interpreted the forbearance petition to include forbearance from section 54.201(d)(1), (i) of the Commission's rules, which mirrors section 214(e)(1)(A) of the Act and requires that ETCs be facilities-based, at least in part. *See i-wireless Forbearance Order*, 25 FCC Rcd at 8786 n.12.

<sup>3</sup> The Commission denied i-wireless's forbearance request for the Link Up support. *i-wireless Forbearance Order*, 25 FCC Rcd at 8791-92, para. 21.

<sup>4</sup> *i-wireless Forbearance Order*, 25 FCC Rcd at 8786, para. 5.

<sup>5</sup> i-wireless Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A), CC Docket No. 96-45 (filed Apr. 1, 2009) (*i-wireless Forbearance Petition*).

requirements for forbearance, subject to certain conditions, and forbore from application of the facilities requirement of section 214 (e)(1)(A) for the limited purpose of allowing i-wireless to seek designation as a Lifeline-only ETC eligible for support from the universal service fund for the provision of Lifeline service to eligible subscribers.<sup>6</sup> On July 27, 2010, i-wireless filed a plan outlining measures that it will undertake to implement the conditions imposed in the *i-wireless Forbearance Order*.<sup>7</sup> The Bureau released a public notice concerning i-wireless's compliance plan on August 20, 2010.<sup>8</sup> No parties filed comments or objections to i-wireless's compliance plan. On September 9, 2011, i-wireless submitted a Revised Compliance Plan that includes additional certification procedures and measures to prevent waste, fraud and abuse, including measures to prevent duplicate Lifeline benefits being awarded to the same household.<sup>9</sup>

3. In the *i-wireless Forbearance Order*, the Commission conditioned forbearance on i-wireless implementing certain protections designed to prevent waste, fraud and abuse in the program.<sup>10</sup> i-wireless commits in its Revised Compliance Plan to implement the following measures:<sup>11</sup>

- (a) providing its Lifeline subscribers with 911 and enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes;
- (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, non-compliant handsets of existing subscribers who obtain Lifeline-supported service;
- (c) complying with conditions (a) and (b) as of the date i-wireless provides Lifeline service<sup>12</sup>;
- (d) obtaining a certification from each Public Safety Answering Point (PSAP) where i-wireless provides Lifeline service, confirming that i-wireless provides its subscribers with 911 and E911 access or if, within 90 days of i-wireless's request for certification, a PSAP has not provided the certification and the PSAP has not made an affirmative finding that i-wireless does not provide its subscribers with access to 911 and E911 service within the PSAP's service area, i-wireless may self-certify that it meets the basic 911 and E911 requirements;
- (e) requiring its subscribers to self-certify under penalty of perjury at time of service activation and annually thereafter that they are the head of household, that they receive Lifeline service only from i-wireless, and that no other member of the household receives Lifeline-supported service from any other Lifeline provider;

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<sup>6</sup> *i-wireless forbearance order*. See also *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005); *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Tennessee*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009).

<sup>7</sup> i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A), CC Docket No. 96-45, WC Docket No. 09-197, Compliance Plan (filed July 27, 2010). i-wireless updated its plan to reflect ongoing reforms in the Lifeline program targeted at preventing waste, fraud and abuse of funds. See *supra* note 1.

<sup>8</sup> *Comment Sought on i-wireless, LLC's Plan to Comply with the Conditions of its Limited Forbearance*, CC Docket No. 96-45, Public Notice, 25 FCC Rcd 11056 (Wireline Comp. Bur. 2010).

<sup>9</sup> See i-wireless Revised Compliance Plan at 5-12.

<sup>10</sup> *i-wireless Forbearance Order*, 25 FCC Rcd at 8790-91.

<sup>11</sup> See *i-wireless Forbearance Order*, 25 FCC Rcd at 8788, 8790; i-wireless Revised Compliance Plan.

<sup>12</sup> i-wireless must provide its Lifeline subscribers with both 911 and E-911 access in any service area that i-wireless is designated as a non-facilities based Lifeline ETC. *i-wireless Forbearance Order*, 25 FCC Rcd at 8788, para. 11.

- (f) establishing safeguards to prevent i-wireless's subscribers from receiving multiple i-wireless Lifeline subsidies at the same address<sup>13</sup>; and
- (g) dealing directly with the consumer to certify and verify the consumer's Lifeline eligibility.

4. i-wireless further agrees in its Revised Compliance Plan to cooperate fully with state and federal regulators to prevent waste, fraud and abuse of Lifeline funds.<sup>14</sup> Specifically, i-wireless commits to:<sup>15</sup>

- (h) implementing a 60-day non-usage policy in all states where i-wireless provides Lifeline services, under which i-wireless will identify its subscribers that have not used its Lifeline service for 60 days and will not seek support for such subscribers if they do not actively use its Lifeline service during a 30-day grace period following the initial 60-day non-usage period;
- (i) explaining in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy;
- (j) implementing measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household, including emphasizing the one-per-household limitation in call-center and sales scripts, and in all marketing, advertising, and website content;
- (k) requiring each eligible Lifeline consumer at the time of enrollment to initial on the certification form that to the best of his or her knowledge that he or she is not receiving Lifeline-supported service from any other Lifeline provider, and listing as examples the brand names of at least the leading wireline and leading two wireless Lifeline providers in the area to ensure the consumer understands what is meant by "Lifeline-supported service";
- (l) providing state commissions, the FCC or Universal Service Administrative Company (USAC) upon request with data that will enable that state, the FCC or USAC to determine whether consumers are enrolled in more than one Lifeline program;
- (m) promptly investigating any notification that i-wireless receives from a state PUC, the FCC or USAC that one of its subscribers already receives Lifeline service from another carrier;
- (n) immediately deactivating a subscriber's Lifeline service and no longer reporting that subscriber on USAC Form 497 if an i-wireless' investigation, a state commission, the FCC or USAC concludes that the subscriber receives Lifeline services from another carrier in violation of the Commission's regulations and that i-wireless' Lifeline service to that subscriber should be discontinued;
- (o) requiring that all consumers present proof of eligibility in all states in which i-wireless provides Lifeline service, regardless of whether proof of eligibility is required in that state; and
- (p) offering at least one Lifeline plan that provides consumers with at least 250 minutes-of-use per month for at least 36 months from the date of this order.

5. i-wireless maintains that its implementing procedures, as set forth in its Revised Compliance Plan, fully satisfy the conditions established by the Commission.<sup>16</sup> After careful review of the record, we find that i-wireless's Revised Compliance Plan adequately implements the conditions of forbearance imposed by the *i-wireless Forbearance Order*. We therefore approve the Revised Compliance Plan, and, subject to i-wireless fulfilling the commitments it makes therein, it may be eligible to apply for designation as a non-facilities based ETC for Lifeline-only support. In taking this action, we remind i-wireless that the Commission may institute an inquiry on its own motion to examine the company's records and documentation to ensure that the universal service Lifeline support it receives is

<sup>13</sup> See 47 C.F.R. § 54.407(b)-(c). ETCs designated for the limited purpose of participating in the Lifeline program, in contrast, may only receive Lifeline support.

<sup>14</sup> i-wireless Revised Compliance Plan at 11.

<sup>15</sup> *Id.* at 5-12.

<sup>16</sup> *Id.* at 13.

being used for the purpose for which it was intended.<sup>17</sup> i-wireless will be required to provide such records and documentation to the Commission and the USAC upon request. If i-wireless fails to fulfill its obligations under the Act, the Commission's rules, or the *i-wireless Forbearance Order* after it begins receiving Lifeline support, the Commission may revoke i-wireless's forbearance and/or limited ETC designations, should they be granted, or assess forfeitures as permitted under the Act and the Commission's rules.<sup>18</sup>

6. ACCORDINGLY, IT IS ORDERED, pursuant to the authority contained in 214(e) of the Communications Act, 47 U.S.C. § 214(e), and the authority delegated under sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, that the i-wireless, LLC Revised Compliance Plan submitted as a condition of forbearance eligible only for Lifeline support in its licensed service areas IS APPROVED as described herein.

7. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 C.F.R. § 1.102(b)(1), this order SHALL BE effective upon release.

8. IT IS FURTHER ORDERED that, a copy of this order SHALL BE transmitted to the Universal Service Administrative Company.

FEDERAL COMMUNICATIONS COMMISSION

Sharon E. Gillett  
Chief  
Wireline Competition Bureau

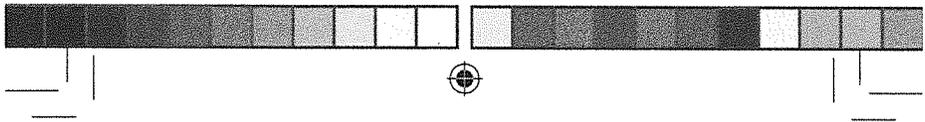
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<sup>17</sup> 47 U.S.C. §§ 220, 403.

<sup>18</sup> See 47 U.S.C. §§ 254(e), 503(b); *Federal-State Joint Board on Universal Service; Western Wireless Corporation Petition for Preemption of an Order of the South Dakota Public Utilities Commission*, CC Docket No. 96-45, Declaratory Ruling, 15 FCC Rcd 15168, 15174, para. 15 (2000).

**EXHIBIT 6**

**Sample Advertisement**



# access WIRELESS

A Lifeline Assistance program supported by the Universal Service Fund.



**free PHONE**

**&**



**250 FREE MINUTES OR TEXTS EACH MONTH**

You may qualify for Access Wireless if you participate in programs such as Food Stamps, SNAP or Medicaid.

## What do I get with Access Wireless?

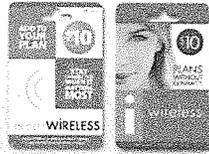
- FREE Access Wireless phone & FREE airtime
- FREE voicemail, call waiting, caller ID & 911 access
- FREE domestic long distance
- FREE nationwide coverage on the Sprint® network
- No contracts, monthly bill or activation fees

### To Apply

BY PHONE  
**1-800-464-6010**

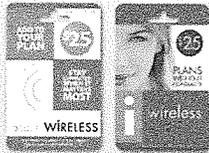
ON THE WEB  
**[www.accesswireless.com](http://www.accesswireless.com)**

# NEED MORE? ADD AIRTIME



**\$10**

**150 Anytime Minutes**  
**UNLIMITED Texts** for 10 days  
**100 MB Data**



**\$25**

**300 Anytime Minutes**  
**UNLIMITED Texts** for 30 days  
**500 MB Data**

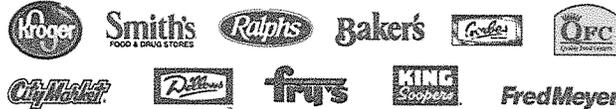


**\$50**

**UNLIMITED Minutes &**  
**UNLIMITED Texts** for 30 days  
**1 GB Data**

## SHOP HERE TALK FREE

Earn **FREE MINUTES** when you shop at these store locations:



With Access Wireless, you can earn **FREE MINUTES** in the checkout line when you shop at participating Kroger-owned stores and use your Shopper's Card. For every \$100 you spend in-store, you'll automatically receive a **FREE MINUTES** reward!\*\*\*  
Call 611 from your Access Wireless phone to register.

Unlimited does not mean unreasonable use.

Incoming and outgoing text messages are deducted from free monthly airtime credit on the Access Wireless 250 Minute/Text plan. Additional minutes/texts will be charged at the rate of 10¢ each. Monthly Lifeline credit of 250 Minutes/Texts is applied on the same date each month. Unused Minutes/Text, Data or Picture Mail will automatically carry forward to the next month when a user adds a minimum of \$10 to their account within the past 60 days or has earned a FREE MINUTES reward in the prior 45 days. If no additional funds beyond the free monthly Lifeline credit are applied to the account within 60 days or a FREE MINUTES has not been earned in the prior 45 days, any unused Minutes/Texts, Data or Picture Mail will automatically be removed from the account balance. Expiration dates for any funds added to an Access Wireless account will adhere to the standard business rules associated with card/PIN denomination. Access Wireless users must be registered for the FREE MINUTES rewards program in order to be eligible to receive FREE MINUTES rewards. Rewards will be applied in 20 Minute increments for every \$100 spent in-store on qualifying purchases. Some restrictions apply.

Lifeline Assistance is limited to one economic unit per household. All Lifeline supported programs are identified as "Lifeline" and may be marketed under other brand names.

Access Wireless is a Lifeline assistance program supported by the Universal Service Fund. Access Wireless users are subject to the Terms and Conditions available online at [www.accesswireless.com](http://www.accesswireless.com).

Access Wireless network services are provided on the Nationwide Sprint Network.†

Although Sprint provides Access Wireless subscribers usage of its network and to its wireless services, Access Wireless is responsible for their service. Please call Access Wireless with any questions or comments about services.

† Sprint is a trademark of Sprint Nextel.

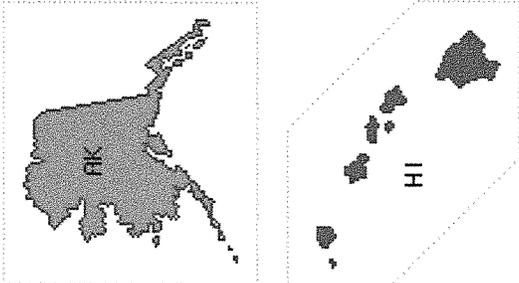
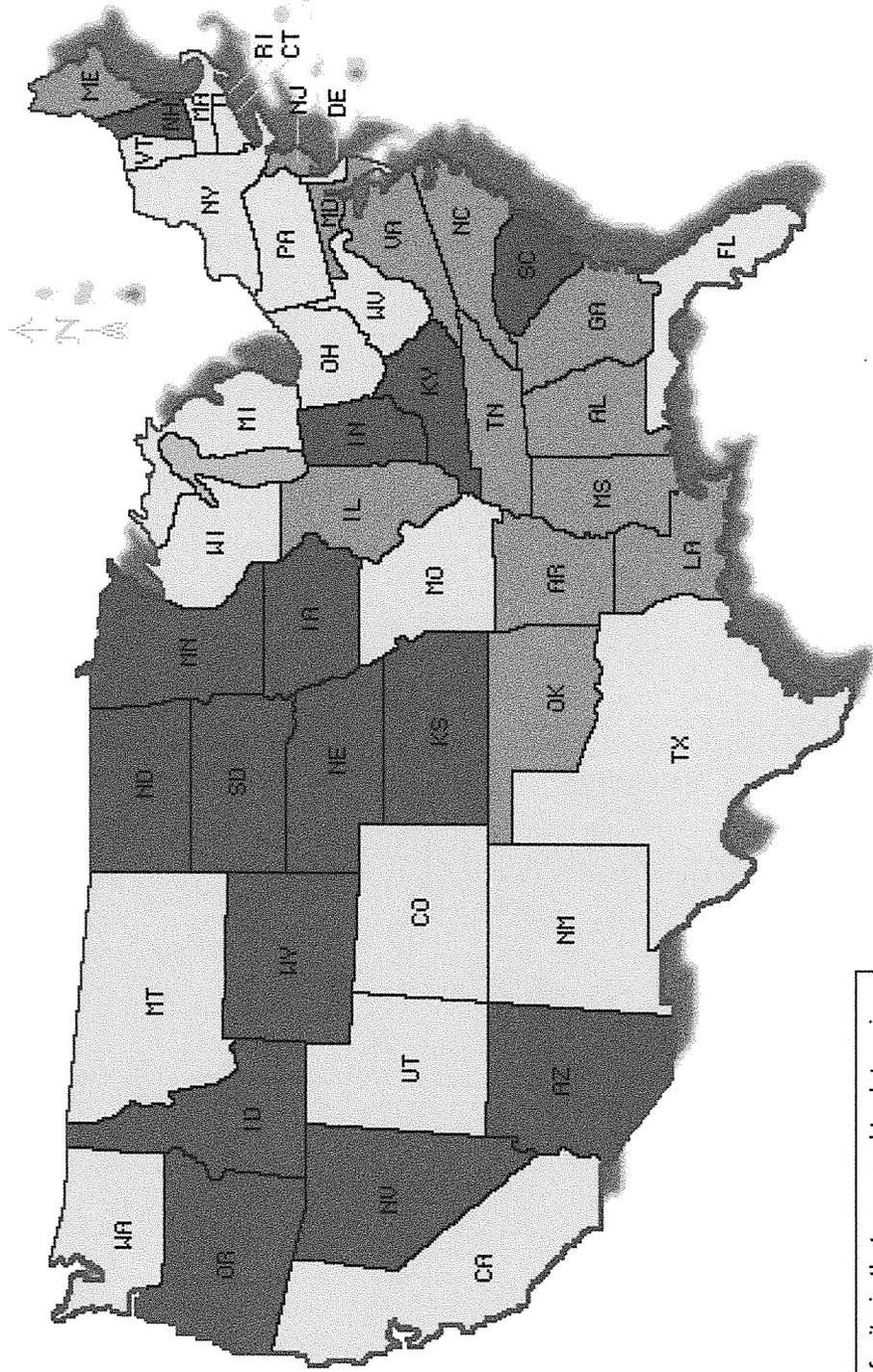
\*\*\* Qualifying purchases only. Food stamps purchases may apply for the rewards program. For details on the FREE MINUTES program, visit [www.accesswireless.com](http://www.accesswireless.com).

**EXHIBIT 7**

**2011 Lifeline Participation Rates by State**

# 2011 Lifeline Participation Rates by State

- - Below 10%
- - 10% - 20%
- - 20% - 50%
- - Above 50%



**Note:** Due to the intricacy and range of criteria that are used to determine eligibility for the Lifeline program and the limitations of the data used, the methodology employed to create this map involves several estimates, assumptions, simplifications, and omissions. Therefore, the rates generated on this map should be treated as estimates only.

**EXHIBIT 8**

**Wire Centers**





<b>CLLI</b>	<b>ILEC</b>	<b>WIRE CENTER</b>
NRGNRIMA	VERIZON NEW ENGLAND	MATUNUCK
NRGNRIMA	VERIZON NEW ENGLAND	KINGSTON
NRGNRIMA	VERIZON NEW ENGLAND	POINT JUDITH
NRGNRIMA	VERIZON NEW ENGLAND	BONNET SHORES
NRGNRIMA	VERIZON NEW ENGLAND	WEST KINGSTON
NWPTRIBU	VERIZON NEW ENGLAND	MIDDLETOWN
NWPTRIBU	VERIZON NEW ENGLAND	NEWPORT
NWPTRIBU	VERIZON NEW ENGLAND	MELVILLE
NWPTRIBU	VERIZON NEW ENGLAND	SOUTH PORTSMOUTH
PRVDRIWA	VERIZON NEW ENGLAND	PROVIDENCE
PRVDRIWA	VERIZON NEW ENGLAND	CRANSTON
PRVDRIWA	VERIZON NEW ENGLAND	ELMWOOD
PRVDRIWA	VERIZON NEW ENGLAND	EDGEWOOD
PRVDRIWA	VERIZON NEW ENGLAND	OLNEYVILLE
PRVDRIWA	VERIZON NEW ENGLAND	EAST PROVIDENCE
PRVDRIWA	VERIZON NEW ENGLAND	RIVERSIDE
PRVDRIWA	VERIZON NEW ENGLAND	RUMFORD
PRVDRIWA	VERIZON NEW ENGLAND	PHILLIPSDALE
PRVDRIWA	VERIZON NEW ENGLAND	JOHNSTON
PRVDRIWA	VERIZON NEW ENGLAND	PROVIDENCE
PRVDRIWA	VERIZON NEW ENGLAND	EDGEWOOD
PRVDRIWA	VERIZON NEW ENGLAND	ELMWOOD
PRVDRIWA	VERIZON NEW ENGLAND	CRANSTON
PRVDRIWA	VERIZON NEW ENGLAND	OLNEYVILLE
PRVDRIWA	VERIZON NEW ENGLAND	EAST PROVIDENCE
PRVDRIWA	VERIZON NEW ENGLAND	RIVERSIDE
PRVDRIWA	VERIZON NEW ENGLAND	RUMFORD
PRVDRIWA	VERIZON NEW ENGLAND	PHILLIPSDALE
PRVDRIWA	VERIZON NEW ENGLAND	JOHNSTON
PSCGRIPA	VERIZON NEW ENGLAND	GLOCESTER
PSCGRIPA	VERIZON NEW ENGLAND	CHEPACHET
PSCGRIPA	VERIZON NEW ENGLAND	GLENDALE
PSCGRIPA	VERIZON NEW ENGLAND	MOHEGAN
PSCGRIPA	VERIZON NEW ENGLAND	NASONVILLE
PSCGRIPA	VERIZON NEW ENGLAND	HARRISVILLE
PSCGRIPA	VERIZON NEW ENGLAND	MAPLEVILLE
PSCGRIPA	VERIZON NEW ENGLAND	OAKLAND
PSCGRIPA	VERIZON NEW ENGLAND	WEST GLOCESTER
PSCGRIPA	VERIZON NEW ENGLAND	PASCOAG
PSCGRIPA	VERIZON NEW ENGLAND	WALLUM LAKE
PTMORIEM	VERIZON NEW ENGLAND	PORTSMOUTH
PTMORIEM	VERIZON NEW ENGLAND	BRISTOL FERRY
PWTCRIHI	VERIZON NEW ENGLAND	LONSDALE
PWTCRIHI	VERIZON NEW ENGLAND	LINCOLN
PWTCRIHI	VERIZON NEW ENGLAND	ALBION
PWTCRIHI	VERIZON NEW ENGLAND	PAWTUCKET





**EXHIBIT 9**

**Key Management Bios**

**Paul McAleese**

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

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

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

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

CEO and co-founder  
i-wireless LLC  
July 2005 - Present (6 years 8 months)

Chief Marketing Officer  
Cincinnati Bell  
January 2004 - July 2005 (1 year 7 months)

General Manager, Consumer Markets  
O2 PLC, London  
June 1998 - December 2003 (5 years 7 months)

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

**John Willis**

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

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