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August 11, 2010

VIA OVERNIGHT DELIVERY

Utah Public Service Commission 160 East 300 South Salt Lake City, UT 84145 Attn: Ms. Julie Orchard Commission Administrator

> Re: i-wireless, LLC - Petition for Designation as an Eligible Telecommunications Carrier in the State of Utah for the Limited Purpose of Offering Lifeline Service to Qualified Households

Dear Ms. Orchard:

Enclosed please find for filing an original and five (5) copies of i-wireless, LLC 's Petition for Designation as an Eligible Telecommunications Carrier in the State of Utah for the Limited Purpose of Offering Lifeline Service to Qualified Households. An electronic version has also been filed in word format to Trixie Behr at tbehr@utah.gov on August 11, 2010.

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

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you for your attention to this matter.

Respectfully submitted,

/s/

Lance J.M. Steinhart Attorney for i-wireless, LLC

Enclosures

cc: Patrick McDonough Trixie Behr via e-mail

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Petition of i-wireless, LLC

for Designation as an Eligible Telecommunications Carrier in the State of Utah for the Limited Purpose of Offering Lifeline Service to Qualified Households Docket No. _____

PETITION OF I-WIRELESS, LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF UTAH FOR THE LIMITED PURPOSE OF OFFERING LIFELINE SERVICE TO QUALIFIED HOUSEHOLDS

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Attorney for i-wireless, LLC

August 11, 2010

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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")¹,

Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission

("FCC"),² and the rules and regulations of the Public Service Commission of Utah

("Commission"), hereby submits this Petition for Designation as an Eligible

Telecommunications Carrier ("ETC") in the State of Utah. i-wireless seeks ETC designation

solely to provide Lifeline service to qualifying Utah consumers; it will not seek access to funds

from the federal Universal Service Fund ("USF") for the purpose of providing service to high

cost areas.³ As demonstrated herein, and as certified in Exhibit 1 to this Petition, i-wireless

meets all the statutory and regulatory requirements for designation as an ETC in the State of

Utah. Rapid grant of i-wireless' request, moreover, would advance the public interest because it

¹ 47 U.S.C. § 214(e)(2)

² 47 C.F.R. §§ 54.101-54.207.

³ Given that i-wireless only seeks Lifeline 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.

would enable the Company to commence much needed Lifeline services to lower-income Utah residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Petition for ETC designation.

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

Lance J.M. Steinhart Lance J.M. Steinhart, P.C. Attorney for i-wireless, LLC 1720 Windward Concourse, Suite 115 Alpharetta, Georgia 30005 (770) 232-9200 (Phone) (770) 232-9208 (Fax) E-Mail: <u>lsteinhart@telecomcounsel.com</u>

II. BACKGROUND

A. Company Overview

i-wireless is a North Carolina Limited Liability Company.⁴ Its principal office is located at 1 Levee Way, Suite 3104, Newport, Kentucky 41071. i-wireless is a reseller of commercial mobile radio service ("CMRS") throughout the United States and was acknowledged as a CMRS provider in the State of Utah on March 1, 2007. i-wireless provides prepaid wireless telecommunications services to consumers by using the Sprint Nextel ("Sprint") network on a wholesale basis to offer nationwide service. i-wireless obtains from Sprint the network infrastructure and wireless transmission facilities to allow i-wireless to operate as a Mobile Virtual Network Operator ("MVNO").

i-wireless' prepaid wireless services that are affordable and easy to use are attractive to lower-income and lower-volume consumers, providing them with access to emergency services

⁴ i-wireless was organized in the State of North Carolina on September 7, 2006.

and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers.

B. i-wireless' Universal Service Offering

i-wireless, through its underlying carrier, 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 Utah. Upon designation as an ETC, i-wireless will make available to consumers Lifeline offerings which will provide consumers with all of the functionalities and features currently provided by i-wireless to existing customers. i-wireless will provide Lifeline service to qualifying customers requesting this service throughout Utah pursuant to the universal service program and in accordance with 47 C.F.R. § 54.202(a)(1).

The Company's Lifeline service 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 be free of charge. Under the current plan, eligible customers will receive 100 anytime prepaid minutes per month at no charge with additional service priced at \$0.10/minute and \$0.10/text message.⁵ In addition to free voice services, prepaid Lifeline customers also will have access to a variety of other standard features at no additional charge, including voice mail, caller I.D. and call waiting services. Furthermore, through i-wireless' partnership with The Kroger Co. ("Kroger"), customers can accumulate free minutes for dollars spent at select Kroger owned store locations using their Kroger shopper's card.⁶ Currently, i-wireless has partnerships with 48 Kroger stores in Utah. Lifeline customers can participate in this Free Minutes program even when utilizing food stamps for payment. By combining the

⁵ i-wireless expects that the Company's Lifeline plan may change as the wireless market evolves. As such, the Company requests that the Commission's grant of ETC designation provide it with the requisite authority to modify the parameters of the offering as marketplace conditions develop.

⁶ Detailed information on the Free Minutes program is located on the Company's website, www.iwirelesshome.com.

Lifeline program and the Free Minutes program, subscribers can easily enjoy 200 minutes or more per month at no charge.

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. 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.

C. 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.⁷ 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.⁸ 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.⁹ 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

⁷ 47 U.S.C. § 214(e)(2).

⁸ USF Order, at 8858-59, ¶ 145.

⁹ See In the Matter of the Petition of WWC Holding Co., Inc., for Designation as an Eligible Telecommunications *Carrier*, Report and Order, Docket No. 98-2216-01 (July 21, 2000).

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 respect to the facilities-based service requirement.¹⁰ The FCC granted the *Petition for Forbearance* for the purposes of participating in the Lifeline program in an Order dated June 25, 2010.¹¹ 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 *i-wireless Forbearance Order*, and therefore, may not apply the facilities-based requirement to i-wireless. Indeed, the Commission has the authority to act under Section 214(e)(2) of the Act and to grant i-wireless' request for designation as an ETC throughout the State of Utah.

III. 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

¹⁰ 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").

¹¹ Petition of i-wireless, LLC for Forbearance from 47 U.S.C § 214(e)(1)(A), 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 2.

designate wireless ETCs.¹² 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. Applicants also must commit to advertise the availability and rates of such services.¹³ As detailed below, i-wireless satisfies each of the above-listed requirements.

A. i-wireless Will Provide Service Through Resale

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."¹⁴ The FCC further explained that "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."¹⁵

The FCC specifically conditioned its grant of forbearance on i-wireless as follows: (a) iwireless 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

¹² See Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) ("USF Order").

¹³ See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

¹⁴ *i-wireless Forbearance Order* ¶ 11.

¹⁵ *Id.* ¶ 15.

("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.¹⁶ In accordance with the *i-wireless Forbearance Order*, i-wireless filed its compliance plan with the FCC on July 26, 2010. In that compliance plan, i-wireless described how it would comply with each of the FCC's stated conditions. A copy of its compliance plan is attached to this Petition as Exhibit 3. i-wireless commits to providing Lifeline service in Utah in accordance with the compliance plan.

B. i-wireless Is a Common Carrier

CMRS resellers like i-wireless are treated as common carriers for regulatory purposes.¹⁷

C. i-wireless Will Provide All Required Services and Functionalities

i-wireless offers, or will offer upon designation as an ETC in Utah, all of the services and functionalities required by Section 54.101(a)(1)-(9) 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)) including the following:

¹⁶ See *i*-wireless Forbearance Order ¶ 16.

¹⁷ Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); see also PCIA Petition for Forbearance for Broadband PCS, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the Second Report and Order] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services and resellers of such services.") (emphasis added).

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. Bandwidth for this voice-grade access is at minimum between 300 and 3,000 MHz as required by the Commission's rules.¹⁸

2. Local Usage

As part of the voice grade access to the PSTN, an ETC must provide local calling services to its customers. In addition, an applicant for ETC designation must demonstrate that it offers a local usage plan that is "comparable" to the plan offered by the ILEC in the relevant service territory.¹⁹ In analyzing whether an ETC applicant's plan is comparable to the underlying ILEC's, the FCC reviews all aspects of the plan on a case-by-case basis, including the nature of the supported service, the size of the local calling area, the inclusion of additional services (e.g., caller I.D., etc.) and the amount of local usage.²⁰ The FCC has determined that a carrier satisfies the local usage requirements when it offers customers rate plans containing varying amounts of local usage.²¹

i-wireless' proposed Lifeline offering fully complies with the local usage requirements established by the FCC. Not only will i-wireless' offering be comparable to the underlying ILEC plans, but it also will exceed them in several respects. Contrary to the ILECs' plans, i-wireless will offer customers a certain amount of service free of charge. As discussed above, i-wireless

²⁰ See Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371, 6385 (2005).

¹⁸ See 47 U.S.C. § 54.101(a)(1).

¹⁹ 47 C.F.R. § 54.202(a)(4).

²¹ See e.g., Farmers Cellular, Inc., CC Docket No. 96-45, Memorandum Opinion and Order, 18 FCC Rcd 3848, 3852 ¶ 9 (2003); Pine Belt Cellular, Inc. and Pine Belt PCS, Inc., CC Docket No. 96-45, Memorandum Opinion and Order, 17 FCC Rcd 9589, 9593 ¶ 10 (2002); Western Wireless Corp., Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48, 52 ¶ 10 (2000).

will provide its Lifeline customers with 100 anytime minutes per month at no 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 (or even nationwide) because i-wireless does not constrict customers' use by imposing a local calling area requirement. In addition to free voice services, i-wireless will provide Lifeline customers with access to a variety of other features at no cost, including voice mail, caller I.D., call waiting services and E911 capabilities. Most importantly, i-wireless' Lifeline service will provide low-income Utah residents with the convenience and security offered by wireless services—even if their financial position deteriorates.

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

i-wireless provides dual tone multi-frequency ("DTMF") signaling to expedite the transmission of call set up and call detail information throughout the network. All wireless handsets offered for sale by the Company are DTMF-capable.

4. Single-Party Service or its Functional Equivalent

"Single-party service" means that only one party will be served by a subscriber loop or access line during a telephone transmission. i-wireless provides single party service to its customers for the duration of each telephone call, and does not provide multi-party (or "partyline") services.

5. Access to 911 and E911 Emergency Service

i-wireless provides 911 and E911 access for all of its customers. i-wireless also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets. In particular, the Company will fully comply with the FCC's E911 requirements

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applicable to wireless resellers.²² Furthermore, in accordance with 47 CFR §54.202(a)(2), iwireless, through its underlying carrier(s), has the ability to remain functional in emergency situations. i-wireless will provide to its customers the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of back-up power rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

6. Access to Operator Services

i-wireless offers all of its customers access to operator services, in accordance with the FCC's requirements.

7. Access to Interexchange Service

i-wireless' service provides its customers with the ability to make interexchange, or long distance, telephone calls. In fact, interexchange calls are included in i-wireless' service with no additional charge.

8. Access to Directory Assistance

All i-wireless customers are able to dial "411" to reach directory assistance services from their wireless handsets.

9. Toll Limitation for Qualified Low-Income Customers

Toll limitation allows customers to block the completion of outgoing long distance calls to prevent them from incurring significant long distance charges and risking disconnection. As described above, i-wireless provides its wireless service on a prepaid, or pay-as-you-go, basis. i-wireless' service, moreover, is not offered on a distance-sensitive basis and minutes are not charged separately for local or domestic long distance services. Customers also must specifically

²² See Revision of the Commission's Rules to Ensure Compatibility With Enhanced 911Emergency Calling Systems, Report and Order- and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 25340 (2003).

authorize access for international services, for which additional charges may apply. As the FCC found in its grant of ETC designation to Virgin Mobile, "the prepaid nature of [a prepaid wireless service provider's] service offering works as an effective toll control."²³ The nature of i-wireless' service, therefore, mitigates any concerns that low-income customers will incur significant charges for long distance calls resulting in disconnection of their service.

D. Five-Year Network Improvement Plan

Under FCC guidelines, an ETC applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-bywire center basis throughout its proposed designated service area. This guideline has no application where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because i-wireless seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline services to eligible customers, submission of a Five-Year Network Improvement Plan is not required. Since Lifeline support is designed to reduce the monthly cost of telecommunications services for eligible customers, is distributed on a per-household basis and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low income users, which is clearly in the public interest.

E. Service Commitment Throughout the Proposed Designated Service Area

i-wireless provides service in Utah by reselling service which it obtains from its underlying facilities-based provider. The provider's network is operational and largely built out.

²³ See Federal-State Joint Board on Universal Service; In the Matter of Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petitions for Designation as an Eligible Telecommunications Carrier in the States of New York, North Carolina, Pennsylvania, Tennessee and Virginia, Order, FCC 09-18 (rel. March 5, 2009)("Virgin Mobile Order"), 24 FCC Rcd at 3394 ¶ 34.

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. Indeed, it already serves those areas. The only delay will be the time needed to implement procedures and internal systems to offer the Lifeline program. Therefore, i-wireless will be able to provide Lifeline service to all qualified customers on a timely basis or within a reasonable period of time in accordance with 47 C.F.R. § 54.202(a)(1). i-wireless further commits to provide service throughout its proposed ETC-designated service area to all customers making a reasonable request for service, as required in 47 C.F.R. § 54.202(a)(1)(i).

F. Commitment to Consumer Protection and Service Quality

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.²⁴ The Company in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. As a reseller, i-wireless' service is of the same quality and reliability as that of its underlying carrier(s).

G. i-wireless Will Advertise the Availability of Supported Services

i-wireless will broadly advertise the availability and rates for the services described above using media of general distribution as required by Section 54.201(d)(2) of the Commission's regulations.²⁵ The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline services, using media of general distribution that may include advertisements via newspapers, radio and the internet. These advertising campaigns will be specifically targeted to reach low-income customers and promote the availability of costeffective wireless services to this neglected consumer segment.

²⁴ See 47 C.F.R § 54.202(a)(3).

²⁵ See 47 C.F.R. § 54.201.

In addition, i-wireless will utilize its network of retail partners to help promote the availability of its Lifeline plans, especially those retail outlets that are frequented by lower income consumers. i-wireless will provide retail vendors with signage to be displayed where i-wireless products are sold, and with printed materials describing i-wireless' Lifeline program. Given the relationship that exists between i-wireless, lower income consumers, and retail outlets that are often visited by lower income consumers, i-wireless expects to be able to inform consumers of the availability of Lifeline service in a manner that will result in significantly higher participation in the Lifeline program by qualified consumers than has been the case in the past.

Statistics suggest that there are many eligible customers who are not yet aware of the programs. According to the best data available to Applicant, as of December 31, 2008, fewer than 20% of consumers eligible for Lifeline and Linkup Services in the State of Utah were being provided such services.²⁶ i-wireless believes that its advertising and outreach efforts detailed above will result in increased participation in the Lifeline program.

H. i-wireless Will Comply with the Lifeline Certification and Verification Requirements in 47 C.F.R. § 54.410

Section 54.410 of the FCC's Rules requires ETCs to certify and verify a Lifeline customer's initial and continued eligibility. The Company will comply with the specific certification and verification procedures imposed by the FCC as a condition to its grant of forbearance. i-wireless will certify and verify consumer eligibility in accordance with the FCC's

²⁶ See attached Exhibit 4, 2008 Lifeline Participation Rates by State, which was obtained from the Universal Service Administrative Company ("USAC"), an independent not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the FCC. USAC administers Universal Service Fund (USF) programs for high cost companies serving rural areas, low-income consumers, rural health care providers, and schools and libraries. Also attached is an FCC News Release dated September 14, 2009.

requirements and with applicable Commission rules governing certification and verification of Lifeline eligibility.

I. i-wireless Requests Designation Throughout Its Service Area in Utah

i-wireless is not a rural telephone company as defined in Section 153(37) of the Act (47 U.S.C. § 153(37)). Accordingly, i-wireless is required to describe the geographic area(s) within which it requests designation as an ETC. i-wireless requests designation as an ETC for its entire service area in Utah.²⁷ Specifically, i-wireless requests ETC designation statewide in all exchanges to the extent that its underlying carrier has facilities and coverage. i-wireless understands that its service area overlaps with many rural carriers in Utah, but maintains that the public interest factors described below justify its designation in these carriers' service areas, especially because it seeks ETC designation solely to utilize USF funding to provide Lifeline service to qualified low-income consumers. It does not seek and will not accept high cost support. Therefore, its designation as an ETC will cause no growth in the high cost portions of the USF and will not erode high cost support from any rural telephone company. In fact, the FCC has determined that "[d]esignation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies."²⁸ i-wireless' authorized service area covers the telephone company service areas of all ILECs operating in Utah. The Commission may designate i-wireless as an ETC in non-rural areas that i-wireless serves without redefining the service areas of non-rural telephone

²⁷ A list of the wire centers for which i-wireless requests ETC designation is attached hereto as Exhibit 5.

²⁸ See Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, Memorandum Opinion and Order, 16 FCC Rcd 48, 55 (2000).

companies. The Commission may designate i-wireless as an ETC in rural telephone company service areas upon a finding that such designation would serve the public interest.²⁹

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

By this Petition, i-wireless hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Petition. Upon Commission request, i-wireless is prepared to answer questions or present additional testimony or other evidence about its services within the state.

IV. 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.³⁰ There is no question that designation of i-wireless as an ETC in Utah will further the public interest by providing Utah consumers, especially low-income consumers, with lower prices and higher quality services. Many lower-income customers in Utah 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 purpose of universal service is to ensure that consumers—particularly low-income consumers—

²⁹ See 47 C.F.R. § 54.207(c).

³⁰ *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.

receive affordable and comparable telecommunications services. Given this context, designating i-wireless as an ETC would significantly benefit low-income consumers eligible for Lifeline services in the State of Utah —who are the intended beneficiaries of universal service. The Company's participation in the Lifeline program also undoubtedly would increase opportunities for the Company to serve these customers with appealing and affordable service offerings.

i-wireless' Lifeline customers will receive the same high-quality wireless services provided to all Company customers. i-wireless' Lifeline rate plans will not only allow featurerich 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 a credit check or a term contract requirement.

Low-income consumers will further benefit from i-wireless' service because of i-wireless' unique software distribution platform that will allow customers to purchase both phones and refill minutes at small, local stores in neighborhoods where many Lifeline-eligible customers reside. i-wireless has existing relationships with over 2,500 such neighborhood retailers across the United States. This innovative distribution model is more practical and convenient for existing and potential Lifeline customers than other mechanisms, because it allows customers to obtain phones, service, and minutes without the expense and trouble of traveling to retail locations outside their neighborhoods or to having access to a computer to go online. i-wireless' distribution arrangement will therefore advance the goals of increasing awareness of and participation in the Lifeline program.

ETC designation in Utah would enable i-wireless to offer appealing and affordable service offerings to low-income Utah customers to ensure that they are able to afford wireless services on a

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consistent and uninterrupted basis. Without question, prepaid wireless services have become essential for lower-income customers, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Providing i-wireless with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

Moreover, grant of i-wireless' Petition will serve the public interest in increasing the number of ETCs in Utah. By granting ETC status to i-wireless, the Commission will enable i-wireless to increase the number of Utah residents receiving Lifeline support, thereby increasing the amount of USF money flowing into Utah.

Finally, designation of i-wireless as an ETC will serve the public interest by further extending the role that i-wireless plays in the provision of communications services to lower income and lower volume users, transient users, and other consumers who either choose not to enter into long-term service commitments or who are unable to meet the credit requirements necessary to obtain service from other wireline or wireless carriers. i-wireless' prepaid wireless plans enable consumers to enjoy the convenience and security of wireless telecommunication without being subject to extensive credit reviews and long-term service commitments, which historically have limited the availability of wireless service to many Americans, including many Utah residents. For all the reasons described herein, designation of i-wireless as an ETC will serve the public interest.

In sum, ETC designation in the State of Utah 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

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would provide "increased consumer choice, high-quality service offerings, and mobility,"³¹ as well as the safety and security of effective 911 and E911 services.³²

A. 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 decades³³ and by the Commission since the early 1980s. 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.³⁴ Designation of i-wireless as an ETC would offer Lifeline-eligible consumers an additional choice of providers for accessing telecommunications services, representing a significant step towards ensuring that all low-income consumers share in the many benefits associated with access to wireless services.

B. Impact on the Universal Service Fund

i-wireless' request for designation as an ETC solely for Lifeline purposes would not unduly burden the USF or otherwise reduce the amount of funding available to other ETCs. The secondary role of Lifeline support with respect to overall USF expenditures is well documented. According to the Joint-Board's most recent monitoring report, Lifeline funding totaled approximately \$775 million in 2006 while high-cost program expenditures amounted to

³¹ See Virgin Mobile Order, 24 FCC Rcd at 3395 ¶ 38.

³² See Id. at 3391 ¶ 23.

³³ See, e.g., Specialized Common Carrier Services, 29 FCC Rcd 870 (1971).

³⁴ See 47 U.S.C. § 254(b)(1).

approximately \$4.1 billion—more than five times the amount of Lifeline funding.³⁵ Although many parties have raised concerns over the growth in the USF's high-cost program, the Lifeline program has triggered no similar outcry. Designation of i-wireless as an ETC in the State of Utah, however, raises no similar concerns and any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers. As noted in the FCC's *i-wireless Forbearance Order*, "the additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest."³⁶ "A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance [associated with granting i-wireless' *Petition for Forbearance*] in the context of the Lifeline program outweighs the potential costs."³⁷

V. ANTI-DRUG ABUSE CERTIFICATION

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

³⁵ See Universal Service Monitoring Report, CC Docket 98-202, Tables 2.2 and 3.1 (2008).

³⁶ *i-wireless Forbearance Order*, ¶ 19.

³⁷ *Id.*

VI. <u>CONCLUSION</u>

Based on the foregoing, designation of i-wireless as an ETC in the State of Utah 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 Utah solely for purposes of participating in the Lifeline program.

Respectfully submitted,

/s/

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Attorney for i-wireless, LLC

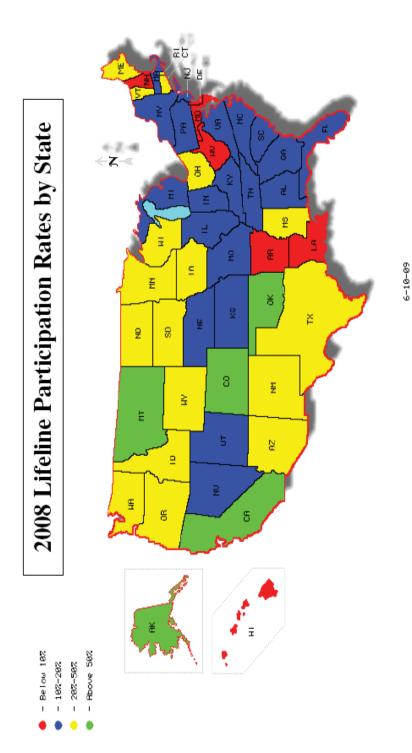
August 11, 2010

Certification of Patrick McDonough, Vice President, i-wireless, LLC

i-wireless Forbearance Order

i-wireless Compliance Plan

2008 Lifeline Participation Rates by State and FCC News Release



Notes:

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.

District of Columbia = Below 10%



Federal Communications Commission 445 12th Street, S.W. Washington, D. C. 20554

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC. 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE: September 14, 2009

NEWS MEDIA CONTACT: Rosemary Kimball (202) 418-0511 Email: rosemary.kimball@fcc.gov

FCC SUPPORTS "NATIONAL LIFELINE AND LINK UP TELEPHONE DISCOUNT AWARENESS WEEK" - SEPTEMBER 14 – 20, 2009

WASHINGTON, DC -- Today, the Federal Communications Commission (FCC) joined the effort to call attention to the "National Lifeline and Link Up Telephone Discount Awareness Week," which takes place September 14 – 20, 2009. Various state and local agencies throughout the country will be participating with outreach activities and events. The "Lifeline" and "Link Up" programs provide financial assistance to low-income consumers in connecting a residential phone line and paying their monthly bill. The programs have been active for years and are administered by the FCC and state public utility commissions, but at least half of eligible consumers nationwide do not take advantage of this assistance.

"Lifeline" involves discounts on monthly charges for a primary residential telephone line, including wireless service. "Link Up" involves a discount on the cost of initiating the primary telephone service for a residence, including the activation of a wireless phone that serves as the primary residential telephone. The discounts are available throughout the country, including an enhanced discount on Tribal lands. In general, consumers at or below 135% of the federal poverty guidelines, or who participate in one or more of a number of other assistance programs, are eligible for Lifeline and Link Up.

To help call attention to the availability of these programs, the FCC joins the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Utility Consumer Advocates (NASUCA), and urges government agencies and non-profit organizations to help disseminate information on Lifeline and Link Up to their constituents. More information about the programs and how to apply is available at <u>www.lifeline.gov</u> or <u>http://www.usac.org/li/low-income/apply-for-support.aspx</u>.

-- FCC --

Wire Centers

CLLI	WIRE CENTERS	ILEC
KAMSUTXC	HEBER	ALL WEST - UT, INC.
CLVLUTMA	COALVILLE	ALL WEST COMMUNICATIONS, INC UTAH
RNDHUTXC	RANDOLPH	ALL WEST COMMUNICATIONS, INC UTAH
GRCYUTXC	GARDEN CITY	BEAR LAKE COMMUNICATIONS
CDCYUT08	CEDAR CITY	BEEHIVE TEL CO - UT
IBPHUTXC	IBAPAH	BEEHIVE TEL CO - UT
KOLBUTXC	KOLOB	BEEHIVE TEL CO - UT
VERNUTXC	VERNON	BEEHIVE TEL CO - UT
ECRCUTMA	PRICE	CARBON/EMERY TELECOM, INC UT
HLPRUTMA	PRICE	CARBON/EMERY TELECOM, INC UT
PRICUTMA	PRICE	CARBON/EMERY TELECOM, INC UT
WNDVUTMA	WENDOVER	CENTRAL TELCOM SVCS DBA CENTRACOM INTERA
FRVWUTXC	FAIRVIEW	CENTRAL UTAH TELEPHONE, INC.
BRCYUTXC	BEAR RIVER CITY	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
DELTUTXC	DELTA	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
FDNGUTXC	FIELDING	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
FLMRUTXC	FILLMORE	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
HLDNUTXC	HOLDEN	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
HOWLUTXC	HOWELL	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
KNSHUTXC	KANOSH	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
LASLUTXC	LA SAL	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
LYNDUTXC	LYNNDYL	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
MEDWUTXC	MEADOW	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
MOABUTXC	MOAB	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
OKCYUTXC	OAK CITY	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
PRTGUTXC	PORTAGE	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
SCIPUTXC	SCIPIO	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
SNVLUTXC	SNOWVILLE	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
THSNUTXC	THOMPSON	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
THTCUTXC	THATCHER	CITIZENS TELECOM-UTAH DBA FRONTIER COMM
EGMTUTAA	EAGLE MTN-CEDAR VALLEY	DIRECT COMMUNICATION CEDAR VALLEY, LLC
CSDLUTXC	CASTLEDALE	EMERY TELEPHONE DBA EMERY TELECOM
GNSNUTXC	GUNNISON	GUNNISON TELEPHONE CO.
SLKCUTMA	RICHFIELD	PAC - WEST TELECOMM, INC UT
ALTAUTMA	ALTA-SNOWBIRD	QWEST CORPORATION
AMFKUTMA	AMERICAN FORK	QWEST CORPORATION
BEVRUTMA	BEAVER	QWEST CORPORATION
BNTFUTMA	BOUNTIFUL	QWEST CORPORATION
NSLKUTMA	BOUNTIFUL	QWEST CORPORATION
BGCYUTMA	BRIGHAM CITY	QWEST CORPORATION
CRNNUTMA	BRIGHAM CITY	QWEST CORPORATION
CLFDUTMA	CLEARFIELD	QWEST CORPORATION
LYTNUTMA	CLEARFIELD	QWEST CORPORATION
ROY UTMA	CLEARFIELD	QWEST CORPORATION

CLLI	WIRE CENTERS	ILEC
CTWDUTMA	COTTONWOOD	QWEST CORPORATION
FRTNUTMA	FARMINGTON	QWEST CORPORATION
GTVLUTMA	GRANTSVILLE	QWEST CORPORATION
HBCYUTMA	HEBER	QWEST CORPORATION
HLDYUTMA	HOLLADAY	QWEST CORPORATION
HYRMUTMA	HYRUM	QWEST CORPORATION
KYVLUTMA	KAYSVILLE	QWEST CORPORATION
KRNSUTMA	KEARNS	QWEST CORPORATION
LEHIUTMA	LEHI	QWEST CORPORATION
LOGNUTMA	LOGAN	QWEST CORPORATION
MAGNUTNM	MAGNA	QWEST CORPORATION
DRPRUTMA	MIDVALE	QWEST CORPORATION
MDVAUTMA	MIDVALE	QWEST CORPORATION
WJRDUTMA	MIDVALE	QWEST CORPORATION
MONRUTMA	MONROE	QWEST CORPORATION
MTGNUTMA	MORGAN	QWEST CORPORATION
MRGNUTMA	MOUNTAIN GREEN	QWEST CORPORATION
MRRYUTMA	MURRAY	QWEST CORPORATION
NEPHUTMA	NEPHI	QWEST CORPORATION
HNVIUTMA	OGDEN MAIN	QWEST CORPORATION
OGDNUTSO	OGDEN MAIN	QWEST CORPORATION
OGDNUTMA	OGDEN NORTH	QWEST CORPORATION
OGDNUTNO	OGDEN NORTH	QWEST CORPORATION
OGDNUTWE	OGDEN SOUTH	QWEST CORPORATION
OREMUTMA	OREM	QWEST CORPORATION
PRCYUTMA	PARK CITY	QWEST CORPORATION
PRWNUTMA	PAROWAN	QWEST CORPORATION
PYSNUTMA	PAYSON	QWEST CORPORATION
PLGVUTMA	PLEASANT GROVE	QWEST CORPORATION
PROVUTMA	PROVO	QWEST CORPORATION
RCFDUTMA	RICHFIELD	QWEST CORPORATION
RCMDUTMA	RICHMOND	QWEST CORPORATION
RVTNUTMA	RIVERTON	QWEST CORPORATION
SALNUTMA	SALINA	QWEST CORPORATION
SLKCUTEA	SALT LAKE EAST	QWEST CORPORATION
SLKCUTWE	SALT LAKE MAIN	QWEST CORPORATION
SLKCUTSO	SALT LAKE SOUTH	QWEST CORPORATION
SNTQUTMA	SANTAQUIN	QWEST CORPORATION
SMFDUTMA	SMITHFIELD	QWEST CORPORATION
SALMUTMA	SPANISH FORK	QWEST CORPORATION
SPFKUTMA	SPANISH FORK	QWEST CORPORATION
SPVLUTMA	SPRINGVILLE	QWEST CORPORATION
HRCNUTMA	ST GEORGE	QWEST CORPORATION
LEDSUTMA	ST GEORGE	QWEST CORPORATION
SPDLUTMA	ST GEORGE	QWEST CORPORATION
STGRUTMA	ST GEORGE	QWEST CORPORATION

CLLI	WIRE CENTERS	ILEC
VEYOUTMA	ST GEORGE	QWEST CORPORATION
TOOLUTMA	TOOELE	QWEST CORPORATION
DGWYUTMA	DUGWAY	SKYLINE TELECOM
EURKUTXC	EUREKA	SKYLINE TELECOM
GSHNUTXC	GOSHEN	SKYLINE TELECOM
ANTMUTXC	ANTIMONY	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
APVYUTXC	APPLE VLLY	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
BRYLUTAA	BERYL	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
BRCNUTXC	BRYCE CANYON	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
CAVLUTXC	CANNONVL	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
ENTRUTXC	ENTERPRISE	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
ESCLUTXC	ESCALANTE	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
HATCUTXC	НАТСН	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
KSHRUTAA	KOOSHAREM	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
MRVAUTXC	MARYSVALE	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
MLFRUTXC	MILFORD	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
MNVIUTXC	MINERSVILLE	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
PNGTUTXC	PANGUITCH	SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION
ALMTUTXC	ALTAMONT	UBTA-UBET COMMUNICATINS, INC.
DCHSUTMA	DUCHESNE	UBTA-UBET COMMUNICATINS, INC.
FTBTUTXC	FLATTOP BUTTE	UBTA-UBET COMMUNICATINS, INC.
FRLDUTXC	FRUITLAND	UBTA-UBET COMMUNICATINS, INC.
LAPNUTXC	LA POINT	UBTA-UBET COMMUNICATINS, INC.
NEOLUTXC	NEOLA	UBTA-UBET COMMUNICATINS, INC.
RNDTUTXC	RANDLETT	UBTA-UBET COMMUNICATINS, INC.
RSVTUTMA	ROOSEVELT	UBTA-UBET COMMUNICATINS, INC.
TABNUTXC	TABIONA	UBTA-UBET COMMUNICATINS, INC.
DTJHUTXC	DUTCH JOHN	UNION TELEPHONE CO WY
GNDLUTXC	GREENDALE	UNION TELEPHONE CO WY
MANLUTXC	MANILA	UNION TELEPHONE CO WY