

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH –

**IN THE MATTER OF THE)
PETITION OF TELRITE)
CORPORATION D/B/A LIFE)
WIRELESS FOR LIMITED)
DESIGNATION AS AN ELIGIBLE)
TELECOMMUNICATIONS)
CARRIER**

DOCKET NO. 12-2553-01

PREFILED DIRECT TESTIMONY OF BRIAN LISLE

SUBMITTED BY

TELRITE CORPORATION d/b/a LIFE WIRELESS

1 **Q. PLEASE STATE YOUR NAME, PLACE OF EMPLOYMENT AND BUSINESS ADDRESS.**

2
3 A. My name is Brian Lisle I am employed by Telrite Corporation, d/b/a Life Wireless as its
4 President. My business address is 1480 Terrell Mill Road, SE, Suite 104, Marietta, Georgia
5 30067

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to discuss the qualifications of Telrite Corporation d/b/a
8 Life Wireless ("Life Wireless" or the "Company") to be designated as an Eligible
9 Telecommunications Carrier ("ETC") for the purpose of receiving federal universal service
10 "Lifeline" support from the low income fund.

11 **Q. PLEASE DESCRIBE LIFE WIRELESS.**

12 A. Life Wireless is a trade name of Telrite Corporation ("Telrite"). Life Wireless will offer
13 resold wireless services which Life Wireless will obtain from its underlying wireless provider
14 AT&T. AT&T's extended footprint allows Life Wireless to provide expanded coverage
15 throughout otherwise underserved markets. Life Wireless has developed and implemented a
16 network that delivers all of the services required by the federal Lifeline guidelines, and employs
17 the AT&T carrier network to ensure ubiquitous coverage. Life Wireless operates a major
18 customer service and network data facility located in Georgia. Telrite/Life Wireless and its
19 affiliates employ 109 employees in three locations across the Atlanta, GA area.

20 **Q. IN WHICH OTHER JURISDICTIONS DOES TELRITE OFFER SERVICES?**

21 A. Telrite is an Inter-Exchange Carrier in 48 jurisdictions and a Facilities Based Competitive
22 Local Exchange Carrier in 18 jurisdictions. Telrite d/b/a Life Wireless is a wireless ETC in the
23 states of Illinois, Indiana, Missouri, Arkansas, Louisiana, West Virginia, Georgia, Maryland,
24 Minnesota, Rhode Island, Oklahoma, Maine, Michigan, Texas, South Carolina and Puerto Rico
25 and has pending applications in Arizona, Iowa, Nebraska, Massachusetts, Ohio, Kansas,

Washington, Wisconsin, Pennsylvania, Mississippi, New Jersey, and Utah. Telrite expects to file several additional state petitions in the near future.

Q. DOES THE UTAH PUBLIC SERVICE COMMISSION HAVE JURISDICTION TO DESIGNATE LIFE WIRELESS AS AN ETC?

A. Yes, Section 214(e)(2) of the Communications Act authorizes state commissions such as the Public Service Commission of Utah to designate ETC status for federal universal service purposes.¹ The FCC has further ruled that Section 214(e)(2) “provides state commissions with the primary responsibility for designating ETCs.”² The FCC has promulgated rules governing ETC designations, set forth at 47 C.F.R. §54.101, §54.201-203, and §54.205-207 (the “FCC Rules”) to establish various requirements for carriers to obtain ETC status. Applicants seeking ETC status in Utah must address and satisfy each of the ETC designation criteria under the FCC Rules.

Q. PLEASE IDENTIFY THE AREA IN WHICH LIFE WIRELESS SEEKS DESIGNATION AS AN ETC?

A. In the State of Utah, Life Wireless seeks designation in the areas identified in its application.

Q. PLEASE DESCRIBE LIFE WIRELESS’ SERVICE OFFERING?

A. Life Wireless will offer qualified consumers their choice of 125 or 250 anytime prepaid minutes per month at no charge. Minutes do not expire for the 125 minute plan and unused minutes are rolled over to the next month. Unused minutes for the 250 minute plan do not roll over. Text messaging is available at the rate of:

(a) 125 Minute Plan: (3 SMS per voice minute)

(b) 250 Minute Plan: (3 SMS per voice minute)

All low-income universal service support will be used to allow Life Wireless to provide the service with no monthly recurring charge, thus ensuring that consumers receive the full benefit of the universal service support funding for which Life Wireless will seek reimbursement.

¹ 47 U.S.C.A. § 214(e)(2). *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, First Report and Order, 12 FCC Rcd 8776, 8858-59 (¶ 145) (1997). (*Universal Service First Report & Order*”).

² *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 20 FCC Rcd 6371, 6372 (¶ 1, n. 2) (2005) (“*ETC Criteria Order*”).

1 Furthermore, Life Wireless will provide Lifeline customers a company funded \$3.50 credit, as
2 long as this requirement remains in effect for Utah Lifeline ETCs. Therefore, together, the state
3 and federal credits offered in Utah will be at least \$12.75.

4 In the event that all airtime has been used, Lifeline customers can purchase additional
5 bundles of minutes in denominations of \$5.00, \$10.00, \$4.95, \$7.95, \$12.95, \$21.49 and
6 \$29.95.^{3 4} Airtime, when used for standard cellular calls, is valued at and will be decremented at
7 the following rates:

8 (c) \$5.00 denomination – 60 minutes (\$0.083 per minute of use);

9 (d) \$10.00 denomination – 130 minutes (\$0.077 per minute of use);

10 (e) \$4.95 denomination – 1 day Unlimited Talk and SMS;

11 (f) \$7.95 denomination - 3 day Unlimited Talk and SMS;

12 (g) \$12.95 denomination – 7 day Unlimited Talk and SMS;

13 (h) \$21.95 denomination – 14 day Unlimited Talk and SMS;

14 (i) \$29.95 denomination – 30 day Unlimited Talk and SMS.

15 Airtime “top-up” minutes are available for purchase at the Company’s retail locations,
16 through any MoneyGram location⁵ and on the Company’s website.⁶ Additional information
17 regarding the Company’s plans, rates and services can be found on its website:
18 www.lifewireless.com. In addition to free voice services, Life Wireless’ Lifeline plan will
19 customize calling features at no charge, including Caller ID, Call Waiting, Call Forwarding, 3-Way
20 Calling, Voice Mail, No Roaming charges and free access to Customer Care by dialing 611 from

³ The \$29.95 rate for unlimited talk and text is available only to Life Wireless customers that purchase online or by calling Telrite customer service. The retail rate available in stores is \$37.95.

⁴ If reasonably and fairly required by the Commission to adjust its service plans to achieve comparability in order to meet standards in the public interest, Telrite commits to making any such adjustment.

⁵ MoneyGram locations may be found at <https://www.moneygram.com/wps/portal/moneygramonline/home/sendmoney?CC=US&LC=en-US>.

1 customers' Life Wireless handset or by dialing 1-888-543-3620 from any wireline phone. All
2 plans include domestic long-distance at no extra per minute charge. Calls to 911 emergency
3 services are always free, regardless of service activation or availability of minutes. The terms and
4 conditions of its voice telephony service plans offered to Lifeline subscribers are detailed in the
5 Compliance Plan attached to Life Wireless' Petition as **Exhibit “_”** and on the Terms of Service
6 attached as **Exhibit “_”**.

7 Under Life Wireless' proposed low-income wireless offering, each eligible wireless
8 customer will also receive a 911 compliant handset at no cost to the subscriber. Attached to the
9 Petition as **Exhibit “_”** is information regarding the handsets issued by Life Wireless to its
10 customers. Wireless handsets will be delivered at no charge to qualifying customers, service
11 will be activated, and the requisite number of minutes will be added upon certification of the
12 customer for Lifeline.

13 **Q. WILL A LIFELINE CUSTOMER EVER INCUR ROAMING CHARGES?**

14 A. Life Wireless does not charge consumers for roaming.

15 **Q. HAS LIFE WIRELESS' COMPLIANCE PLAN BEEN APPROVED BY THE FEDERAL COMMUNICATIONS**
16 **COMMISSION (“FCC”)?**

17
18 A. Life Wireless' compliance plan has been approved by the FCC as of December 26, 2012.

19 **Q. WHAT ARE THE REQUIREMENTS FOR DESIGNATION AS A LIFELINE ONLY ETC?**

20
21 A. To be designated an ETC for purposes of receiving “Lifeline support” from the federal
22 universal service fund, an applicant must:

23 (1) be a common carrier, as defined by 47 U.S.C. § 153(10);

24 (2) offer throughout its proposed service areas the supported services set forth in 47
25 C.F.R. § 54.101(a) either by using its own facilities or a combination of its own
26 facilities and the resale of another carrier's services;

27 (3) advertise the supported services throughout the designated service area; and,

(4) demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with 47 C.F.R. § 54.202(a)(4).

Q. IS LIFE WIRELESS A COMMON CARRIER AS DEFINED BY 47 U.S.C. §153(10)?

A. Yes. Life Wireless is regulated as a common carrier in connection with its provision of Commercial Mobile Radio Service ("CMRS"). Therefore, Life Wireless certifies that it is a common carrier under 47 U.S.C. § 214(e)(1) for purposes of ETC designation.

Q. DOES LIFE WIRELESS OFFER THE SUPPORTED SERVICES SET FORTH IN 47 C.F.R. § 54.101(a) EITHER BY USING ITS OWN FACILITIES OR A COMBINATION OF ITS OWN FACILITIES AND THE RESALE OF ANOTHER CARRIER'S SERVICES?

A. Life Wireless will offer all required services and functionalities. Section 214(e)(1)(A) of the Act⁷ requires an ETC to offer the services that are supported by federal universal service support mechanisms under section 254(c). Effective December 29, 2011, pursuant to the USF/ICC Transformation Order⁸, as further clarified by the USF/ICC Order on Reconsideration⁹, the FCC eliminated its former list of nine supported services and amended section 54.101(a) of its rules to specify that "voice telephony service" is supported by the federal universal service mechanisms. The amended Section 54.101(a) and its list of supported services reads as follows: The functionalities of eligible voice telephony services include voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government

⁷ 47 U.S.C. § 214(e)(1).

⁸ In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) ("USF/ICC Transformation Order").

⁹ In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Order on Reconsideration, FCC 11-189 (rel. Dec. 23, 2011) ("USF/ICC Order on Reconsideration").

1 or other public safety organizations, such as 911 and enhanced 911, to the extent the local
2 government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;
3 and toll limitation for qualifying low-income consumers (as described in subpart E of this part).

4 Upon designation as an ETC in Utah, and consistent with state and federal policies
5 favoring universal service, Life Wireless will offer voice telephony services as described in the
6 amended Section 54.101 of the FCC Rules.¹⁰ To the extent that the Commission continues to
7 require ETCs to provide those services supported by federal universal service support
8 mechanisms previously enumerated in 47 C.F.R. § 54.101(a), Life Wireless commits to continue
9 to satisfy state voice service requirements.¹¹

10 The Company also will provide access to emergency services provided by local
11 government or public safety officials, including 911 and enhanced 911 ("E911") where available
12 and will comply with any Commission requirements regarding E911-compatible handsets. As
13 discussed above, the Company will comply with the Commission's forbearance grant conditions
14 relating to the provision of 911 and E911 services and handsets. Life Wireless also commits to
15 remit 911 revenues to local authorities. The Company commits to pay in a timely manner all
16 applicable federal, state and local regulatory fees, including but not limited to universal service
17 and E911 fees.¹²

18 Life Wireless will not provide toll limitation service ("TLS"), which allows low-income
19 consumers to avoid unexpected toll charges. However, since the Company is a prepaid service
20 provider, customers cannot be disconnected for failure to pay toll charges, nor are there
21 additional charges for exceeding their minutes. Further, the Company, like most wireless
22 carriers, does not differentiate domestic long distance toll usage from local usage and all usage

¹⁰ 47 C.F.R. §§ 54.101(a).

¹¹ USF/ICC Transformation Order at ¶ 82.

¹² See TracFone Wireless, Inc. Petition to Rescind State 911/E911 Condition, FCC Docket No. 96-45 (May 3, 2010).

is paid for in advance. Pursuant to the Lifeline Reform Order, subscribers to such services are not considered to have voluntarily elected to receive TLS.¹³

Q. ARE THERE ADDITIONAL ELIGIBILITY CRITERIA THAT AN APPLICANT MUST SATISFY TO BE DESIGNATED AN ETC?

A. Yes. There are additional eligibility criteria established by both the Commission and the FCC.

Q. DOES LIFE WIRELESS MEET THE ADDITIONAL ELIGIBILITY CRITERIA ESTABLISHED IN THE COMMISSION AND FCC'S REGULATIONS?

A. Yes. Life Wireless will comply with all additional ETC requirements set forth by the Utah Public Service Commission.

Q. PLEASE DESCRIBE HOW LIFE WIRELESS WILL SATISFY EACH OF THE ADDITIONAL ELIGIBILITY CRITERIA.

A. The requirements for designation of ETCs were recently amended by the FCC. Effective April 2, 2012, 47 C.F.R. § 54.202 imposes a number of changed requirements in order to be designated an ETC under Section 214(e)(6). Life Wireless will comply with the requirements of 47 C.F.R. § 54.202, effective April 2, 2012, and will comply with the Utah-specific requirements.

1. Commitment to Provide Service.

A. Life Wireless hereby makes a commitment to provide service throughout its proposed ETC designated service area to all customers who make a reasonable request for service. If Life Wireless' network already passes or covers the potential customer's premises, Life Wireless will provide service immediately. For those instances where a request comes from a potential customer within Life Wireless' proposed ETC Designated Area but outside its existing network coverage, Life Wireless will provide service within a reasonable period of time if service can be provided at a reasonable cost utilizing one or more of the following methods: (1) modifying or replacing the requesting customer's equipment; (2) deploying a roof-mounted antenna or other

¹³ Lifeline Reform Order at ¶ 230.

1 equipment; (3) adjusting network or customer facilities; or (4) reselling services from another
2 carrier's facilities to provide service.

3 Life Wireless not only commits to provide service throughout its Service Area, but also
4 commits to provide universal service in a timely manner to all customers who make a
5 reasonable request for service pursuant to the FCC Rules.¹⁴ If designated as a wireless ETC, Life
6 Wireless will provide service throughout its Service Area through a combination of its own
7 facilities and the resale of services. Life Wireless is willing to accept carrier of last resort
8 obligations throughout the universal service areas in which Life Wireless is designated as an ETC
9 by the Commission.

10 **2. Advertising and Outreach Program**

11
12 A. The FCC adopted specific requirements for Lifeline advertising in its Lifeline Reform
13 Order with which the Company will comply.¹⁵ Within the deadline provided in the Lifeline
14 Reform Order, the Company will include the following information regarding its Lifeline service
15 on all marketing materials describing the service: (1) it is a Lifeline service; (2) Lifeline is a
16 government assistance program; (3) the service is non-transferable; (4) only eligible consumers
17 may enroll in the program; (5) the program is limited to one discount per household; (6)
18 documentation necessary for enrollment; (7) Life Wireless' name (the ETC); and, (8) notice that
19 consumers who willfully make a false statement in order to obtain the Lifeline benefit can be
20 punished by fine or imprisonment or can be barred from the program.¹⁶ These statements will
21 be included in all print, audio, video and web materials (including social networking media) used
22 to describe or enroll customers in the Company's Lifeline service offering, as well as the

¹⁴ 47 C.F.R. § 54.202(a)(1) also requires the submission of a five-year plan demonstrating how high-cost universal service support will be used to improve the ETC's coverage, service quality and capacity. This requirement, however, is inapplicable to this application, since Telrite is not seeking high-cost assistance.

¹⁵ Lifeline Reform Order at ¶275-82.

¹⁶ Lifeline Reform Order at ¶ 275.

1 Company's application forms and certification forms.¹⁷ This specifically includes the Company's
2 website and outdoor signage.¹⁸

3 Life Wireless is fully prepared to and will comply with the federal and state
4 requirements that it advertise the availability of its services throughout its Service Area using
5 media of general distribution.¹⁹ Life Wireless will publicize the availability of Lifeline service in a
6 manner reasonably designed to reach those likely to qualify for the service.²⁰ Life Wireless
7 advertises the availability and prices of its services through a variety of media including its
8 extensive retail distribution network which includes retail locations in Utah and nationwide as
9 well as from Life Wireless' website, www.lifewireless.com, and other online outlets.
10 Accordingly, more low-income Utah residents will be made aware of the opportunities afforded
11 to them under the Lifeline program and will be able to take advantage of those opportunities by
12 subscribing to Life Wireless' service. A sample of Life Wireless' planned advertising is attached
13 to its Petition as **Exhibit “_.”**

14 **3. Ability to Remain Functional in Emergency Situations**

- 15
16 A. Life Wireless has the ability to remain functional in emergency situations. Since Life
17 Wireless is providing service to its customers through the use of facilities obtained from other
18 carriers it is able to provide to its customers the same ability to remain functional in emergency
19 situations as currently provided by the carriers to their own customers, including access to a
20 reasonable amount of back-up power to ensure functionality without an external power source,
21 re-routing of traffic around damaged facilities, and the capability of managing traffic spikes
22 resulting from emergency situations.

17 Id.

18 Id.

19 47 C.F.R. § 54.201(d)(2).

20 47 C.F.R. §§ 54.405(b).

1 Life Wireless and its underlying carrier, AT&T, have created back-up systems to ensure
2 full functionality in the event of a loss of power or network functionality. And, Life Wireless'
3 switching facilities are housed in a carrier-class data center with fully redundant power and
4 HVAC, a controlled temperature and humidity environment, fire-threat detection and
5 suppression, year-round critical monitoring and secure access with biometric security. The
6 facility features redundant generators and redundant fiber optic connectivity. The data center is
7 a reinforced concrete building located in a secure area and collocated with the area electrical
8 utility headquarters. It is powered from separate paths independent of any one electrical
9 generation plant. All systems within the facility are implemented on redundant servers, each
10 with redundant data network and power.

11 **4. Consumer Protection and Commitment to Provide Quality Service**

12
13 A. An ETC applicant must demonstrate that it will satisfy all consumer protection and
14 service quality standards. The FCC has determined that a commitment by wireless applicants to
15 comply with Consumer Code for Wireless Service – adopted by the Cellular Telecommunications
16 and Internet Association's ("CTIA") satisfies this requirement.²¹ Per the requirements of 47
17 C.F.R. §202(a)(1)(i) Life Wireless certifies that it will comply with the service requirements
18 applicable to the low-income support it receives as a result of designation as an ETC for
19 purposes of receiving Lifeline.

20 Life Wireless will satisfy all consumer privacy protection standards as provided in 47
21 C.F.R. §64, Subpart U, as applicable, and will protect Customer Proprietary Network Information
22 ("CPNI") as required by state and federal law and will certify compliance with the same on an
23 annual basis.²²

²¹ 47 C.F.R. § 54.202(a)(3). See certification attached as Exhibit H.
²² See Exhibit H.

On an annual basis Life Wireless will certify its compliance with the CTIA Consumer Code and report the number of consumer complaints or trouble reports per 1,000 handsets or access lines consistent with the FCC's *USF Order*²³. Life Wireless in general commits to satisfying all applicable state and federal requirements related to consumer protection and service quality standards.

5. Comparable Local Usage / Rate Plan.

- A. As described previously Life Wireless offers a local usage plan comparable to that offered by the ILEC in the Service Area for which it seeks designation.

6. Equal Access.

- A. Life Wireless will provide equal access to long distance carriers, to the extent to which it is required to do so by the Commission²⁴.

7. Universal Service Support.

- A. As described earlier, Section 214(e)(1)(A) of the Act requires an ETC to offer the services supported by federal universal service support mechanisms throughout its designated service area "either using its own facilities or a combination of its own facilities and resale of another carrier's services."²⁵ As described earlier, Life Wireless will provide wireless service through resale and is pursuing Blanket Forbearance from the FCC.

8. Financial and Technical Showing. 47 C.F.R. §54.201(h).

- A. Life Wireless has the financial and technical capability to provide Lifeline service. As part of the Lifeline Reform Order, the FCC amended its rules to require a carrier seeking designation as a Lifeline-only ETC to demonstrate that it is financially and technically capable of

²³ Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776 at ¶ 4 (1997) ("USF Order").

²⁴ The FCC's rules no longer require an applicant to acknowledge that the FCC may require it to provide equal access to long distance carriers. See *Lifeline and Linkup Reform Order*, p. 208, revised § 54.202(a).

²⁵ 47 U.S.C. § 214(e)(1)(A).

1 providing the supported Lifeline service in compliance with all of the low-income program rules.
2 Life Wireless satisfies these criteria.

3 Life Wireless generates substantial revenues from non-Lifeline services and has access
4 to capital from its investors. Life Wireless currently provides prepaid wireless services to more
5 than 650,000 customers. Consequently, the Company has not relied, and will not be relying
6 exclusively on Lifeline reimbursement for its operating revenues. The Company has not been
7 subject to enforcement sanctions or ETC revocation proceedings in any state.

8 **9. Designation of Life Wireless as an ETC in the State of Utah Serves the Public Interest.**
9

10 A. The FCC has previously held that designating a competitor as an ETC in areas served by
11 non-rural ILECs is *per se* in the public interest.²⁶ The Commission should determine that Life
12 Wireless' designation is in the public interest by considering (1) the benefits of increased
13 consumer choice and (2) the unique advantages and disadvantages of Life Wireless' service
14 offering. These are the same factors used by the FCC.²⁷ Life Wireless submits that the public
15 interest benefits of designating Life Wireless as an ETC include (1) a larger local calling area and
16 expanded coverage area via multiple underlying carriers (as compared to traditional wireline
17 carriers and single wireless carriers); (2) the convenience, portability, and security afforded by
18 mobile telephone service; (3) the opportunity for customers to control cost by receiving a pre-
19 set amount of flat-rate monthly airtime; (4) the ability to purchase additional low-cost usage at
20 multiple convenient locations in the event that included usage has been exhausted; (5) the
21 ability of users to use the supported service to send and receive "SMS" or text messages as well
22 as the option to send data and access the public internet; and (6) 911 and, where available,
23 enhanced 911 service in accordance with current FCC requirements. In addition, the inclusion of

²⁶ See *Cellco Partnership*, 16 FCC Rcd, at 45.

²⁷ 47 U.S.C. § 54.202(c).

1 domestic telephone toll calling as a part of Life Wireless' flat-rate wireless offering allows
2 consumers to avoid the risks of becoming burdened with significant and unexpected per-minute
3 charges for domestic telephone toll and overage charges. These per-minute overruns form the
4 basis of a substantial number of consumer complaints to state and federal regulators.
5 Accordingly, Life Wireless' offerings will help to reduce this burden on public utility regulatory
6 boards by obviating the cause for such complaints.

7 The FCC has long acknowledged the benefits to consumers of being able to choose from
8 a variety of telecommunications providers and the resulting variety of telecommunications
9 services they provide.²⁸ This is of particular interest in cases where wireless providers like Life
10 Wireless seek to provide service as an alternative to the ILEC. In the *Highland Cellular* case, the
11 FCC recognized and affirmed that some households may not have access to the public switched
12 network as provided by the ILEC.²⁹ The wireless service offered by Life Wireless will provide
13 these consumers with a convenient and affordable alternative to traditional
14 telecommunications service that can be used while at home and away from home.

15 Designation of Life Wireless as an ETC also creates competitive pressure for other
16 wireline and wireless providers within the proposed service areas. In order to remain
17 competitive in low-income markets, therefore, all carriers will have greater incentives to
18 improve networks, increase service offerings and lower prices. This results in improved
19 consumer services and, consistent with federal law, benefits consumers by allowing Life
20 Wireless to offer the services designated for support at rates that are "just, reasonable, and
21 affordable."³⁰

²⁸ See e.g. Specialized Common Carrier Services, 29 FCC2d 870 (1971).

²⁹ Federal-State Joint Bd. on Universal Serv., Highland Cellular, Inc., *Memorandum Opinion and Order*, 19 F.C.C.R. 6422 (2004).

³⁰ 47 U.S.C. § 254(b)(1).

1 Designation of Life Wireless as an ETC benefits the public interest of low-income
2 consumers throughout Life Wireless' Service Area. Approval of Life Wireless' ETC Application
3 will serve the public interest by increasing participation of qualified consumers in the Lifeline
4 program in the State of Utah. Life Wireless will offer a unique, easy to use, competitive and
5 highly affordable wireless telecommunications service, which it will make available to qualified
6 consumers who either have no other service alternatives or who choose a wireless prepaid
7 solution in lieu of more traditional services. Life Wireless' Lifeline service is available with no
8 credit check, deposit requirement, minimum service periods, or early termination fees. These
9 services will be an attractive and affordable alternative to all consumers, without regard to age,
10 residency, or credit worthiness.

11 Designation of Life Wireless as an ETC will not pose any adverse effect in the growth in
12 the high-cost portions of the USF, nor will it create or contribute to an erosion of high-cost
13 funding from any rural or non-rural telephone company. The FCC reaffirmed this position when
14 it stated that "the potential growth of the fund associated with high-cost support distributed to
15 competitive ETCs' is not relevant to carriers seeking support associated with the low-income
16 program.³¹ The FCC also recognized that the total effect of additional low-income-only ETC
17 designations would have a minimal impact on the fund when it stated that "any increase in the
18 size of the fund would be minimal and would be outweighed by the benefit of increasing eligible
19 participation in the Lifeline program, furthering the statutory goal of providing access to low-
20 income consumers."³² It is also vital to recognize that in the case of Lifeline support, an ETC
21 receives USF support *only* for the customers it obtains. In the scenario where a competitive ETC

³¹ 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") at ¶ 17.

³² TracFone Forbearance Order, at ¶ 17.

obtains a Lifeline customer from another ETC, only the “capturing” ETC provides Lifeline discounts and as a result, only the “capturing” ETC receives support reimbursement.

Q. PLEASE DESCRIBE HOW LIFE WIRELESS WILL DETERMINE A POTENTIAL CUSTOMER’S ELIGIBILITY FOR LIFE LINE BENEFITS.

A. The application form that will be used by Life Wireless requires each applicant to provide the following information:

- Name
- Primary residential address – and whether the address is a permanent address
- Billing address (if this differs from the residential address)
- Last four digits of social security number
- Birth date

After the National Database is established by the FCC, Life Wireless will provide the above information to the database, together with the following additional information:

- Telephone number (for Lifeline handset)
- Date of service initiation
- Date of de-enrollment (if applicable)
- Means by which the subscriber qualified for support
- Amount of Lifeline support received by the subscriber each month

Q. PLEASE DESCRIBE HOW LIFE WIRELESS WILL ENSURE THAT EACH HOUSEHOLD RECEIVES ONLY ONE LIFELINE SUBSIDY.

A. All service orders will be checked real time on the front end in Life Wireless’ internal database, and its service provider CGM’s inter-company duplicate database (some 30 companies participate in this database) for any duplicate. Furthermore, CGM checks Life Wireless’ records for internal duplicates every month prior to submitting its FCC Form 497 to USAC. Life Wireless will terminate Lifeline benefits to any customer that does not demonstrate continued eligibility within 30 days following the date of an impending termination letter.

Q. PLEASE DESCRIBE HOW LIFE WIRELESS WILL TREAT CUSTOMERS THAT PROVIDE A TEMPORARY ADDRESS.

A. If a subscriber provides Life Wireless with a temporary address, the Company will verify with the subscriber every 90 days that this address remains valid. If the subscriber fails to

1 respond to the Company within 30 days, the subscriber will be de-enrolled from the Lifeline
2 program.

3 **Q. WILL LIFE WIRELESS USE THIRD PARTY AGENTS TO SELL WIRELESS SERVICE IN UTAH? IF SO,**
4 **HOW WILL LIFE WIRELESS ENSURE THE AGENTS' COMPLIANCE WITH LIFELINE RULES IN**
5 **ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN THE FCC'S LIFELINE AND LINK UP**
6 **REFORM ORDER (FCC 12-11)?**

7 **A.** Yes, Life Wireless uses third party agents to market its wireless Lifeline services. All
8 employees or representatives ("Company personnel") that conduct in-person enrollments are
9 trained regarding the eligibility and certification requirements in the Lifeline Reform Order,
10 including the one-per-household requirement, and told to inform potential customers of those
11 requirements. New Company personnel undergo an initial mandatory training session where
12 they are given training materials, a field training manual and compliance manual, as well as
13 shown visual examples of documents acceptable to demonstrate eligibility for the Lifeline
14 program. If Life Wireless cannot determine a prospective subscriber's eligibility for Lifeline by
15 assessing income databases or program eligibility databases, Company personnel will review
16 documentation establishing eligibility pursuant to the Lifeline rules. All personnel who interact
17 with actual or prospective customers will be trained to assist Lifeline applicants in determining
18 whether they are eligible to participate based on the federal and state-specific income-based
19 and/or program-based criteria. These personnel will be trained to answer questions about
20 Lifeline eligibility, and will review required documentation to determine whether it satisfies the
21 Lifeline Reform Order and state-specific eligibility requirements using state-specific checklists.

22 **Q. WILL LIFE WIRELESS RE-CERTIFY THE ELIGIBILITY OF ITS CUSTOMERS?**

23 **A.** Life Wireless commits to annually re-certify all subscribers in accordance with 47 C.F.R. §
24 54.410(f) of the FCC Rules, as recently modified by the FCC in its *Lifeline Reform Order*. Life
25 Wireless will provide the results of its annual re-certification efforts pursuant to the

Commission's Rules. In addition, at the end of 2012, Life Wireless re-certified the eligibility of all of its Lifeline subscribers as of June 1, 2012 and reported the results to USAC by January 31, 2013. The Company will undertake this re-certification on a rolling basis throughout the year. Furthermore, Life Wireless commits to submit an annual certification confirming the existence of policies and procedures to confirm consumer eligibility and the Company's compliance with such policies and procedures.

Q. PLEASE DESCRIBE HOW LIFE WIRELESS WILL TREAT CUSTOMERS THAT ARE FOUND TO BE NO LONGER ELIGIBLE FOR LIFELINE BENEFITS.

A. Consistent with the requirements in Section 54.405(e) of the FCC Rules, as recently modified by the FCC in its *Lifeline Reform Order*, Life Wireless will terminate Lifeline benefits to any customer that does not demonstrate continued eligibility within 30 days following the date of an impending termination letter. Life Wireless will provide impending termination letters to: (a) any customer that fails to demonstrate their continued eligibility as part of the Company's annual re-certification efforts; (b) any customer the Company believes, on a reasonable basis, no longer qualifies for the service under the eligibility criteria identified in the FCC Rules; or (c) any customer that has no usage for 60 consecutive days, as described in more detail below. Life Wireless will also terminate (within five business days) Lifeline benefits to any customer or household the Company has been notified to be receiving Lifeline benefits from more than one carrier.

Q. PLEASE DESCRIBE ANY ADDITIONAL MEASURES LIFE WIRELESS WILL IMPLEMENT TO PREVENT WASTE, FRAUD AND ABUSE.

A. Non-usage Policy

Life Wireless will implement a non-usage policy whereby it will de-enroll Lifeline customers that have not used the Company's Lifeline service for 60 consecutive days. Life Wireless will notify its subscribers at service initiation about the usage requirements and the de-

1 enrollment and deactivation that will result following non-usage in any consecutive 60-day
2 period of time. If no usage appears on a Life Wireless Lifeline customer's account during any
3 consecutive 60-day period, Life Wireless will deactivate Lifeline services for that customer. An
4 account will be considered active if during any 60-day period the authorized subscriber does at
5 least one of the following: makes a monthly payment; purchases minutes from the Company to
6 add to his or her existing pre-paid Lifeline account; completes an outbound call; answers an
7 incoming call from anyone other than the Company, its representative, or agent; or affirmatively
8 responds to a direct contact from the Company confirming that he or she wants to continue
9 Lifeline service.

10 **Customer Education with Respect to Duplicates**

11 To supplement its verification and certification procedures, and to better ensure that
12 customers understand the Lifeline service restrictions with respect to duplicates, Life Wireless
13 will implement measures and procedures to prevent duplicate Lifeline benefits being awarded
14 to the same household. These measures entail additional emphasis in written disclosures as
15 well as live due diligence, and will help ensure that only eligible consumers enroll in the program
16 and that those consumers are fully informed of the rules and requirements of the program.

17 In its marketing materials, including application forms, on its web site, and in its direct
18 contact with applicants, the Company will emphasize in plain, easily comprehensible language
19 that: (1) Lifeline is a federal benefit; (2) Lifeline service is available for only one line per
20 household; (3) a household is defined, for purposes of the Lifeline program, as any individual or
21 group of individuals who are living together at the same address and share income and
22 expenses; and (4) a household is not permitted to receive Lifeline benefits from multiple
23 providers.

24 **Q. DOES LIFE WIRELESS CURRENTLY COLLECT AND REMIT 911 FEES FOR ITS WIRELESS SERVICES IN**
25 **ALL STATES IN WHICH IT OPERATES?**

1
2
3
4
5
6
7
8
9
10
11
12
13
14

A. Yes. Life Wireless collects 911 fees and remits them to the counties that it serves.

Q. WILL LIFE WIRELESS SUPPORT THE STATE UNIVERSAL SERVICE FUND IF IT RECEIVES DESIGNATION?

A. Yes, once it begins offering Lifeline ETC services in Utah, Life Wireless will contribute to the state Universal Service Fund as required. Life Wireless will file an annual report, a gross receipts reports, copies of its Form 497 submitted to USAC, and annual reports required by the Commission’s regulations. Life Wireless will also provide the ORS with such information as it may need in connection with its duties to administer the state USF.

Q. DOES THAT CONCLUDE YOUR TESTIMONY?

A. Yes. Thank you.