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of Utah, including the requirements outlined in the FCC's *Lifeline and Link Up Reform Order*.<sup>4</sup> Rapid grant of Care Wireless's request, moreover, would advance the public interest because it would enable the Company to commence much needed Lifeline service to low-income Utah residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Petition for ETC designation.

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## **II. BACKGROUND**

### **A. Company Overview**

Care Wireless is a Delaware Limited Liability Company.<sup>5</sup> The Company's principal office is located at 8108 South Roberts Road, Justice, Illinois 60458. Care Wireless is a reseller of commercial mobile radio service ("CMRS") and was acknowledged as a CMRS provider in the State of Utah on June 15, 2015. Care Wireless provides prepaid wireless telecommunications services to consumers by using the T-Mobile USA, Inc. ("T-Mobile") network on a wholesale basis

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<sup>4</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*").

<sup>5</sup> Care Wireless was organized in the State of Delaware on September 7, 2001. The Company does not have any holding companies, operating companies, or affiliates and intends to provide Lifeline service under the d/b/a Care Wireless.

to offer nationwide service, and obtains from T-Mobile the network infrastructure and wireless transmission facilities to allow the Company to operate as a Mobile Virtual Network Operator (“MVNO”). Care Wireless has been designated as an ETC in Illinois and currently has applications for ETC designation pending with the FCC for the states of Alabama, Connecticut, Delaware, Florida, Maine, North Carolina, New Hampshire, New York, Tennessee, Texas, Virginia, and the District of Columbia; no such petitions have been denied.

Care Wireless’s affordable and easy to use prepaid wireless services 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 touch with friends and family and for contacting prospective employers. As one of the oldest prepaid providers in the United States, Care Wireless has been a leader in prepaid wireless by offering consumers an affordable product and by making prepaid wireless easy to understand. Given its pricing and marketing strategy and the demographics of other, similar MVNOs’ customers, Care 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. Care Wireless will not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service.

The Company serves primarily residential consumers, most of who reside in urban and inner city areas. Many of these consumers do not have bank accounts and have limited available funds to purchase communications services. By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or who were previously ignored by traditional carriers, Care Wireless will expand the availability of wireless services to many more consumers, which is the principal reason that Congress established the universal service program.

## **B. Proposed Lifeline Offering**

Care 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 Utah. The Company's Lifeline service offering will provide customers with the same features and functionalities enjoyed by all other Care Wireless prepaid customers, with one notable exception: prepaid Lifeline services will require the payment of a comparatively reduced out-of-pocket fee by subscribers—and no fee for customers choosing the Company's free 300-minute Lifeline plan—given the Company's receipt of substantial support from the Lifeline program as compensation for providing such services. The Company also seeks to provide Lifeline services to eligible residents residing on Federally-Recognized Tribal Lands in Utah. Care Wireless intends to be a leader in the prepaid marketplace by offering to consumers exceptional value and competitive amounts of voice usage at all price points. Care Wireless provides Lifeline service under the d/b/a "Care Wireless." Exhibit 2 summarizes the Company's retail wireless rate plans to which the Lifeline discount would be applied (currently \$9.25 Lifeline discount for non-tribal Lifeline customers and \$34.25 for tribal Lifeline customers).

In addition to Lifeline-supported voice services, prepaid Lifeline customers will also receive a free handset as well as access to voicemail, caller I.D., on-network roaming, conditional call forwarding, 3-way calling features, and call-waiting services at no additional charge. Customers may use their minutes to place domestic, long-distance calls at no additional charge. Calls to 911 emergency services and calls to Care Wireless customer service (by dialing 611) are always free, regardless of service activation or availability of minutes. No activation fee will apply to Lifeline customers in Utah. As Exhibit 2 demonstrates, the Company's Lifeline offerings will not only allow feature-rich, mobile connectivity for qualifying subscribers at no cost to the subscriber, but such offerings will also bring a variety of rate plans into the reach of eligible



customers that are comparable in minutes and features to those available to post-paid wireless subscribers—but at low Lifeline rates and without a the burden of credit checks or service contracts. Care Wireless’s 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.

Low-income consumers will further benefit from Care Wireless’s service because of the Company’s unique platform that will allow customers to refill minutes at local retail locations in neighborhoods where many low-income customers reside. Care Wireless has existing relationships with thousands of such neighborhood retailers across the United States, including over 30,000 Moneygram locations. This innovative distribution model is more practical and convenient for existing and potential Lifeline customers than other mechanisms, because this model allows customers to obtain additional minutes without the expense and trouble of traveling to retail locations outside their neighborhoods or to having access to a computer to go online. Care Wireless’s distribution arrangement will therefore advance the Commission’s goals of increasing awareness of and participation in the Lifeline program. If a customer runs out of data, he or she will also be able to replenish via phone by contacting Customer Service (611) or the Company’s toll free number (866-225-5631), online at the Company’s website ([www.carewireless.com](http://www.carewireless.com)), or in person at such retail partner locations.

In such an event, additional airtime, text messages, and data can be purchased by the purchase of PlatinumTel Top-Up cars, which are sold in the following denominations: \$10.00, valid for ninety (90) days; \$20.00, valid for ninety (90) days; \$30.00, valid for one hundred and eighty (180) days; \$50.00, valid for one hundred and eighty (180) days; and \$100.00, valid for three hundred and sixty-five (365) days. Such Top-Up airtime will be charged at the following

rates: \$0.05 for each anytime voice minute used; \$0.02 for each text message sent; and \$0.10 for each megabyte (MB) of data used.

### **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 ([www.carewireless.com](http://www.carewireless.com)), which will contain information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Customers may then request that an enrollment form be mailed to them, or customers can download a form from the Internet or retrieve a form in person at authorized, existing retail locations. The certification form, a sample of which is attached hereto as Exhibit B of Exhibit 3, the Company's FCC-Approved Compliance Plan, 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 47 C.F.R. § 54.410(d).<sup>6</sup> For additional, detailed enrollment information, see Exhibit 3. Care Wireless will annually re-certify the continued eligibility of all of its subscribers.

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

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<sup>6</sup> See *Lifeline and Link Up Reform Order* page 227–29.

Care 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. Care Wireless will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.<sup>7</sup> Care 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 in any 60-day period.<sup>8</sup> An account will be considered active if, during any 60-day period, an 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>9</sup> Care Wireless will provide the subscriber 30 days' notice, using clear, easily understood language, providing 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 for service.

Furthermore, to protect the integrity of the USF, Care Wireless has contracted with CGM, LLC, a Georgia-based lifeline service bureau, to assist in reviewing customer applications and verifying eligibility, and 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

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<sup>7</sup> See *id.* at ¶ 257.

<sup>8</sup> See *id.*

<sup>9</sup> See *id.* at ¶ 261.

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, Care Wireless ensures that it does not over-request from support funds.

### **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>10</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>11</sup> Therefore, the Commission has the authority to designate Care 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>12</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). Care Wireless recognizes that Section 214(e)(1)(A) of the Act provides 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, the FCC granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation.<sup>13</sup> Section 10(e) of the Act (47 U.S.C. § 160(e))

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<sup>10</sup> 47 U.S.C. § 214(e)(2).

<sup>11</sup> *USF Order*, at 8858-59, ¶ 145.

<sup>12</sup> *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).

<sup>13</sup> *See Lifeline and Link Up Reform Order* at ¶ 368.

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 Care Wireless. Therefore, the Commission has the authority to act under Section 214(e)(2) of the Act and to grant Care Wireless’s request for designation as an ETC throughout the State of Utah.

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

Care Wireless’s request for ETC designation to participate in the Lifeline program is consistent with the Commission’s designation of Virgin Mobile USA, L.P. as an ETC.<sup>14</sup> In this decision, the Commission determined that Virgin Mobile USA, L.P. satisfied all of the necessary eligibility requirements and that designation of a pre-paid wireless provider as an ETC would serve the public interest. Care Wireless requests that the Commission expeditiously process its ETC Petition so that it can quickly commence providing qualifying low-income Utah customers with affordable USF-supported wireless services during these challenging economic times for all state residents. Designation of Care Wireless as an ETC would further competition for wireless Lifeline services and would offer 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.

**IV. CARE WIRELESS SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC**

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<sup>14</sup> See *In the Matter of Virgin Mobile USA, L.P. Petition for Designation as an Eligible Telecommunications Carrier*, Dkt. No. 10-2521-01, Report and Order of the Public Service Commission of Utah, 2011 WL 2165143 (May 25, 2011) (hereinafter, “*Virgin Mobile Order*”).

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>15</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 by using their own facilities or through 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>16</sup> As detailed below, Care Wireless satisfies each of the above-listed requirements.

**A. Care Wireless Will Provide Service Consistent with the FCC’s Grant of Forbearance from Section 214’s Facilities Requirements**

Although Section 214 requires ETCs to provide services using their facilities, at least in part, the FCC has forbore from that requirement with respect to carriers such as Care Wireless. In the *Lifeline and Link Up Reform Order*, the FCC granted forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>17</sup>

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

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<sup>15</sup> See *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) (“*USF Order*”).

<sup>16</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

<sup>17</sup> See *Lifeline and Link Up Reform Order* at ¶¶ 368, 373 and 379.

(2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier's service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary.

Care Wireless will avail itself of the FCC's grant of blanket forbearance. In accordance with the *Lifeline and Link Up Reform Order*, Care Wireless filed its Compliance Plan, which the FCC approved on December 26, 2012. A copy of Care Wireless's FCC-Approved Compliance Plan is attached hereto as Exhibit 3. Care Wireless commits to providing Lifeline service in Utah in accordance with said Compliance Plan.

**B. Care Wireless Is a Common Carrier**

CMRS providers like Care Wireless are treated as common carriers.<sup>18</sup>

**C. Care Wireless Will Provide All Required Services and Functionalities**

Through its wholesale arrangement with T-Mobile, Care Wireless is able to provide all of the services and functionalities required by Section 54.101(a) and Section 54.202(a) of the FCC's Rules (47 C.F.R. §§ 54.101(a) and 54.202(a)) including the following:

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

Care Wireless provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from T-Mobile.

**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

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<sup>18</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.")

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>19</sup> Care Wireless offers a variety of rate plans that provide its customers with minutes of use for local service at no additional charge.

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

Care Wireless provides 911 and E911 access for all of its customers to the extent local governments in its service area have implemented 911 or E911 systems. Care 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>20</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>21</sup> Nonetheless, Care 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. Care Wireless's service, moreover, is not offered on a distance-sensitive basis, and local and domestic long-distance minutes are treated the same. Care Wireless will not seek reimbursement for toll limitation service.

### **5. Other Services**

While no longer required by 47 C.F.R. § 54.101(a), Care Wireless provides dual tone multi-frequency ("DTMF") signaling to expedite the transmission of call-set-up and call-detail

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<sup>19</sup> See e.g., *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

<sup>20</sup> See *Lifeline and Link Up Reform Order* at ¶ 367.

<sup>21</sup> See *id.* at ¶ 49.



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.

**D. Care Wireless Will Advertise the Availability of Supported Services**

Care 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). Care Wireless’s advertising will comply with the requirements set forth in the *Lifeline and Link Up Reform Order*, as outlined in the Company’s FCC-Approved Compliance Plan.<sup>22</sup> Care Wireless will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline service, using mediums for outreach such as television, radio, the Internet, direct agent contacts, and direct mailings. Care Wireless will 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.

Care Wireless may also promote the availability of its Lifeline offering by engaging in outreach efforts 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. In addition, Care Wireless will utilize its network of retail partners to help promote the availability of its Lifeline plans, especially those retail outlets frequented by low-income consumers. Care Wireless will provide retail vendors with signage to be displayed wherever Company products are sold, and with printed materials describing the Company’s Lifeline program.<sup>23</sup>

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<sup>22</sup> See Exhibit 3; see also *Lifeline and Link Up Reform Order* at Section VII.F.

<sup>23</sup> See Exhibit 7 for a sample advertisement.

Statistics suggest that there are many eligible customers who are not yet aware of Lifeline programs. According to the best data available to Applicant, as of December 31, 2011, only between 20–50% of consumers eligible for Lifeline Service in the State of Utah were being provided such services.<sup>24</sup> The Company believes that its advertising and outreach efforts detailed above will inform consumers of the availability of Lifeline service in a manner that will result in higher participation in the Lifeline program.

**E. Care Wireless Requests Designation Throughout Its Service Area in Utah**

Care 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. Care Wireless requests ETC designation for its entire service area in Utah, including federally recognized Tribal Lands.<sup>25</sup> Care Wireless understands that its service area may overlap with rural carriers in Utah, but maintains that the public interest factors described below justify its designation in these carriers' service areas, especially because the Company seeks ETC designation solely to utilize USF funding to provide Lifeline service to qualified low-income consumers. Care Wireless does not seek and will not accept high-cost support.

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

Care Wireless provides service in Utah by reselling service, which the Company obtains from its underlying facilities-based provider, T-Mobile. The provider's network is operational and largely built out. Thus, Care Wireless will be able to commence offering its Lifeline service to all

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<sup>24</sup> See attached Exhibit 4, 2011 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.

<sup>25</sup> A list of wire centers, in which the Company requests ETC designation, is attached hereto as Exhibit 5.

locations served by its underlying carrier very soon after receiving approval from the Commission. Care Wireless commits to comply with the service requirements applicable to the support that it receives.<sup>26</sup>

#### **G. Inapplicability of Five-Year Network Improvement Plan**

Care Wireless is seeking only low-income support, not high-cost support. 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>27</sup>

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

In accordance with 47 C.F.R. § 54.202(a)(2), Care Wireless has the ability to remain functional in emergency situations. Through its agreement with its underlying carrier, Care Wireless provides to its customers the same ability to remain functional in emergency situations as currently provided by T-Mobile to its own customers, including the ability to maintain a minimum of two hours 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, T-Mobile has redundancies, back-up generator power and an extensive disaster recovery program.

#### **I. 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.<sup>28</sup> The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality

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<sup>26</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a)(1)(i).

<sup>27</sup> See *id.* at ¶ 386.

<sup>28</sup> See 47 C.F.R. § 54.202(a)(3).

standards. Specifically, Care 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>29</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. Similar to ILEC Lifeline offerings, Care Wireless customers will have the option to apply the Lifeline discount to the Company's retail rate plans and will have the option for unlimited local calling. Care Wireless will offer customers a certain amount of service at significantly *reduced* rates—as well no cost for customers choosing the Company's free 300-minute plan—through directly applying Lifeline support to customer bills as a discount. In contrast to the ILEC plans, however, which contain relatively small local calling areas, Care Wireless customers can use their free minutes to place calls statewide (and even nationwide) because Care Wireless does not constrict customers' use by imposing a local calling area requirement. Care Wireless will also provide Lifeline customers with E911 capabilities and access to voicemail, caller I.D., on-network roaming, conditional call forwarding, 3-way calling features, and call-waiting services at no additional charge. 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**

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<sup>29</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a).

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>30</sup>

**L. Care Wireless is Financially and Technically Capable**

Care Wireless is financially and technically capable of providing Lifeline-supported services.<sup>31</sup> Care Wireless is one of the oldest and largest prepaid wireless companies in the United States. The Company is based in Justice, Illinois, and has provided prepaid non-Lifeline wireless services since 2001, as well as Lifeline services since 2011. Care Wireless services prepaid customers nationally on a network that reaches over 270 million people. Care Wireless has not been subject to enforcement action or ETC revocation proceedings in any state. Care Wireless is financially able to provide Lifeline-supported services; the Company does not, and does not intend to, offer exclusively Lifeline-supported services—and Care Wireless is therefore not exclusively dependent on USAC for its revenue. Care Wireless is fully capable of honoring all its service obligations to customers and regulatory obligations to state and federal regulators.

Furthermore, the senior management of Care Wireless has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.<sup>32</sup> The success of Care Wireless's business is due in large part to the continuity of its highly qualified management team with over 50 years of combined relevant experience. Care Wireless has a strong IT team devoted to the development of unique business services and over the years has maintained a robust and profitable telecommunications

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<sup>30</sup> See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a).

<sup>31</sup> See *id.* at ¶ 387.

<sup>32</sup> See Exhibit 6 for key management resumes.

operations. Care Wireless will be providing resold wireless service, and therefore Care Wireless will also rely upon the managerial and technical expertise of its underlying carrier.

**M. Care 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. Care Wireless will certify and verify consumer eligibility in accordance with the FCC's requirements, as revised in the *Lifeline and Link Up Reform Order*; with applicable Commission rules; and with the outcome of Commission Docket No. 10-2528-01.

**N. Care Wireless Will Comply With All Regulations Imposed By The Commission**

By this Petition, Care Wireless hereby asserts its willingness and ability to comply with all rules and regulations the Commission may lawfully impose upon the Company's provision of service contemplated by this Petition. Care Wireless commits to pay into funds that receive monies from telecommunications surcharges, such as the Utah USF, 911 Emergency Services Fund, and Poison Control Fund. Care Wireless also commits to use a Utah-specific fact sheet that provides customers concise and complete information about the services they will receive; a draft fact sheet is attached as Exhibit 8. The Company will comply with all state service quality and consumer protection requirements. The Company also acknowledges that approval of this Petition will be conditioned upon the verified payment of all applicable state and local regulatory fees, including, but not limited to, universal service fees, emergency services, and relay services. Upon Commission request, the Company is prepared to answer questions and present additional testimony or other evidence about its services within Utah.

**V. DESIGNATION OF CARE 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>33</sup> Designation of Care Wireless as an ETC in Utah will further the public interest by providing Utah consumers, especially low-income consumers, with low prices and high-quality services. Many low-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—receive affordable and comparable telecommunications services. Given this context and Care Wireless’s affordable and attractive service offerings, designating Care Wireless as an ETC would significantly benefit low-income consumers eligible for Lifeline service in the State of Utah—the intended beneficiaries of universal service.

#### **A. Advantages of Care Wireless’s Service Offering**

The public interest benefits of the Company’s wireless service include the following: 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

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<sup>33</sup> *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.

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. Care Wireless's Lifeline service offering will not only allow feature-rich mobile connectivity for qualifying subscribers at no cost to subscribers choosing the Company's free 300-minute Lifeline plan, but the Company's offering will also 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.

Care Wireless's Lifeline program will provide low-income Utah residents with the convenience and security offered by wireless services—even if their financial position deteriorates. The economic circumstances facing consumers in Utah indicate that low-income individuals 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 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 in today's market that all consumers, including qualified Lifeline customers, view the portability and convenience of wireless service 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 Care Wireless with the authority necessary to offer discounted Lifeline service—and free Lifeline



service to customers choosing the Company’s free 300-minute plan—to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

Moreover, grant of Care Wireless’s Petition will serve the public interest in increasing the number of ETCs in Utah. By granting ETC status to Care Wireless, the Commission will enable the Company to increase the number of Utah residents receiving Lifeline support, thereby increasing the amount of USF money flowing into Utah. In sum, ETC designation in the State of Utah would enable Care Wireless to provide all of the public benefits cited by the FCC in its analysis in its grant of ETC designation to Virgin Mobile USA, L.P. in the federal default states. Namely, Care Wireless would provide increased consumer choice, high-quality service offerings, and mobility,<sup>34</sup> as well as the safety and security of effective 911 and E911 services to the extent local governments have made such emergency services available.<sup>35</sup>

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

The FCC has acknowledged the benefits to consumers of being able to choose from among a variety of telecommunications service providers for more than three decades.<sup>36</sup> First, designation of Care Wireless as an ETC will promote competition and innovation, spurring 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. Second, designation of Care Wireless as an ETC will help assure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.<sup>37</sup> Third, introducing Care Wireless into the market as an additional wireless ETC provider will afford low-income Utah residents a wider

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<sup>34</sup> See *Virgin Mobile USA, L.P. Petitions for Designation as an Eligible Telecommunications Carrier in the State of Alabama et al.*, WC Dkt. No. 09-197, Order, 25 FCC Rcd 17797 (2010).

<sup>35</sup> See *id.*

<sup>36</sup> See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

<sup>37</sup> See 47 U.S.C. § 254(b)(1).

choice of providers and available services while enhancing a competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers. Finally, 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 Care Wireless or through the Incumbent LEC operating in the same service area. Care 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 Link Up Reform Order*, Care 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. Care Wireless'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 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>38</sup>

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

Care 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.

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<sup>38</sup> See *Petition of i-wireless, LLC for Forbearance from 47 U.S.C § 214(e)(1)(A)*, Order, FCC 10-117 (rel. June 25, 2010) at ¶ 19.

## VII. CONCLUSION

Based on the foregoing, designation of Care 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, Care Wireless respectfully requests that the Commission promptly designate Care Wireless as an ETC in the State of Utah.

Respectfully submitted,

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May 1, 2018