

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

Also Admitted in New York
Email: info@telecomcounsel.com

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

April 16, 2020

VIA ELECTRONIC DELIVERY

Utah Public Service Commission
Attn: Gary Widerburg
160 East 300 South, 4th Floor
Salt Lake City, UT 84111

Re: Sage Telecom Communications, LLC d/b/a TruConnect
Petition to Amend Designation as an ETC

Dear Mr. Widerburg:

Attached please find for filing the Petition of Sage Telecom Communications, LLC d/b/a TruConnect to Amend its Designation as an Eligible Telecommunications Carrier in the State of Utah to Participate in the Utah Universal Service Fund ("Petition").

I hereby certify that a true and correct copy of the above referenced Petition was filed upon the Commission via e-mail on April 16, 2020.

If you have any questions, or if I may provide you with any additional information, please do not hesitate to contact me at 770-232-9200 or hkirby@telecomcounsel.com. Thank you for your attention to this matter.

Respectfully submitted,

s/ Heather Kirby

Heather Kirby
Regulatory Specialist
Lance J.M. Steinhart, P.C.
*Attorneys for Sage Telecom Communications, LLC
d/b/a TruConnect*

Attachments

TABLE OF CONTENTS

I. INTRODUCTION1

II. COMPANY OVERVIEW3

III. TRUCONNECT SATISFIES THE COMMISSION’S REQUIREMENTS FOR ETC DESIGNATION FOR UTAH UNIVERSAL SERVICE FUND SUPPORT5

 A. TruConnect is a Non-Facilities-Based Lifeline ETC Eligible for Support5

 B. TruConnect Meets the Requirements of the Federal Lifeline Program6

 C. TruConnect is an Ongoing Participant in a Commission-approved Lifeline Program that is Eligible for Utah USF Support7

 D. TruConnect Will Use Utah USF to Continue to Offer its Lifeline Offering to Eligible, Low-Income Households in Utah.....8

IV. GRANT OF THIS PETITION WILL SERVE THE PUBLIC INTEREST10

V. CONCLUSION.....11

areas.³ The Commission's grant of TruConnect's Petition will serve the public by ensuring TruConnect can continue to provide a highly-competitive, feature-rich Lifeline offering to qualifying Utah low-income households.

As demonstrated herein, and as certified in Exhibit 1 to this Petition, TruConnect meets all state and federal statutory and regulatory requirements to participate in the Utah USF program, including the requirements outlined in the FCC's *Lifeline and Link Up Reform Order*.⁴ Accordingly, the Company respectfully requests that the Commission expeditiously approve this Petition to amend TruConnect's designation as an ETC to include authorization to receive Utah USF support for Lifeline service within the State of Utah throughout the Company's existing designated service area.

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

Lance J.M. Steinhart
Managing Attorney
Lance J.M. Steinhart, P.C.
Attorneys for Sage Telecom Communications, LLC d/b/a TruConnect
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

³ Given that Sage Telecom Communications, LLC d/b/a TruConnect only seeks support from the low-income program and does not seek any high-cost support, ETC certification requirements for the high-cost program are not applicable to the Company.

⁴ *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) ("*Lifeline and Link Up Reform Order*").

II. COMPANY OVERVIEW

TruConnect is a Texas Limited Liability Company.⁵ Its principal office is located at 1149 S. Hill Street, Suite H-400, Los Angeles, California 90015. Sage Telecom Communications, LLC is a subsidiary of TSC Acquisition Corporation (“TSC”) and was formerly known as Sage Telecom, Inc. before a corporate restructuring in 2012. TSC also owns TruConnect Communications, Inc., (“TruConnect, Inc.”) formerly Telscape Communications, Inc., and the owners of TSC separately own TruConnect Mobile, LLC (“TruConnect Mobile”), which sells mobile hotspot devices and low-cost monthly data plans; as well as TruConnect Technologies, LLC, a mobile data analytics company that develops data intelligence products and services for wireless carriers, cable operators, content providers, and application developers; and TruConnect Marketing, LLC. Sage d/b/a TruConnect and TruConnect, Inc. are resellers of commercial mobile radio service (“CMRS”).

TruConnect provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of facilities-based providers, primarily T-Mobile USA, Inc. (“T-Mobile”), and also Sprint Spectrum, L.P. (“Sprint”) and Verizon Wireless (“Verizon”), (collectively, “Underlying Carriers”) on a wholesale basis to offer nationwide service. TruConnect obtains from its Underlying Carriers the network infrastructure and wireless transmission facilities to allow the Company to operate as a Mobile Virtual Network Operator (“MVNO”). The Commission designated TruConnect as an ETC on September 14, 2018.⁶ TruConnect is currently designated as a wireless ETC in Arizona, Arkansas, California, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa,

⁵ TruConnect was organized in the State of Texas on December 2, 2012.

⁶ *Petition of Sage Telecom Communications, LLC d/b/a TruConnect for Designation as an Eligible Telecommunications Carrier in the State of Utah*, Docket No. 18-2601-01, Order Approving Joint Stipulation and Settlement Agreement (Sep. 14, 2018) (“ETC Order.”)

Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New York, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Texas, Utah, U.S. Virgin Islands, West Virginia and Wisconsin.⁷ Sage d/b/a TruConnect has applications for ETC designation pending with the FCC and with the state public utility commissions in Hawaii, New Mexico and Washington.

TruConnect's prepaid wireless services are affordable, easy to use, and attractive to low-income 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. TruConnect offers consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of its customers in other states, TruConnect 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. TruConnect does not conduct credit checks or require customers to enter long-term service contracts as a prerequisite to obtaining wireless service.

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

⁷ The Company operates under the TruConnect, Inc. ETC designation in California and U.S. Virgin Islands; all other state designations are held by Sage d/b/a TruConnect.

III. TRUCONNECT SATISFIES THE COMMISSION'S REQUIREMENTS FOR ETC DESIGNATION AND IS ELIGIBLE FOR UTAH UNIVERSAL SERVICE FUND SUPPORT

By this Petition, TruConnect seeks the Commission's authorization to obtain Utah USF support so that it may continue to provide highly-competitive, feature-rich Lifeline service to qualifying low-income Utah households. As described below, TruConnect meets Utah's statutory and regulatory requirements for receipt of Utah USF support as outlined in Utah Code § 54-8b-15 and Utah Administrative Code R746-8-403. TruConnect further commits to comply with the requirements set forth in Utah Administrative Code R746-8-403 as well as any additional requirements the Commission may deem necessary for Utah USF support.

A. TruConnect is a Non-Facilities-Based Lifeline ETC Eligible for Support.

The Utah State Legislature enacted S.B. 130, which amends statutory provisions related to the Utah USF. The amended statute, codified as Utah Code § 54-8b-15, became effective as of July 1, 2017. The amendments to section 54-8b-15 relate to several aspects of the Utah USF, including funding, calculation of a contribution charge, and permitted uses of support. In addition, the amendments provide the following:

A facilities-based or nonfacilities-based wireless telecommunications provider is eligible for distribution from the Universal Telecommunications Service Support Fund under the [L]ifeline program described in Subsection 3(b) for providing [L]ifeline service that is consistent with the Federal Communications Commission's [L]ifeline program for low-income consumers.⁸

The amended statute further provides that the Commission "may impose reasonable conditions for providing a distribution to a wireless telecommunications provider under the

⁸ Utah Code § 54-8b-15(15)(a) (2017) (emphasis added). Subsection 3(b) provides that the Commission shall use funds in the Utah USF to "fund a [L]ifeline program that covers the reasonable cost to an eligible telecommunications carrier, as determined by the [C]ommission, to offer [L]ifeline service consistent with the Federal Communications Commission's [L]ifeline program for low-income consumers." Utah Code § 54-8b-15(3)(b).

[L]ifeline program.”⁹ However, the Commission “may not require a wireless telecommunications provider to offer unlimited local calling as a condition of receiving a distribution under the [L]ifeline program described in Subsection 3(b).”¹⁰ Thus, the Commission has the right, but not the obligation, to impose conditions on wireless carriers’ receipt of funds from the Utah USF. As a non-facilities-based wireless telecommunications provider, TruConnect meets the criteria as laid out in the amended Utah statute and is eligible for distributions from the Utah USF based on the requirements detailed in the Utah rules.

B. TruConnect Meets the Requirements of the Federal Lifeline Program.

As provided in the Commission’s ETC Order, TruConnect is a designated ETC in the State of Utah that provides non-facilities-based wireless Lifeline service to low-income Utah residents who meet the requirements of the federal Lifeline program. TruConnect provides service that is consistent with the federal requirements for Lifeline service as discussed below. First, TruConnect operates as a common carrier in the State of Utah, as defined in 47 U.S.C. § 153(11). Second, TruConnect offers all the services required by the FCC’s rules for eligible voice telephony service and broadband Internet access service (“BIAS”).¹¹ Eligible voice telephony services must include the following: voice grade access to the public switched network; local usage; access to emergency services; and toll limitation for qualifying low-income consumers. Eligible BIAS services must provide the capability to transmit data and to receive data from all or substantially all Internet endpoints. TruConnect also advertises the availability and rates for the supported services using media of general distribution as required by 47 C.F.R. § 54.201 and in accordance with the requirements set forth in the *Lifeline and Link Up Reform Order* (Section VII.F).

⁹ Utah Code § 54-8b-15(15)(b).

¹⁰ Utah Code § 54-8b-15(15)(c).

¹¹ 47 C.F.R. §§ 54.101(a); 54.202(a).

Since this Commission designated TruConnect as an ETC, TruConnect has provided each of the required supported services throughout its designated service in the State of Utah. TruConnect provides voice grade access to the public switched telephone network to low-income customers in its designated service area through the networks of its Underlying Carriers. TruConnect offers rate plans that include minutes of use for, among other things, local service, and all rate plans meet the FCC’s minimum service standards. TruConnect also provides access to emergency services provided by local government or public safety officials, including 911 and E911, where available, for free and without regard to whether a customer’s service is active or has available airtime. TruConnect will not provide toll limitation service (“TLS”) but, like most wireless providers, TruConnect does not differentiate domestic long-distance usage from local usage, and all usage is paid for in advance; thus, toll limitation is unnecessary. 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.”¹² Finally, through its Underlying Carriers, TruConnect also provides its Lifeline customers with BIAS that has the ability to receive “the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service.”¹³

C. TruConnect is an Ongoing Participant in a Commission-approved Lifeline Program that is Eligible for Utah USF Support.

The Commission has also adopted requirements for Lifeline support, which are outlined in Utah Administrative Code R746-8-403. The Commission’s rules stipulate that Lifeline support may not exceed \$3.50 per Lifeline subscriber per month of subscription to a service that, for

¹² See *Lifeline and Link Up Reform Order* at ¶ 49.

¹³ 47 C.F.R. § 54.202(a); see also 47 C.F.R. § 8.2(a) (defining “broadband Internet access service”).

wireless Lifeline, meets FCC broadband Lifeline requirements as set forth in 47 C.F.R. 54.408 and allows, at no charge beyond the basic monthly fee, unlimited texting and at least 750 voice minutes per month.”¹⁴ Furthermore, the rules provide that ETCs will be eligible for ongoing Lifeline distribution if the company is an ongoing participant in a Commission-approved Lifeline program if the Commission finds it is in the public interest.¹⁵ TruConnect is currently an approved wireless Lifeline provider in the State of Utah. Its offerings, as further detailed below, meet the requirements outlined by this Commission for eligibility to receive Utah USF support.

D. TruConnect Will Use Utah USF Support to Continue to Provide its Lifeline Offering to Eligible, Low-Income Households in Utah.

The Utah USF provides ETCs with up to an additional \$3.50 per month, per Lifeline customer, of support beyond monthly Lifeline benefit provided under the federal Lifeline program (currently \$9.25 per month, per eligible customer).¹⁶ As discussed above, TruConnect is currently an approved wireless Lifeline provider in the State of Utah, offering eligible Lifeline customers with voice services, text messaging, and data to access mobile broadband Internet service.

The FCC issued an order increasing the minimum service standard for mobile broadband data effective December 1, 2019 from 2 gigabytes (“GB”) to 3 GB.¹⁷ TruConnect’s Lifeline offering provides 1,000 minutes and 3 GB of data. TruConnect will continue to offer Utah Lifeline customers the choice of a Lifeline service plan that meets not only the federal broadband minimum service standards as set forth in 47 C.F.R. 54.408, but also the voice minimum service standards

¹⁴ Utah Admin. Code R746-8-403(2)(a)(ii).

¹⁵ Utah Admin. Code R476-8-403(1).

¹⁶ See Utah Admin. Code R746-341-6(A).

¹⁷ See *In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket Nos. 11-42, 09-197 and 10-90, Order, FCC 19-116 (rel. Nov. 19, 2019).

(1,000 minutes). TruConnect will continue to increase the data allowance annually in accordance with minimum service standards. To the extent TruConnect provides devices for use with Lifeline-supported broadband service, such devices will meet the equipment requirements set forth in 47 C.F.R. § 54.408(f), and TruConnect will not impose an additional or separate tethering charge for mobile data usage below the minimum standard.

TruConnect's service is unique in that it includes proprietary software ("WeFi" app) that allows smartphone mobile customers to search for an open WiFi network and connect to it automatically in order to save on their carrier data usage, enabling their data allotment to last longer. Customers are also able to purchase additional minutes or data as needed. In addition to wholly supported or discounted wireless services, prepaid Lifeline customers will receive a free handset or SIM card, as well as access to voice mail, caller I.D., call forwarding, 3-way calling, and call waiting features at no additional charge. Customers may use their minutes to place domestic long-distance calls at no additional charge and calls to the Company's customer service are free with no deduction of available minutes. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes.

TruConnect's offering plainly meets the requirements as outlined by the Commission to be eligible for Utah USF support. TruConnect's service offering also complies with federal minimum service standards and will enable Lifeline customers to receive the full value of their Lifeline subsidy. As discussed in the following section, amending TruConnect's ETC designation to include participation in the Utah USF is in the public interest. TruConnect has targeted its services to provide exceptional offerings that meet the needs of low-income consumers, and reimbursement from the Utah USF would only enhance TruConnect's ability to continue to provide services and plans that are beneficial to this community.

IV. GRANT OF THIS PETITION WILL SERVE THE PUBLIC INTEREST

Approving TruConnect's instant Petition to participate in the Utah USF will further the Commission's universal service goals to the benefit of Lifeline-eligible consumers by enabling TruConnect to continue to provide its Lifeline offering, to its existing Utah Lifeline subscribers as well as to eligible subscribers yet to enroll, thereby increasing consumer choice and access to telephone and broadband services for Utah residents. Increasing such customer choice will also spur other wireless ETC providers to compete for eligible customers by providing the highest value (*e.g.*, higher-quality handset devices, superior customer service, etc.).

The public interest benefits to low-income Utah consumers of TruConnect's service include larger local calling areas (as compared to traditional wireline carriers); the convenience, portability and security afforded by mobile service; a generous amount of voice and broadband access included without cost (after application of available Lifeline support); the ability of users to use the supported service to send and receive unlimited "SMS" or text messages; the ability for customers to purchase additional usage at flexible and affordable amounts in the event that included usage has been exhausted (and the courtesy of free low-balance alerts); the option to purchase international calling at affordable rates; the opportunity for customers to receive service without going through a credit check or deposit requirement, or committing to a long-term service contract; and access to 911 and E911 (where available) service in accordance with current FCC requirements.

While there are other plan options that provide either the minimum voice standard *or* the minimum data standard for \$0.00 after application of Lifeline support, TruConnect would be one of the only ETCs offering both minimum service standards (*i.e.* 1,000 voice minutes *and* 3 GB data) for no net cost to Lifeline customers. Combined with TruConnect's WeFi app, which extends the life of the customer's data, TruConnect's Lifeline service is uniquely suited to meet the needs

of consumers now faced with rising data needs to account for telemedicine as well as enable working and schooling from home due to the COVID-19 pandemic. Providing TruConnect with the authority necessary to seek reimbursement for its Lifeline services from the Utah USF will further the public interest by ensuring TruConnect can continue to provide so rich an offering to Utah consumers, even as market conditions change and minimum service standards increase in the future. Moreover, participation in the Utah USF will allow the Company to expand its efforts to reach and enroll more Lifeline-eligible consumers in Utah who are currently without access to essential telephone and broadband services, or those most in danger of losing wireless service altogether.

V. CONCLUSION

WHEREFORE, based on the foregoing, TruConnect respectfully requests that the Commission promptly approve its Petition seeking to amend its ETC designation in the State of Utah to include the right to seek support from the Utah Universal Service Fund.

Respectfully submitted,

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart
Managing Attorney
Lance J.M. Steinhart, P.C.
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

*Attorneys for Sage Telecom Communications, LLC
d/b/a TruConnect*

April 16, 2020

CERTIFICATION

State of California)
)
County of Los Angeles)

I, Nathan Johnson, being first duly sworn upon oath, depose and state that I am the Co-CEO of Sage Telecom Communications, LLC d/b/a TruConnect, as such am authorized to make this certification on its behalf; that I have read the foregoing Petition to Amend its Designation as an Eligible Telecommunications Carrier in the State of Utah to Participate in the Utah Universal Service Fund; that I know the contents thereof; and that the matters stated in the aforementioned Petition are true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: 4/15/2020



Nathan Johnson, Co-CEO