

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Petition of i-wireless, LLC)
)
)
for Designation as an Eligible) Docket No. 10-2526-01
Telecommunications Carrier in the State of Utah)
for the Limited Purpose of Offering Lifeline)
Service to Qualified Households)

STIPULATION AND SETTLEMENT AGREEMENT

i-wireless, LLC (i-wireless), Division of Public Utilities (DPU), and Office of Consumer Services (OCS) (collectively the "Stipulating Parties" or the "Parties"), through their undersigned counsel, enter into this Stipulation and Settlement Agreement ("Stipulation") regarding the Application filed by i-wireless in the instant docket. The Parties submit this Stipulation for approval by the Public Service Commission of Utah (the "Commission" or the "PSC") pursuant the Commission's Rules of Practice and Procedure, R746-100-10.

PRELIMINARY STATEMENT

1. On May 8, 1997, the Federal Communications Commission ("FCC") issued its Universal Service Report and Order, 12 FCC Rcd 8776 (1997) ("Universal Service Order") implementing the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Federal Act"). The FCC provided further guidance on ETC designation in its ETC Report and Order issued March 17, 2005, Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371, 6384 (2005).

2. The Universal Service Order provides that only eligible telecommunications carriers ("ETCs") designated by a state public utilities commission ("State Commission") shall receive federal universal service support. Under 47 U.S.C. § 214(e), a State Commission shall, upon its own motion or upon request, designate a common carrier that meets the requirements set forth by the FCC as an ETC for a service area designated by the State Commission. The FCC defines a service area as a geographic area established by a State Commission for the purpose of determining universal service obligations and support mechanisms.

3. To be designated as a federal ETC under the Federal Act, a carrier must: (1) be a common carrier; (2) demonstrate an intent and ability to provision the supported services set forth in 47 C.F.R. § 54.101(a) throughout its designated service areas; and (3) demonstrate an intent and ability to advertise its universal service offerings and the charges therefor, using media of general distribution. 47 U.S.C. § 214(e); Universal Service Order, 12 FCC Rcd at 8791.

4. The FCC's supported services set forth in 47 C.F.R. § 54.101(a)(1)-(9) are:
- a. voice grade access to the public switched telephone network;
 - b. local usage;
 - c. dual tone multi-frequency signaling or its functional equivalent;
 - d. single-party service or its functional equivalent;
 - e. access to emergency services;
 - f. access to operator services;
 - g. access to interexchange service;
 - h. access to directory assistance;

i. toll limitation for qualifying low-income consumers.

5. In areas served by a rural telephone company, 47 U.S.C. § 214(e)(2) further requires the Commission to determine that the designation of an additional ETC is in the public interest.

6. On August 12, 2010, i-wireless filed an Application seeking designation as an ETC for the limited purpose of receiving universal service support for lifeline customers in Utah, Docket Number 10-2526-01. i-wireless seeks designation throughout Sprint's coverage area, as identified by wire centers in Exhibit 5 to its Application.

7. i-wireless, DPU, and OCS engaged in settlement discussions in an attempt to resolve their differences regarding issues raised by i-wireless' Application. Utah Rural Telecom Association (URTA), and Salt Lake Community Action Program (SLCAP) were also allowed to participate in settlement negotiations.

8. i-wireless and the Parties have now reached agreement on the issues raised in this docket, as is set forth herein. This Stipulation and Settlement Agreement is entered into for the purpose of avoiding the costs and risks of litigation. The Parties agree this Stipulation should have no legal effect outside of the instant docket.

AGREEMENT

WHEREFORE, based on their review of all discovery, testimony and exhibits submitted and upon their settlement discussions, the Parties hereby stipulate and agree as follows:

1. i-wireless is a wireless reseller of Sprint Nextel's (Sprint) network.

2. i-wireless seeks ETC designation for the limited purpose of providing universal service low-income Lifeline service in Utah. i-wireless will not be seeking universal service high-cost support in its service area.

3. i-wireless' Lifeline program furthers the statutory goal that basic service be available and affordable to all citizens of the state of Utah.

4. i-wireless' Lifeline product offering will offer an additional choice of providers offering service for low-income consumers, which represents a significant benefit for those consumers and is in the public interest.

Federal ETC Designation For the Limited Purpose of Offering Lifeline

5. i-wireless is a commercial mobile radio service ("CMRS") provider, and a common carrier as defined by 47 U.S.C. § 153(10) and 47 C.F.R. § 20.9(a)(7).

6. i-wireless provides each of the supported services set forth in 47 C.F.R. § 54.101(a)(1)-(9), and it has shown an intent and ability to offer those services once designated throughout its requested service areas.

7. On July 26, 2010, i-wireless submitted its compliance plan to the FCC. The compliance plan outlines the measures it will take to implement the conditions imposed by the FCC.¹

8. i-wireless will make available Lifeline service to qualifying low-income consumers. i-wireless will not offer Link-Up to qualifying low-income consumers.

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

9. i-wireless shall provide a \$15.00 discount on its retail Lifeline plans or equivalent of 150 free minutes. i-wireless agrees that it will seek \$10.00 federal reimbursement from Universal Service Administrative Company.

10. i-wireless Lifeline plans are not offered on a distance sensitive basis. As such, toll limitation is not a concern because of the prepaid nature of these Lifeline plans. Prepaid offerings act as a toll limitation.

11. The Parties stipulate and agree that designating i-wireless as an ETC in the wire centers set forth in Exhibit 5 to its Application serves the public interest, convenience and necessity, as defined in 47 U.S.C. § 214(e)(2).

12. Without waiving any of its positions stated in this proceeding, i-wireless has entered into this Stipulation with the Parties to settle pending litigation. Thus, the Parties stipulate and agree that i-wireless shall provide its ETC Lifeline universal service offerings in Utah pursuant to this Stipulation (including attachments). The Parties recommend that i-wireless' provision of its universal service offering as an ETC be governed by the following additional requirements:

- A. Verification that appropriate taxes and fees are being paid. These taxes and fees include items such as: state USF, 911 and E911 fees, and poison control.
- B. Use of an interim certification and verification process and agreement to adopt any changes to the process developed within Docket No. 10-2528-01. i-wireless will supplement the verification of eligibility processes described in its Application by requiring proof documentation for program-based eligibility as well as income-based eligibility.

- C. Development and use of a Utah-specific information sheet, Attachment 1 hereto, which details the following: any subsidization for landline service will be foregone; a free E911 compliant wireless handset will be provided; free options associated with the handset as well as options that must be paid for must be identified; amount of free air time that will be provided monthly; all incoming and outgoing calls will count against free minutes (excluding 911 calls and, on certain plans, calls to customer service); whether or not calls to customer care service are free and how to contact customer care through the handset; how additional minutes can be purchased and the available increment choices; precisely how texts and data are billed; the charge for directory assistance calls and minutes deducted; requirement to recertify annually; and requirement to contact i-wireless if ETC status changes.
- D. If State USF funds are deemed eligible for wireless forbearance providers, i-wireless will pursue a separate application requesting eligibility for the Utah USF fund.
- E. i-wireless will utilize the Department of Community and Culture's (DCC) knowledge and data bases (or whichever provider of verification services is established through Docket No. 10-2508-01) to ensure as accurately as possible that only one individual per household is receiving the Lifeline subsidy.
- F. i-wireless Lifeline customers will be able to call 911 for free, even if they have no minutes remaining on their account.

GENERAL PROVISIONS

1. Without waiving any of its positions stated in this case, i-wireless desires to end further uncertainty in litigation by entering this Stipulation. Accordingly, the Parties hereby agree to be bound to the terms of this Stipulation. The Parties recognize, however, that should the Commission or the FCC determine the particular regulatory treatment applicable to wireless ETC designees, in further rulemaking or otherwise, any such lawful and applicable determinations would apply to i-wireless.

2. This Stipulation is a settlement of disputed and compromised claims and accordingly, this Stipulation is made for settlement purposes only. No Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Stipulation. No precedential effect or other significance, except as may be necessary to enforce this Stipulation or a Commission order concerning this Stipulation, shall be attached to any principle or methodology contained in this Stipulation.

3. All witnesses of the Parties will support all aspects of the Stipulation and Settlement Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Stipulation. Each Party also agrees that, except as expressly provided in this Stipulation, it will take no action in any administrative or judicial proceeding, which would have the effect, directly or indirectly, of contravening the provisions of this Stipulation. Without prejudice to the foregoing, the Parties expressly reserve the right to advocate positions different from those stated in this Agreement in any proceeding other than one necessary to obtain approval of, or enforce this Stipulation or a Commission order approving this Stipulation. Nothing in this

Stipulation shall constitute a waiver by any Party with respect to any matter not specifically addressed in this Stipulation.

4. This Stipulation shall not become effective until the Commission issues a final order approving the Stipulation, which order does not contain any modification of the terms and conditions of this Stipulation that is unacceptable to any of the Parties to the Stipulation, except as provided in Paragraph 13 above. In the event the Commission modifies this Stipulation in a manner unacceptable to any Party hereto, that Party may withdraw from the Stipulation and shall so notify the Commission and the other Parties to the Stipulation in writing within ten (10) days of the date of the Commission order. In the event a Party exercises its right to withdraw from the Stipulation, this Stipulation shall be null and void and of no effect in this or any other proceedings.

5. In the event this Agreement becomes null and void or in the event the Commission does not approve this Stipulation, this Stipulation, as well as the negotiation undertaken in conjunction with the Stipulation, shall not be admissible into evidence in these or any other proceedings.

6. The Parties state that they have reached this Stipulation by means of a negotiated process that is in the public interest, and that the results reflected in this Stipulation are just, reasonable and in the public interest. Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable, and reasonable resolution of all issues, which were or could have been contested by the Parties with respect to the i-wireless Application.

7. This Stipulation is an integrated agreement that may not be altered by the unilateral determination of any Party.

8. This Stipulation may be executed in separate counterparts, including facsimile. The counterparts taken together shall constitute the Stipulation and Settlement Agreement. The Parties represent that the signatories to the Stipulation have full authority to bind their respective parties to the terms of the Stipulation.

WHEREFORE, the Parties respectfully submit this Stipulation and Settlement Agreement for approval by the Commission and request that the Commission grant such approval.

Dated this 9th day of June, 2011.

FOR I-WIRELESS, LLC:

Lance J.M. Steinhart
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Ste 115
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
Email: lsteinhart@telecomcounsel.com
Counsel for i-wireless, LLC

**FOR THE UTAH DEPARTMENT OF
PUBLIC UTILITIES**

PATRICIA E. SCHMID (#4908)
Assistant Attorney General
Counsel for the DIVISION OF PUBLIC
UTILITIES
160 E 300 S, 5th Floor
P.O. Box 140857
Salt Lake City, UT 84114-0857
Telephone (801) 366-0380

**FOR THE UTAH OFFICE OF
CONSUMER SERVICES**

Paul Proctor
Assistant Attorney General
Counsel for the Office of Consumer Services
160 E 300 S, 5th Floor
Salt Lake City, UT 84114-0857

ATTACHMENTS

1. Utah-specific Customer Information Sheet

IMPORTANT INFORMATION ABOUT YOUR ACCESS WIRELESS LIFELINE SERVICE

Access Wireless is brought to you by i-wireless, LLC and includes the provision of a free E911 compliant wireless handset. This government sponsored lifeline telephone service is subject to continuing eligibility and annual recertification. Only one Lifeline subsidy per household is allowed; your participation in this program requires that you do not receive Lifeline subsidy on any other phone. If you no longer receive the low-income assistance or your income exceeds the qualifying amount, you must notify Access Wireless. As a recipient of lifeline service you may not give away or sell this phone.

- Your enrollment in the program will be for 12 months. (Unless your eligibility status changes, you select a different carrier, or there is no activity on your phone for 60 consecutive days.)
- You will receive a minimum of 150 free minutes each month. This offer may increase but will not decrease. i-wireless will inform you of any changes.
(You must follow the procedures described in the welcome kit to receive free minutes or elect an alternate Plan Option.)
- Unused free minutes will carry over to the following month.*
- Minutes will be charged for both outgoing and incoming calls.
 - Note: Calls to directory assistance and time you are on hold will also count as minutes used.
 - Emergency calls to 911 will not count against your minutes
 - Calls to i-wireless customer service will not count against your minutes.*
 - Partial minute usage is rounded up.
 - Text messages are charged at one minute per text for sending, and all incoming text messages are free.* Texts received from i-wireless are always free.
- Emergency calls to 911 CAN be made even if you have NO remaining minutes.
- Additional minutes can be added by purchasing i-wireless airtime cards, available at any of the Kroger family of store locations (“Smith’s” in Utah) and on i-wireless’ website.
 - Purchase a \$10 airtime card and receive 100 minutes
 - Purchase a \$25 airtime card and receive 250 minutes
 - Purchase a \$50 airtime card and receive 500 minutes
- At the end of 12 months i-wireless will contact you to verify that you are still eligible for lifeline support to continue to receive free minutes monthly.
- Limited access to the internet is available. You are advised to carefully review this feature in your Access Wireless Services Guide to understand how minutes will be deducted with use.
- If you have purchased additional airtime and have remaining minutes and days of service at the end of your lifeline eligibility, you will be subject to the terms and conditions of i-wireless’ wireless services.

YOU ARE ENCOURAGED TO READ YOUR WELCOME KIT CAREFULLY FOR COMPLETE DETAILS REGARDING YOUR ACCESS WIRELESS SERVICE.

* If you elect the 250-Minute Plan (Option #2), then unused minutes cannot carry over, calls to i-wireless customer service will count against your minutes, and both outgoing and incoming text messages will be charged at one minute per text.