

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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

**I-WIRELESS, LLC'S SUBMISSION OF
DIRECT TESTIMONY AND EXHIBITS**

i-wireless, LLC, by counsel, files its Direct Testimony and Exhibits with the Public Service Commission of Utah in the above-referenced docket. i-wireless' Direct Testimony and Exhibits include the testimony of Patrick McDonough and Exhibits 1-3, inclusive, identified therein.

Respectfully Submitted this 4th day of December, 2010.

Lance J.M. Steinhart
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

Attorney for i-wireless, LLC

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DIRECT TESTIMONY OF PATRICK MCDONOUGH

1 **Q1: WHAT IS YOUR NAME AND OCCUPATION?**

2 **A:** My name is Patrick McDonough. I am Vice President of i-wireless, LLC
3 (hereinafter sometimes referred to as “i-wireless” or the “Company”). Prior to my
4 involvement with i-wireless, I was Director of Financial Planning and Analysis
5 for Cincinnati Bell Inc. I have over 15 years of management expertise, with a
6 strong background in business and financial operations.

7 **Q2: WHAT IS I-WIRELESS, LLC?**

8 **A:** i-wireless is North Carolina limited liability company, 50% owned by Genie
9 Global, Inc. and 50% owned by The Kroger Co. i-wireless is a reseller of
10 commercial mobile radio service (“CMRS”) throughout the United States and
11 provides prepaid wireless telecommunications services to consumers by using the
12 Sprint Nextel (“Sprint”) network.

13

1 **Q3: WHAT TYPES OF SERVICES DOES THE COMPANY PROVIDE?**

2 **A:** The Company provides prepaid wireless services. i-wireless' value proposition
3 enables customers to select among an array of service offerings including monthly
4 plans, unlimited plans or pay-per-use plans. In addition to voice services, i-
5 wireless offers text and multimedia messaging. i-wireless' prepaid wireless
6 services that are affordable and easy to use are attractive to lower-income and
7 lower-volume consumers, providing them with access to emergency services and
8 a reliable means of communication that can be used both at home and while
9 traveling to remain in touch with friends and family and for contacting
10 prospective employers.

11 **Q4: HOW ARE I-WIRELESS' WIRELESS SERVICES DIFFERENT FROM**
12 **OTHER CARRIERS' OFFERINGS?**

13 **A:** i-wireless offers a unique benefit, through its affiliation with Kroger, which
14 allows customers to earn Free Minutes simply by shopping at select Kroger-
15 owned store locations using their Kroger shopper's card. Because i-wireless and
16 Kroger are committed to lower-income individuals, customers can participate in
17 the Free Minutes program even when using food stamps for payment. Unlike
18 many carriers, i-wireless does not impose burdensome credit checks, long-term
19 service contracts, activation fees or roaming charges. Many i-wireless customers
20 are from lower-income backgrounds and did not previously have access to high
21 quality wireless services because of financial constraints or poor credit history.
22 Also unlike many carriers, i-wireless does not charge for incoming text messages,
23 balance inquiries, calls to 911 emergency services or calls to i-wireless customer

1 service. i-wireless customers are able to choose a prepaid plan in which they are
2 charged only for the minutes they use, and specified amounts of unused minutes
3 carry over from one month to the next. i-wireless will offer Lifeline customers a
4 certain amount of service free of charge. i-wireless customers can use their
5 minutes to place calls statewide (or even nationwide) because i-wireless does not
6 constrict customers' use by imposing a local calling area requirement. In addition
7 to free voice services, i-wireless will provide Lifeline customers with access to a
8 variety of other features at no cost, including voice mail, caller I.D., call waiting
9 services and E911 capabilities.

10 **Q5: DOES I-WIRELESS CURRENTLY PROVIDE**
11 **TELECOMMUNICATIONS SERVICE IN UTAH?**

12 **A:** Yes. i-wireless was acknowledged as a CMRS provider in the State of Utah on
13 March 1, 2007. Through its agreement with its underlying carrier, Sprint, i-
14 wireless is able to offer services wherever Sprint offers services in Utah.

15 **Q6: DOES I-WIRELESS CURRENTLY CONTRIBUTE TO THE UTAH**
16 **ENHANCED 911 FUND?**

17 **A:** Yes. i-wireless currently remits E-911 fees in Utah.

18 **Q7: DOES I-WIRELESS CURRENTLY CONTRIBUTE TO THE FUNDING**
19 **FOR UNIVERSAL SERVICE?**

20 **A:** Yes. i-wireless contributes to the funding of both the federal and state universal
21 service funds ("USF").
22

1 **Q8: WHAT IS THE NATURE OF I-WIRELESS' ETC DESIGNATION**
2 **REQUEST?**

3 **A:** i-wireless requests Eligible Telecommunications Carrier (“ETC”) designation in
4 Utah solely to provide Lifeline service to qualifying Utah consumers; it will not
5 seek access to funds from the federal USF high cost program. Specifically, i-
6 wireless does not seek designation as an ETC for the purpose of offering Link Up
7 service to customers. Because i-wireless does not impose activation or
8 connection charges, there would be no charges for Link Up support to offset.

9 **Q9: IN WHAT SERVICE AREAS IS I-WIRELESS SEEKING DESIGNATION**
10 **AS AN ETC?**

11 **A:** i-wireless requests ETC designation in the wire centers in which i-wireless has
12 network coverage. These wire centers were included in Exhibit 5 of the
13 Company’s Petition.

14 **Q10: DOES I-WIRELESS SATISFY THE REQUIREMENTS FOR ETC**
15 **DESIGNATION IN UTAH?**

16 **A:** Yes. i-wireless satisfies all of the requirements for ETC designation contained in
17 both federal and Utah state regulations. i-wireless recognizes that Section
18 214(e)(1)(A) of the Communications Act of 1934, as amended (the “Act”), states
19 that ETCs shall offer services, at least in part, over their own facilities and that the
20 Federal Communications Commission’s (FCC) Rules (47 C.F.R. § 54.201(i))
21 prohibit state commissions from designating as an ETC a telecommunications
22 carrier that offers services exclusively through the resale of another carrier’s
23 services. However, on June 25, 2010 the FCC conditionally granted i-wireless’

1 petition for forbearance from the facilities-based service requirement for the
2 purposes of participating in the Lifeline program (“*i-wireless Forbearance*
3 *Order*”). The *i-wireless Forbearance Order* was attached to i-wireless’ Petition.

4 **Q11: HAS I-WIRELESS BEEN DESIGNATED AS AN ETC IN ANY OTHER**
5 **STATES?**

6 **A:** i-wireless currently has applications for designation as an ETC pending with the
7 FCC, Arizona, California, Georgia, Indiana, Kansas, Michigan, Oregon and
8 Washington. i-wireless has not been denied ETC status by any regulatory
9 authority.

10 **Q12: WHAT FUNCTIONS WILL I-WIRELESS OFFER TO LIFELINE**
11 **SUBSCRIBERS ONCE GRANTED ETC STATUS?**

12 **A:** i-wireless offers, or will offer upon designation as an ETC in Utah, all of the
13 services and functionalities required by the FCC’s rules:

14 a. *Voice-grade access to the public switched telephone network.* The
15 FCC has concluded that voice grade service means the ability to make and
16 receive phone calls, within a specified bandwidth and frequency range. i-
17 wireless meets this requirement by providing voice-grade access to the
18 public switched telephone network. Through its interconnection
19 agreements, all customers of i-wireless are able to make and receive calls
20 on the public switched telephone network within the specified bandwidth.

21 b. *Local usage.* ETCs must include local usage beyond providing
22 simple access to the public switched network as a part of a universal
23 service offering. i-wireless includes specified quantities of usage in its

1 rate plans and thereby complies with the requirement. It is important to
2 note that currently, the FCC has not adopted any minimum local usage
3 requirements. FCC rules further require an ETC applicant to show it has
4 a local usage plan comparable, although not identical, to that offered by
5 the ILEC in the same service area. Similar to ILEC offerings, i-wireless
6 customers can choose from monthly plans, unlimited plans or pay-per-use
7 plans.

8 c. *Dual-tone, multi-frequency (“DTMF”) signaling or its functional*
9 *equivalent.* DTMF, more commonly known as touch-tone, is a method of
10 signaling that facilitates the transport of call set-up and detail information.
11 Through its interconnection agreements, i-wireless provides DTMF
12 signaling to its customers. All wireless handsets offered for sale by the
13 Company are DTMF-capable

14 d. *Single-party service or its functional equivalent.* Single-party
15 service means that only one party will be served by a subscriber loop or
16 access line during a telephone transmission. i-wireless meets the
17 requirement of single-party service by providing a dedicated message path
18 for the length of all customer calls.

19 e. *Access to emergency services.* The ability to reach a public
20 emergency service provider by dialing 911 is a requirement in any
21 universal service offering. i-wireless currently provides 911 and E911
22 access for all of its customers, and will continue to comply with all FCC
23 E911 requirements applicable to wireless resellers. Furthermore, through

1 its underlying carrier(s), i-wireless has the ability to remain functional in
2 emergency situations.

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

5 g. *Access to directory assistance.* i-wireless currently offers access to
6 directory assistance services.

7 h. *Access to interexchange service.* i-wireless provides its customers
8 with the ability to make interexchange telephone calls. In fact, long
9 distance calls are included in i-wireless' service with no additional
10 charge.

11 i. *Toll limitation for qualifying low-income consumers.* Toll
12 limitation allows customers to block the completion of outgoing long
13 distance calls to prevent them from incurring significant long distance
14 charges and risking disconnection. The nature of i-wireless' service
15 mitigates the need for toll control. i-wireless' service is not offered on a
16 distance-sensitive basis and minutes are not charged separately for local
17 or domestic long distance services. Since i-wireless' service is a prepaid
18 service, no customers will be disconnected for failure to pay toll charges.
19

1 **Q13: HOW QUICKLY CAN I-WIRELESS COMMENCE LIFELINE SERVICE?**

2 **A:** Upon designation as an ETC, i-wireless will be able to provide Lifeline service to
3 qualified customers within a reasonable period of time. i-wireless provides
4 service in Utah by reselling service which it obtains from its underlying facilities-
5 based provider. The provider's network is operational and largely built out. Thus,
6 i-wireless will be able to commence offering its Lifeline service to all locations
7 served by its underlying carrier very soon after receiving approval from the
8 Commission. The only delay will be the time needed to implement procedures
9 and internal systems to offer the Lifeline program.

10 **Q14: HOW RELIABLE IS I-WIRELESS' QUALITY OF SERVICE?**

11 **A:** As a reseller, i-wireless' service is of the same quality and reliability as that of its
12 underlying carrier(s). To demonstrate its commitment to high service quality, i-
13 wireless commits to comply with the Cellular Telecommunications and Internet
14 Association's (CTIA) Consumer Code for Wireless Service. A copy of the CTIA
15 Code is attached as Exhibit 1.

16 **Q15: HOW DOES I-WIRELESS INTEND TO ADVERTISE THE**
17 **AVAILABILITY OF THE SUPPORTED SERVICES?**

18 **A:** i-wireless currently markets its retail services, and will likewise market its
19 Lifeline product, through 48 Kroger stores across the state of Utah. This
20 marketing will include signage and instructional materials on end caps in each
21 store. To reach customers who qualify for the program, cash register receipt
22 information will be printed for those customers who use a program-qualifying
23 method of payment. i-wireless will also utilize direct mail, conventional

1 advertising (e.g., radio) and non-conventional advertising (e.g., bus
2 wraps/signage) to reach qualified customers. In addition, i-wireless plans to
3 distribute brochures at various state and local social service agencies, and intends
4 to partner with nonprofit assistance organizations (such as Habitat for Humanity),
5 in order to inform customers of the availability of its Lifeline services.

6 **Q16: WILL I-WIRELESS COMPLY WITH THE LIFELINE CERTIFICATION
7 AND VERIFICATION REQUIREMENTS?**

8 **A:** Yes. i-wireless will comply with the FCCs certification and verification
9 requirements, and with Commission determined methods or processes to establish
10 initial eligibility, to complete annual recertification and to determine that
11 customers do not take service from multiple lifeline providers.

12 **Q17: HOW WILL I-WIRELESS CERTIFY THAT A CUSTOMER IS ELIGIBLE
13 FOR THE FEDERAL LIFELINE DISCOUNT?**

14 **A:** During the enrollment process, applicants will be directed to a toll-free telephone
15 number and to i-wireless' website, which will contain a link to information
16 regarding the Company's Lifeline service plan, including a detailed description of
17 the program and state-specific eligibility criteria. Applicants must complete an
18 enrollment form which will include a place where applicants must attest and certify
19 under penalty of perjury that they satisfy the requisite eligibility criteria. For
20 program-based eligibility, the form will list each of the qualifying programs, and
21 the applicant must indicate the program(s) in which he/she participates. For
22 income-based eligibility, the applicant is required to certify under penalty of
23 perjury that their household income does not exceed the relevant threshold (e.g.,

1 135% of the Federal Poverty Guidelines for federal default states) and will be
2 required to provide proof of income-based eligibility.

3 In addition, each applicant is required to certify under penalty of perjury
4 that they are head of their household and receive Lifeline-supported service only
5 from i-wireless. The applicant must return the signed enrollment form and all
6 supporting documentation to the address provided by i-wireless. Processing of
7 consumers' applications, including review of all application forms and relevant
8 documentation, will be performed under i-wireless' supervision by managers
9 experienced in the administration of the Lifeline program. i-wireless maintains
10 records of its compliance with federal certification rules in accordance with the
11 FCC's rules regarding record retention.

12 **Q18: HOW WILL I-WIRELESS VERIFY A CUSTOMER'S CONTINUED**
13 **ELIGIBILITY FOR THE FEDERAL LIFELINE DISCOUNT?**

14 **A:** Customers must self-certify, under penalty of perjury, at the time of service
15 activation and annually thereafter, that they remain head of household and receive
16 Lifeline-supported service only from i-wireless. Furthermore, customers chosen
17 to participate in the additional random survey of continued eligibility will be
18 required to attest and certify under penalty of perjury that they continue to satisfy
19 the requisite program or income based eligibility criteria. i-wireless will require
20 and obtain all such certifications as a condition for continued Lifeline support, and
21 will maintain certification records for auditing purposes.

22
23

1 **Q19: DOES I-WIRELESS USE A THIRD PARTY ADMINISTRATOR TO**
2 **ASSIST WITH ITS LIFELINE SERVICES?**

3 Yes. i-wireless has contracted with Solix, a company that is very experienced in
4 Lifeline program rules and regulations and the application approval and storage
5 process, to ensure that i-wireless is in compliance at all times.

6 **Q20: WHAT MEASURES DOES I-WIRELESS PLAN TO TAKE TO PREVENT**
7 **RECOVERY OF THE FEDERAL LIFELINE DISCOUNT FOR**
8 **CUSTOMERS ALREADY RECEIVING THE DISCOUNT FOR THEIR**
9 **LANDLINE TELEPHONE?**

10 **A:** i-wireless Lifeline application forms will require each applicant to provide their
11 name, primary residential address and an alternate telephone number (if any). i-
12 wireless will incorporate this information into its customer information database.
13 The Company will check the name and address of each Lifeline applicant against its
14 database to determine whether or not it is associated with a customer that already
15 receives i-wireless Lifeline service, and will then review the application to ascertain
16 whether the applicant is attempting to receive Lifeline-supported service for more
17 than one handset associated with the address. i-wireless will deny the Lifeline
18 application of any such individual and advise the applicant of the basis for the
19 denial. As mentioned above, applicants must self-certify, under penalty of
20 perjury, at the time of service activation and annually thereafter, that they remain
21 head of household and receive Lifeline-supported service only from i-wireless. In
22 addition, i-wireless will utilize the Department of Community and Culture's
23 knowledge and databases (or the provider of verification services established

1 through Docket No. 10-2508-01) to ensure as accurately as possible that only one
2 individual per household is receiving the Lifeline subsidy, and that applicants are
3 not already receiving Lifeline support from any other carrier.

4 **Q21: WHAT MEASURES DOES I-WIRELESS PLAN TO TAKE TO PREVENT**
5 **RECOVERY OF LIFELINE FUNDS FOR PREPAID CUSTOMERS WHO**
6 **CEASE USING I-WIRELESS PHONES AND AIRTIME?**

7 **A:** i-wireless will adhere to its non-usage policy, attached hereto as Exhibit 2.

8 **Q22: WHAT ARE THE RATES AND TERMS OF I-WIRELESS' LIFELINE**
9 **SERVICE OFFERING?**

10 **A:** Attached Exhibit 3 demonstrates that eligible customers will receive a minimum
11 of 100 anytime prepaid minutes per month at no charge, with additional service
12 priced at \$0.10/minute and \$0.10/text message. Though i-wireless' Lifeline
13 service offering will be the default plan for Lifeline customers, subscribers will
14 have the option to apply the Lifeline discount to any of the retail service plans
15 offered by i-wireless.¹ In addition to voice services, prepaid Lifeline customers
16 also will have access to a variety of other standard features at no additional
17 charge, including voice mail, caller I.D. and call waiting services. Customers
18 may use their minutes to place domestic long distance calls at no additional
19 charge. Unlike many carriers, specified amounts of unused minutes carry over
20 from one month to the next, and i-wireless does not decrement minutes for

¹ In the spirit of universal service, i-wireless credits a Lifeline discount of \$15.00 towards any of its service plans in any state. i-wireless applies Lifeline support dollars towards the \$15.00 credit, and then the Company funds the remainder of the discount out-of-pocket. The credit is applied to a customer's account at the time of Lifeline activation, and then automatically thereafter on a monthly (30-day) cycle.

1 incoming text messages, balance inquiries, calls to 911, or calls placed to i-
2 wireless customer service. i-wireless does not assess charges for activation or
3 connection of service, and the Company's lifeline service offering includes all
4 applicable taxes and fees; thus, Lifeline customers are able to receive free service
5 with no additional charges for taxes or activation. Moreover, by providing a
6 wireless handset free of charge, i-wireless guarantees that eligible customers can
7 access the Company's Lifeline services without incurring any upfront or recurring
8 costs. Furthermore, through i-wireless' partnership with Kroger, one of the
9 nation's largest grocery retail chains, customers can accumulate free minutes for
10 dollars spent at select Kroger owned store locations using their Kroger shopper's
11 card. Currently, i-wireless has partnerships with 48 Kroger stores in Utah.
12 Lifeline customers can participate in this Free Minutes program even when
13 utilizing food stamps for payment. By combining the Lifeline program and the
14 Free Minutes program, subscribers can easily enjoy 200 minutes or more per
15 month at no charge.

16 **Q23: HAVE THER BEEN ANY CHANGES TO THE OFFERING SINCE I-**
17 **WIRELESS SUBMITTED ITS PETITION?**

18 **A:** i-wireless has updated its retail plan options as outlined in Exhibit 3. This is the
19 only change.

20 **Q24: DOES I-WIRELESS INTEND TO PROVIDE QUALIFIED LIFELINE**
21 **CUSTOMERS WITH A FREE HANDSET?**

22 **A:** Yes, i-wireless will provide qualified Lifeline customers with a free handset,

1 which will generally be a higher-end refurbished handset. i-wireless' phones
2 have been through extensive testing in Sprint's handset lab to ensure proper
3 network performance, 911 reliability, and to make sure the handset does not cause
4 network interference. Lifeline customers will be provided one free phone per
5 year, unless the phone has malfunctioned for reasons other than customer
6 mistreatment.

7 **Q25: HOW WILL CUSTOMERS KNOW IN ADVANCE THE NUMBER OF**
8 **FREE MINUTES THEY WILL HAVE AND WHEN MORE WILL BE**
9 **ADDED?**

10 **A:** Lifeline customers will have detailed materials in the box with their phone that
11 describe the number of minutes/credit they receive and when the minutes/credit
12 will be replenished. Additionally, a text message will be sent (free of charge)
13 notifying them when their account is refilled. i-wireless customers can check the
14 balance of their minutes for free at anytime, either online, by calling #LEFT
15 (#5338) from their i-wireless phone or by accessing the WAP deck via their
16 phone, on data capable phones.

17 **Q26: WHAT HAPPENS TO THE CUSTOMER'S PHONE SERVICE AFTER**
18 **THE FREE MINUTES HAVE BEEN UTILIZED?**

19 **A:** Once the 100 minutes (plus any carry over minutes or additional minutes earned
20 from the Kroger loyalty program) have been utilized, customers will either have
21 to wait until the next month for a new allotment of minutes of free air time or they
22 can purchase additional minutes at \$0.10 per minute. Customers may purchase
23 additional minutes starting at \$10, or in increments of \$5 starting at \$20.

1 **Q27: HOW WILL CUSTOMERS COMMUNICATE WITH I-WIRELESS**
2 **REGARDING QUESTIONS, CONCERNS OR COMPLAINTS?**

3 **A:** i-wireless' Lifeline customers will have access to i-wireless' customer care (the
4 same customer care as regular retail customers) by calling 611 from their i-
5 wireless Lifeline phone or the company's toll-free number. i-wireless contracts
6 with a high quality, U.S. domestic customer care group, and has recently
7 implemented a "call back" feature for customer convenience. Customers can also
8 contact customer care on the i-wireless website. Furthermore, there are 48 retail
9 locations in Utah where customers can ask questions or buy additional airtime,
10 should they wish to do so. i-wireless is committed to resolving customer
11 questions, concerns and complaints in a swift and satisfactory manner.

12 **Q28: HOW WILL I-WIRELESS' PRESENCE AS AN ETC IN UTAH SERVE**
13 **THE PUBLIC INTEREST?**

14 **A:** A central purpose of the Telecommunications Act of 1996 was to "promote
15 competition and reduce regulation ... to secure lower prices and higher quality
16 services ... and encourage the rapid deployment of new telecommunications
17 technologies" to all citizens, regardless of geographic location or income.²
18 Designation of i-wireless as an ETC would undoubtedly further these goals. i-
19 wireless' Lifeline service will provide low-income Utah residents with the
20 convenience and security offered by wireless services—even if their financial
21 position deteriorates. Customers can control their costs by choosing a prepaid
22 plan in which they are charged only for the minutes they use.

² The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, 56 (1996).

1 i-wireless' Lifeline rate plans will not only allow feature-rich mobile
2 connectivity for qualifying subscribers, but also will bring a variety of rate plans
3 into the reach of Lifeline customers that are comparable in minutes and features to
4 those available to post-paid wireless subscribers – but at low Lifeline rates and
5 without the burden of credit checks, contracts, activation fees or roaming charges.

6 Low-income consumers will further benefit from i-wireless' service because of i-
7 wireless' unique software distribution platform that allows customers to refill
8 minutes at small, local stores in neighborhoods where many Lifeline-eligible
9 customers reside.

10 i-wireless foresees that the implementation of its Lifeline program will
11 create the need for more i-wireless employees in Utah. i-wireless currently
12 employs one Oregon resident as a field sales representative who travels to work
13 with store locations throughout the state. i-wireless intends to expand its number
14 of Utah sales representatives once its Lifeline program is underway, and the
15 program will likely create the need for Kroger to hire more Utah residents as well.

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

23

1 **Q29: WHAT ARE SOME OF THE BENEFITS OF INCREASED**
2 **COMPETITIVE CHOICE?**

3 **A:** Introducing i-wireless as an additional ETC provider into the market will afford
4 low income Utah residents a wider choice of providers and available services
5 while creating a competitive marketplace as ETCs compete for a finite number of
6 Lifeline-eligible customers. Increasing the competitive marketplace of providers
7 has the potential to effectively increase the penetration rate and reduce the number
8 of individuals not connected to the PSTN. As of December 31, 2009, only
9 between 20-50% of Lifeline-eligible consumers in Utah were being provided such
10 services.³ i-wireless believes that it is uniquely positioned to help increase
11 awareness of and participation in the Lifeline program.

12 **Q30: IF I-WIRELESS' PETITION IS GRANTED, WILL THERE BE ANY**
13 **IMPACT ON THE UNIVERSAL SERVICE FUND?**

14 **A:** i-wireless' request for designation as an ETC would not unduly burden the USF or
15 otherwise reduce the amount of funding available to other ETCs. i-wireless seeks
16 ETC designation solely to utilize USF funding to provide Lifeline service to
17 qualified low-income consumers. It does not seek and will not accept high cost
18 support. With Lifeline, ETCs only receive support for customers they obtain. The
19 amount of support available to an eligible subscriber is exactly the same whether
20 the support is given through a company such as i-wireless or the Incumbent LEC
21 operating in the same service area. i-wireless will only increase the amount of
22 USF Lifeline funding in situations where it obtains Lifeline customers not

³ see <http://www.usac.org/li/about/participation-rate-information.aspx#2009>

1 enrolled in another ETC's Lifeline program. Significantly, i-wireless' designation
2 as an ETC will not increase the number of persons eligible for Lifeline support.
3 As stated in the Act, the universal service fund was established to ensure that
4 quality services are available to all individuals at just, reasonable and affordable
5 rates. i-wireless' ability to increase the Lifeline participation rate of qualified
6 low-income individuals will further the goal of Congress to provide all individuals
7 with affordable access to telecommunications service. As noted by the FCC in the
8 *i-wireless Forbearance Order*, "A new entrant should incent existing wireless
9 reseller ETCs to offer better service and terms to their customers, which provides
10 additional evidence that forbearance in the context of the Lifeline program
11 outweighs the potential costs."

12 **Q31: DOES I-WIRELESS AGREE TO COMPLY WITH ALL COMMISSION**
13 **RULES AND REGULATIONS REGARDING ETC?**

14 **A:** Yes. i-wireless hereby asserts its willingness and ability to comply with all the
15 rules and regulations that the Commission may lawfully impose upon the
16 Company's provision of service contemplated by its petition for ETC
17 designation.

18 **Q32: IS THERE ANYTHING ELSE YOU WOULD LIKE TO ADD TO YOUR**
19 **TESTIMONY?**

20 **A:** I would like to reiterate that i-wireless meets all legal requirements for designation
21 as an ETC. Accordingly, the Commission should promptly grant i-wireless'
22 petition ETC designation so that i-wireless may commence providing Lifeline
23 service to qualified low-income Utah households at the earliest possible time.

Exhibit 1

CTIA Code

Exhibit 2

Non-Usage Policy

Exhibit 3

i-wireless, LLC's Lifeline Rates

Lifeline Service Offering*

100 anytime minutes per month

(additional usage priced at 10 cent minutes and 10 cent text messages)

Net cost to Lifeline customer: **\$0 (free)**

**includes:*

- Free handset
- Free Voicemail, Caller-ID, and call waiting
- Free incoming text messages
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free balance inquiries
- Minutes can be rolled over to next month
- Customer can earn additional free minutes through Kroger Loyalty Program

Lifeline \$15 Retail Discount Plan*

Lifeline eligible customers may choose any i-wireless monthly retail plan at a \$15 discount. Current retail monthly plans are:

Talk Plans (monthly)

- 200 anytime minutes, unlimited text messages, unlimited data (web browsing and e-mail)
Net cost to Lifeline customer: **\$10**
- Unlimited talk, unlimited text messages and unlimited data (web browsing and e-mail)
Net cost to Lifeline customer: **\$40**

**includes:*

- Free handset
- Free Voicemail, Caller-ID and call waiting
- Free incoming text messages
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free balance inquiries
- Minutes can be rolled over to next month
- Customer can earn additional free minutes through Kroger Loyalty Program