

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Petition of TruConnect Communications,
Inc. for Designation as an Eligible
Telecommunications Carrier in the State
of Utah

Docket No. 24-2646-01

**STIPULATION AND SETTLEMENT
AGREEMENT**

STIPULATION AND SETTLEMENT AGREEMENT

TruConnect Communications, Inc. (“TruConnect” or the “Company”), the Division of Public Utilities (“DPU”), and the Office of Consumer Services (“OCS”) (collectively the “Stipulating Parties” or the “Parties”), through their undersigned representatives, enter into this Stipulation and Settlement Agreement (“Stipulation”) regarding the Petition filed by TruConnect in the instant docket. The Parties submit this Stipulation for approval by the Public Service Commission of Utah (the “Commission”) pursuant to Utah Code § 54-7-1.

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 Eligible Telecommunications Carrier (“ETC”) designation in its *Lifeline and Link Up Reform Order* released February 6, 2012.¹

2. The *Universal Service Order* provides that only ETCs designated by a state public utility commission (“State Commission”) shall receive federal universal service support. Under 47

¹ See *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*”).

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. A service area is defined as “a geographic area established by a State commission . . . for the purpose of determining universal service obligations and support mechanisms.” 47 U.S.C. § 214(e)(5).

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

4. The FCC's supported services set forth in 47 C.F.R. § 54.101(a) includes voice telephony service providing: voice grade access to the public switched telephone network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers.

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

6. On February 29, 2024, TruConnect filed its Petition for Designation as an ETC in the State of Utah (“Petition”) in Docket No. 24-2646-01. TruConnect seeks statewide designation to allow the Company to provide Lifeline service wherever its underlying facilities-based providers have wireless coverage, as identified by the coverage area in Exhibit 3 of the Petition.

7. TruConnect commits that it will pay all state and local regulatory fees required by applicable laws of the State of Utah, including but not limited to UUSF and 911 fees.

8. Other than the DPU and the OCS, which are afforded participation by statute, no party has sought to participate in this docket, and the deadline for filing a petition to intervene has expired.

9. The Parties have now reached agreement on the issues raised in this docket, as set forth herein. The Parties agree that this Stipulation should have no legal effect outside of the instant docket.

AGREEMENT

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

1. TruConnect is a commercial mobile radio service (“CMRS”) provider and a common carrier pursuant to 47 U.S.C. § 332(c)(1)(A).

2. TruConnect provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of Verizon Wireless and T-Mobile USA, Inc. (its “Underlying Carriers”) on a wholesale basis.

3. TruConnect seeks ETC designation for the purpose of receiving (1) federal universal Lifeline support for qualifying Utah customers; (2) federal enhanced tribal universal service Lifeline support for qualifying Utah customers; and (3) Lifeline support from the Utah Universal Service Fund (“UUSF”) for qualifying customers.

4. TruConnect provides the supported services set forth in 47 C.F.R. § 54.101(a), and the Company has shown an intent and ability to offer those services once designated as an ETC throughout its requested service areas.²

² With respect to toll limitation, in its *Lifeline and Link Up Reform Order*, the FCC stated that toll limitation would no

5. TruConnect meets the requirements for federal ETC designation.

6. In its *Lifeline and Link Up Reform Order*, the FCC granted forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) of the Federal Act to carriers seeking Lifeline-only ETC designation, subject to certain conditions.³ The FCC requires a Lifeline-only ETC that doesn’t meet the “own facilities” requirement to submit and receive FCC approval of a compliance plan.⁴ In addition, FCC “approval is required in advance of any transfer of ownership or control of an ETC with an approved Lifeline compliance plan.”⁵ As a condition of this forbearance, TruConnect filed its Compliance Plan with the FCC, which the FCC approved on December 26, 2012.⁶

7. TruConnect also satisfies the requirements for receiving State Lifeline support from the UUSF.

8. TruConnect’s Lifeline product offerings will offer service to qualifying low-income Utah customers that meets or exceeds both the FCC’s Lifeline minimum service standards and the Commission’s UUSF plan requirements set forth in Utah Administrative Code R746-8-403, which represents a benefit for those consumers and is in the public interest.

9. TruConnect shall initially make available the following Lifeline plan options: the Lifeline Only Plan provides for unlimited voice minutes, unlimited text messages, and 4.5 gigabytes (GB) of high speed data (minimum of 4G speed) per month for \$0.00 per month for non-

longer be deemed a supported service in the case of ETCs. See *Lifeline and Link Up Reform Order* at ¶¶ 49 and 367.

³ *Lifeline and Link Up Reform Order* at ¶ 368.

⁴ *Id.*

⁵ *Wireline Competition Bureau Reminds Carriers of Eligible Telecommunications Carrier Designation and Compliance Plan Approval Requirements for Receipt of Federal Lifeline Universal Service Support*, Public Notice, DA 14-1052 (rel. July 24, 2014).

⁶ See FCC Public Notice DA 12-2063, <https://docs.fcc.gov/public/attachments/DA-12-2063.pdf>.

Tribal customers after application of Lifeline and Utah USF support, or the Tribal Lifeline Only Plan, which provides for unlimited voice minutes, unlimited text messages, and 10 GB of data per month for \$0.00 per month for Tribal customers after application of Lifeline and Utah USF support. Customers will also be able to purchase additional minutes or data as needed. TruConnect agrees that it will seek the full amount of federal USF reimbursement from the Universal Service Administrative Company (“USAC”), currently \$9.25 for eligible subscribers and an additional \$25.00 for eligible residents of federally recognized tribal lands (“Tribal” customers), and UUSF support.

10. TruConnect’s Lifeline product offerings will offer an additional choice of local providers offering a high-quality service for low-income consumers, which represents a benefit for those consumers, furthers the statutory goal that basic service be available and affordable to all citizens of the state of Utah, and is in the public interest.

11. The Parties stipulate and agree that designating TruConnect as an ETC in the coverage areas set forth in Exhibit 3 of the Petition serves the public interest, convenience, and necessity, as required under 47 U.S.C. § 214(e)(2).

12. The Parties stipulate and agree that TruConnect shall provide its ETC Lifeline universal service offerings in Utah pursuant to this Stipulation (including attachments). The Parties agree that TruConnect’s provision of its universal service offerings as an ETC shall be governed by the following additional requirements:

- A. TruConnect will use a Utah-specific fact sheet for Lifeline service (“Fact Sheet”) that provides customers concise and complete information about the services they will receive. This Fact Sheet is attached hereto as Attachment 1. TruConnect will provide the Fact Sheet to prospective new

customers, each new customer at the time of enrollment, and to existing customers upon request. TruConnect will also make the Fact Sheet available for download by posting it on the Company's website. TruConnect agrees to promptly update the Fact Sheet anytime the Company changes its Utah Lifeline program offerings.

- B. TruConnect will receive \$3.50 per qualifying line per month pursuant to Utah Admin. Code R746-8-403 and Utah Code §54-8b-15.
- C. TruConnect will comply with all applicable state service quality and consumer protection requirements and the CTIA Consumer Code.
- D. TruConnect acknowledges that approval of the Petition and ongoing receipt of UUSF funds are 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.
- E. TruConnect agrees to adopt any changes to the certification and verification process required by the FCC or by the Commission.
- F. Upon implementing any changes to its Lifeline offerings, TruConnect will timely file a notice with the DPU and OCS describing the changed plans.

GENERAL PROVISIONS

1. The Parties stipulate to the admission into evidence in this docket of TruConnect's Petition and exhibits thereto.

2. Not all Parties agree that each aspect of this Stipulation is warranted or supportable in isolation. Utah Code § 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties are not able to agree that

each specific component of this Stipulation is just and reasonable in isolation, all of the Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

3. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, and in accordance with Utah Code § 54-7-1, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgement by any Party of the validity or invalidity of any principle; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

4. The Parties agree that no part of this Stipulation or the formulae and methods used in developing the same or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case except with regard to issues expressly called-out and resolved by this Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Parties are free to take any position with respect to, any issues not specifically called-out and settled herein.

5. The Parties request that the Commission hold a hearing on this Stipulation. The Parties will support the Commission's approval of this Stipulation. As applied to the DPU and the OCS, the explanation and support shall be consistent with their statutory authority and responsibility.

6. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Party will use its best reasonable efforts to support the terms and conditions of this Stipulation.

As applied to the DPU and the OCS, the phrase “use its best reasonable efforts” means that they shall do so in a manner consistent with their statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Party shall take a position in that judicial review proceeding in opposition to the Stipulation.

7. Except with regard to the obligations of the Parties under the four (4) immediately preceding paragraphs of this Stipulation, this Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission.

8. This Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission’s approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Stipulation or imposes any material change or condition on approval of this Stipulation or if the Commission’s approval of this Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five (5) business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Stipulation, and no party shall be bound or prejudiced by the terms and conditions of the Stipulation.

9. This Stipulation may be executed by individual Parties through two (2) or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

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 6th day of May, 2024.

FOR TRUCONNECT COMMUNICATIONS,
INC.



Debra McGuire Mercer (May 6, 2024 14:55 EDT)

Debra McGuire Mercer
Nelson Mullins Riley & Scarborough LLP
101 Constitution Avenue, NW
Suite 900
Washington, DC 20001
(202) 689-2949
debra.mercer@nelsonmullins.com

FOR UTAH DIVISION OF PUBLIC
UTILITIES



Chris Parker (May 6, 2024 15:15 MDT)

Chris Parker
Director
Utah Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, UT 84114-6751

FOR THE UTAH OFFICE OF CONSUMER
SERVICES



Michele Beck (May 6, 2024 14:38 MDT)

Michele Beck, Director
Utah Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, UT 84114-6782

ATTACHMENT 1

Utah-specific Fact Sheet

IMPORTANT INFORMATION ABOUT YOUR TRUCONNECT LIFELINE SERVICE

TruConnect Lifeline Service is brought to you by TruConnect Communications, Inc., and includes the provision of a free SIM card. 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, either wireless or wireline. A household, for purposes of the Lifeline program, is defined as any individual or group of individuals who live together at the same address and share income and expenses. 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. If you no longer receive the low-income assistance or your income exceeds the qualifying amount, you must notify TruConnect. As a recipient of Lifeline service, you may not transfer your service to any other individual, including another eligible low-income consumer.

- 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 thirty (30) consecutive days).
- The Lifeline Only Plan provides for unlimited voice minutes, unlimited text messages, and 4.5 gigabytes (GB) of high-speed data (minimum of 4G speed) per month for \$0.00 per month for non-Tribal customers after application of Lifeline and Utah USF support, or the Tribal Lifeline Only Plan, which provides for unlimited voiceminutes, unlimited text messages, and 10 GB of data per month for \$0.00 per month for Tribal customers after application of Lifeline and Utah USF support. Both plans include free international calling to Canada, Mexico, China, Vietnam, and South Korea. Customers will also be able to purchase additional minutes or data as needed. TruConnect will inform you of any plan changes.
- Free SIM card provided when you bring your own device. Devices are also available for purchase.
- Unused free minutes and data will not carry over to the following month.
- Emergency calls to 911 will not count against your available minutes.
- Calls to TruConnect customer service will not count against your minutes.
- Additional Top-Ups, which provide service for one month, can be purchased through TruConnect's website in the following denominations:
 - For \$5, Lifeline subscribers can initiate calls to an additional 50 countries (unlimited international calling to Canada, China, Mexico, South Korea and Vietnam is included in the Lifeline plan). The number of voice minutes available to call the additional 50 countries varies by country and is disclosed

to subscribers at the time of purchase.

- For \$5, Lifeline subscribers receive an additional 500 MB of high-speed data.
- For \$10, Lifeline subscribers receive an additional 1 GB of high-speed data.
- For \$20, Lifeline subscribers receive an additional 3 GB of high-speed data.
- For \$30, Lifeline subscribers receive an additional 8 GB of high-speed data.

High-speed data means data provided at a minimum of 4G speed.

- To contact TruConnect, please dial 611 from your TruConnect handset device, or call toll-free at 800-430-0443. You can also contact TruConnect Mobile customer service representatives via the “Contact Us” page on TruConnect’s website: www.truconnect.com.
- Before the end of 12 months the National Verifier will verify your continued eligibility for Lifeline support. If your continued eligibility for Lifeline support cannot be determined by accessing the appropriate eligibility or income databases, the National Verifier may request a signed certification from you verifying that you are still eligible for Lifeline support to continue to receive your discounted service.
- If you have purchased additional airtime or data and have remaining minutes or data and days or service at the end of your Lifeline eligibility, you will be subject to the terms and conditions of TruConnect’s retail wireless services.

YOU ARE ENCOURAGED TO READ YOUR WELCOME KIT CAREFULLY FOR COMPLETE DETAILS REGARDING YOUR TRUCONNECT LIFELINE OFFERING.