

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Consumer Programs**

**RESOLUTION T-17605
May 31, 2018**

RESOLUTION

RESOLUTION T-17605. This Resolution Grants the Request of Excess Telecom, Inc., a Wireless Reseller, to be Designated as a California LifeLine Provider to Offer Prepaid Wireless Telephone Services Supported by the California LifeLine Program in Sprint PCS's Wireless Service Territories Throughout California, Excluding Tribal Lands.

SUMMARY

By this Resolution, the California Public Utilities Commission (CPUC or Commission) conditionally grants the request of Excess Telecom, Inc. (Excess Telecom) (U-4476-C), a wireless reseller to operate as an authorized California LifeLine Provider to provide only California LifeLine prepaid wireless service to qualifying low-income households where its underlying carrier, Sprint PCS, provides wireless service in California, as indicated in Attachment A. Excess Telecom seeks California LifeLine support only and does not seek federal Lifeline fund support or authority to serve Tribal lands.

By this Resolution, the Commission approves the following prepaid wireless plan as eligible for California LifeLine support Excess Telecom:

- California LifeLine Unlimited Talk & Text Plan – Unlimited talk and text for \$0.00 per month

Excess Telecom's Advice Letter

On April 16, 2015, Excess Telecom submitted Tier 3 Advice Letter (AL) 1 to the CPUC requesting authorization to be a California LifeLine provider to offer discounted prepaid wireless telephone services to eligible households in California.

Excess Telecom initially proposed three prepaid California LifeLine service plans:

- *California LifeLine 1000 Minute Plan*-1000 minutes of voice for \$0.00 per month.
- *California LifeLine Unlimited Plan* – Unlimited talk and text for \$17.35 per month.
- *California LifeLine Unlimited Talk, Text and 1 GB Data* – Unlimited talk and text with 2 GB of data for \$27.35 per month.

On October 19, 2017, Excess Telecom filed supplement AL1A to modify its proposed plans in its initial filing. Excess Telecom proposes to offer only one plan at this time, the California LifeLine Unlimited Talk & Text plan, which includes unlimited voice minutes and unlimited text messages for \$0.00 per month after applying the California LifeLine support amount of \$13.75.

On November 13, 2017, Excess Telecom filed supplement AL 1B at Staff's request to provide the company's operations process.

On February 06, 2018, Excess Telecom filed supplement AL 1C at Staff's request to update its intake process and to modify its terms and conditions.

On March 08, 2018, Excess Telecom filed supplement AL 1D to update its California LifeLine Specific Support Amount (SSA) of \$14.30 and employee training manuals.

Last, Excess Telecom's rate plans are subject to a \$39 activation fee which would be waived for California LifeLine participants. Excess Telecom will seek the \$39 activation reimbursement from the California LifeLine Program no more than two times annually per eligible California LifeLine household, in accordance with D.14-01-036.

BACKGROUND

California LifeLine Program Requirements

The purpose of the California LifeLine Program is to provide high quality, residential telephone service at affordable rates to low-income citizens of California. The California Legislature directed the CPUC to ensure that the program has essential consumer protections and is competitively neutral. A carrier seeking to be a California LifeLine provider must comply with the CPUC's LifeLine rules and requirements set forth in Public Utilities Code §871 *et seq.*, General Order (GO) 153 and various CPUC decisions including D.14-01-036 and D.10-11-033. The carrier must also comply with all

applicable CPUC rules, orders, decisions, resolutions, the Public Utilities Code and federal Lifeline rules.

In order to become a California LifeLine provider, a carrier must generally demonstrate the following:

- 1) It has a valid, active operating authority issued by the CPUC;¹
- 2) It is current in its remittance of CPUC User Fees and public purpose program surcharges;²
- 3) Its proposed offerings meet the CPUC's California LifeLine service elements;³
- 4) Its disclosures, schedule of rates and charges, and terms and conditions are thorough and consistent with state and federal rules;
- 5) Its marketing and selling methods are consistent with D.14-01-036 and 47 C.F.R. §54.405(b); and
- 6) Its provisioning process is consistent with and in compliance with the California LifeLine Administrator's enrollment process, validation checks, transmission requirements, and efforts to prevent waste, fraud, and abuse.⁴

If a carrier is seeking to offer LifeLine wireless services in California, the carrier must demonstrate that its proposed offerings meet the CPUC's LifeLine wireless service elements. The CPUC adopted the California LifeLine wireless service elements in D.14-01-036, set forth in GO 153, Appendix A-2. Some of the key service elements are as follows:

1. The provider must offer participants the ability to place and receive voice-grade calls over all distances using the public switched telephone network or successor network;
2. The provider must offer free, unlimited access to public safety N11s (211, 311, 511, 711, and 811) for California LifeLine eligible plans with 1,000 or more voice minutes, and to 911 emergency services for all California LifeLine eligible plans;
3. The provider must offer services on a non-discriminatory basis to any customer residing in the service territory;

¹ See OP 3 of D.14-01-036.

² See GO 153 §§ 9.5.3.1., 9.8.5, 9.8.6, 9.9.2, 10, and 11 and Ordering Paragraph 21 of D.13-05-035.

³ See OP 26.a. of D.14-01-036, Attachment D, See also GO 153, Appendix A as adopted in D.14-01-036.

⁴ On February 14, 2014, the CPUC's Communications Division issued an administrative letter titled "Guidance for Service Providers Interested in Offering California LifeLine Wireless Services Consistent with Decision 14-01-036." (Administrative Letter) (http://www.cpuc.ca.gov/NR/rdonlyres/AEBD2120-0BE44811B54564AF0349382F/0/CDAdvice_Letter_Filing_Components_CaLLWireless_APPROVED_021414.pdf). This Administrative Letter provides instructions and guidance for a carrier seeking to become a California LifeLine provider to offer California LifeLine wireless services.

4. The provider must offer at least one California LifeLine plan that meets or exceeds the California LifeLine service elements, and is not bundled with any video or data services (Unbundled Service Obligation);
5. The provider must offer to California LifeLine participants all handsets on the same basis as it offers to retail customers;
6. The provider must offer all plans that meet or exceed the California LifeLine service elements and are consistent with the rules on a discounted basis; and
7. The provider must provide free, unlimited access to customer service representatives in the same language in which the California LifeLine service was originally sold or marketed.

In addition, the carrier must comply with the California LifeLine wireless service terms and conditions adopted in D.14-01-036, set forth in GO 153, Appendix A-2, including, but not limited to:

1. The provider must exempt participants from paying CPUC user fees, surcharge and taxes;
2. The provider must not assess a fee to participants for paying their bills in person by cash, check or other form of payment;
3. The provider must allow participants to terminate service without incurring early termination fees;
4. The provider must allow participants to return their handsets within three days of service activation for free, without incurring a restocking fee; and
5. The provider must allow participants to purchase additional voice minutes at the lowest rate that is offered to retail customers.

To ensure that participants are adequately informed of the service plans, the California LifeLine provider must prominently disclose and disseminate terms and conditions, program information, and enrollment process to potential and existing participants in compliance with rules including, but not limited to, GO 153, sections 4 and 5, D.14-01-036, Public Utilities Code § 876, and 47 C.F.R. §54.405(c). Additionally, the service providers must submit their marketing materials, including scripts to Staff for review and approval prior to dissemination and/or availability to the public.⁵

Notice/Protests

Excess Telecom, Inc. served its AL 1 filing via email to all parties on the California LifeLine proceeding R.11-03-013 service list and the AL 1 appeared in the Commission's Daily Calendar on April 20, 2015. No protests were received.

⁵ See OP 24.c of D.14-01-036.

DISCUSSION

Company Overview

Excess Telecom is a California corporation with its principal office at 1301 South Main Street, Suite 301, Los Angeles, CA 90015. Excess Telecom received its CPUC Wireless Identification Registration as a California provider of Commercial Mobile Radio Services (CMRS) (U-4476-C) on April 9, 2015. As a registered wireless carrier in California, Excess Telecom is required to report/pay public purpose program surcharges and user fees on its California intrastate revenues. The company does not currently provide service in California. Excess Telecom does not request authority to provide service on federally recognized Tribal lands in California.

Compliance with Commission User Fee and Surcharge Obligations

Staff has verified that Excess Telecom is current with payment of the annual CPUC User Fees and public purpose program surcharges. Although Excess Telecom does not currently provide services in California, the company submitted the minimum required CPUC User Fees. Excess Telecom is required to continue to remain current with its payments. Failure to comply may lead to enforcement action including, but not limited to, revocation of Excess Telecom's wireless identification registration, and/or authority to operate as a California LifeLine provider and denial and/or suspension of California LifeLine reimbursements.

Compliance with California LifeLine Program Requirements

Staff finds that the proposed California LifeLine wireless telephone service plan indicated below meets the California LifeLine Program requirements and is eligible for reimbursement from the California LifeLine Fund. Staff recommends approval of the following California LifeLine wireless service plan:

- California LifeLine Unlimited Talk and Text Plan – Unlimited talk and text for \$0.00 per month.

Excess Telecom requests a waiver of the California LifeLine pre-qualification requirement for its prepaid California LifeLine wireless service plan, since it will offer them on a prepaid basis. Staff recommends that the Commission grant Excess Telecom's request because it is consistent with D.14-01-036. However, this waiver does not apply to post-paid telephone service plans. If Excess Telecom decides to offer any

California LifeLine wireless telephone service plans on a post-paid basis in the future, it must comply with the pre-qualification requirement unless it is granted a waiver.

Excess Telecom did not seek exemptions⁶ from the All Plans Requirement and the All Handsets Requirement. If Excess Telecom chooses at a later time to request these exemptions, then it should file a Tier 2 advice letter.

D.14-01-036 requires that the discount for the pre-paid telephone service begin with the date of application approval notification or the service activation date, whichever is later. Excess Telecom proposes to distribute handsets upon the customer's completion of the enrollment process at the company's kiosk or retail location.

Excess Telecom states that it will utilize CGM, LLC's electronic enrollment application. Prior to submission to the California LifeLine Administrator, each application will be reviewed by an internal employee for eligibility review. Furthermore, Excess Telecom states that each application submitted will have a stamp of the agent's credentials for tracking and monitoring compliance. Excess Telecom will use the status code 53 process⁷, for all of its sales channels, including in-person enrollment. The company proposes when a customer has finished the in-person enrollment process, they will receive a free handset pre-loaded with 275 promotional minutes of use.⁸

Since December 2010, the CPUC has required carriers with limited ETC designation offering federal Lifeline service in California to clearly label its service. Although Excess Telecom is not an ETC, Staff also recommends that Excess Telecom clearly label its wireless telephone service plan approved in this Resolution as "California LifeLine wireless service plan" and refer to the California LifeLine Program, where applicable, in Excess Telecom's terms and conditions, disclosures, and marketing materials. Staff will review and approve all terms and conditions, disclosures, and marketing materials including, but not limited to, customer service representative scripts, internet marketing, and posters and brochures, prior to publication and distribution.

Compliance with the California LifeLine Administrator's Requirements

⁶ See OP 24.b.iv of D.14-01-036.

⁷ The Administrator developed a special process, "Status Code 53 Process," for telephone service providers offering pre-paid telephone services waiving the pre-qualification requirement. The Status Code 53 Process requires California LifeLine providers to send an updated record with the Service Start Date and telephone number to the Administrator. California LifeLine providers are only supposed to send this particular type of update record after confirming the consumer has made an outbound call.

⁸ Excess Telecom AL 1, page 12.

The California LifeLine Administrator is the sole entity responsible for determining eligibility and administering the enrollment process for both the California LifeLine Program and the federal Lifeline program. Service providers that participate in the federal and/or state program must comply with the eligibility requirements and the Administrator's enrollment process.

Excess Telecom agrees: 1) to comply with the Administrator's enrollment and de-enrollment processes, transmission requirements, eligibility rules, and validation checks; and 2) to facilitate, participate in, and comply with the Administrator's enrollment process to eliminate waste, fraud and abuse.

Currently, Excess Telecom lacks experience with the California LifeLine Program and the Administrator's enrollment process, protocols, transmission requirements, etc. and is only in the preliminary stages of becoming and operating as a California LifeLine provider. Although Excess Telecom showed basic understanding of the program's various processes and requirements, Staff recommends Excess Telecom work with the Administrator and Staff to finalize its provisioning process and solidify its understanding of the program's processes prior to the company launching its services. Staff also recommends Excess Telecom notify the Administrator, and obtain prior Staff approval for any future changes to its provisioning process and operations.

Providing Lifeline Wireless Service to Customers/Service Areas

Excess Telecom requests designation as a California LifeLine Provider to provide prepaid wireless service to qualifying households, where its underlying carrier, Sprint PCS provides wireless service in the state of California. (*See Attachment A*). Excess Telecom is not seeking to serve federally recognized Tribal lands in California at this time.

Should Excess Telecom want to make changes to its approved service area, the company must file a Tier 2 Advice Letter that describes the areas to be served to request approval and provide map(s) in Shapefile format of the proposed area.

Public Interest Determination

Before recommending designation of a carrier as a California LifeLine provider, Staff must determine that doing so would be in the public interest for California consumers.⁹

⁹ *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Dkt 96-45 (FCC 05-46), released Mar 17, 2005 ¶ 40 and CPUC Resolution T-17002, *Appendix A, Section II-G: Public Interest Determination*.

Designating Excess Telecom as a California LifeLine provider will serve the public interest and the needs of low-income customers in California. Lifeline-eligible customers will have another provider choice which may expand participation of qualifying customers in the CA LifeLine program. Staff finds that Excess Telecom meets the California LifeLine criteria for public interest determination including providing the benefits of increased competitive choice, convenience, and security with mobility, ability to purchase additional usage, and the ability to use supported service to send and receive text messages in a prepaid plan.

Price Analysis

When analyzing California LifeLine plan pricing, Staff relies on competitive forces to determine reasonable plan prices and compares proposed offerings to currently available California LifeLine plans and non-Lifeline, retail plan prices. Staff evaluated Excess Telecom's proposed offering using the expected monthly cost to low-income consumers based on mobile average minutes of use¹⁰ and other LifeLine wireless plans.

The charts below compare Excess Telecom's voice and text plan to similar existing plans in the market.

California Unlimited Talk & Text Plan - Unlimited talk and text for \$0.00 per month.

¹⁰ *In the Matter of Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993 Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, WT Dkt. No. 16-137 (DA 16-1061) (*Nineteenth Report*). The FCC's Nineteenth Mobile Wireless Competition Report included data from the second half of 2015 submitted by industry carriers. The report analyzes competition across the entire mobile wireless marketplace. Staff's analysis used the 760 average minutes of use (MOU) for wireless voice (excluding most data-only devices) as a base to evaluate these Lifeline plan offerings (B. Usage, para 125, Chart VII.B.1, pg. 95, reflects average billable minutes of use).

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U-# and Approving Authority	U-4476-C AL 1 3/8/2018	U-4451-C AL18 12/07/17	U-4372-C AL17 11/17/2017	U-4327-C AL17 11/13/2017	U-4458-C AL19 12/06/2017
Comparable ETC w/CaLL Wireless Plans	Excess Telecom Unlimited Talk & Text	AirVoice Unlimited Talk & Text	i-wireless Unlimited Talk	Virgin Assurance California FREEdom W/O DATA	AmeriMex Unlimited
Imputed or Comparable Retail Plan Price	\$ 23.55	\$ 23.55	\$ 25.00	\$ 25.00	\$ 25.00
Federal Lifeline	\$ -	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Tribal Lands	\$ -	\$ -	\$ -	\$ -	\$ -
California LifeLine	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30
Company Discount/Credit	\$ 9.25	\$ -	\$ 1.45	\$ 1.45	\$ 1.45
Plan Price to California LifeLine Customer per Advice Letter	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Avg. MOU*	760	760	760	760	760
Basic Plan Minutes (allowance)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Texts included (texts:minutes)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data included	-	-	-	-	-
Avg. Excess MOUs	-	-	-	-	-
Cost per Minutes in Excess of Allowance	-	-	-	-	-
Cost of Excess Minutes**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to California LifeLine Customer with 615 MOU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
* Updated					
Underlying carriers (AT&T, Sprint, T-Mobile, Verizon, 2ndary)	S	A	S	S	S,TM,R/V

(Unlimited Talk & Text Plan Continued)

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U-# and Approving Authority	U-4476-C AL 1 3/8/2018	U-4231-C AL22 12/1/2017	U-4380-C AL23 12/07/2017	U-4442-C AL19 11/07/2017	U-4423-C AL16 12/1/2017
Comparable ETC w/CaLL Wireless Plans	Excess Telecom Unlimited Talk & Text	TracFone dba Safelink Unlimited Talk & Text	Truconnect Unbundled Plan Unlimited Voice & Text	Telrite California Unlimited	Global Connection Unlimited Talk & Text
Imputed or Comparable Retail Plan Price	\$ 23.55	\$ 25.00	\$ 24.00	\$ 29.95	\$ 35.00
Federal Lifeline	\$ -	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Tribal Lands	\$ -	\$ -	\$ -	\$ -	\$ -
California LifeLine	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30
Company Discount/Credit	\$ 9.25	\$ 1.45	\$ 0.45	\$ 6.40	\$ 11.45
Plan Price to California LifeLine Customer per Advice Letter	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Avg. MOU*	760	760	760	760	760
Basic Plan Minutes (allowance)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Texts included (texts:minutes)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data included	-	-	-	-	-
Avg. Excess MOUs	-	-	-	-	-
Cost per Minutes in Excess of Allowance	-	-	-	-	-
Cost of Excess Minutes**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to California LifeLine Customer with 615 MOU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
* Updated					
Underlying carriers (AT&T, Sprint, T-Mobile, Verizon, 2ndary)	S	A, TM, V		A	S, TM, R/V

Staff finds that the prepaid wireless plan is equal or better value based on comparable offerings and plan pricing for low-income customers and recommends approval.

Due Diligence Review

An integral part of Staff's processing of a California LifeLine designation request is a due diligence review to determine if the carrier has engaged in behavior that may call into question its fitness to be granted California LifeLine designation to serve California consumers. The due diligence review includes, but is not limited to, conducting

independent research about a carrier's past operations to provide the Commission with information that may be pertinent in deciding whether or not to grant the California LifeLine designation request. Typical research methods include performing Lexis/Nexis legal resource searches, internet searches, reviewing industry and trade publications, querying other governmental agencies, contacting the FCC and USAC, reviewing a company's history of operations, and consulting with the Commission's Consumer Protection and Enforcement Division and Consumer Affairs Branch.

Excess Telecom has not been subject to enforcement sanctions or ETC revocation proceedings in any state nor has it received a Notice of Apparent Liability from the FCC relating to issues of alleged intra-company duplicate subscribers.

Staff did not discover any issues that would lead to a denial of Excess Telecom's request for authority to operate as a California LifeLine wireless provider in the state of California. If substantive issues emerge after the California LifeLine service provider authorization is approved which raise public interest questions about Excess Telecom's ability to offer subsidized program services in compliance with the authorities granted in this resolution, the Commission may pursue an enforcement action which may include fines, penalties, and the revocation of the California LifeLine authority, and/or wireless identification registration authority and denial and/or suspension of its California LifeLine disbursements.

Safety Considerations

Staff has safety concerns in two main areas of wireless phone service: the coverage of wireless mobile phone service and the ability of emergency first responders to find the location of the caller when using a mobile phone. Where there is a lack of coverage, poor signal strength, or atmospheric or terrain conditions that affect connections, emergency calls may not be completed. In rural areas, for example, with spotty connectivity or interference (e.g. due to geographic or structural obstacles), wireless mobile resellers of wholesale facilities service cannot guarantee full, accessible emergency connections for their own customers. An incomplete emergency call can have devastating results.

Given that safety and emergency communications are common concerns for all of California's wireless customers, Staff requires that Excess Telecom fully and clearly inform prospective California LifeLine participants that coverage limitations may affect wireless mobile phone service access to E-911 and/or 911 in the event of an emergency. Such disclosures include, but are not limited to, clear statements on marketing materials

and conspicuous placement on the public website in the form of information content on webpages, footnotes, and/or listings on a frequently asked questions (FAQ) webpage.

Future Changes to Designated Service Areas

As a California LifeLine provider, Excess Telecom is authorized to provide California LifeLine prepaid wireless services throughout the state without geographic restrictions, excluding federally-recognized Tribal lands. However, regarding future changes that Excess Telecom may want to make to its service areas in California, the company is required to file a Tier 2 advice letter that describes the areas to be served, a list of the geographic service areas, and a map in Shapefile format of the proposed area.

Conclusions

In light of the above discussions, Staff recommends that the Commission:

- 1) Approve Excess Telecom's request to be authorized as a California LifeLine service provider to provide prepaid wireless services to qualifying households where its underlying carrier, Sprint PCS, provides wireless service in California, excluding federally-recognized Tribal lands.
- 2) Approve Excess Telecom's California LifeLine prepaid wireless service plan as follows:
 - California LifeLine Unlimited Talk and Text Plan – Unlimited talk and text for \$0.00 per month.
- 3) Require Excess Telecom to file a Tier 2 advice letter to request future changes including, but not limited to, terms and conditions and to the approved California LifeLine wireless service plans.
- 4) Require Excess Telecom to submit its terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, for review and approval by Staff before offering service, dissemination and/or availability to the public.
- 5) Require Excess Telecom to clearly label the wireless telephone service plan approved by Staff in this Resolution as "California LifeLine wireless service plan" and refer to the California LifeLine Program, where applicable, in Excess Telecom's terms and conditions, disclosures, and marketing materials.

6) Although Staff finds that Excess Telecom's provisioning process and terms and conditions for "Service Activation" are consistent with the Administrator's Status Code 53 Process, require Excess Telecom work with the Administrator and CD to finalize its provisioning process and solidify its understanding of the program's processes prior to the company launching its prepaid wireless services.

7) Require Excess Telecom to notify the Administrator and obtain approval for any proposed changes to Excess Telecom's provisioning process and operations including, but not limited to, Excess Telecom's service activation method.

As conditions of providing its California LifeLine supported wireless operations in California, Excess Telecom must comply with all of the following:

- File required annual reports and compliance reports with the Commission;
- Continue to comply with CPUC User Fee and surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements;
- Provide terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, to the CPUC California LifeLine Staff for review and approval prior to offering service, dissemination and/or availability to the public;
- Post safety related information about wireless telephone service coverage limitations on distributed terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website; and
- Abide by all applicable state and federal consumer protection, including CPUC General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services, and comply with the CTIA-The Wireless Association's Consumer Code for Wireless Service, as it is amended, and comply with directions to carriers regarding unlocking of phones.

COMMENTS

In compliance with P.U. Code § 311(g), the Commission emailed a notice letter on April 27, 2018, informing all parties on the Eligible Telecommunications Carrier service list,

the California LifeLine proceeding R.11-03-013 list, the California LifeLine Administrative Committee and Working Group, of the availability of this resolution for public comments at the Commission's website www.cpuc.ca.gov. The notice letter also informed parties that the final confirmed resolution adopted by the Commission will be posted and available at the same website. No comments were filed.

FINDINGS AND CONCLUSIONS

1. Excess Telecom, Inc. (Excess Telecom) is a California corporation with principal office at 1301 South Main Street, Suite 301, Los Angeles, CA 90015. Excess Telecom received its California Public Utilities Commission (CPUC or Commission) Wireless Identification Registration as a California provider of commercial mobile radio services (CMRS) (U-4476-C) on April 9, 2015. The company resells the services of Sprint PCS.
2. On April 16, 2015, Excess Telecom submitted Tier 3 Advice Letter (AL) 1 to the CPUC requesting authorization to be a California LifeLine provider to offer discounted prepaid wireless telephone services to eligible households in California.
3. On October 19, 2017, Excess Telecom filed supplement AL 1A to modify its proposed plans in the initial filing. Excess Telecom proposes to offer only one plan, Unlimited Talk & Text plan, which includes unlimited voice minutes and unlimited text messages for \$0.00 per month and applying the California LifeLine program support amount of \$13.75.
4. On November 13, 2017, Excess Telecom filed supplement AL 1B at Staff's request to provide the company's operations process.
5. On February 06, 2018, Excess Telecom filed supplement AL 1C at Staff's request to update its intake process and to modify its terms and conditions.
6. On March 08, 2018, Excess Telecom filed supplement AL 1D to update its California Specific Support Amount and employee training manuals.
7. Excess Telecom does not currently provide telecommunications service in California.
8. The Communications Division recommends that Excess Telecom's request to operate as a California LifeLine Provider be approved contingent on the following:

- a) File required annual reports and compliance reports with the Commission;
 - b) Continue to comply with CPUC User Fee and surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements;
 - c) Provide terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, to the CPUC California LifeLine Staff for review and approval prior to offering service, dissemination and/or availability to the public;
 - d) Post safety related information about wireless telephone service coverage limitations on distributed terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website; and
 - e) Abide by all applicable state and federal consumer protection, including CPUC General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services, and comply with the CTIA-The Wireless Association's Consumer Code for Wireless Service, as it is amended, and comply with directions to carriers regarding unlocking of phones.
9. Excess Telecom requested a waiver of the pre-qualification requirement.
 10. Excess Telecom did not seek exemptions to the All Plans Requirement and All Handset Requirements.
 11. Excess Telecom will require consumers to make an outbound call to activate their service.
 12. Excess Telecom generally understands the program's Status Code 53 Process and the FCC's requirement related to its proposed service activation method and provisioning process and it is consistent with the California LifeLine Administrator's process and the FCC's service activation rule.
 13. Excess Telecom should label clearly the wireless plan approved in this Resolution as "*California LifeLine wireless service plan*" and refer to the California LifeLine Program, where applicable, in Excess Telecom's terms and conditions, disclosures, and marketing materials.
 14. Excess Telecom commits to comply with the California LifeLine Program's enrollment process, including all eligibility rules and validation checks, and to

provide the Administrator all required information for the Administrator to determine eligibility.

15. Excess Telecom 's prepaid wireless plan have equal or better value based on comparable offerings and plan pricing for low-income customers:
 - *California Unlimited Talk and Text Plan*– Unlimited voice and text for \$0 per month (Free refurbished handset)
16. It is reasonable to grant a waiver of the California LifeLine pre-qualification requirement for Excess Telecom's California LifeLine wireless plans, because these will be offered on a prepaid basis.
17. Staff conducted due diligence review to determine Excess Telecom's fitness as it relates to business practice behavior and customer protection that may call into question its fitness to be granted California LifeLine designation to serve California consumers. Staff found no fitness issues.
18. The Commission may pursue an enforcement action which may include fines, penalties, and the revocation of wireless identification registration, the California LifeLine service provider authority, and/or wireless identification registration authority and denial and/or suspension of its California LifeLine disbursements should substantive issues emerge after Excess Telecom is approved which raise public interest questions about Excess Telecom's operations.
19. For public safety reasons, Excess Telecom is required to clearly inform Lifeline customers that coverage limitations may affect wireless mobile service including E-911/911 emergency calls. Disclosures will include, but are not limited to, clear statements on all marketing materials and the company's website.
20. Excess Telecom should file a Tier 2 advice letter to request approval to change its service area including a description of the area(s) to be served, a list of the geographic areas, and a map(s) in Shapefile format of the proposed area.
21. As a California LifeLine provider, Excess Telecom is authorized to provide California LifeLine prepaid wireless services throughout the state without any geographic restrictions, excluding federally-recognized Tribal lands in California.
22. Excess Telecom should file a Tier 2 advice letter to request approval for any future changes including, but not limited to, terms and conditions, and to the approved California LifeLine wireless service plans.
23. On May 1, 2018, the Commission emailed a draft of this resolution to the eligible telecommunications carrier service list, California LifeLine proceeding R.11-03-

013 service list, and the California LifeLine Administrative Committee and Working Group for public comments.

24. No comments were filed.

THEREFORE, IT IS ORDERED that:

1. The Commission approves Excess Telecom, Inc. (Excess Telecom) (U-4476-C) as a California LifeLine Provider to offer prepaid wireless telephone services supported by the California LifeLine Program where its underlying carrier, Sprint PCS, provides coverage in the state of California, excluding federally recognized Tribal lands.
2. Excess Telecom designation approval for California LifeLine prepaid wireless service provider shall be contingent upon the following:
 - a) File required annual reports and compliance reports with the Commission;
 - b) Continue to comply with CPUC User Fee and surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements;
 - c) Provide terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, to the CPUC California LifeLine Staff for review and approval prior to offering service, dissemination and/or availability to the public;
 - d) Post safety related information about wireless telephone service coverage limitations on distributed terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website; and
 - e) Abide by all applicable state and federal consumer protection, including CPUC General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services, and comply with the CTIA-The Wireless Association's Consumer Code for Wireless Service, as it is amended, and comply with directions to carriers regarding unlocking of phones.
3. Excess Telecom shall be authorized to offer the following California LifeLine prepaid wireless service plan:
 - California Unlimited Talk and Text Plan - Unlimited voice and text for \$0 per month (Free refurbished handset)

4. Excess Telecom shall file a Tier 2 Advice Letter to request approval for any future changes to its approved designated service area. This request shall describe the areas to be served, and include a list of the geographic areas and a map(s) in Shapefile format of the proposed service area.
5. Excess Telecom shall file a Tier 2 advice letter to request approval for any future changes including, but not limited to, terms and conditions to the approved California LifeLine wireless service plans.
6. Excess Telecom shall comply with General Order 153 and the California LifeLine Administrator's enrollment process including, but not limited to, validation checks, transmission requirements, and efforts to prevent waste, fraud, and abuse.
7. Excess Telecom shall clearly label the wireless telephone service plan approved in this Resolution as "California LifeLine wireless service plan" and refer to the California LifeLine Program, where applicable, in Excess Telecom's terms and conditions, disclosures, and marketing materials.
8. Excess Telecom shall notify the California LifeLine Administrator and obtain prior approval from Staff of any changes to Excess Telecom's provisioning process and operations including, but not limited to, its service activation method.
9. Excess Telecom shall comply with all CPUC rules, orders, decisions, and resolutions, the California Public Utilities Code, and Lifeline rules. Failure to do so may result in fines, penalties, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements.

Resolution T-17605
CD/KCH

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on May 31, 2018 the following Commissioners voting favorable thereon:

/s/ Alice Stebbins

ALICE STEBBINS
Executive Director

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners

ATTACHMENT A

