

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17432
December 19, 2013**

R E S O L U T I O N

Resolution T-17432. This Resolution conditionally grants the request of four wireless carriers to be designated as an Eligible Telecommunications Carrier to provide only federal Lifeline in California in the service areas of California excluding the Small Local Exchange Carriers service areas.

Summary

By this Resolution, the California Public Utilities Commission (CPUC or Commission) conditionally grants the request of four (4) wireless carriers identified in the following table to be designated as Eligible Telecommunications Carriers (ETC) to provide only federal Lifeline services to qualifying customers in California in the service areas of the Uniform Regulatory Framework (URF) carriers¹, and excluding the Small Local Exchange Carriers (Small LECs)² service areas. These four advice letters are consistent with the Federal Communications Commission's (FCC) Lifeline requirements, Commission Resolution T-17002, applicable requirements of General Order (GO) 153, and applicable requirements for CPUC wireless registered carriers. We find that the requests are reasonable and consistent with the public interest and should be granted, to the extent allowed by this Resolution.

¹ The URF carriers are AT&T California, Verizon California, Surewest Telephone, Frontier Communications of California, and Frontier of the South West.

² The Small LECs group is composed of Calaveras Telephone Co. (U-1004-C), Cal-Ore Telephone Co. (U-1006-C), Ducor Telephone Co. (U-1007-C), Foresthill Telephone Co. (U-1009-C), Happy Valley Telephone Co. (U-1010-C), Hornitos Telephone Co. (U-1011-C), Kerman Telephone Co. (U-1012-C), Pinnacles Telephone Co. (U-1013-C), Ponderosa Telephone Co. (U-1014-C), Sierra Telephone Co. (U-1016-C), Siskiyou Telephone Co. (U-1017-C), Volcano Telephone Co. (U-1019-C), Winterhaven Telephone Co. (U-1021-C), and Frontier Communications West Coast (U-1020-C). These telephone companies generally operate in rural areas and have regulated rates.

ADVICE LETTER NO.	FILED BY:	U- NUMBER:	DATE FILED:	CALENDAR DATE:	APPENDIX:
1	Q-Link WIRELESS, LLC	U-4419-C	9/7/2012	9/12/2012	A-1
3	TAG Mobile, LLC	U-4411-C	9/12/2012	9/19/2012	A-2
2	Budget PrePay, Inc.	U-4412-C	9/14/2012	9/19/2012	A-3
1	Boomerang Wireless, LLC dba enTouch Wireless	U-4436-C	3/4/2013	3/8/2013	A-4

Background

Pursuant to federal law, 47 U.S.C. §214(e)(2), a state commission may designate a common carrier as an ETC if it:

- offers the services supported by the federal Universal Service Fund (USF) either by using its own facilities, resale, or both, and
- advertises the services and the related charges using advertising media of general distribution.

Once designated an ETC, the FCC then authorizes the ETC to receive federal USF support for providing those services supported by the USF (e.g. local telephone service) in high-cost areas and to low-income customers.

The FCC established the ETC program to satisfy the statutory requirement of the Telecommunications Act of 1996.³⁴ The federal USF support creates an incentive for the telephone carriers to provide quality residential telephone services at an affordable rate to low-income consumers and/or those living in designated high-cost areas, e.g. rural areas.

Title 47 U.S.C. Part 54 contains the FCC's Universal Service rules and was issued to implement §254 of the Telecommunications Act regarding universal service. Section 54.401 defines Lifeline as a non-transferrable retail service offering for which qualifying low-income consumers pay a reduced charge for voice telephony service after applying the federal lifeline support amount.⁵

³ 47 U.S.C. Section 153(551) states that "a telecommunications carrier shall be treated as a common carrier under this chapter only to the extent that it is engaged in providing telecommunications services, except that the Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as a common carriage."

⁴ 47 U.S.C. Section 214(e)

⁵ 47 U.S.C. section 54.403

FCC Orders

The FCC made significant changes to the federal Universal Service Program. The following provides a brief summary of some of the relevant aspects of the FCC orders that address ETC matters:

FCC 11-161 (November 18, 2011), the federal USF and Intercarrier Compensation (ICC) Transformation Order, modified the definition of the services that are supported by the Federal USF by eliminating the FCC's former list of nine supported services and adopting a definition that is technology neutral, now focusing on service functionality instead of the technologies used and allowing services to be provided over any platform.⁶

In addition, the order reformed the framework for ETC oversight by the FCC, state commissions, Tribal governments and the Universal Service Administrative Company (USAC)⁷. Specifically, the Order reforms specifically address establishing uniform standards of accountability related to reporting requirements and annual §254(e) certifications⁸; imposing consequences of non-compliance with rules; describes the USAC oversight process, access to cost & revenue data, and oversight of the federal USF/ICC systems including revisions to the information required of common carriers when seeking ETC designation and annual reporting requirements. ETCs must meet public interest obligations and apply new certifications related to the public interest.

FCC 11-189 (December 23, 2011), the Sua Sponte Order on Reconsideration, clarified the attributes of "voice telephony service" by amending the definition of services supported by the federal USF in order to establish a more technologically neutral approach to functionality over any platform, not just based on technology. With the amendment of §54.101, voice telephony services must, by definition provide a) voice grade access to the public switched network or its functional equivalent, b) minutes of use for local service is provided at no additional charge to end users, c) access to emergency services provided by local government or other public safety organizations (e.g. 911 or E-911), and d) toll limitation for qualifying low-income consumers⁹. Additionally, the Order affirmed that Lifeline-only ETCs do not meet the "own facilities" requirement if their facilities no longer support the "voice telephony service" under the amended section. To be in compliance with rules, Lifeline-only carriers seeking ETC designation must use their own facilities, in whole or in part, to provide the supported services or obtain forbearance from the FCC.¹⁰

FCC 12-11 (February 6, 2012), the Lifeline Reform Order, revised the definition of Lifeline service to include technological-neutral terms of service and includes broadband

⁶ ¶ 77

⁷ FCC 11-161 §VIII

⁸ §254(e) ETCs certify that the use of federal support funds is annually only for the provision, maintenance, and upgrading facilities and services.

⁹ FCC 11-189 ¶3

¹⁰ FCC 11-189 ¶4

network services which satisfy the voice telephony service requirement. With the inclusion of broadband services in the Lifeline program, the Order adopted a rule to permit ETCs to allow qualifying consumers to apply Lifeline discounts to all residential service plans that provide voice telephony service including bundled service packages of voice and broadband or packages with optional calling features. ETCs can apply the Lifeline discount to any retail service offering, not just to offerings specifically designed for low-income consumers.¹¹

The Order removed the “local” qualifier because providers no longer distinguish between local and long distance usage since service offerings bundle minutes of use. Lastly, relative to ETC carriers, the Order revised requirements of facilities-based service providers to include demonstration of technical and financial capability, the submission of compliance plans, continued submission of service outage reports and other service quality information, and submission of consumer complaint reports. By adopting these program revisions, the FCC expects to strengthen protections against waste, fraud, and abuse while improving program administration, accountability, and consumer protections.

Resellers must have an FCC-approved Compliance Plan. Title 47 of the U.S.C. §214(e)(1)(A) limits ETC designation to common carriers providing service with their own facilities. The FCC granted forbearance to this requirement to those common carriers that do not meet the “own facilities” requirement, subject to the conditions that:¹² a) the carrier must comply with certain 911 requirements including, but not limited to, the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud, and abuse the FCC may deem necessary; and b) the carrier must file, and the FCC must approve, a compliance plan that provides specific information regarding the carrier’s service offerings and outlining the measures the carrier will take to implement the obligations set forth in FCC 12-11. This includes a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier’s various Lifeline service plan offerings including subscriber rates, number of minutes included, and the types of plans available.

Prior to the adoption of FCC 12-11, an ETC had to demonstrate that it offered a local usage plan comparable to one offered by the incumbent LEC in the service area(s) for which the ETC applicant sought designation. The FCC never adopted a specific local usage threshold leaving it up to a fact specific case-by-case analysis that took into consideration different local calling areas than those of the incumbent LEC, a specified number of free local minutes, or the offering of an unlimited calling plan that bundles local and long distance minutes.¹³ In FCC 12-11, however, the FCC noted that many

¹¹ FCC 12-11 ¶315-316.

¹² FCC 12-11 ¶379.

¹³ FCC 05-46PP 32-33.

providers do not distinguish between local and long distance usage and concluded that carriers may satisfy the obligation to provide local usage via service offerings which bundle local and long distance minutes¹⁴ and concluded that this finding was applicable also to Lifeline service. The FCC, therefore, determined it appropriate to remove the qualifier “local” from Lifeline comparable local usage requirements and determined that prescribing a minimum amount of local minutes was not necessary at this time.

The FCC has declined to prescribe minimum monthly minute standards, finding that it was not necessary because the communications market place should make this determination, citing examples of competitive forces driving up the number of minutes offered to Lifeline customers.¹⁵ While the FCC has not prescribed minimum minutes of use for Lifeline plans, CD reviews an ETC applicant’s proposed plans to determine if they are based on retail offerings of the ETC applicant that are available to its non-Lifeline customers or if the plans are offered only to Lifeline customers. For those Lifeline plans that are not based on retail plans available to all prospective customers, CD staff evaluates the Lifeline customer-only plans in its public interest analysis of each company, which is discussed in the respective Appendix to this Resolution.

FCC 12-52 (May 14, 2012), the Third Order on Reconsideration, extended annual reporting requirements to all recipients of federal high-cost/Connect America Fund (CAF) support, including state-designated ETCs, and clarified that the FCC will not preempt states from imposing state-specific reporting requirements as long as those additional reporting requirements do not create burdens that thwart achievement of the universal service reforms adopted by the FCC.

California Public Utilities Commission Requirements

The Commission may approve federal ETC designation requests when a carrier also complies with the following California state requirements:

Resolution T-17002 (May 25, 2006), adopted *The Comprehensive Procedures and Guidelines for ETC Designation and Requirements for ETCs* that are consistent with the FCC Order 97-157 regarding designation of a telephone carrier as a qualified ETC. All carriers seeking ETC designation in California are required to comply with the applicable federal ETC requirements and CPUC requirements for certificated or registered carriers operating in California which include, but are not limited to: a description of the proposed service offerings and attached service area maps; description of the advertising plan(s); commitment to provide service; submission of the 2-year service quality improvement plan; ability to remain functional; commitment to consumer protection; demonstration that a carrier’s usage plan is comparable to that of the incumbent LEC in the proposed service area; and, public interest determination.

¹⁴ See FCC 12-11 ¶49.

¹⁵ FCC 12-11 ¶50.

General Order 153 (GO 153) implements the Moore Universal Telephone Service Act and contains California LifeLine service requirements. CD staff applies the provisions of GO 153 in the evaluation of wireless ETC designation requests using the list of 22 service elements to which each carrier addresses their compliance.¹⁶ Until the Commission adopts California LifeLine rules for wireless service providers in Rulemaking (R.) 11-03-013, all wireless federal Lifeline offerings in California must comply with GO 153.

User Fees and Surcharges are obligations which CPUC-approved carriers must fulfill. The Public Utilities Commission (PUC) User Fee is levied on all telecommunications carriers providing services directly to customers or subscribers and amount of fees is a percentage calculation based on all intrastate customer billings for telecommunications services. In addition, all telecommunications carriers that provide basic telephone service are required to collect and remit Public Purpose Program (PPP) surcharges from end-users that fund the Commission's universal service program. When reviewing ETC-designation requests, CD staff reviews carrier compliance with these state regulatory requirements for telephone corporations operating in California including, but not limited to, reporting and paying PUC User Fees, PPP surcharges, and submitting required reports.

Notice/Protests

The advice letter filings were served via email to all parties on the ETC service list. Each appeared in the Commission's Daily Calendar as shown in the table in the Summary section of this Resolution. No protests to these advice letter filings have been received.

Discussion

This section discusses the merits of the ETC advice letters for the following four wireless carriers: a) Q Link, b) TAG Mobile, c) Budget Prepay, and d) Boomerang Wireless (dba en Touch wireless).

The four wireless companies do not seek federal high-cost fund support or California LifeLine fund support.

Summaries detailing the ETC review and processing of the four advice letters filed by the carriers are attached as Appendices. Each appendix includes the proposed rate plan offerings and a comparison of the proposed Lifeline plans to incumbent local exchange carriers' California Lifeline measured rate plans.

¹⁶ See Appendix/Attachment ## for list of GO 153 service elements

Each Appendix discusses the method by which a carrier will provide universal service fund supported services, either using its own facilities or through a combination of its own facilities and the resale of another carrier's service.

Each carrier included in its advice letter a summary of how their Lifeline offerings compare to plans offered by both wireless and wireline ILECs and other competitive wireless carriers. Comparisons were based on the analysis method used by staff in Virgin Mobile's ETC Resolution T-17284 (May 5, 2011).

Compliance with Federal ETC Requirements

The FCC defines Lifeline as a non-transferrable retail service offering for which low-income consumers pay a reduced charge as a result of applying the federal Lifeline support amount¹⁷, currently at \$9.25 per month per Lifeline customer¹⁸. A carrier interested in receiving federal ETC designation must apply to the CPUC via advice letter. Upon analysis, the CPUC may approve federal ETC designation. The following FCC ETC requirements must be satisfied by carriers to receive federal ETC designation.

The companies comply with applicable FCC ETC requirements, specifically:

- Demonstrate that the services intended to offered comply with the voice telephony definition
- Advertise using media of general distribution
- Submit FCC-approved Compliance Plan
- Commit to provide service throughout the designated service area
- Demonstrate financial and technical capability – this requirement is addressed in each company's FCC-approved compliance plan
- Commit to submit required compliance reports annually and as requested
- Meet public interest requirements for the proposed service areas
- Commit to satisfy all applicable consumer protection and service quality standards
- Agree to apply the Lifeline support discount to residential retail plans

As discussed more fully in each of the company specific analyses in Appendix A, CD staff believes that the four carriers have complied with these FCC ETC requirements.

Other Requirements: FCC 12-11 ¶389 changed what had previously been some of the ETC designation requirements to annual compliance reporting in order to centralize and streamline certification and reporting requirements. The following information¹⁹ must

¹⁷ Title 47 U.S.C. Part 54.401

¹⁸ FCC 12-11 ¶58.

¹⁹ Title 47 Part 54.422.

be included in annual report compliance filings that are submitted to the FCC and USAC, relevant state commissions, relevant authority in a U.S. territory, and/or Tribal governments: a) company name, holding company name(s), affiliates' name(s), branding (dba), and universal service identifiers for each entity by Study Area Code and b) terms and conditions of any voice telephony plans offered to Lifeline customers including details on number of minutes provided as part of the plan, additional charges for toll calls, and rates for each plan.

Title 47 C.F.R. § 54.401(d) requires that, when an ETC is designated by a state commission, the state commission shall file or require the ETC to file information with

USAC that demonstrates that the ETC's Lifeline plan meets the criteria of universal service support for low-income consumers and describe the terms and conditions of voice telephony service plans offered to Lifeline subscribers including details on the plan's number of minutes provided, additional charges (if any) for toll calls, and rates for each such plans demonstrating that its wireless federal Lifeline service meets the FCC requirements and stating the number of qualifying low-income customers and the amount of state assistance (if applicable)²⁰. To comply with §54.401(d), CD recommends that each ETC-designated company be directed to file the applicable information directly with USAC. USAC will review the service plans to ensure they meet the Lifeline requirements. Once accepted, a copy of each of the wireless companies' certification of approval from the USAC shall be provided to the Communications Division Director within 30 days of receipt from USAC.

Compliance with State Rules

GO 153 Basic Service Elements Compliance:

GO 153 requires compliance with 22 basic service elements of California LifeLine and each of these carriers' compliance is discussed in the Appendices. (See Attachment A of this Resolution for a complete list of California LifeLine requirements.) In summary, CD staff finds that compliance has been satisfied. Each of the four wireless carriers have requested a waiver to basic service elements of California LifeLine related to: (1) the ability to receive free incoming calls, (2) a customer choice of flat rate local service or measured rate local service, (3) free provision of one directory listing per year, (4) availability of free white pages telephone directory, (5) free access to Directory Assistance (DA) calls and (6) free access to 800 and 800-like toll-free numbers. Consistent with the Commission's findings in the Nexus Wireless and Virgin Mobile ETC designation Resolutions,²¹ CD staff recommends each wireless carrier be authorized to waive the requested service elements of California LifeLine with respect to federal

²⁰ USAC requires a copy of a new ETC's designation order issued by its state utility regulator.
<http://www.usac.org/li/telecom-carriers/step03/default.aspx>

²¹ Resolution T-17258 (May 5, 2011), Nexus Wireless ETC designation in California, pp. 11-13 and Resolution T-17284 (May 5, 2011), Virgin Mobile ETC designation in California, pp. 12-14

Lifeline services only until such time that this Commission establishes Lifeline specific rules for wireless offerings in the current California LifeLine rulemaking proceeding.²²

LifeLine Third Party Administrator:

CD staff believes that GO 153 §4.2 related to California LifeLine enrollment procedures provides a reasonable means for wireless carriers to determine if a prospective low-income customer is eligible for wireless federal Lifeline service. In California, enrollment application and renewal functions are performed by the California LifeLine Administrator (CLA).²³ The CLA's process captures inconsistent or duplicative LifeLine/Lifeline enrollments to mitigate "double dipping" into the support funds through regular audits and reports conducted to evaluate companies' enrollment against reimbursements requested. When such inconsistencies arise, the CLA reports. In the case of federal Lifeline program, the FCC and USAC retain the obligation to identify "double dipping" and/or other inconsistent or duplicative draws for reimbursement from the federal support fund.

In addition, GO 153 requires that an annual renewal form be sent to each California federal Lifeline customer to determine continued eligibility.²⁴ CD staff recommends that each wireless carrier be required to comply with GO 153 requirements, including the CLA enrollment application and renewal processes. All of the carriers addressed in this Resolution have stated they will not provide discounted wireless service until the low-income customer is determined eligible and enrolled by the CLA. Once established, the carriers will adjust monthly charge(s) to reflect credits for service used and thereby applying their federal Lifeline cost per the customer's chosen service/rate plan.

Until this Commission establishes new rules for wireless ETC applicants in California, CD staff recommends that the GO 153 California LifeLine enrollment application, verification, and renewal requirements continue to be used in evaluating wireless carrier ETC designation requests to serve California consumers. Communications Division recommends requiring these wireless carriers to label clearly their wireless offerings as *federal Lifeline service* to minimize customer confusion between the California LifeLine and federal Lifeline programs, to include adequate information about the potential coverage and service quality issues, and to provide copies of all marketing materials including, but not limited to, customer service representative scripts, internet marketing, and posters and brochures, to CPUC California LifeLine staff for review and approval prior to publication and distribution.

User Fees and Surcharges:

All of the four wireless carriers commit to complying with state User Fee and Surcharge requirements. As such, CD staff believes compliance with this requirement will be achieved. Carriers are reminded here that a failure to comply with fee and surcharge

²² R.09-06-019

²³ G.O. 153, § 4.2.1. The current California LifeLine Administrator is Xerox.

²⁴ G.O. 153, §§ 4.4 and 4.5

remittances may lead to enforcement action including, but not limited to, revocation of a company's ETC designation and/or wireless identification registration authority.

Providing Wireless Federal Lifeline Service to Customers in Small LEC Service Areas:

None of the four wireless carriers addressed in this Resolution seek ETC designation in the service areas of the Small LECs. Consistent with the policy adopted in Resolution T-17284, they request that the Commission order the Small LECs to provide a list of the ZIP+4 codes²⁵ associated with the Small LECs service areas. These wireless carriers will use the data to ensure that no federal Lifeline services are offered to customers residing in the Small LECs services areas.

CD staff recommends that the Small LECs be required to provide each wireless carrier in this Resolution, as they do for all current ETCs, an updated ZIP+4 code data list of the Small LECs service areas²⁶ within 30 days of the effective date of this Resolution, as appropriate for the company and the service area. The Small LECs shall also be required to provide to these ETC-designated wireless carriers any update to the ZIP+4 code data, as needed. A copy of any updated ZIP+4 code data list shall be filed with the Communications Division Director and the CLA. The ZIP+4 code data shall be provided in an MS Excel file (.xls) format via email to the CD Director. The Small LECs also shall provide the CLA the ZIP+4 code data in a format specified by the CLA.

CD staff considers it appropriate for the Commission to rely on the Small LECs to monitor for instances where they believe a wireless carrier is providing wireless federal Lifeline services to any Small LEC customers. Should such instances arise, the Small LECs can raise for Commission review any related concerns about a wireless carrier's behavior or practices in the Small LECs' service areas. If the matter cannot be resolved informally, the Small LECs can file a formal complaint with the Commission.

Public Interest Determination:

Before designating a carrier as an ETC, CD staff must determine that doing so would be in the public interest for California consumers.²⁷ The carriers explained how their service offerings will give added value to low-income customers in their targeted service areas. Since the federal Lifeline program adopted technology-neutral definition of acceptable service, these wireless resellers give consumers more choice about carrier, service plans and prices, and mobility which is a key element to staying connected. While wireless connectivity has limitations, the choice of mobile communications is a benefit if it fits a low-income customer's budget, needs, and lifestyle.

²⁵ ZIP+4 code is the standard ZIP code with a four digit add-on code. This add-on code identifies a smaller geographic region within the main code, such as a city block, office building, etc. In Resolution T-17284, Virgin Mobile was required to screen prospective Lifeline customers to ensure they do not reside in the Small LECs' territories. The screening can be accomplished by using the list of ZIP+4 codes for the Small LEC service areas.

²⁶ On July 5, 2011, the Small LECs filed with the CPUC the ZIP+4 code data pursuant to Resolution T-17284. On July 6, 2011, Frontier Communications West Coast, Inc. filed the ZIP+4 code data for its service areas pursuant to T-17284.

²⁷ FCC 05-46, paragraph 40, CPUC Resolution T-17002, *Appendix A, Section II-G: Public Interest Determination*

When analyzing pricing, CD believes that it is appropriate to rely on competitive forces to determine what plans are reasonable and therefore recommends that federal Lifeline plans based on retail plans available to all prospective customers, be determined to be reasonable and be allowed to be offered to federal Lifeline customers, less the federal support amount(s).

As part of the public interest analysis, CD staff evaluated each of the applicant's proposed Lifeline plans that were not based on retail plans available to all prospective customers through the prism of what the monthly cost will be to a low-income consumer based on average monthly usage and in comparison to: a) comparable ILEC Lifeline plans, b) other wireless ETC Lifeline plans, and c) each of the applicant's own retail service plans offered to the general public. Detailed analyses are found in the Appendices.

The carriers included in their advice letters a summary of how their Lifeline offerings compare to plans offered by both wireless and wireline ILECs and other competitive wireless carriers. Comparisons were based on the analysis method used by staff in Virgin Mobile's ETC Resolution T-17284 (May 5, 2011). Staff compares proposed Lifeline plans to a carrier's retail plans; however, when a company is a Lifeline-only provider with no retail plan customers, staff compares proposed plans to other available wireless Lifeline plans.

The four carriers propose to market their service plans as follows:

- Q Link Wireless – Lifeline-only; no retail customers
- TAG Mobile, LLC – Lifeline-and Retail customers
- Budget Pre-Pay, Inc. – Lifeline and Retail customers
- Boomerang Wireless, LLC dba enTouch Wireless – Lifeline and Retail customers

Based on its analysis of the carriers' plans, CD staff concludes:

- Q Link Wireless: CD recommends the Commission reject the QLINK free *Plan 250* which would cost the Lifeline customer with 615 average minutes of use more than Plan 500 would cost²⁸. CD recommends approval of the QLINK *Plan 500* for \$5 per month and QLINK *Plan 1000* for \$20 per month.
- TAG Mobile: CD recommends the Commission approve TAG's free monthly *Basic Plan 250*, *Mobile Plan 1000* for \$20 per month, and the *Mobile Plan Unlimited* for \$30 per month.
- Budget Pre-Pay: CD recommends the Commission reject the free *250 Mobile Plan* which would cost the Lifeline customer with average 615 average minutes of use more than the 500 Minute Basic Plan²⁹. CD recommends approval of the *Mobile*

²⁸ See Appendix A-1 to this Resolution.

²⁹ See Appendix A-3 to this Resolution.

500 Plan for \$5 per month, the *Mobile 1000 Plan* for \$20 per month, and the *Unlimited Talk/Text Plan* for \$32 per month.

- Boomerang Wireless: CD recommends the Commission approve the free monthly *250 Minute Basic Plan*.

Regarding customer protection issues, CD conducted due diligence reviews to supplement the public interest analysis to determine if any of the carriers have engaged in behavior that may call into question their fitness to be granted ETC designation to serve California consumers. Such research included Lexis/Nexis legal resource searches, Google internet searches, reviewing industry and trade publications, querying other governmental agencies (e.g. California Secretary of State for business registration), and reviewing CPUC surcharge and fee payment schedules to ensure timely submission of monies. Staff found no fitness issues which would conclude that it is not in the public interest to recommend ETC designation of these four carriers.

Safety Concerns:

Although wireless phone service offers great mobility for consumers, there are safety concerns related to wireless mobile phone service and E-911 and/or 911 connection limitations. 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 direct customers. An incomplete emergency call can have devastating results. Given that E-911 and/or 911 safety is a common concern for all of California's wireless customers. CD staff recommends that these ETC-designated carriers be required to fully and clearly inform prospective Lifeline customers 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 their marketing materials and conspicuous placement on their public websites in the form of information content on webpages, footnotes, and/or listings on a frequently asked questions (FAQ) webpage.

Final Conclusions and Recommendations:

In the Appendices of this Resolution, CD staff details each carrier's request for ETC designation and the content of the advice letters filed including comparison pricing and maps displaying the proposed services areas.

CD staff recommends approval of the wireless federal Lifeline ETC designation requested by these four wireless carriers for the purpose of offering wireless federal Lifeline services in California in the service areas of the URF carriers excluding the Small LEC service areas. Receiving federal ETC designation to commence federal Lifeline operations in California requires full compliance with the following:

- Providing marketing materials to the CD California LifeLine team for review prior to distribution and advertising

- Posting safety-concern content about wireless telephone service coverage limitations on distributed materials and on company websites
- Receiving confirming approval from USAC certifying their plans meet federal requirements under the USAC administration. Carriers are obligated to ensure compliance has been achieved via a letter to the Director of the Communications Division.

Regarding changes to Lifeline plan offerings, the prior policy has been that a wireless ETC in California must file a Tier II Advice Letter to request approval of any changes to these wireless federal Lifeline rate plans³⁰. CD recommends that this rule be applied only to those Lifeline plans that are not based on retail plans that are available to all prospective customers. Such request shall demonstrate that the change complies with Resolution T-17002, i.e. *Appendix A-Sections II-E: Local Usage* and *II-G. Public Interest Determination*, all applicable GO 153 rules, and pricing rules pursuant to D.10-11-033 or as modified and/or updated by subsequent Decisions and/or Resolutions effective at the time of the request.

For changes to Lifeline plans that are based on retail service offerings that are available to all prospective customers, not just Lifeline customers, CD believes that changes from one retail plan to another retail plan should be handled via an Information Only filing, consistent and in compliance with General Order 96-B General Rules 3.9, 6.1, and 6.2, and Telecommunications Industry Rule 2.

COMMENTS

Public Utilities (P.U.) Code Section 311(g)(1) requires that the Commission serve the draft resolution on all parties and make the it available for public review and comment for a period of 30 days or more prior to a vote of the Commission on the resolution. On November 19, 2013, the Commission distributed the draft resolution for comments to the service list attached.

FINDINGS

1. The four wireless carriers identified below filed advice letters requesting eligible telecommunications carrier (ETC) designation in order to provide wireless federal Lifeline services to qualified customers in the service areas of the uniform regulatory framework carriers (URF carriers) excluding the small local exchange carriers (Small LECs) service areas.

³⁰ Resolution T-17339 Ordering Paragraph 3.

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1	Q-Link WIRELESS, LLC	U-4419-C	9/7/2012	9/12/2012	A-1
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2	Budget PrePay, Inc.	U-4412-C	9/14/2012	9/19/2012	A-3
1	Boomerang Wireless, LLC dba enTouch Wireless	U-4436-C	3/4/2013	3/8/2013	A-4

2. The four wireless carriers do not seek federal high-cost fund support or California LifeLine fund support.
3. Summaries detailing the ETC review and processing of the four advice letters filed by the carriers are attached as Appendices. Each appendix includes the proposed rate plan offerings, a comparison of the proposed Lifeline plans to incumbent local exchange carriers' California Lifeline measured rate plans, and proposed service maps.
4. Each Appendix discusses the method by which a carrier will provide universal service fund supported services, either using its own facilities or through a combination of its own facilities and the resale of another carrier's service.
5. The four wireless carriers have met the FCC's ETC requirements.
6. The four wireless carriers have complied with the California Public Utilities Commission's regulatory requirements for telephone corporations operating in California including, but not limited, to reporting and paying PUC user fees, public program surcharges, and submitting required reports.
7. The four wireless carriers have complied with the requirements of Resolution T-17002, e.g., requirements to submit maps, a commitment to provide the services supported by the USF, a demonstration of the ability to remain functional in an emergency situation, and a commitment to satisfy consumer protection and service quality standards.
8. It is reasonable to use Commission rules and policies for California LifeLine service, including D. 10-11-033 and GO 153, for evaluating ETC designation requests, including federal Lifeline offerings by wireless carriers until the Commission adopts specific rules for wireless Lifeline offerings.
9. Each of the four wireless carriers has requested a waiver to certain basic service elements of California LifeLine. related to: (1) the ability to receive free incoming calls, (2) a customer choice of flat rate local service or measured rate

local service, (3) free provision of one directory listing per year, (4) availability of free white pages telephone directory, (5) free access to Directory Assistance (DA) calls and (6) free access to 800 and 800-like toll-free numbers. It is reasonable to grant these requests until the Commission adopts specific rules for wireless Lifeline offerings.

10. Each of the four wireless carriers have committed to carriers comply with GO 153's application, verification, and renewal processes to establish customer eligibility with the California LifeLine Administrator.
11. Communications Division recommends requiring these wireless carriers to label clearly their wireless offerings as *federal Lifeline service* to minimize customer confusion between the California LifeLine and federal Lifeline programs, to include adequate information about the potential coverage and service quality issues, and to provide copies of all marketing materials including, but not limited to, customer service representative scripts, internet marketing, and posters and brochures, to CPUC California LifeLine staff for review and approval prior to publication and distribution. We find this recommendation reasonable and adopt it.
12. None of the four wireless carriers have requested authority to provide federal Lifeline service in small LEC service areas. Communications Division recommends requiring the wireless carriers to utilize the ZIP+4 code data of the small LECs' service areas to ensure that current customers of the small LECs are not accepted as these carriers' federal Lifeline customers. We find this recommendation reasonable and adopt it.
13. Communications Division recommends requiring the small LECs to provide these wireless carriers an updated ZIP+4 code data in their corresponding service areas within 30 days of the effective date of this Resolution. Communications Division recommends that the small LECs also be required to provide, on an as-needed basis, any update to the ZIP+4 code data to these wireless carriers, as with all other wireless designated ETCs in California. A copy of any updated ZIP+4 code data shall be filed with the Communications Division Director and the California LifeLine Administrator (CLA). The ZIP+4 code data shall be provided in an MS Excel file (xls) format via email to the CD director. The small LECs shall provide the CLA the ZIP+4 code data in a format specified by the CLA.
14. Communications Division recommends requiring the small LECs to monitor for instances where they believe these wireless carriers, or any other wireless carrier, are providing wireless federal Lifeline services to any current small LECs customers. The small LECs can raise any related concerns about these wireless carriers, or any other wireless carrier's behavior or practices in the Small LECs' service areas, for Commission review. If the matter cannot be resolved informally, the small LECs can file a formal complaint with the Commission.

15. A copy of these wireless carriers' approval of certification from the USAC should be provided to the Communications Division Director within 30 days of receipt from USAC.
16. Communications Division recommends that these wireless carriers' continued wireless registration and ETC designation in California be dependent upon their compliance with Commission rules including to report revenues and pay PUC User Fees and Public Purpose Program surcharges timely. Failure to comply with fee and surcharge remittances may lead to enforcement action including, but not limited to revocation of a company's ETC designation and/or wireless identification registration authority.
17. The prior policy for changing federal Lifeline plans for wireless federal Lifeline ETCs has been that the wireless ETC must file a Tier II Advice Letter to request approval of any changes to these wireless federal Lifeline rate plans.
18. CD recommends that the rule regarding changes to federal Lifeline plans be applied only to those Lifeline plans that are not based on retail plans that are available to all prospective customers, not just Lifeline Customers. Such request shall demonstrate that the change complies with Resolution T-17002, i.e. *Appendix A-Sections II-E: Local Usage* and *II-G. Public Interest Determination*, all applicable GO 153 rules, and pricing rules pursuant to D.10-11-033 or as modified and/or updated by subsequent Decisions and/or Resolutions effective at the time of the request. We find CD's recommendation reasonable and adopt it.
19. CD recommends that changes to federal Lifeline plans that are based on retail service offerings that are available to all prospective customers, not just Lifeline customers, should be handled via an Information Only filing, consistent, and in compliance with General Order 96-B General Rules 3.9, 6.1, and 6.2, and Telecommunications Industry Rule 2. We find CD's recommendation reasonable and adopt it.
20. CD recommends that granting these four carriers ETC designation is in the public interest.
21. CD staff recommends approval of ETC designation for these four wireless carriers' for the purpose of offering wireless federal Lifeline services in California excluding the Small LEC service areas contingent upon full compliance with the following: 1) review by the California LifeLine Team of carrier marketing materials and 2) wireless mobility safety content on all distributed materials and on company websites, and 3) To comply with §54.401(d), each of the four ETC-designated carriers are directed to file the applicable information directly with USAC for approval. Once approved, a copy of each of the wireless companies'

certification of approval from the USAC shall be provided to the Communications Division Director within 30 days of receipt from USAC. .

- 22. On November 19, 2013, the Commission distributed a draft of this Resolution for comments to the ETC Service List.

THEREFORE, IT IS ORDERED that:

- 1. It is in the public interest to conditionally approve the four wireless carriers listed below with eligible telecommunications carrier (ETC) designation to provide wireless federal Lifeline services throughout California excluding the small local exchange carrier (small LECs) service areas.

ADVICE LETTER NO.	FILED BY:	U-NUMBER:	DATE FILED:	CALENDAR DATE:	APPENDIX:
1	Q-Link WIRELESS, LLC	U-4419-C	9/7/2012	9/12/2012	A-1
3	TAG Mobile, LLC	U-4411-C	9/12/2012	9/19/2012	A-2
2	Budget PrePay, Inc.	U-4412-C	9/14/2012	9/19/2012	A-3
1	Boomerang Wireless, LLC dba enTouch Wireless	U-4436-C	3/4/2013	3/8/2013	A-4

- 2. Approval shall be contingent upon satisfactory/completed review of all marketing materials which list the prescribed inclusion of clear language regarding wireless mobility safety content for subscribers.
- 3. Each company shall offer the wireless federal Lifeline service offerings as listed in Appendices A1-4.
- 4. These four carriers, as other existing wireless ETCs in California, shall be required to file a Tier II Advice Letter to request Commission approval of changes to their approved wireless federal Lifeline service offerings which are granted herein. Such a request shall demonstrate that the change complies with Resolution T-17002, i.e., *Appendix A-Sections II-E: Local Usage and II-G. Public Interest Determination*, all applicable General Order 153 rules, and pricing rules pursuant to Decision 10-11-033 or as modified and/or updated by subsequent Decisions and/or Resolutions effective at the time of the request.
- 5. Changes to Lifeline plans that are based on retail service offerings that are available to all prospective customers, not just Lifeline customers, shall be handled via an Information Only filing, consistent, and in compliance with

General Order 96-B General Rules 3.9, 6.1, and 6.2, and Telecommunications Industry Rule 2 .

6. Until the Commission adopts specific rules for wireless Lifeline offerings, General Order 153 shall continue to be used to evaluate ETC designation requests by wireless carriers including federal Lifeline application and renewal. Once the Commission adopts wireless-specific Lifeline rules, these nine wireless carriers shall be required to comply with those rules.
7. These four wireless carriers shall comply with General Order 153's enrollment application, verification, and renewal processes under the review of the California LifeLine Administrator which establish customer eligibility.
8. Until such time that the Commission establishes additional basic service rules for wireless in the current California LifeLine and/or California High-Cost Fund B rulemaking proceeding, these four wireless carriers shall be authorized waivers from their respective requested basic service elements of California LifeLine related to: (1) the ability to receive free incoming calls; (2) a customer choice of flat rate local service or measured rate local service; (3) free provision of one directory listing per year; (4) availability of free white pages telephone directory; (5) free access to Directory Assistance (DA) calls; and/or, (6) free access to 800 and 800-like toll-free numbers, per the Appendices. An authorized waiver will have no bearing on California LifeLine offerings.
9. These four wireless carriers shall clearly label their offerings as *wireless federal Lifeline* to minimize customer confusion between the California LifeLine and federal Lifeline programs, shall include adequate information about the potential coverage and service quality issues, and shall provide copies of all marketing materials including, but not limited to, customer service representative scripts, internet marketing, and posters and brochures for CPUC California LifeLine staff review and approval prior to distribution of marketing publications.
10. These four wireless carriers shall implement the ZIP+4 codes to screen customers and ensure that current customers of the small LECs are not accepted as wireless federal Lifeline customers to these nine carriers.
11. The small LECs shall be required to provide these four wireless carriers, the same as with all other active wireless ETCs, an updated list of the ZIP+4 code data in their service areas within 30 days of the effective date of this Resolution. The small LECs also shall be required to provide on an as-needed basis any update to the ZIP+4 code data to these four wireless carriers, the same as with all other active wireless designated ETCs in California. A copy of any updated ZIP+4 code data shall be filed with the Communications Division Director and the California LifeLine Administrator (CLA). The ZIP+4 code data shall be provided in an MS Excel file (.xls) format via email to the Communications Division Director. The

small LECs shall provide the CLA the ZIP+4 code data in a format specified by the CLA.

12. The small LECs shall monitor for instances where they believe any of these four wireless carriers, as with all other active wireless carriers, are providing wireless federal Lifeline services to any small LEC customers. The small LECs can raise related concerns about these four wireless carriers', or any other wireless carrier's, behavior or practices in the small LEC service areas for Commission review. If the matter cannot be resolved informally, the small LECs can file a formal complaint with the Commission.
13. A copy of these four wireless carriers' approval of certifications with the USAC shall be provided to the Communications Division Director within 30 days of receipt from USAC.
14. These four wireless carriers shall comply with Commission rules including the reporting and payment of Public Utilities Commission User Fees and Public Purpose Program surcharges. Failure to do so may result in the revocation of a company's ETC designation and wireless identification registration authority to operate in California.

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 December 19, 2013, the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director

APPENDIX A-1
Resolution T-17432

APPENDIX A-1
Resolution T-17432

Q LINK WIRELESS, LLC.

Q LINK Wireless, LLC (Q LINK), a wireless service reseller/provider, is a Florida-based company with principal offices at 499 East Sheridan Street, Suite 200, Dania, Florida 33004.

On February 10, 2012, the Commission issued Q LINK its Wireless Registration Number U-4419-C allowing it to operate as a provider of Commercial Mobile Radiotelephone Services (CMRS) to the public in California.

As discussed in more detail below, Communications Division (CD) finds that Q LINK has complied with FCC Eligible Telecommunications Carrier (ETC) designation requirements, CPUC ETC Resolution T-17002 ETC designation requirements, and CPUC regulatory requirements for telephone corporations operating in California including, but not limited to, reporting and payment of PUC User Fees and Public Purpose Programs (PPP) surcharges and submitting required reports

CD therefore believes that it is in the public interest to designate Q LINK as an ETC to provide only Federal Lifeline service and recommends that the Commission grant Q LINK the requested ETC designation and for the specific Lifeline plans discussed herein.

Subject of the Advice Letter

On August 24, 2012, Q LINK filed Tier III Advice Letter (AL) 2 requesting ETC designation to receive federal support to provide only Lifeline service to qualifying California households in portions of AT&T California, Verizon California, Surewest, and Frontier territories. The federal Lifeline service will be offered on a prepaid basis and will use Sprint Spectrum, L.P. (Sprint) network. At the time the AL was filed, Q LINK had been granted ETC designation in three states and had ETC designation requests pending in 15 states.

On September 7, 2012, Q LINK filed AL 1 as a correction to the advice letter number. Q LINK filed supplement AL 1A on December 21, 2012, to amend its original plan offering of 250 Monthly Minute Plan originally costing \$2.50 per month to no charge (\$0) per month and an activation charge at \$30. At the same time, Q LINK committed to comply with GO 153 LifeLine rules including working with the California Third Party Administrator (TPA) and to submitting all advertising to the California LifeLine Team for review prior to use in the California market.

Q LINK filed supplement AL 1B on February 22, 2013, to amend its request by removing the activation charge from \$30 to no charge (\$0).

The company's Lifeline service offering proposes to give eligible customers three Lifeline plan choices using Sprint nationwide facilities on a wholesale, network-service basis and will exclude the Small LEC service areas.

Compliance with Federal and State ETC requirements:

Following is a discussion of each of the applicable requirements and Q LINK's compliance with each requirement.

Compliance with FCC ETC Requirements:

Be a common carrier that offers providing telephone exchange service and exchange access (§214(e) (1) and (6)). Q LINK submits that it is a common carrier and is able to provide telephone exchange and exchange access through its wholesale arrangements with its underlying facilities based provider, Sprint.

Offer Supported Services 214(e) (1) and Advertise availability of services through media of general distribution:

Q LINK has demonstrated that its Lifeline services meet the definition of voice telephony and Q LINK commits to advertise the availability and rates for its services using media of general distribution.

Service Commitment Throughout Designated Service Area:

Q LINK commits to provide service in the areas that it is designated an ETC, based on the build-out of the facilities and availability of service of its underlying facilities based carrier, Sprint. CD believes that Q LINK qualifying availability of service in its designated areas based on coverage of its underlying facilities-based carrier is reasonable and that Q LINK has met the service commitment obligation.

Resellers must have a FCC approved Compliance Plan:

Q LINK submitted its compliance plan approved by the FCC on August 8, 2012.

Financial and Technical Capability:

Q LINK states in the advice letter that it is financially able to provide Lifeline-supported services as the company does not, and does not intend to, offer exclusively Lifeline-supported services and is therefore not exclusively dependent on USAC for its revenue. The company relies on its technical capability to provide Lifeline service through its senior management which has over 80 years of combined telecommunications industry experience and offers extensive telecommunications business technical and managerial expertise. As a provider of resold wireless, it will also rely on the managerial and technical expertise of its underlying carrier. CD believes that Q LINK has adequately demonstrated that it has the financial and technical capability to offer Lifeline service in its requested area.

Comparable Usage:

Since Q LINK wireless service is focused on serving Lifeline-only customers, CD reviewed its proposed plans as part of its public interest analysis compared to other wireless providers and the ILECs in the area, which is discussed below. Q LINK included in its advice letter a summary of how the company's Lifeline offering compares to plans offered by both wireless and wireline ILECs and other competitive wireless carriers.

Other Requirements:

Q LINK committed to satisfy all applicable consumer protection and service quality standards, specifically committing to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. Q LINK addressed its ability to remain functional in emergency situations by stating that its agreement with its underlying carrier, Sprint, allows Q LINK to provide to its customers the same ability to remain functional as Sprint provides to its customers. This includes access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability to manage traffic spikes resulting from emergency situations. Sprint has redundancies, back-up generator power, and extensive disaster recovery program in place and a network that is consistent across the network so that it is easy to monitor and to troubleshoot should any outage or disruption occur.

Communications Division Due Diligence Review:

An integral part of CD's processing of ETC designation requests is a due diligence review of the company requesting ETC designation. The due diligence review includes, but is not limited to confirming that the company is current with payment of California Public Utilities Commission Reimbursement Fees (referred to as PUC User Fees)³¹ and surcharges³² as required to maintain its operating authority. As well, CD conducts independent research about a company to provide the Commission with background information that may be pertinent in deciding whether or not to grant the ETC designation request. Typical research methods are contacting other government agencies, web searches, and Nexis/Lexis.

At the time of review, Q LINK continues to pay its annual PUC User Fees and timely surcharges. As a condition of its Commission authority and its ETC designation, Q LINK must remain current with its payments. The Commission may revoke Q LINK's authority if the company does not remit timely fee and surcharges. The Commission shall also notify the USAC and the FCC of the effective date of such a revocation. Also, Q LINK did not have any outstanding issues which arose from Nexis/Lexis, government agencies, or other searches which would identify a concern to recommend granting ETC designation in California.

³¹ Public Utilities Code Chapter 2.5, Articles 1 and 3 (§§ 401, 405, and 431).

³² Public Utilities Code Chapter 1. §§ 275-279)

Compliance with Res T-17002

Q LINK has satisfied the applicable requirements set forth in Resolution T-17002 including, but not limited to: providing Lifeline-only services within the proposed service area; providing the designated services; and complying with advertising rules as required by the FCC such as using printed advertisements, billboards, public transit signage, and brochures, all of which will state clearly support from the Federal Lifeline program only. Q LINK states it has the ability to remain functional in emergency situations by working with its underlying carrier, Sprint. Q LINK commits to satisfy all applicable state and federal requirements related to consumer protection and service quality standards.

Public Interest Determination

Q LINK states that its plans support the goals to provide low-income consumers access to telecommunications services with the primary purpose of universal service to ensure low-income consumers affordable and comparable services. Convenience, security with mobility, prepaid plans that control costs, 911 access, and high-quality wireless service and exceptional customer service will serve the public interest in the proposed service area.

Q LINK's proposed plans in the service area will offer consumers low-cost Lifeline-only service with a choice of plans. As stated earlier, AL 1A revised the Plan 250 to be at no cost per month to a Lifeline customer. Per AL 1B, Q LINK eliminated the activation charge for all the plans. Since Q LINK is a Lifeline-only reseller of wireless service, CD staff analysis shows in Chart 1 Q LINK's Plan 250, Plan 500, and Plan 1000 compared to other available wireless Lifeline plans in the service area.

As proposed, Q LINK's wireless offerings have equal or better value for low-income customers when compared to other prepaid wireless Lifeline packages. CD identifies the Plan 500 as the best value when average minutes of use test the excess minutes per charge and recommends not approving the Q LINK Plan 250 because it costs a Lifeline customer with average use more money than the Plan 500. CD recommends approving the Plan 500 and Plan 1000.

Chart 1 -- Comparison of Q LINK Proposed Wireless Lifeline Plans to Other Prepaid Wireless Lifeline Plans in Service Area (Assuming Average Wireless MOU)

	QLINK Plan 250	QLINK Plan 500	QLINK Plan 1000	Telscape 300	Telscape 1000	Virgin Mobile	Nexus 250	Nexus 500	Nexus 1000	Cricket Unlimited
Avg. MOU*	615	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	500	1000	300	1100	1000	250	500	1000	Unlimited
Texts included	-	-	-	-	-	-	-	-	-	-
Avg. Excess MOUs	365	115	-	315	0	0	365	115	0	0
Cost per Min in excess of allowance	\$0.033	\$0.033	\$0.033	\$0.030	\$0.030	\$0.100	\$0.033	\$0.033	\$0.033	0
Cost of excess minutes	\$12.05	\$3.80	\$0.00	\$9.45	\$0.00	\$0.00	\$12.05	\$3.80	\$0	\$0
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$5.00	\$20.00	\$2.50	\$20.00	\$20.00	\$2.50	\$5.00	\$20.00	\$21.50
Total G.O.153 Cost to Customers	\$12.05	\$8.80	\$20.00	\$11.95	\$20.00	\$20.00	\$14.55	\$8.80	\$20.00	\$21.50
Caller ID	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Long Distance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Voicemail	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Excise Tax***	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Additional costs of vertical features	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to Lifeline Customers with 615 MOU and additional costs of vertical features	\$12.05	\$8.80	\$20.00	\$11.95	\$20.00	\$20.00	\$14.55	\$8.80	\$20.00	\$21.50

* Average Minutes of Use based on FCC 16th Annual Report & Order issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

Comparable Local Usage and Equal Access

The FCC requires neither a local usage plan comparable to an incumbent's offering nor equal access to long distance carriers when no other ETC in the area provides such. Q LINK, however, provides a summary of its Lifeline plans comparable to other retail Lifeline plans offered by local exchange carriers to demonstrate its competitive service for the price. See Chart 2.

Chart 2 -- Comparison of Q LINK Proposed Lifeline Plans to California ILEC Lifeline Measured Rate Plans (Assuming Average Wireless MOU)

	QLINK Plan 250	QLINK Plan 500	QLINK Plan 1000	AT&T Lifeline MR (minimum)	AT&T Lifeline MR (maximum)	Verizon Lifeline MR (minimum)	Verizon Lifeline MR (maximum)	Virgin Mobile PayLo 1500	Nexus Reach Out Simple Plan 1000	Metro PCS Unlimited	AT&T Go Phone Unlimited Talk & Text	Sprint Talk 450	Verizon Talk 450
Avg. MOU*	615	615	615	615	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	500	1000	146	146	146	146	1500	1000	Unlimited	Unlimited	450	450
Texts included	-	-	-	-	-	-	-	-	-	-	-	-	-
Avg. Excess MOUs	365	115	-	469	469	469	469	0	0	0	0	165	319
Cost per Min in excess of allowance	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033	\$0.100	\$0.000	\$0.000	\$0.000	\$0.450	\$0.450
Cost of excess minutes	\$12.05	\$3.80	\$0.00	\$20.57	\$20.57	\$20.57	\$20.57	\$0	\$0	\$0	\$0	\$74.25	\$143.55
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$5.00	\$20.00	\$2.50	\$3.66	\$2.50	\$3.66	\$30.00	\$52.95	\$40.00	\$60.00	\$39.99	\$44.99
Total G.O.153 Cost to Customers	\$12.05	\$8.80	\$20.00	\$23.07	\$24.23	\$23.07	\$24.23	\$30.00	\$52.95	\$40.00	\$60.00	\$114.24	\$188.54
Caller ID	\$0.00	\$0.00	\$0.00	\$9.99	\$9.99	\$7.95	\$7.95	-	-	-	-	-	-
Long Distance	\$0.00	\$0.00	\$0.00	\$6.99	\$6.99	\$15.99	\$15.99	-	-	-	-	-	-
Voicemail	\$0.00	\$0.00	\$0.00	N/A	N/A	\$7.45	\$7.45	-	-	-	-	-	-
Federal Excise Tax***	\$0.00	\$0.00	\$0.00	\$0.08	\$0.11	\$0.08	\$0.11	-	-	-	-	-	-
Total Additional costs of vertical features	\$0.00	\$0.00	\$0.00	\$17.06	\$17.09	\$31.47	\$31.50	-	-	-	-	-	-
Total Cost to Lifeline Customers with 615 MOU and additional costs of vertical features	\$12.05	\$8.80	\$20.00	\$40.12	\$41.32	\$54.53	\$55.73	\$30.00	\$52.95	\$40.00	\$60.00	\$114.24	\$188.54

* Average Minutes of Use based on FCC 16th Annual Report & Order issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

Compliance with GO 153

In AL 1A, Q LINK states it will comply with State LifeLine rules regarding consumer enrollment, prequalification, certification, and eligibility verification and working with the California Third Party Administrator. Q LINK seeks waivers from the following eight basic service elements and staff recommends granting them:

- Ability to receive free unlimited incoming calls
- Customer choice of local flat-rate service or measured-rate service
- Free provision of one directory listing per year.
- Free white pages telephone directory
- Free access to 800 or 800-like toll free services
- Free access to toll-blocking service
- Free access to toll0control service
- Access to two residential telephone lines if a low-income household with a disabled person requires both lines for California LifeLine

Staff Recommendation for Q LINK ETC Designation

CD staff finds the *Plan 500*, at a minimum, costs less than the *Plan 250* when the current average minutes of use analysis is applied. A Lifeline customer would pay \$12.05 in one month of overage compared to \$8.80 in a month by a *Plan 500* customer. Since the average use of a wireless customer is estimated currently at 615 minutes per month, eliminating the *Plan 250* makes sense since 250 minutes is low. The *Plan 500* offers better

value to a low-income customer and the *Plan 1000* is comparable in price to other competitive wireless Lifeline offerings.

CD staff recommends approval of Q LINK's request for eligible telecommunications carrier designation to provide federal wireless Lifeline services in California in the proposed service area. In addition, CD recommends approval only of the *Plan 500* for \$5 per month and the *Plan 1000* for \$20 per month and rejecting Q LINK's *Plan 250* for \$0 per month.

APPENDIX A-2
Resolution T-17432

TAG MOBILE, LLC

TAG Mobile, LLC (TAG), a wireless service provider, is a Texas-based company with principal offices at 1330 Capital Parkway, Carrollton, Texas 75006.

On June 29, 2011, the Commission issued TAG its Wireless Registration Number U-4411-C allowing it to operate as a facilities-based carrier and mobile wireless reseller of Commercial Mobile Radiotelephone Services (CMRS) to the public in California.

As discussed in more detail below, CD finds that TAG has complied with FCC Eligible Telecommunications Carrier (ETC) designation requirements, CPUC ETC Resolution T-17002 ETC designation requirements, and CPUC regulatory requirements for telephone corporations operating in California including, but not limited to, reporting and payment of PUC User Fees and Public Purpose Programs (PPP) surcharges and submitting required reports.

CD therefore believes that it is in the public interest to designate TAG as an ETC to provide only Federal Lifeline service and recommends that the Commission grant TAG the requested ETC designation and for the specific Lifeline plans discussed herein.

Subject of the Advice Letter

On September 12, 2012, TAG filed Tier III Advice Letter (AL) 3 requesting ETC designation to receive federal support to provide only Lifeline service to qualifying California households. The federal Lifeline service will be offered on a prepaid basis using a combination of its own facilities and resale of Sprint and Verizon Wireless network service and TAG proposed to offer two Lifeline service plans.

TAG filed Supplement AL 3A on October 17, 2012, to revise that it will not seek service or activation charges. TAG also clarified that it will initiate wireless service at full retail and will adjust a customer's account once Lifeline approval is verified.

TAG filed Supplement AL 3B on February 22, 2013, to revise its original proposal of two Lifeline plans, a 275 minute anytime plan for \$2.50 monthly and a 1000 minute plan for \$20 monthly. The new proposal includes a Basic Plan of 250 voice minutes and 250 domestic texts for no cost (\$0), 1,000 voice and 1000 domestic texts for \$20 per month, and Unlimited voice and domestic text for \$30 per month. With TAG service, a customer can purchase airtime replenishment cards to supplement minutes of use.

The carrier's prepaid wireless Lifeline service offering proposes to give eligible customers three Lifeline Plan choices in its entire service area in California using the

Sprint and Verizon Wireless nationwide facilities on a wholesale, network-service basis and will exclude the Small LEC service areas.

Compliance with Federal and State ETC requirements:

Following is a discussion of each of the applicable requirements and TAG's compliance with each requirement.

Compliance with FCC ETC Requirements:

Be a common carrier that offers providing telephone exchange service and exchange access (§214(e) (1) and (6)). TAG submits that it is a common carrier and is able to provide telephone exchange and exchange access through its wholesale arrangements with its underlying facilities based provider, Sprint and Verizon Wireless.

Offer Supported Services 214(e) (1) and Advertise availability of services through media of general distribution:

TAG has demonstrated that its Lifeline services meet the definition of voice telephony and TAG commits to advertise the availability and rates for its services using media of general distribution.

Service Commitment Throughout Designated Service Area:

TAG commits to provide service in the areas that it is designated an ETC, based on the build-out of the facilities and availability of service of its underlying facilities based carriers, Sprint and Verizon Wireless. CD believes that TAG's qualifying availability of service in its designated areas based on coverage of its underlying facilities-based carrier(s) is reasonable and that TAG has met the service commitment obligation.

Resellers must have a FCC approved Compliance Plan:

TAG submitted its compliance plan approved by the FCC on August 8, 2012.

Financial and Technical Capability:

In its FCC-approved Compliance Plan, TAG states it has provided telecommunications service since March 2010 and has provided Lifeline service since October 2010. TAG receives revenue from other sources completely independent from the Lifeline reimbursement review it receives. Other revenue sources include income from replenishment airtime minutes, sale of prepaid wireless service to non-Lifeline consumers, sale of wholesale airtime to smaller and/or regional wireless service providers, and sale of various other ancillary services; therefore, TAG does not rely exclusively on Lifeline reimbursement for its operating revenues. The FCC accepted TAG's technical capability through its proof as one of 11 sister companies under Amvensys Capital Group, LLC, which operates a total of four telecommunications service companies (dPiTeleconnect, TAG Mobile, Unity Telecom, and Intelliverse).

Comparable Usage:

CD reviewed its proposed plans as part of its public interest analysis compared to other wireless providers and the ILECs in the area, which is discussed below. TAG included in its advice letter a summary of how the company's Lifeline offering compares to plans offered by both wireless and wireline ILECs and other competitive wireless carriers.

Other Requirements:

TAG committed to satisfy all applicable consumer protection and service quality standards, specifically committing to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. TAG addressed its ability to remain functional in emergency situations by stating that its arrangement with its underlying carriers, Sprint and Verizon Wireless, allow TAG to provide to its customers the same ability to remain functional as Sprint and Verizon Wireless provide to their customers. This includes access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability to manage traffic spikes resulting from emergency situations.

Communications Division Due Diligence Review:

An integral part of CD's processing of ETC designation requests is a due diligence review of the company requesting ETC designation. The due diligence review includes, but is not limited to confirming that the company is current with payment of California Public Utilities Commission Reimbursement Fees (referred to as PUC User Fees)³³ and surcharges³⁴ as required to maintain its operating authority. As well, CD conducts independent research about a company to provide the Commission with background information that may be pertinent in deciding whether or not to grant the ETC designation request. Typical research methods are contacting other government agencies, web searches, and Nexis/Lexis.

At the time of review, TAG continues to pay its annual PUC User Fees and timely surcharges. As a condition of its Commission authority and its ETC designation, TAG must remain current with its payments. The Commission may revoke TAG's authority if the company does not remit timely fee and surcharges. The Commission shall also notify the USAC and the FCC of the effective date of such a revocation. Also, TAG did not have any outstanding issues which arose from Nexis/Lexis, government agencies, or other searches which would identify a concern to recommend granting ETC designation in California.

Compliance with Res T-17002

TAG has satisfied the applicable requirements set forth in Resolution T-17002 including, but not limited to: providing Lifeline-only services within the proposed service area; providing the designated services; and complying with advertising rules as required by

³³ Public Utilities Code Chapter 2.5, Articles 1 and 3 (§§ 401, 405, and 431).

³⁴ Public Utilities Code Chapter 1. §§ 275-279)

the FCC such as using printed advertisements, billboards, public transit signage, and brochures, all of which will state clearly support from the Federal Lifeline program only. TAG states it has the ability to remain functional in emergency situations by working with its underlying carriers, Sprint and Verizon Wireless. TAG commits to satisfy all applicable state and federal requirements related to consumer protection and service quality standards.

Public Interest Determination

TAG states that it meets the FCC criteria for determination of public interest determination including that the benefits of increased competitive choice and the unique advantages and disadvantages of the carrier's service offering. Convenience, security with mobility, prepaid plans that control costs, 911 access, and high-quality wireless service alternative and exceptional customer service will serve the public interest in TAG's proposed service area.

TAG's proposed plans in the service area will offer consumers low-cost Lifeline-only service with a choice of plans. As stated earlier, AL 3B revised the proposed services to include a *TAG Basic Plan* 250 voice minutes and 250 domestic texts for no cost (\$0), *TAG Mobile Plan 1,000* with voice and 1000 domestic texts for \$20 per month, and *TAG Mobile Plan Unlimited* voice and domestic text for \$30 per month.

As proposed, TAG's wireless offerings have equal or better value for low-income customers when compared to other prepaid wireless Lifeline packages. CD recommends approving all three Lifeline plans which offer equal or better value compared to other available Lifeline plans.

Chart 1 -- Comparison of TAG Proposed Wireless Lifeline Plans to Other Prepaid Wireless Lifeline Plans in Service Area (Assuming Average Wireless MOU)

	TAG Basic Plan 250	TAG Mobile Plan 1000	TAG Mobile Plan Unlimited	Nexus 250	Nexus 500	Nexus 1000	Cricket Unlimited
Avg. MOU *	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	1000	Unlimited	250	500	1000	Unlimited
Avg. Excess MOUs	365	-	-	365	115	-	-
Cost per Min in excess of allowance	\$0.027	\$0	\$0	\$0.033	\$0.033	\$0.033	\$0.000
Cost of excess minutes	\$9.86	\$0	\$0	\$12.05	\$3.80	\$0.00	\$0.00
Retail Cost of Plan	\$0.00	\$20.00	\$30.00	\$2.50	\$3.50	\$20.00	\$21.50
Total Cost to Lifeline Customers	\$9.86	\$20.00	\$30.00	\$14.55	\$7.30	\$20.00	\$21.50
Texts included	250	1000	Unlimited				
Basic Handset (911/E911 compliant)	N/C	N/C	N/C	-	-	-	-
Local Calls	N/C	N/C	N/C	-	-	-	-
Long Distance	N/C	N/C	N/C	-	-	-	-
Voicemail, Caller ID, Call Waiting, Call Forwarding, 3-Way Calling	N/C	N/C	N/C	-	-	-	-
Directory Assistance, 800, 711 (uses Minutes)	N/C	N/C	N/C	-	-	-	-
911/E-911 Emergency Services, 611	N/C	N/C	N/C	-	-	-	-
Customer Service	N/C	N/C	N/C		-	-	-
Total Cost to Lifeline Customers	\$9.86	\$20.00	\$30.00	\$14.55	\$7.30	\$20.00	\$21.50

Plan choices based on Supplement AL#3B filed February 22, 2013

* Average Minutes of Use based on FCC 16th Annual Report & Order issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

Comparable Local Usage and Equal Access

The FCC requires neither a local usage plan comparable to an incumbent's offering nor equal access to long distance carriers when no other ETC in the area provides such. TAG, however, provides a summary of its Lifeline plans comparable to other retail Lifeline plans offered by local exchange carriers to demonstrate its competitive service for the price. See Chart 2.

Chart 2 -- Comparison of TAG Proposed Lifeline Plans to California ILEC Lifeline Measured Rate Plans (Assuming Average Wireless MOU)

	TAG Basic Plan 250	TAG Mobile Plan 1000	TAG Mobile Plan Unlimited	AT&T Lifeline MR (minimum)	AT&T Lifeline MR (maximum)	Verizon Lifeline MR (minimum)	Verizon Lifeline MR (maximum)	Virgin Mobile PayLo 1500	Nexus Reach Out Simple Plan 1000	Metro PCS Unlimited	AT&T Go Phone Unlimited Talk & Text	Sprint Talk 450	Verizon Talk 450
Avg. MOU*	615	615	615	615	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	1000	Unlimited	146	146	146	146	1500	1000	Unlimited	Unlimited	450	450
Avg. Excess MOUs	365	-	-	469	469	469	469	-	-	-	-	165	165
Cost per Min in excess of allowance	\$0.027	\$0	\$0	\$0.033	\$0.033	\$0.033	\$0.033	\$0.100	\$0.000	\$0.000	\$0.000	\$0.450	\$0.450
Cost of excess minutes	\$9.86	\$0	\$0	\$15.48	\$15.48	\$15.48	\$15.48	\$0	\$0	\$0	\$0	\$74.25	\$74.25
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$20.00	\$30.00	\$2.50	\$3.66	\$2.50	\$3.66	\$30.00	\$52.95	\$40.00	\$60.00	\$39.99	\$44.99
Total G.O.153 Cost to Customers	\$9.86	\$20.00	\$30.00	\$23.07	\$24.23	\$23.07	\$24.23	\$30.00	\$52.95	\$40.00	\$60.00	\$114.24	\$119.24
Texts included	250	1000	Unlimited	-	-	-	-	-	-	-	-	-	-
Caller ID	\$0.00	\$0.00	\$0.00	\$9.99	\$9.99	\$7.95	\$7.95	-	-	-	-	-	-
Long Distance	\$0.00	\$0.00	\$0.00	\$6.99	\$6.99	\$15.99	\$15.99	-	-	-	-	-	-
Voicemail	\$0.00	\$0.00	\$0.00	N/A	N/A	\$7.45	\$7.45	-	-	-	-	-	-
Federal Excise Tax**	\$0.00	\$0.00	\$0.00	\$0.08	\$0.11	\$0.08	\$0.11	-	-	-	-	-	-
Total Additional costs of vertical features	\$0.00	\$0.00	\$0.00	\$17.06	\$17.09	\$31.47	\$31.50	-	-	-	-	-	-
Total Cost to Lifeline Customers with 769 MOU and additional costs of vertical features	\$9.86	\$20.00	\$30.00	\$40.13	\$41.32	\$54.54	\$55.73	\$30.00	\$52.95	\$40.00	\$60.00	\$114.24	\$119.24

Plan choices based on Supplement AL#3B filed February 22, 2013

* Average Minutes of Use based on FCC 16th Annual Report & Order issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

Compliance with GO 153

TAG states it will comply with State LifeLine rules regarding consumer enrollment, prequalification, certification, and eligibility verification and working with the California Third Party Administrator. TAG seeks waivers from the following six basic service elements and staff recommends granting them:

- Ability to receive free unlimited incoming calls
- Customer choice of local flat-rate service or measured-rate service
- Free provision of one directory listing per year.
- Free white pages telephone directory
- Free access to 800 or 800-like toll free services
- Access to two residential telephone lines if a low-income household with a disabled person requires both lines for California LifeLine

Staff Recommendation for TAG ETC Designation

CD staff recommends approval of TAG's request for eligible telecommunications carrier designation to provide federal wireless Lifeline services in California in the proposed service area and approving TAG's three Lifeline plans: *TAG Basic 250 Plan* for \$0 per month, *TAG Mobile Plan 1,000* for \$20 per month, and *TAG Mobile Plan Unlimited* for \$30 per month.

APPENDIX A-3
Resolution T-17432

BUDGET PREPAY, INC. dba BUDGET MOBILE

Budget Pre-Pay, Inc. (Budget Prepay Wireless³⁵), dba Budget Mobile, a wireless service provider, is a Louisiana-based company with principal offices at 1325 Barksdale Boulevard, Suite 200, Bossier City, Louisiana 71111.

On September 1, 2011, the Commission issued Budget Pre-Pay Wireless its Wireless Registration Number U-4412-C allowing it to operate as a wireless reseller of Commercial Mobile Radiotelephone Services (CMRS) to the public in California.

As discussed in more detail below, CD finds that Budget PrePay Wireless has complied with FCC Eligible Telecommunications Carrier (ETC) designation requirements, CPUC ETC Resolution T-17002 ETC designation requirements, and CPUC regulatory requirements for telephone corporations operating in California including, but not limited to, reporting and payment of PUC User Fees and Public Purpose Programs (PPP) surcharges and submitting required reports.

CD therefore believes that it is in the public interest to designate Budget PrePay Wireless as an ETC to provide only Federal Lifeline service and recommends that the Commission grant Budget PrePay Wireless the requested ETC designation and for the specific Lifeline plans discussed herein.

Subject of the Advice Letter

On September 14, 2012, Budget Pre-Pay Wireless filed Tier III Advice Letter (AL) 2 requesting ETC designation to receive federal support to provide only Lifeline service to qualifying California households in portions of AT&T, Verizon, SureWest, and Frontier territories. The company's Lifeline service offering proposes to give eligible customers four Lifeline rate plan choices using Sprint facilities on a wholesale, network-service basis.

Budget Pre-Pay Wireless filed Supplement AL 2A on January 23, 2013, to revise its original proposal of the Lifeline plans: a 250 Monthly Minute Plan for \$2.50 per month; a 500 Monthly Minute Plan for \$5 per month; a 1,000 minute plan for \$20 per month; and, an unlimited Talk and Text plan for \$32 per month. The supplement only revised the Budget Mobile 250Plan from \$2.50 to no cost (\$0) per month.

³⁵ To avoid confusion with Budget Pre-Pay, Inc.'s landline operations (U-6654-C), we refer to the entity seeking ETC designation as Budget Pre-Pay wireless.

Compliance with Federal and State ETC requirements:

Following is a discussion of each of the applicable requirements and Budget PrePay Wireless' compliance with each requirement.

Compliance with FCC ETC Requirements:

Be a common carrier that offers providing telephone exchange service and exchange access (§214(e) (1) and (6)). Budget PrePay Wireless submits that it is a common carrier and is able to provide telephone exchange and exchange access through its wholesale arrangements with its underlying facilities based provider, Sprint.

Offer Supported Services 214(e) (1) and Advertise availability of services through media of general distribution:

Budget PrePay Wireless has demonstrated that its Lifeline services meet the definition of voice telephony and Budget PrePay Wireless commits to advertise the availability and rates for its services using media of general distribution.

Service Commitment Throughout Designated Service Area:

Budget PrePay Wireless commits to provide service in the areas that it is designated an ETC and through its wholesale contractual arrangement with Sprint. Budget PrePay Wireless' coverage area will encompass the coverage area of its underlying carrier. CD believes that Budget PrePay Wireless' qualifying availability of service in its designated areas based on coverage of its underlying facilities-based carrier(s) is reasonable and that Budget PrePay Wireless has met the service commitment obligation.

Resellers must have a FCC approved Compliance Plan:

Budget PrePay Wireless submitted its compliance plan approved by the FCC on May 25, 2012.

Financial and Technical Capability:

Budget Prepay Wireless states that it has been in business since 1996 and currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to hundreds of thousands of customers and employs hundreds of people across the country. Budget PrePay Wireless owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana and has invested millions of dollars in software development including its own customized, user friendly point-of-sale software. Budget PrePay Wireless has not been subject to any enforcement action at the FCC or in any state and none of its ETC designations have been rescinded, revoked, or terminated by the FCC or by any state. CD believes Budget PrePay Wireless satisfies this requirement.

Comparable Usage:

CD reviewed its proposed plans as part of its public interest analysis compared to other wireless providers and the ILECs in the area, which is discussed below. Budget PrePay

Wireless included in its advice letter a summary of how the company's Lifeline offering compares to plans offered by both wireless and wireline ILECs and other competitive wireless carriers.

Other Requirements:

Budget PrePay Wireless committed to satisfy all applicable consumer protection and service quality standards, specifically committing to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. Budget PrePay Wireless addressed its ability to remain functional to provide and maintain essential telecommunications services in times of emergency. It stated that its wholesale provider maintains a backup power consistent with industry standards and is capable of managing traffic spikes and rerouting traffic. Budget PrePay Wireless maintains backup power for the switching facilities it owns. .

Communications Division Due Diligence Review:

An integral part of CD's processing of ETC designation requests is a due diligence review of the company requesting ETC designation. The due diligence review includes, but is not limited to confirming that the company is current with payment of California Public Utilities Commission Reimbursement Fees (referred to as PUC User Fees)³⁶ and surcharges³⁷ as required to maintain its operating authority. As well, CD conducts independent research about a company to provide the Commission with background information that may be pertinent in deciding whether or not to grant the ETC designation request. Typical research methods are contacting other government agencies, web searches, and Nexis/Lexis.

At the time of review, Budget PrePay Wireless continues to pay its annual PUC User Fees and timely surcharges. As a condition of its Commission authority and its ETC designation, Budget PrePay Wireless must remain current with its payments. The Commission may revoke Budget PrePay Wireless's authority if the company does not remit timely fee and surcharges. The Commission shall also notify the USAC and the FCC of the effective date of such a revocation. Also, Budget PrePay Wireless did not have any outstanding issues which arose from Nexis/Lexis, government agencies, or other searches which would identify a concern to recommend granting ETC designation in California.

Compliance with Res T-17002

Budget PrePay Wireless has satisfied the applicable requirements set forth in Resolution T-17002 including, but not limited to: providing Lifeline-only services within the proposed service area; providing the designated services; and complying with advertising rules as required by the FCC such as using printed advertisements, billboards, public transit signage, and brochures, all of which will state clearly support from the Federal Lifeline program only. Budget PrePay Wireless states it has the ability

³⁶ Public Utilities Code Chapter 2.5, Articles 1 and 3 (§§ 401, 405, and 431).

³⁷ Public Utilities Code Chapter 1. §§ 275-279)

to remain functional in emergency situations by working with its underlying carrier, Sprint. Budget PrePay Wireless commits to satisfy all applicable state and federal requirements related to consumer protection and service quality standards.

Public Interest Determination

Budget PrePay Wireless states that it meets the FCC criteria for determination of public interest determination including that the benefits of increased competitive choice, convenience, security with mobility, prepaid plans that offer plans that best meets customer needs. Budget PrePay Wireless' service offering is a high-value wireless service that includes unlimited local and domestic long distance calling, unlimited text messaging, and other service elements.

Budget PrePay Wireless's proposed plans in the service area will offer consumers low-cost Lifeline-only service with a choice of plans. As stated earlier, AL 2A revised only the *Budget Mobile 250 Plan* from \$2.50 to no cost (\$0) per month included with the other proposed plans noted as *Budget Mobile 500 Plan* for \$5 per month; a *Budget Mobile 1,000 Plan* for \$20 per month; and, an *Budget Mobile Unlimited Talk/Text Plan* for \$32 per month.

As proposed, Budget PrePay Wireless' offerings have equal or better value for low-income customers when compared to other prepaid wireless Lifeline packages. CD identifies the *500 Monthly Minute Plan* as the best value when average minutes of use test the excess minutes per charge and recommends not approving the *Budget Mobile 250 Plan* because it costs a Lifeline customer with average use more money than the *Budget Mobile 500 Plan*. CD recommends approving the *Budget Mobile 500 Plan*, *Budget Mobile 1000 Plan*, and *Budget PrePay Unlimited Talk/Text Plan*.

Chart 1 -- Comparison of Proposed Wireless Lifeline Plans to Other Prepaid Wireless Lifeline Plans in Service Area (Assuming Average Wireless MOU)

	Budget Mobile 250	Budget Mobile 500	Budget Mobile 1000	Budget PrePay Unlimited Talk/Text	Nexus 250	Nexus 500	Nexus 1000	Virgin 1000	Cricket Unlimited
Avg. MOU*	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	500	1000	Unlimited	250	500	1000	1000	Unlimited
Texts included	-	-	-	-	-	-	-	-	-
Avg. Excess MOUs	365	115	-	-	365	115	-	-	-
Cost per Min in excess of allowance	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033	0	0
Cost of excess minutes	\$12.05	\$3.80	\$0.00	\$0.00	\$12.05	\$3.80	\$0	\$0	\$0
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$5.00	\$20.00	\$32.00	\$2.50	\$5.00	\$20.00	\$20.00	\$21.50
Total G.O.153 Cost to Customers	\$12.05	\$8.80	\$20.00	\$32.00	\$14.55	\$8.80	\$20.00	\$20.00	\$21.50
Caller ID	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Long Distance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Voicemail	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Excise Tax***	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Additional costs of vertical features	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to Lifeline Customers with 615 MOU and additional costs of vertical features	\$12.05	\$8.80	\$20.00	\$32.00	\$14.55	\$8.80	\$20.00	\$20.00	\$21.50

Plan choices based on Supplement AL 2A filed January 13, 2013

* Average Minutes of Use based on FCC 16th Annual Report & Order issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

Comparable Local Usage and Equal Access

The FCC requires neither a local usage plan comparable to an incumbent's offering nor equal access to long distance carriers when no other ETC in the area provides such. Budget PrePay Wireless, however, provides a summary of its Lifeline plans comparable to other retail Lifeline plans offered by local exchange carriers to demonstrate its competitive service for the price. See Chart 2.

Chart 2 -- Comparison of Proposed Lifeline Plans to California ILEC Lifeline Measured Rate Plans (Assuming Average Wireless MOU)

	Budget Mobile 250	Budget Mobile 500	Budget Mobile 1000	Budget PrePay Unlimited Talk/Text	AT&T Lifeline MR (minimum)	AT&T Lifeline MR (maximum)	Verizon Lifeline MR (minimum)	Verizon Lifeline MR (maximum)
Avg. MOU	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	500	1000	Unlimited	146	146	146	146
Avg. Excess MOUs	365	115	-	-	469	469	469	469
Cost per Min in excess of allowance	\$0.033	\$0.033	\$0.033	N/C	\$0.033	\$0.033	\$0.033	\$0.033
Cost of excess minutes	\$12.05	\$3.80	-	-	\$15.48	\$15.48	\$15.48	\$15.48
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$5.00	\$20.00	\$32.00	\$2.50	\$3.66	\$2.50	\$3.66
Total G.O.153 Cost to Customers	\$12.05	\$8.80	\$20.00	\$32.00	\$17.98	\$19.14	\$17.98	\$19.14
Caller ID	\$0.00	\$0.00	\$0.00	\$0.00	\$9.99	\$9.99	\$7.95	\$7.95
Long Distance	\$0.00	\$0.00	\$0.00	\$0.00	\$6.99*	\$6.99*	\$15.99	\$15.99
Voicemail	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	\$7.45	\$7.45
Federal Excise Tax***	\$0.00	\$0.00	\$0.00	\$0.00	\$0.08	\$0.11	\$0.08	\$0.11
Total Additional costs of vertical features	\$0.00	\$0.00	\$0.00	\$0.00	\$17.06	\$17.09	\$31.47	\$31.50
Total Cost to Lifeline Customers with 769 MOU and additional costs of vertical features	\$12.05	\$8.80	\$20.00	\$32.00	\$35.04	\$36.23	\$49.45	\$50.64

Plan choices based on Supplement AL 2A filed January 13, 2013

* Average Minutes of Use based on FCC 16th Annual Report & Order issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

Compliance with GO 153

Budget PrePay Wireless states it will comply with State LifeLine rules regarding consumer enrollment, prequalification, certification, and eligibility verification and working with the California Third Party Administrator. Budget PrePay Wireless seeks waivers from the following six basic service elements and staff recommends granting them:

- Ability to receive free unlimited incoming calls
- Free provision of one directory listing per year.
- Free white pages telephone directory
- Free access to 800 or 800-like toll free services

Staff Recommendation for Budget PrePay Wireless ETC Designation

CD staff finds the *Budget Mobile 500*, at a minimum, costs less than the *Plan 250* when the current average minutes of use analysis is applied. A Lifeline customer would pay \$12.05 in one month of overage compared to \$8.80 in a month by a *Budget Mobile 500* customer. Since the average use of a wireless customer is estimated currently at 615 minutes per month, eliminating the *Budget Mobile 250* makes sense since 250 minutes is low. The *Budget Mobile 500* offers better value to a low-income customer. The *Budget Mobile 1000* and *Unlimited Talk/Text Plans* are comparable in price to other competitive wireless Lifeline offerings.

Therefore, CD staff recommends approval of Budget PrePay Wireless' request for eligible telecommunications carrier designation to provide federal wireless Lifeline

services in California in the proposed service area. In addition, CD recommends approving the *Budget Mobile 500 Plan* at \$5 per month, *Budget Mobile 1000 Plan* at \$20 per month, and *Budget PrePay Unlimited Talk/Text Plan* at \$32 per month and recommends rejecting the Budget PrePay Wireless's *Budget Mobile 250 Plan*.

APPENDIX A-4
Resolution T-17432

BOOMERANG WIRELESS, LLC dba enTOUCH WIRELESS

Boomerang Wireless, LLC (Boomerang), dba enTouch Wireless, a wireless service provider, is an Iowa-based company with principal offices at 955 Kacena Road, Suite A, Hiawatha, Iowa 5223.

On September 24, 2012, the Commission issued Boomerang its Wireless Registration Number U-4436-C allowing it to operate as a wireless reseller of Commercial Mobile Radiotelephone Services (CMRS) to the public in California.

As discussed in more detail below, CD finds that Budget PrePay Wireless has complied with FCC Eligible Telecommunications Carrier (ETC) designation requirements, CPUC ETC Resolution T-17002 ETC designation requirements, and CPUC regulatory requirements for telephone corporations operating in California including, but not limited to, reporting and payment of PUC User Fees and Public Purpose Programs (PPP) surcharges and submitting required reports.

CD therefore believes that it is in the public interest to designate Budget PrePay Wireless as an ETC to provide only Federal Lifeline service and recommends that the Commission grant Budget PrePay Wireless the requested ETC designation and for the specific Lifeline plans discussed herein.

Subject of the Advice Letter

On March 4, 2013, Boomerang Wireless, LLC filed Tier III Advice Letter (AL) 1 requesting ETC designation to receive federal support to provide only Lifeline service to qualifying California households statewide in all exchanges to the extent that its underlying wireless providers Sprint, Verizon and other GSM carriers have facilities and coverage, excluding the Small LEC service areas. The company proposes to offer one (1) Lifeline service plan that includes 250 Talk and/or Text with 25 Mb data per month at no charge. Customers also may purchase additional airtime cards in "units" for voice minutes and/or text messages which expire thirty (30) days after activation.

Compliance with Federal and State ETC requirements:

Following is a discussion of each of the applicable requirements and Boomerang's compliance with each requirement.

Compliance with FCC ETC Requirements:

Be a common carrier that offers providing telephone exchange service and exchange access (§214(e) (1) and (6)). Boomerang submits that it is a common carrier and is able to

provide telephone exchange and exchange access through its wholesale arrangements with its underlying facilities based providers, Sprint and Verizon.

Offer Supported Services 214(e) (1) and Advertise availability of services through media of general distribution:

Boomerang has demonstrated that its Lifeline services meet the definition of voice telephony and to advertise the availability and rates for its services using media of general distribution

Service Commitment Throughout Designated Service Area:

Boomerang commits to provide service in the areas that it is designated an ETC and through its wholesale contractual arrangement with Sprint and Verizon. Boomerang's coverage area will encompass the coverage area of its underlying carriers. CD believes that Boomerang's qualifying availability of service in its designated areas based on coverage of its underlying facilities-based carrier(s) is reasonable and that Boomerang has met the service commitment obligation.

Resellers must have a FCC approved Compliance Plan:

Boomerang submitted its compliance plan approved by the FCC on August 8, 2012.

Financial and Technical Capability:

In its FCC-approved compliance plan, Boomerang states it is one of three wholly owned subsidiaries of HH Ventures LLC, an Iowa company. The other two subsidiaries are enMarket, LLC and Ready Wireless, LLC. HH Ventures LLC is a profitable, cash flow positive wireless telecommunications holding company which employs forty full-time employees. The company's core management team includes six senior executives with more than 100 years of combined telecom experience.

Comparable Usage:

CD reviewed its proposed plans as part of its public interest analysis compared to other wireless providers and the ILECs in the area, which is discussed below. Boomerang included in its advice letter a summary of how the company's Lifeline offering compares to plans offered by both wireless and wireline ILECs and other competitive wireless carriers.

Other Requirements:

Boomerang committed to satisfy all applicable consumer protection and service quality standards, specifically committing to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. Boomerang stated that through the use of facilities obtained from other carriers, Boomerang can provide the same ability to remain functional in emergency situation as currently provided by the carriers to their own customers including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

Communications Division Due Diligence Review:

An integral part of CD's processing of ETC designation requests is a due diligence review of the company requesting ETC designation. The due diligence review includes, but is not limited to confirming that the company is current with payment of California Public Utilities Commission Reimbursement Fees (referred to as PUC User Fees)³⁸ and surcharges³⁹ as required to maintain its operating authority. As well, CD conducts independent research about a company to provide the Commission with background information that may be pertinent in deciding whether or not to grant the ETC designation request. Typical research methods are contacting other government agencies, web searches, and Nexis/Lexis.

At the time of review, Boomerang continues to pay its annual PUC User Fees and timely surcharges. As a condition of its Commission authority and its ETC designation, Boomerang must remain current with its payments. The Commission may revoke Boomerang's authority if the company does not remit timely fee and surcharges. The Commission shall also notify the USAC and the FCC of the effective date of such a revocation. Also, Boomerang did not have any outstanding issues which arose from Nexis/Lexis, government agencies, or other searches which would identify a concern to recommend granting ETC designation in California.

Compliance with Res T-17002

Boomerang has satisfied the applicable requirements set forth in Resolution T-17002 including, but not limited to: providing Lifeline-only services within the proposed service area; providing the designated services; and complying with advertising rules as required by the FCC such as using printed advertisements, billboards, public transit signage, and brochures, all of which will state clearly support from the Federal Lifeline program only. Boomerang states it has the ability to remain functional in emergency situations by working with its underlying carriers, Sprint and Verizon. Boomerang commits to satisfy all applicable state and federal requirements related to consumer protection and service quality standards.

Public Interest Determination

Boomerang states that it meets the FCC criteria for determination of public interest determination including that the benefits of increased competitive choice, convenience, security with mobility, ability to purchase additional usage, ability to use supported service to send and receive text messages in a prepaid plan.

Boomerang's proposed plan in the service area will offer consumers low-cost Lifeline-only service with its *Basic 250 Plan* for \$0 per month.

³⁸ Public Utilities Code Chapter 2.5, Articles 1 and 3 (§§ 401, 405, and 431).

³⁹ Public Utilities Code Chapter 1. §§ 275-279)

Chart 1 -- Comparison of Proposed Wireless Lifeline Plans to Other Prepaid Wireless Lifeline Plans in Service Area (Assuming Average Wireless MOU)

	Boomerang 250 Minute Basic Plan	Telscape 300	Telscape 1000	Virgin 1000	Nexus 250	Nexus 500	Nexus 1000	Cricket Unlimited
Avg. MOU*	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	300	1000	1000	250	1000	1000	Unlimited
Avg. Excess MOUs	365	315	-	-	365	-	-	-
Cost per Min in excess of allowance	\$0.016	\$0.030	\$0.030	\$0.100	\$0.033	\$0.033	\$0.033	0
Cost of excess minutes **	\$5.84	\$9.45	\$0	\$0	\$12.05	\$0	\$0	\$0
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$2.50	\$20.00	\$20.00	\$2.50	\$5.00	\$20.00	\$21.50
Total G.O.153 Cost to Customers	\$5.84	\$11.95	\$20.00	\$20.00	\$14.55	\$5.00	\$20.00	\$21.50
Caller ID	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Long Distance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Voicemail	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Excise Tax***	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Additional costs of vertical features	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to Lifeline Customers with 769 MOU and additional costs of vertical features	\$5.84	\$11.95	\$20.00	\$20.00	\$14.55	\$5.00	\$20.00	\$21.50

* Average Minutes of Use based on FCC *16th Annual Report & Order* issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

** Assumes the purchase of an airtime replenishment card to make up the excess minutes of 365 for \$20 (30 days use of 500 additional minutes).

Comparable Local Usage and Equal Access

The FCC requires neither a local usage plan comparable to an incumbent's offering nor equal access to long distance carriers when no other ETC in the area provides such. Boomerang, however, provides a summary of its Lifeline plans comparable to other retail Lifeline plans offered by local exchange carriers to demonstrate its competitive service for the price. See Chart 2.

Chart 2 -- Comparison of Proposed Lifeline Plans to California ILEC Lifeline Measured Rate Plans (Assuming Average Wireless MOU)

	Boomerang 250 Minute Basic Plan	AT&T Lifeline MR (minimum)	AT&T Lifeline MR (maximum)	Verizon Lifeline MR (minimum)	Verizon Lifeline MR (maximum)	Virgin Mobile PayLo 1500	Nexus Reach Out Simple Plan 1000	Metro PCS Unlimited	AT&T Go Phone Unlimited Talk & Text	Sprint Talk 450	Verizon Talk 450
Avg. MOU*	615	615	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	250	146	146	146	146	1500	1000	Unlimited	Unlimited	450	450
Avg. Excess MOUs	365	469	469	469	469	0	0	0	0	165	165
Cost per Min in excess of allowance	\$0.016	\$0.033	\$0.033	\$0.033	\$0.033	\$0.100	\$0.000	\$0.000	\$0.000	\$0.450	\$0.450
Cost of excess minutes	5.84	\$20.57	\$20.57	\$20.57	\$20.57	\$0	\$0	\$0	\$0	\$74.25	\$74.25
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$2.50	\$3.66	\$2.50	\$3.66	\$30.00	\$52.95	\$40.00	\$60.00	\$39.99	\$44.99
Total G.O.153 Cost to Customers	\$5.84	\$23.07	\$24.23	\$23.07	\$24.23	\$30.00	\$52.95	\$40.00	\$60.00	\$114.24	\$119.24
Caller ID	\$0.00	\$9.99	\$9.99	\$7.95	\$7.95	-	-	-	-	-	-
Long Distance	\$0.00	\$6.99*	\$6.99*	\$15.99	\$15.99	-	-	-	-	-	-
Voicemail	\$0.00	N/A	N/A	\$7.45	\$7.45	-	-	-	-	-	-
Federal Excise Tax***	\$0.00	\$0.08	\$0.11	\$0.08	\$0.11	-	-	-	-	-	-
Total Additional costs of vertical features	\$0.00	\$17.06	\$17.09	\$31.47	\$31.50	-	-	-	-	-	-
Total Cost to Lifeline Customers with 769 MOU and additional costs of vertical features	\$5.84	\$40.12	\$41.32	\$54.53	\$55.73	\$30.00	\$52.95	\$40.00	\$60.00	\$114.24	\$119.24

* Average Minutes of Use based on FCC 16th Annual Report & Order issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

** Assumes the purchase of an airtime replenishment card to make up the excess minutes of 365 for \$20 (30 days use of 500 additional minutes).

Compliance with GO 153

Boomerang states it will comply with State LifeLine rules regarding consumer enrollment, prequalification, certification, and eligibility verification and working with the California Third Party Administrator. Boomerang seeks waivers from the following six basic service elements and staff recommends granting them:

- Ability to receive free unlimited incoming calls
- Customer choice of local flat-rate service or measured-rate service
- Free provision of one directory listing per year.
- Free white pages telephone directory
- Free access to 800 or 800-like toll free services
- Access to two residential telephone lines if a low-income household with a disabled person requires both lines for California LifeLine

Staff Recommendation for Boomerang ETC Designation

CD staff recommends approval of Boomerang’s request for eligible telecommunications carrier designation to provide federal wireless Lifeline services in California in the proposed service area and approving Boomerang’s Basic 250 Plan for \$0 per month.

(END OF APPENDIX A)