

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Communications Division  
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17437  
May 15, 2014**

**R E S O L U T I O N**

Resolution T-17437. This Resolution conditionally grants the request of TAG Mobile, LLC to be designated as an Eligible Telecommunications Carrier to provide only federal Lifeline wireless service in specified areas of California.

**Summary**

By this Resolution, the California Public Utilities Commission (CPUC or Commission) conditionally grants the request of TAG Mobile, LLC (TAG) (U-4411-C), a wireless carrier, to be designated as an Eligible Telecommunications Carrier (ETC) to provide only federal Lifeline wireless service to qualifying customers in California in the service areas of the Uniform Regulatory Framework (URF) carriers<sup>1</sup> excluding the Small Local Exchange Carriers (Small LECs)<sup>2</sup> service areas. TAG only seeks federal Lifeline support and does not seek federal high-cost fund support or California LifeLine fund support. This advice letter is consistent with the Federal Communications Commission's (FCC) Lifeline requirements, the Commission's ETC requirements of Resolution T-17002, applicable CPUC General Order (GO) 153 LifeLine requirements, and applicable requirements for CPUC wireless registered carriers. We find that the request is reasonable and consistent with the public interest and should be granted to the extent allowed by this Resolution.

---

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

<sup>2</sup> 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.

## 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.<sup>34</sup> 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.

47 C.F.R. §§ 54.400 – 54.422 contain the FCC’s Universal Service rules and were 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.<sup>5</sup>

### 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.<sup>6</sup>

---

<sup>3</sup> 47 U.S.C. § 153(51) 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.”

<sup>4</sup> 47 U.S.C. § 214(e).

<sup>5</sup> 47 C.F.R. § 54.403.

<sup>6</sup> *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket

In addition, the Order reformed the framework for ETC oversight by the FCC, state commissions, Tribal governments, and the Universal Service Administrative Company (USAC).<sup>7</sup> The Order established uniform national standards of accountability related to reporting requirements and annual § 254(e) certifications<sup>8</sup>; imposed consequences of non-compliance with rules; described the USAC oversight process, access to cost & revenue data; and, updated 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 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 consumers.<sup>9</sup> 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.<sup>10</sup>

**FCC 12-11 (February 6, 2012), the Lifeline Reform Order**, revised the definition of Lifeline service to include technological-neutral terms of service and 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.<sup>11</sup>

---

No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking (FCC 11-161) (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) ¶ 77.

<sup>7</sup> *Id.* at § VIII.

<sup>8</sup> 47 U.S.C. § 254(e) requires ETCs to use federal support funds only for the provision, maintenance, and upgrading facilities and services.

<sup>9</sup> *Connect America Fund et al.*, WC Docket 10-90 et al., Order on Reconsideration, 26 FCC Red 17633 (2011)(*First Order on Reconsideration*) ¶ 3.

<sup>10</sup> *Id.* at ¶ 4.

<sup>11</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Dkt. 11-42, WC Dkt. 03-109, CC Dkt. 96-45, WC Dkt. 12-23 (FCC 12-11) rel. Feb 6, 2012 (*Lifeline Reform Order*) ¶¶ 315-316.

The Order updated the definition of Lifeline to be consistent with the new definition of the supported services (e.g. voice telephony service) and removed the “local” qualifier because many providers no longer distinguish between local and long distance usage since service offerings bundle minutes of use. 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.<sup>12</sup> In FCC 12-11, however, the FCC noted that many 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 minutes<sup>13</sup> 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 Order updated its ETC rules<sup>14</sup> for all ETCs by: a) modifying the definition of ETC to include ETC’s designated by the FCC as well as by the states; b) requiring all carriers requesting ETC designation to demonstrate financial and technical capability to provide Lifeline services; and, c) streamlining annual reporting requirements, including service outages, into a new section 47 C.F.R. § 54.422. By adopting these program revisions, the FCC expects to strengthen protections against waste, fraud, and abuse while improving program administration, accountability, and consumer protections.

47 U.S.C. § 214(e)(1)(A) requires an ETC to provide the supported services through the use of its own facilities or a combination of its own facilities and resale. The Order concluded that forbearance from the facilities requirement would be in the public interest because it will increase connection among providers of telecommunications services. As a condition of granting forbearance from the “own-facilities” rule, resellers must have an FCC-approved Compliance Plan. Section 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<sup>15</sup>: a) the carrier must comply with certain 911 requirements including, but not limited to, the procedures the ETC follows in enrolling a

---

<sup>12</sup> *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Dkt. 96-45 (FCC 05-46), rel. Mar 17, 2005. ¶¶ 32-33.

<sup>13</sup> *Lifeline Reform Order* at ¶ 49.

<sup>14</sup> *Id.* at ¶¶ 384-391.

<sup>15</sup> *Id.* at ¶ 379.

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 outlines 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.

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.<sup>16</sup> While the FCC has not prescribed minimum minutes of use for Lifeline plans, Communications Division (CD) staff 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 ETC request.

**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 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

---

<sup>16</sup> *Id.* at ¶ 50.

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.

**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 ETC designation requests using the list of 22 service elements to which each carrier addresses their compliance.<sup>17</sup> Federal Lifeline wireless ETCs must comply with current provisions of GO 153 until the Commission revises GO 153 and determines the extent to which revised GO 153 and revised California LifeLine service elements should apply to federal Lifeline wireless ETCs in the California LifeLine Rulemaking (R.) 11-03-013.

**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 the 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 filing was served via email to all parties on the ETC service list and appeared in the Commission's Daily Calendar on September 19, 2012. No protests to this advice letter filing were received.

## Discussion

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 Identification number U-4411-C allowing it to operate as a facilities-based carrier and mobile wireless reseller of Commercial Mobile Radio telephone Services (CMRS) to the public in California.

On September 12, 2012, TAG filed Tier III Advice Letter (AL) 3 requesting ETC designation to receive federal support to provide only federal Lifeline wireless service to

---

<sup>17</sup> See *Attachment B* for list of GO 153 service elements.

qualified customers in the service areas of the uniform regulatory framework carriers, excluding the small local exchange carriers (Small LECs) service areas. The federal Lifeline wireless 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 assess service or activation charges. TAG also clarified that it will initiate wireless service at full retail price and will adjust a customer's account when Lifeline eligibility 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 three offerings: a *TAG Basic Plan 250* with 250 voice minutes and 250 domestic texts at no cost (\$0), *TAG Mobile Plan 1,000* with 1,000 voice minutes and 1,000 domestic texts for \$20 per month, and *TAG Mobile Plan Unlimited* with 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 federal Lifeline wireless service offerings propose 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 Rules**

#### **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 amount<sup>18</sup>, currently at \$9.25 per month per Lifeline customer.<sup>19</sup> The following FCC ETC requirements must be satisfied by a carrier to receive federal ETC designation. TAG addressed the FCC ETC requirements as follows:

**Demonstrate that the services intended to be offered comply with the voice telephony definition** - Pursuant to 47 U.S.C. § 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 providers, Sprint and Verizon.

**Advertise using media of general distribution** - TAG demonstrates 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.

---

<sup>18</sup> 47 C.F.R. § 54.401.

<sup>19</sup> *Lifeline Reform Order* at ¶ 58.

**Commit to provide service throughout the 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. TAG's coverage area will encompass the coverage area of its underlying carriers. TAG states that through the use of facilities obtained from other carriers, it can provide the same ability to remain functional in emergency situations 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.

**Resellers submit FCC-approved compliance plan** - TAG submits its compliance plan approved by the FCC on August 8, 2012.

**Demonstrate financial and technical capability** - In its FCC-approved compliance plan, TAG states it has provided telecommunications service in other states since March 2010 and has provided Lifeline service since October 2010. TAG receives revenue from other sources besides the federal Lifeline fund. 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).

**Commit to submit required compliance reports annually and as requested** - TAG commits to reporting on an annual basis consistent with requirements.

**Meet public interest requirements for the proposed service areas** - TAG asserts that it meets the FCC criteria for the determination of public interest 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* with 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* with 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.

**Commit to satisfy all applicable consumer protection and service quality standards** - TAG commits 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.

**Agree to apply the Lifeline support discount to residential retail plans** - TAG states that it will apply the \$9.25 Lifeline support amount to the proposed plans.

CD staff finds that TAG has complied with the above FCC ETC requirements.

**Other Federal 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 information<sup>20</sup> must be included in TAG's 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.

47 C.F.R. § 54.401(d) requires that when a state commission designates an ETC, 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. Such details include a description of 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 the rates for each such plans demonstrating that its federal Lifeline wireless service meets the FCC requirements and stating the number of qualifying low-income customers and the amount of state assistance (if applicable).<sup>21</sup> To comply with § 54.401(d), CD recommends that the Commission direct TAG to file the applicable information directly with USAC. USAC will review the service plans to ensure they meet the federal Lifeline requirements. Once USAC accepts the service plans, TAG shall provide to the Communications Division Director a copy of the information submitted to USAC and a copy of TAG's certification of approval from the USAC within 30 days of receipt from USAC.

---

<sup>20</sup> 47 C.F.R. § 54.422.

<sup>21</sup> 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>. Site last visited February 21, 2014.

### **Compliance with State Rules**

#### **GO 153 Basic Service Elements Compliance:**

GO 153 requires compliance with 22 basic service elements of California LifeLine and TAG's compliance is discussed in *Appendix A*. (See *Attachment B* of this resolution for a complete list of California LifeLine basic service requirements.) In summary, CD staff finds that compliance has been satisfied. TAG requested a waiver from some basic service elements of California LifeLine as set forth in D.10-11-033, specifically the following: (4) the ability to receive free incoming calls, (10) customer choice of local flat-rate or measured-rate service, (11) free provision of one directory listing per year, (12) availability of free white pages telephone directory, (15) free access to 800 and 800-like toll-free numbers, and (21) access to two residential telephone lines if a low-income household with a disabled person requires both lines to access California LifeLine.<sup>22</sup>

CD staff recommends granting waivers from elements (4), (10), (11), (12), and (15) because they do not apply to wireless service providers but to providers of wireline services; the Commission has granted such waivers in the past. CD staff recommends TAG be authorized to waive these service elements of California LifeLine with respect to federal Lifeline services until such time that this Commission revises GO 153 and determines the extent to which revised GO 153 rules and revised California LifeLine service elements should apply to federal Lifeline wireless ETCs in the California LifeLine rulemaking proceeding. However, CD staff does not recommend granting a waiver to element (21) because federal Lifeline wireless providers comply with this service element currently and because D.14-01-032 maintains this element as a requirement in the California LifeLine rules for wireless carriers.<sup>23</sup> Since all wireless carriers are required to provide access to *two lines* for a household with a disabled person, CD staff does not recommend granting a waiver to requested element (21).

#### **LifeLine Third Party Administrator:**

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 federal Lifeline wireless service. In California, the California LifeLine Administrator (CLA) performs enrollment application and renewal functions.<sup>24</sup> The CLA's process captures inconsistent or duplicative LifeLine/Lifeline enrollments to mitigate "double dipping" into the support funds through periodic duplicate checks. When such inconsistencies arise, the CLA de-enrolls the customer and informs the carrier of record. In the case of the 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 Lifeline customer to determine continued eligibility.<sup>25</sup> TAG agrees to comply with GO 153

---

<sup>22</sup> D.10-11-033 (November 19, 2010).

<sup>23</sup> D.14-01-032 (January 16, 2014), *Attachment D, Appendix A-2*, service element 17 (revised).

<sup>24</sup> GO 153, § 4.2.1. The current California LifeLine Administrator is Xerox.

<sup>25</sup> GO 153, §§ 4.4, 4.5.

requirements, including consumer enrollment, prequalification, certification, eligibility verification and annual renewal, and working with the CLA. TAG stated it will not provide discounted wireless service until the low-income customer is determined eligible and enrolled by the CLA. Once established, TAG will adjust monthly charges to reflect credits for service used and thereby will apply the federal Lifeline support cost to the customer's chosen service/rate plan.

CD staff recommends that the GO 153 California LifeLine enrollment application, verification, and renewal requirements continue to be used in evaluating wireless carrier requests for ETC designation to serve California consumers. CD staff recommends that the Commission require TAG to label clearly its wireless offerings as "*federal Lifeline service*". Doing so would minimize customer confusion between the California LifeLine and federal Lifeline programs, disseminate adequate information about potential coverage and service quality issues, and 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.

**Resolution T-17002 Compliance:**

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 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.

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 fees and surcharges. The Commission shall also notify the USAC and the FCC of the effective date of such a revocation.

TAG states it has the ability to remain functional in emergency situations by working with its underlying carriers, Sprint and Verizon. TAG commits to satisfy all applicable state and federal requirements related to consumer protection and service quality standards.

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

TAG does not seek ETC designation in the service areas of the Small LECs. Consistent with the policy adopted in Resolution T-17284, TAG requests that the Commission order the Small LECs to provide a list of the ZIP+4 codes<sup>26</sup> associated with the Small LECs

---

<sup>26</sup> 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.

service areas. TAG will use that data to ensure that no federal Lifeline wireless service is offered to customers residing in the Small LECs' services areas.

CD staff recommends that the Commission require the Small LECs to provide to TAG, as they do for all current ETCs, an updated ZIP+4 code data list of the Small LECs' service areas<sup>27</sup> within 30 days of the effective date of this Resolution, as appropriate for the carrier and the service area. The Small LECs should also be required to provide to TAG any update to the ZIP+4 code data, as needed. TAG should file a copy of any updated ZIP+4 code data list 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 federal Lifeline wireless service to any Small LEC customers. Should such instances arise, the Small LECs can raise for Commission review any related concerns about TAG'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 recommending designation of a carrier as an ETC, CD staff must determine that doing so would be in the public interest for California consumers.<sup>28</sup> In the Lifeline Order, the FCC clearly states the importance of promoting universal service principles<sup>29</sup> and in that context that the Lifeline program includes a public interest determination particularly for Lifeline-only ETCs where forbearance of the facilities-based requirement exists.<sup>30</sup> TAG explained how its service offering would give added value to low-income customers in the targeted service areas. Since the federal Lifeline program adopted a technology-neutral definition for supported service, TAG gives consumers other choices of service plans and price in addition to mobility, 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. TAG states that it meets the FCC criteria for public interest determination, including the benefits of increased competitive choice, convenience, security with mobility, ability to purchase additional usage, and the ability to use supported service to send and receive text messages in a prepaid plan.

---

<sup>27</sup> 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.

<sup>28</sup> *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Dkt 96-45 (FCC 05-46), released Mar 17, 2005 ¶ 40 and CPUC Resolution T-17002, *Appendix A, Section II-G: Public Interest Determination*.

<sup>29</sup> 47 U.S.C. § 254(b)(c)(e)(2).

<sup>30</sup> *Lifeline Reform Order* at ¶¶ 219,378, 362, and fn 968.

### Price Analysis

When analyzing pricing, it is appropriate to rely on competitive forces to determine what plans are reasonable. Therefore, CD recommends that federal Lifeline plans based on currently available retail plans be considered reasonable and should be offered to federal Lifeline customers, less the federal support amount(s).

CD staff evaluated TAG's proposed through the prism of the expected monthly cost to a low-income consumer based on average minutes of use<sup>31</sup> in comparison to comparable incumbent local exchange carrier (ILEC) Lifeline plans and other wireless ETC Lifeline plans.

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* with 250 voice minutes and 250 domestic texts at no cost (\$0), *TAG Mobile Plan 1,000* with 1,000 voice minutes and 1,000 domestic texts for \$20 per month, and *TAG Mobile Plan Unlimited* with 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.

Customers can purchase, as needed, TAG's *California Lifeline Replenishment* airtime available at its retail locations and its website to "top up" minutes of voice and text. Chart 1 shows that if a Lifeline customer exhausts the monthly 250 minutes, in order to obtain the 615 Average wireless Minutes of Use per month, s/he can purchase *California Lifeline Replenishment* to add time. The \$16.50 purchase recharges 500 minutes. Staff's review found that when a Lifeline customer requires more than 250 minutes in a month, the additional out-of-pocket cost of a 500-minute re-charge for \$16.50 betters the cost of a majority of existing plans. Staff finds TAG's proposed plan equal to or better than other prepaid federal Lifeline wireless plans currently available.

---

<sup>31</sup> *In the Matter of Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993 Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, WT Dkt. No. 11-186 (FCC 13-34) (*Sixteenth Report on Mobile Competition*). The FCC annually issues a mobile competition report which reflects analysis of 2011 data submitted by carriers. CD staff analysis uses the 615 average minutes of use (MOU) for wireless voice as a base to evaluate Lifeline plan offerings (Table 38).

Chart 1 -- Comparison of Proposed Federal Lifeline Wireless Plans to Other Prepaid Federal Lifeline Wireless 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
Texts included	-	-	-	-	-	-	-
Avg. Excess MOUs	365	-	-	365	115	-	-
Cost per Min in excess of allowance	\$0.033	\$0	\$0	\$0.033	\$0.033	\$0	\$0
Cost of excess minutes**	\$12.05	\$0	\$0	\$12.05	\$3.80	\$0	\$0
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0.00	\$20.00	\$30.00	\$2.50	\$3.50	\$20.00	\$21.50
Total GO 153 Cost to Customers	\$12.05	\$20.00	\$30.00	\$14.55	\$7.30	\$20.00	\$21.50
Caller ID	-	-	-	-	-	-	-
Long Distance	-	-	-	-	-	-	-
Voicemail	-	-	-	-	-	-	-
Federal Excise Tax	-	-	-	-	-	-	-
Total Additional costs of vertical features	-	-	-	-	-	-	-
Total Cost to Lifeline Customers with 615 MOU and additional costs of vertical features	\$12.05	\$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 13-34 16th Mobile Wireless Competition Report issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.  
 \*\* Cost of Excess Minutes (365) assumes purchase of TAG's California Lifeline Replenishment top-up of 500 Minutes for \$16.50, \$0.033 per minute.

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 federal Lifeline wireless plans comparable to other retail federal Lifeline wireless and prepaid wireless plans offered by local exchange carriers to demonstrate its competitive service for the price when including Average Minutes of Use by a customer in a month. See Chart 2.

Chart 2 -- Comparison of Proposed Federal Lifeline Wireless Plans to California ILEC Federal Lifeline Wireless Measured Rate Plans and Prepaid Wireless 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	\$0.033	\$0	\$0	\$0.033	\$0.033	\$0.033	\$0.033	\$0.100	\$0	\$0	\$0	\$0.450	\$0.450
Cost of excess minutes**	\$12.05	\$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 GO 153 Cost to Customers	\$12.05	\$20.00	\$30.00	\$17.98	\$19.14	\$17.98	\$19.14	\$30.00	\$52.95	\$40.00	\$60.00	\$114.24	\$119.24
Caller ID	-	-	-	\$9.99	\$9.99	\$7.95	\$7.95	-	-	-	-	-	-
Long Distance	-	-	-	\$6.99*	\$6.99*	\$15.99	\$15.99	-	-	-	-	-	-
Voicemail	-	-	-	N/A	N/A	\$7.45	\$7.45	-	-	-	-	-	-
Federal Excise Tax	-	-	-	\$0.08	\$0.11	\$0.08	\$0.11	-	-	-	-	-	-
Total Additional costs of vertical features	-	-	-	\$17.06	\$17.09	\$31.47	\$31.50	-	-	-	-	-	-
Total Cost to Lifeline Customers with 769 MOU and additional costs of vertical features	\$12.05	\$20.00	\$30.00	\$35.04	\$36.23	\$49.45	\$50.64	\$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 13-34 16th Mobile Wireless Competition Report issued March 19, 2013, Table 38. Avg MOU 615, Year 2011.

\*\* Cost of Excess Minutes (365) assumes purchase of TAG's California Lifeline Replenishment top-up of 500 Minutes for \$16.50, \$0.033 per minute.

**Due Diligence Review:**

An integral part of CD's processing of an ETC designation request is a due diligence review of the requesting carrier to supplement the public interest analysis and to determine if the carrier has engaged in behavior that may call into question its fitness to be granted ETC designation to serve California consumers. The due diligence review includes, but is not limited to, confirming that a company is current with payment of California Public Utilities Commission Reimbursement Fees (referred to as PUC User Fees)<sup>32</sup> and surcharges<sup>33</sup> as required to maintain its operating authority. In addition, CD conducts independent research about a carrier 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 performing 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), reviewing a company's the history of operations, and checking CPUC surcharge and user fee payment schedules to ensure timely submission of monies to date.

In CD's due diligence review of TAG, we did not uncover any substantive fitness issues to deny approval of TAG's ETC request. We, therefore, believe TAG's ETC request is consistent with the public interest. TAG, however, is put on notice that should substantive issues emerge after this ETC is approved which raises public interest questions about TAG's operations, the Commission may pursue an enforcement action which may include fines, penalties, and the revocation of ETC designation and/or wireless identification registration authority.

**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 TAG be required to fully and clearly inform prospective federal Lifeline wireless 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 marketing materials and conspicuous placement on the public website in the form of information content on webpages, footnotes, and/or listings on a frequently asked questions (FAQ) webpage.

---

<sup>32</sup> PU Code §§ 401, 405, and 431.

<sup>33</sup> PU Code §§ 275-279.

**Changes to Federal Lifeline Wireless Plans:**

Regarding changes to federal Lifeline wireless 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 federal Lifeline wireless rate plans.<sup>34</sup> CD recommends that the Commission apply this rule to TAG's Lifeline plans since these are not based on a retail plans currently available to all prospective customers at the time of filing. 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.

**Final Conclusions and Staff Recommendations:**

CD staff recommends conditional approval of the federal Lifeline wireless ETC designation TAG requests for the purpose of offering federal Lifeline wireless service in California in the service areas of the URF carriers, excluding the Small LEC service areas. Designation as a federal Lifeline ETC to commence federal Lifeline wireless operations in California requires full compliance with the following requirements:

- TAG will comply with 47 C.F.R. § 54.401(d) by filing the required information directly with USAC to certify that its federal Lifeline wireless plan meets federal requirements under the USAC administration. TAG is obligated to report within 30 days of receipt from USAC that compliance has been achieved via a letter to the Director of CD including a copy of the information submitted to USAC and a copy of TAG's certification of approval from the USAC;
- Per CD staff's recommendation to deny its waiver, TAG will offer access to two residential telephone lines in a household with a disabled person, pursuant to GO 153 service element (21);
- TAG will provide marketing materials to the CPUC California LifeLine staff for review prior to distribution and advertising;
- TAG will comply with CPUC User Fee and Public Purpose Program surcharge requirements because failure to comply with fee and surcharge remittance requirements may lead to enforcement action including, but not limited to, revocation of TAG's ETC designation and/or wireless identification registration authority;
- TAG will file a copy of updated ZIP+4 code data list with the Director of CD and the California LifeLine Administrator; and,
- TAG will post safety-concern content about wireless telephone service coverage limitations on distributed materials and on its company website.

---

<sup>34</sup> Resolution T-17339 Ordering Paragraph 3.

## COMMENTS

In compliance with P.U. Code § 311(g), the Commission emailed a notice letter on April 15, 2014, informing all parties on the eligible telecommunications carrier service list of the availability of this resolution for public comments at the Commission's website [www.cpuc.ca.gov](http://www.cpuc.ca.gov). The notice letter also informed parties that the final conformed resolution adopted by the Commission will be posted and available at this same website.

## FINDINGS AND CONCLUSIONS

1. TAG Mobile, LLC, a wireless service provider, is a Texas-based company with principal offices at 1330 Capital Parkway, Carrollton, Texas 75006.
2. On June 29, 2011, the Commission issued TAG Mobile, LLC its Wireless Identification 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.
3. On September 12, 2012, TAG Mobile, LLC filed Tier III Advice Letter (AL) 3 requesting Eligible Telecommunications Carrier designation to receive federal support to provide only federal Lifeline wireless service to qualified customers in the service areas of the uniform regulatory framework carriers, excluding the small local exchange carriers (Small LECs) service areas. It proposed offering two Lifeline plans, a 275 minute anytime plan for \$2.50 monthly and a 1,000 minute plan for \$20 monthly.
4. TAG Mobile, LLC only seeks federal Lifeline support and does not seek federal high-cost fund support or California LifeLine fund support.
5. TAG Mobile, LLC filed Supplement AL 3A on October 17, 2012, to revise that it will not assess service or activation charges and clarified that it will initiate wireless service at full retail and will adjust a customer's account when Lifeline eligibility is verified.
6. TAG Mobile, LLC filed Supplement AL 3B on February 22, 2013, to modify its offerings to three plans: the *TAG Basic 250 Plan* of 250 voice minutes and 250 domestic texts for no cost (\$0), the *TAG Mobile Plan 1,000* with 1,000 voice and 1,000 domestic texts for \$20 per month, and the *TAG Mobile Plan Unlimited* with unlimited voice and domestic text for \$30 per month.
7. TAG Mobile, LLC has met the FCC's Eligible Telecommunications Carrier requirements.

8. TAG Mobile, LLC will file the required service plan information pursuant to 47 C.F.R. § 54.401(d) with the Universal Service Administrative Company (USAC). USAC will review the service plans to ensure they meet the federal Lifeline requirements. Once accepted, a copy of the information submitted to USAC and a copy of TAG Mobile, LLC's certification of approval from the USAC shall be provided to the Communications Division Director within 30 days of receipt from USAC.
9. TAG Mobile, LLC requested a waiver to six service elements of California LifeLine: (4) the ability to receive free incoming calls, (10) customer choice of local flat-rate service or measured-rate service; (11) free provision of one directory listing per year, (12) availability of free white pages telephone directory, (15) free access to 800 and 800-like toll-free numbers, and (21) access to two residential telephone lines if a low-income household with a disabled person requires both lines to access California LifeLine.
10. It is reasonable to grant waivers for LifeLine elements (4), (10), (11), (12), and (15) because they do not apply to wireless service providers but to providers of wireline services; the Commission has granted such waivers in the past.
11. Communications Division does not recommend granting a waiver to LifeLine element (21) because federal Lifeline wireless providers comply with this service element currently and because Decision 14-01-032 maintains this element as a requirement in the California LifeLine rules for wireless carriers (*Attachment D, Appendix A-2, service element (17)*).
12. Current General Order 153 shall continue to be used to evaluate ETC designation requests by wireless carriers including federal Lifeline applications and renewals until the Commission revises General Order 153 rules and determines the extent to which revised General Order 153 rules and revised California LifeLine service elements should apply to federal Lifeline wireless offerings in Rulemaking 11-03-013. TAG Mobile, LLC shall be required to comply with current GO 153 rules, with the exception of the service element waivers granted in this Resolution, until further directed by the Commission.
13. TAG Mobile, LLC commits to comply with General Order 153's application, verification, and renewal processes to establish customer eligibility with the California LifeLine Administrator and will not offer federal Lifeline wireless plans to customers until the California LifeLine Administrator approves their Lifeline eligibility.
14. TAG Mobile, LLC will label clearly its 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 to Communications Division of all

marketing materials including, but not limited to, customer service representative scripts, internet marketing, and posters and brochures, for CPUC California LifeLine staff to review and approval prior to publication and distribution. We find this recommendation reasonable and adopt it.

15. TAG Mobile, LLC commits to comply with CPUC User Fee and Public Purpose Program surcharge requirements. Failure to comply with fee and surcharge remittance requirements may lead to enforcement action including, but not limited to, revocation of TAG Mobile, LLC's Eligible Telecommunications Carrier designation and/or wireless identification registration authority.
16. TAG Mobile, LLC will 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 its federal Lifeline customers. We find this recommendation reasonable and adopt it.
17. Communications Division recommends requiring the Small LECs to provide TAG Mobile, LLC 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 TAG Mobile, LLC, as with all other wireless designated ETCs in California. TAG Mobile, LLC shall file a copy of any updated ZIP+4 code data 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.
18. The Commission should rely on the Small LECs to monitor whether TAG Mobile, LLC, or any other wireless carrier, is providing federal Lifeline wireless service to any current Small LECs customers. The Small LECs can raise any related concerns about TAG Mobile, LLC, 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.
19. Communications Division conducted due diligence reviews to determine TAG Mobile, LLC's fitness as it relates to customer protection and found no fitness issues.
20. The Commission may pursue an enforcement action which may include fines, penalties, and the revocation of ETC designation and/or wireless identification registration authority should substantive issues emerge after this ETC is approved which raises public interest questions about TAG Mobile, LLC's operations.

21. For public safety reasons, TAG Mobile, LLC will clearly inform Lifeline customers that coverage limitations may affect wireless mobile service including E-911/911 emergency calls. Disclosures include, but are not limited to, clear statements on all marketing materials and the company website.
22. Communications Division recommends that the Commission's Eligible Telecommunications Carrier rule requiring a Tier II Advice Letter to request approval for any future changes to the federal Lifeline wireless plan approved in this Resolution be applied to TAG Mobile, LLC because the federal Lifeline plans are not based on currently available retail plan offerings. 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 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. We find Communications Division's recommendation reasonable and adopt it.
23. On April 15, 2014, the Commission emailed a draft of this resolution to the eligible telecommunications carrier service list for public comments.

**THEREFORE, IT IS ORDERED** that:

1. It is in the public interest to conditionally approve TAG Mobile, LLC, (U-4411-C) with eligible telecommunications carrier (ETC) designation to provide federal Lifeline wireless service throughout California in the service areas of the uniform regulatory framework carriers, excluding the small local exchange carrier (Small LECs) service areas.
2. TAG Mobile, LLC's ETC designation approval shall be contingent upon the following: 1) TAG Mobile, LLC shall submit to the Communications Division Director a copy of the information submitted to Universal Service Administrative Company and a copy of TAG Mobile, LLC's certification of approval from the USAC within 30 days of receipt from USAC of its compliance with 47 C.F.R. § 54.401(d) related to its federal Lifeline wireless plan; 2) the review by the CPUC California LifeLine staff of TAG Mobile, LLC's marketing materials prior to distribution and publication; and, 3) TAG Mobile, LLC shall note clearly wireless mobility safety content on all distributed federal Lifeline materials and on the company website.
3. TAG Mobile, LLC shall offer the federal Lifeline wireless service plans *TAG Basic 250 Plan* with 250 voice minutes and 250 domestic texts for no cost (\$0), *TAG Mobile Plan 1,000* with 1,000 voice and 1,000 domestic texts for \$20 per month, and *TAG Mobile Plan Unlimited* with unlimited voice and domestic text for \$30 per month to Lifeline customers.

4. TAG Mobile, LLC shall use a Tier II Advice Letter to request approval for any future changes to these federal Lifeline wireless plans approved in this Resolution because these federal Lifeline wireless plans are not based on currently available retail plan offerings. 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 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. TAG Mobile, LLC shall comply with General Order 153's enrollment application, verification, and renewal processes under the review of the California LifeLine Administrator which establishes customer eligibility.
6. TAG Mobile, LLC shall be authorized waivers for these five requested service elements of California LifeLine: (4) the ability to receive free incoming calls, (10) customer choice of local flat-rate service or measured-rate service; (11) free provision of one directory listing per year, (12) availability of free white pages telephone directory, and (15) free access to 800 and 800-like toll-free numbers. An authorized waiver will have no bearing on California LifeLine offerings.
7. TAG Mobile, LLC shall be denied a waiver of California LifeLine service element (21) requiring access to two residential telephone lines in a household with a disabled person.
8. TAG Mobile, LLC shall clearly label its offerings as *federal Lifeline service* 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 Communications Division's California LifeLine staff review and approval prior to distribution of marketing publications.
9. TAG Mobile, LLC shall implement the ZIP+4 codes to screen customers and ensure that current customers of the Small LECs are not accepted as federal Lifeline wireless customers with TAG Mobile, LLC.
10. The Small LECs shall be required to provide TAG Mobile, LLC, 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 TAG Mobile, LLC, 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. 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.

11. The Small LECs shall monitor for instances where they believe TAG Mobile, LLC, as with all other active wireless carriers, is providing federal Lifeline wireless service to any Small LEC customers and can raise related concerns about TAG Mobile, LLC's, 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.
12. TAG Mobile, LLC shall comply with Commission rules and regulations 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 its 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 May 15, 2014, the following Commissioners voting favorably thereon:

---

PAUL CLANON  
Executive Director

Resolution T- 17437  
CD/ABA

**APPENDIX A**  
**Resolution T-17437**

**Attachment A**  
**Resolution T-17437**  
**TAG Mobile, LLC**

**Proposed Service Area for Federal Lifeline Wireless ETC Service  
in California**



**Attachment B**  
**Resolution T-17437**  
**TAG Mobile, LLC**

**General Order 153 – Service Elements of California LifeLine**

California LifeLine is composed of the service elements set forth below. All California LifeLine subscribers are entitled to receive every one of the service elements of California LifeLine, and every California LifeLine Service Provider is required to offer all of the service elements of California LifeLine to each of its subscribers. The service elements of California LifeLine are as follows:

- 1 Access to (a) single party local exchange service or (b) service that is equivalent, in all substantial respects, to single party local exchange service.
- 2 Access to all interexchange carriers offering service in the California LifeLine subscriber's local exchange.
- 3 Ability to place calls.
- 4 Ability to receive free unlimited incoming calls.
- 5 Free touch-tone dialing.
- 6 Free unlimited access to 911/E-911.
- 7 Access to local directory assistance (DA). Each California LifeLine Service Provider shall offer to its subscribers the same number of free DA calls that the California LifeLine Service Provider provides to its non-California LifeLine residential customers.
- 8 Access to foreign Numbering Plan Areas.
- 9 California LifeLine rates and charges.
- 10 Customer choice of local Flat-Rate Service or Measured-Rate Service. The 14 small ILECs identified in D. 96-10-066 do not have to offer subscribers the choice of local Flat or Measured-Rate Service, unless the small ILEC offers this option to its non-California LifeLine residential customers.
- 11 Free provision of one directory listing per year as provided for in D. 96-02-072.
- 12 Free white pages telephone directory.
- 13 Access to operator service.
- 14 Voice grade connection to the public switched telephone network.
- 15 Free access to 800 or 800-like toll-free services.
- 16 Access to telephone relay services as provided for in Public Utilities Code §2881 et seq.
- 17 Toll-free access to customer service for information about California LifeLine, service activation, service termination, service repair, and bill inquiries.
- 18 Toll-free access to customer service representatives fluent in the same language (English and non-English) in which California LifeLine was originally sold.
- 19 Free access to Toll-Blocking Service.
- 20 Free access to Toll-Control Service but only if (i) the California LifeLine Service Provider is capable of offering Toll-Control Service and (ii) the California LifeLine subscriber has no unpaid bill for toll service.
- 21 Access to two residential telephone lines if a low-income household with a disabled person requires both lines to access California LifeLine.
- 22 Free access to the California Relay Service via the 711 abbreviated dialing code.

GO 153 (Effective December 1, 2011 - D.10-11-033, Resolution T-17321)

**(END OF APPENDIX A)**