

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17468
January 29, 2015**

R E S O L U T I O N

Resolution T-17468. This Resolution conditionally grants the request of Sage Telecom Communications, 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 Sage Telecom Communications, LLC (U-4456-C), a wireless carrier (hereafter referred to as Sage Wireless to differentiate it from its wireline operations (U-6585-C)), 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) carriers¹ excluding the Small Local Exchange Carriers (Small LECs)² service areas. Sage Wireless seeks federal Lifeline support only and does not seek California LifeLine fund support or authority to serve Tribal lands.

Background

Congress directed the Federal Communications Commission (FCC) to establish universal service support mechanisms to ensure that “[q]uality services [are] available at just, reasonable, and affordable rates” for consumers throughout the nation.³ The FCC’s and the CPUC’s Lifeline programs further this goal by providing discounts on monthly telephone services to eligible low-income consumers.

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.

³ 47 U.S.C. § 254(b)(1).

Federal ETC Designation Requirements

In order to receive federal universal service support, an applicant must be designated as an ETC. Section 254(e) of the Communications Act (the Act), as amended, states that “only an eligible telecommunications carrier under section 214(e) shall be eligible to receive specific federal universal service support.”⁴

Under Section 214(e)(2) of the Act, state commissions are given the primary responsibility for designating ETCs in their states. This section states that, “[u]pon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission” so long as the requesting carrier meets the requirements of Section 214(e)(1). Section 214(e)(1) provides that, a common carrier designated as an ETC must offer services supported by the federal Universal Service Fund (USF) throughout the designated service area either by using its own facilities, resale, or by a combination of its own facilities and resale of another carrier’s services and must advertise the services and the related charges using advertising media of general distribution throughout the designated service area. Advertising must include the availability of Lifeline services in a manner reasonably designed to reach those likely to qualify for those services.

In addition, the FCC’s rules require that a carrier requesting ETC designation must:

1. Certify that it will comply with the service requirements applicable to the support that it receives;
2. Submit a five-year plan that describes proposed improvements or upgrades to the applicant’s network throughout its proposed service area;
3. Demonstrate its ability to remain functional in emergency situations;
4. Demonstrate that it will satisfy applicable consumer and service quality standards;
5. Demonstrate that it is financially and technically capable of providing the Lifeline service; and
6. Submit information describing the terms and conditions of any voice telephone service plans offered to Lifeline customers.⁵

Before granting an ETC status to a carrier, state commissions must determine that it is in the public interest to do so.

The federal Lifeline program reimburses ETCs for providing discounts to eligible low-income customers of \$9.25 per month and provides additional reimbursements for serving customers living on Tribal lands.⁶

⁴ 47 C.F.R. §§ 54.400 *et seq.* contains the FCC’s Lifeline rules issued to implement § 254 of the Act. 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 47 C.F.R. § 54.202(a).

⁶ 47 C.F.R. § 54.403.

California Public Utilities Commission ETC Designation Requirements

A carrier seeking an ETC designation must also comply with the CPUC's ETC rules. In Resolution T-17002 (May 25, 2006), the CPUC 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. Pursuant to that Resolution, applicants seeking ETC designation in California are required to provide the following:

1. A description of the proposed service offerings and attached service area maps; description of the advertising plan(s);
2. A statement of commitment to provide service;
3. Submission of the 2-year service quality improvement plan;
4. A showing of the ability to remain functional;
5. A statement of commitment to consumer protection;
6. Demonstration that a carrier's usage plan is comparable to that of the incumbent LEC in the proposed service area; and
7. A public interest determination.

In addition, ETC designation requests must comply with General Order (GO) 153 which implements the *Moore Universal Telephone Service Act*. GO 153 contains California LifeLine program requirements. ETCs are required to comply with GO 153 requirements, including the California Third-Party Administrator's (TPA) determination of customer eligibility for certifications and renewals. Carriers must also comply with CPUC User Fee and surcharge obligations. The CPUC User Fee is levied on all telecommunications carriers providing services directly to customers and the amount of fees is a percentage calculation based on all intrastate customer billings for telecommunications services. All telecommunications carriers that provide basic telephone service are also required to collect and remit Public Purpose Program (PPP) surcharges from end-users that fund the CPUC's universal service program.

Notice/Protests

Sage Wireless served its advice letter filing via email on all parties on the ETC service list and the advice letter appeared in the Commission's Daily Calendar on December 26, 2013. No protests were received.

Discussion

Company Overview and Proposed Lifeline Plans

Sage Telecom Communications, LLC (Sage Wireless) is a wireless service provider with principal offices at 10440 N. Central Expressway, Suite 700, Dallas, TX 75231. Sage Wireless is a wholly owned subsidiary of TSC Acquisition Corporation. As a common carrier authorized to provide competitive local and/or interexchange services, Sage Wireless operates in twenty-six states. It offers wireless/mobile services on a common carrier basis and has been ETC designated for wireless services in four states with applications pending for the same in other states for the limited purposes of providing federal Lifeline service. In addition, Sage Wireless has been designated as an ETC for wireline service in four states. Sage Wireless manages and markets all aspects of the customer experience including setting pricing, handset selection, marketing materials, and live customer service.

On July 12, 2013, the Commission issued Sage Wireless its Wireless Identification Registration number U-4456-C allowing it to operate as a commercial mobile radio service (CMRS) provider in California.

On December 26, 2013, Sage Wireless filed Tier III Advice Letter (AL) 2 requesting ETC designation to receive federal support to provide only federal Lifeline prepaid wireless service to eligible customers in the service areas of the Uniform Regulatory Framework (URF) carriers excluding the Small LECs. It did not request authority to offer service on Tribal lands that fall in the URF carrier service areas. Sage Wireless does not seek California LifeLine fund support. It proposes to offer six prepaid Lifeline-only plans and three post-paid Lifeline-only plans, all of which it will apply the \$9.25 federal support amount. The rates for the plans shown below are net of the \$9.25 federal support. The proposed federal Lifeline wireless service plans are:

Monthly Pre-Paid Plans with no activation fee -

- *Sage Economy*, a free 300 minute plan (no charge per month)
- *Sage Basic*, 310 minutes of voice for \$5.75 per month
- *Sage Plus*, 650 minutes of voice for \$15.75 per month
- *Sage Value*, an unlimited talk and text plan with 100 MB of data for \$30.75 per month
- *Sage Premier*, 240 minutes of voice, unlimited text, and 1,024 MB of data for \$35.75 per month
- *Sage Elite*, an unlimited talk and text with 1,024 MB of data for \$55.75 per month

Monthly Post-Paid Plans with a \$30 activation fee -

- *Sage Mobile Talk*, 200 minutes of voice for \$5.75 per month
- *Sage Mobile Talk Plus*, 500 minutes each of voice and text for \$15.75 per month
- *Sage Mobile Talk Unlimited*, unlimited talk and text for \$30.75 per month

Compliance with Federal Rules

Federal ETC Requirements:

A carrier must satisfy all FCC ETC requirements in order to receive an ETC designation. Sage Wireless has met the following federal ETC requirements:

Certification to comply with service requirements applicable to the support received

- In its FCC-approved compliance plan, Sage Wireless certifies it will comply with applicable service requirements and regulations for Lifeline support.

Wireless reseller's submission of FCC-approved *compliance plan* in lieu of five-year improvement plan - Sage Wireless submitted a compliance plan approved by the FCC on December 26, 2012.

Demonstration of ability to remain functional - Sage Wireless's agreement with its reseller Sprint allows the company to provide to its customers the same ability to remain functional in emergency situations as currently provided by Sprint to its own customers, including access to a reasonable amount of back-up power to reroute traffic around damaged facilities and the capability of managing traffic spikes resulting from emergency situations. Sprint has overlapping coverage for neighboring areas to ensure that coverage continues during disasters and emergency situations.

Commitment to satisfy all applicable consumer protection and service quality standards -ETCs commit to adhere to applicable state and federal consumer protection and service quality standard requirements including the Cellular Telecommunications and Internet Association's (CTIA) *Consumer Code for Wireless Service*. As an operating CLEC in California and many other states, Sage Wireless already is subject to states' consumer protection and service quality requirements. Sage Wireless agrees to abide by all applicable state and federal consumer protection and service quality standard requirements and commits to comply with CTIA's *Consumer Code for Wireless Service*.⁷ The CTIA code is an "evolving" code of consumer protections and commitment to adhere to the CTIA Code includes a commitment by an ETC to adhere to the CTIA Code as amended from time to time.

Demonstration of financial and technical capability - Sage Wireless is financially and technically capable of providing Lifeline services as noted in its FCC-approved compliance plan. As a long-time provider of wireline services, Sage Wireless has a record of financial and technical qualifications. It provides facilities-based wireline service in numerous states and has sophisticated back-office, operational, and support

⁷ *Consumer Code for Wireless Service* at <http://www.ctia.org/policy-initiatives/voluntary-guidelines/consumer-code-for-wireless-service>.

systems which allow it to operate at lower costs. As a carrier with 14 years of service experience, Sage Wireless possesses the financial viability and expertise to continue to provide affordable, quality service to customers. It also has experience to maintain its compliance with all applicable federal and state regulatory guidelines. Sage Wireless derives the majority of its revenue from the telecommunications services it provides and, therefore, does not and will not rely on the USF disbursements. Sage Wireless' agreement and partnership with Sprint further demonstrates its financial and technical capability to provide the services.

Submission of information describing terms and conditions of voice telephone service plans – Sage Wireless submits exhibits and descriptions of the proposed plans including minutes per month, additional charges, and rates and included samples of its materials including general terms and conditions.

Demonstration that the services intended to be offered comply with the voice telephony definition - Pursuant to 47 U.S.C. § 214(e)(1) and (6), Sage Wireless submits that it is a common carrier and is able to provide telephone exchange and exchange access through its underlying facilities-based provider, Sprint.

Advertise using media of general distribution – Sage Wireless demonstrates that its Lifeline services meet the definition of voice telephony and commits to advertise in a manner reasonably designed to reach those likely to qualify for Lifeline using any California-specific advertising requirements such as media of general distribution which may include print advertisements, direct marketing, and the Internet targeted to low-income consumers.

Commitment to provide supported service throughout the designated service area – Sage Wireless commits to provide service to all requesting customers in the areas that it is designated an ETC. Sage Wireless states that its underlying carrier, Sprint, currently provides service in all of the wire centers that make up the designated service area. Sage Wireless commits that it will provide service to any customer requesting Lifeline service throughout the designated service area.⁸

To ensure that Sage Wireless complies with its obligation to provide service to prospective Lifeline customers within the network service area pursuant to FCC rules, CD staff recommends that the Commission require Sage Wireless to submit an Information Only⁹ report quarterly to the Communications Division Director beginning in the first quarter 2015. The report would include: a description of each customer service request; the dates of the request; the disposition of the request; method(s) used to provide service (e.g., modifying or replacing customer equipment, deploying a roof-mounted antenna or other equipment, adjusting the nearest cell tower or network or

⁸ FCC 05-46, ¶ 22, released March 17, 2005, and as adopted in CPUC Resolution T-17002, Appendix A §2, effective May 25, 2006.

⁹ General Order 96-B General Rules §§ 3.9 and 6.

customer facilities, reselling services from another carrier's facilities, or employing, leasing or constructing an additional cell site); and, the date of completion.

Commitment to meet public interest requirements for the proposed service areas – Sage Wireless asserts that it meets the FCC public interest criteria because as an ETC, it will offer the advantages of convenience and security, benefits of additional competitive choices, and quality services to low-income customers.

Agreement to apply the Lifeline support discount to residential retail plans – Sage Wireless states that it will apply the \$9.25 federal Lifeline support amount to its proposed plans.

CD staff finds that Sage Wireless did not demonstrate compliance with the following federal ETC requirements and makes these recommendations:

- 1) Sage Wireless did not specifically address its commitment to file annually federal compliance reports¹⁰, including but not limited to, Form 481. CD staff recommends that the Commission direct Sage Wireless to file federal compliance reports with the FCC and USAC and provide copies of these reports to this Commission, as directed.
- 2) Sage Wireless did not confirm that, when approved for ETC designation, it will submit specific information to USAC. Federal law, 47 C.F.R. § 54.401(d), requires that when a state commission designates a carrier an ETC status, the state commission shall file or require the ETC to file information with USAC that demonstrates that the ETC's Lifeline plan meets the universal service support criteria for low-income consumers, including the terms and conditions of voice telephony service plans and the plan details.¹¹ To comply with § 54.401(d), CD recommends that the Commission direct Sage Wireless to file the applicable information directly with USAC. Once USAC approves the service plans, Sage Wireless shall provide to the Communications Division Director a copy of the information submitted to USAC and a copy of Sage Wireless' certification of approval from the USAC within 30 days of receipt from USAC.

With implementation of the recommendations covered above, CD staff believes Sage Wireless would be compliant with FCC ETC requirements.

Compliance with CPUC Rules

GO 153 Basic Service Elements Compliance:

GO 153 requires carriers that seek an ETC designation to comply with 22 basic service elements of California LifeLine. (See *Attachment B* of this resolution for a complete list of California LifeLine basic service requirements.)¹² Sage Wireless requested a waiver of the

¹⁰ 47 C.F.R § 54.422.

¹¹ USAC requires a copy of a new ETC's designation order issued by its state utility regulator, <http://usac.org/li/telecom-carriers/step03/default.aspx>. Site last visited October 20, 2014.

¹² Current GO 153 continues to be used to evaluate ETC designation request by wireless carriers including federal Lifeline applications and renewals until the Commission revises GO 153 and determines the extent to which revised GO 153 rules

following California LifeLine basic service elements: (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, and (15) free access to 800 and 800-like toll-free numbers.

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.

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.¹³ Sage Wireless agrees to comply with GO 153 requirements, including consumer enrollment, prequalification, certification, eligibility verification and annual renewal, and working with the CLA. Until a customer is approved by the CLA, Sage Wireless will provide service to the customer at regular retail rates. Upon approval for Lifeline, Sage Wireless will credit the customer's account with the Lifeline discount retroactive to the application date.

CD staff, however, recommends that the Commission require Sage Wireless to label clearly its wireless offerings as "*federal Lifeline service*". Doing so would minimize customer confusion between the California LifeLine and federal Lifeline programs and would disseminate adequate information about potential coverage and service quality issues. Sage Wireless should also 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:

Sage Wireless has satisfied the applicable requirements set forth in Resolution T-17002 including, but not limited to: description of the proposed offerings and attaching service area maps; commitment to provide Lifeline-only services within the proposed service area; providing the designated services; and, agreement to comply with advertising rules as required by the FCC, such as using printed advertisements, which will state clearly that the Lifeline support is from the federal Lifeline program only.

As a wireless reseller, Sage Wireless is not required to submit a 2-year service quality improvement plan because it does not have its own facilities.

and revised California LifeLine service elements should apply to federal Lifeline wireless offerings in Rulemaking 11-03-013.

¹³ GO 153, § 4.2.1. The current California LifeLine Administrator is Xerox.

Sage Wireless is current with payment of the annual PUC User Fees and universal service public purpose program surcharges. As a condition of its Commission authority and its ETC designation, Sage Wireless must continue to remain current with its payments. The Commission may revoke Sage Wireless' ETC designation and/or operating authority if the company does not remit timely fees and surcharges and the Commission will notify the USAC and the FCC of the revocation.

Providing Federal Lifeline Wireless Service to Customers in Small LEC Service Areas or on Tribal Lands:

Sage Wireless does not seek ETC designation in the service areas of the Small LECs. Consistent with the policy adopted in Resolution T-17284, Sage Wireless will coordinate with the Small LECs using their list of the ZIP+4 codes¹⁴ associated with the Small LECs service areas. Sage Wireless will use that data to ensure that no federal Lifeline wireless service is offered to customers residing in the Small LECs' service areas.

CD staff recommends that the Commission require the Small LECs to provide to Sage Wireless, as they do for all current ETCs, an updated ZIP+4 code data list of the Small LECs' service areas¹⁵ 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 Sage Wireless any update to the ZIP+4 code data, as needed. Sage Wireless 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.

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

Sage Wireless does not seek ETC designation or request authority to provide Federal LifeLine on federally recognized Tribal lands. Due to the sovereign status of Tribal lands, should Sage Wireless wish to offer service in areas designated as Tribal lands, the company should file a Tier II advice letter and follow the FCC's tribal engagement process described in the FCC's USF/ICC Transformation Order ¶¶s 636-637 and provide with the advice letter the respective tribe's responses, or a declaration in the event a tribe did not respond. The advice letter should describe the specific tribal lands to be served and include maps in Shapefile format of the proposed Tribal lands.

¹⁴ 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.

¹⁵ 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.

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.¹⁶ In the Lifeline Order, the FCC clearly states the importance of promoting universal service principles¹⁷ 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.¹⁸ As a reseller with expanded area, Sage Wireless often will serve a larger local calling area than a traditional wireline provider and will afford the customer the convenience of telephony mobility. As an ETC-approved provider, Sage's plans will increase the consumer choice not only for English speaking consumers but also for Spanish-speaking, limited-English speaking, and low-income consumers needing wireless services. Lifeline-eligible customers will have another provider choice which likely may expand participation of qualifying customers in the Lifeline program.

Upon review, CD staff finds that Sage Wireless meets the federal ETC criteria for public interest determination including providing 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.

Price Analysis

When analyzing Lifeline plan pricing, CD staff considers non-Lifeline retail plan prices, relying on competitive forces to determine what plans are reasonable, as well as currently available federal Lifeline retail plans. In addition, CD staff evaluated Sage Wireless' proposed offerings using the expected monthly cost to a low-income consumer based on average minutes of use of 615 minutes per month¹⁹ compared to similar incumbent local exchange carrier (ILEC) Lifeline plans and other wireless ETC Lifeline plans. Sage Wireless proposes six prepaid wireless plans and three post-paid plans. The following charts show Sage Wireless' nine proposed plans.

¹⁶ *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*.

¹⁷ 47 U.S.C. § 254(b)(c)(e)(2).

¹⁸ *Lifeline Reform Order* at ¶¶ 219, 378, 362, and fn 968.

¹⁹ *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).

Sage Telecom Communications, LLC	Proposed Wireless Lifeline Plans								
	Sage Mobile Talk*	Sage Premier	Sage Economy	Sage Basic	Sage Mobile Talk Plus*	Sage Plus	Sage Mobile Talk Unlimited*	Sage Value	Sage Elite
Avg. MOU**	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	200	240	300	310	500	650	Unlimited	Unlimited	Unlimited
Texts included	-	Unlimited	-	-	500	-	Unlimited	Unlimited	Unlimited
Data included	-	1024 MB	-	-	-	-	-	100 MB	1024 MB
Avg. Excess MOUs	415	375	315	305	115	-	-	-	-
Cost per Min in excess of allowance ***	\$0.05	\$0.05	\$0.03	\$0.05	\$0.04	\$0.04	\$0	\$0	\$0
Cost of excess minutes	\$20.75	\$18.75	\$9.45	\$15.25	\$4.60	\$0.00	\$0	\$0	\$0
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$5.75	\$35.75	\$0	\$5.75	\$15.75	\$15.75	\$30.75	\$30.75	\$55.75
Total GO 153 Cost to Customers	\$26.50	\$54.50	\$9.45	\$21.00	\$20.35	\$15.75	\$30.75	\$30.75	\$55.75
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	\$26.50	\$54.50	\$9.45	\$21.00	\$20.35	\$15.75	\$30.75	\$30.75	\$55.75

* Mobile Talk plans are POST-paid accounts with a \$30 activation fee.

** 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.

*** Requires purchase of additional minutes for prices, as noted, to calculate average minutes of use per month.

The following charts show the comparison of Sage Wireless' proposed federal Lifeline wireless plans to all approved prepaid plans. The list sorts the plans by their advertised basic minutes and the calculations assume a customer's 615 average minutes of use for wireless service per month resulting in a total out-of-pocket cost for a Lifeline customer.

Plan Comparison	Sage Mobile Talk***	Sage Premier	Nexus 250	Budget Mobile 250	TAG Basic Plan 250	Total Call 250 Plan	Boomerang 250 Minute Basic Plan +25MB data	Virgin Mobile 250
Avg. MOU**	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	200	240	250	250	250	250	250	250
Texts included	-	Unlimited	-	50	250	1 txt = 1 min	-	250
Data included	-	1024 MB	-	-	-	-	25 MB	-
Avg. Excess MOUs	415	375	365	365	365	365	365	365
Cost per Min in excess of allowance ***	\$0.05	\$0.05	\$0.033	\$0.033	\$0.033	\$0.033	\$0.040	\$0.100
Cost of excess minutes	\$20.75	\$18.75	\$12.05	\$12.05	\$12.05	\$12.05	14.60	\$36.50
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$5.75	\$35.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total GO 153 Cost to Customers	\$26.50	\$54.50	\$12.05	\$12.05	\$12.05	\$12.05	\$14.60	\$36.50
Caller ID	-	-	\$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
Voicemail	-	-	\$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
Total Additional costs of vertical features	-	-	\$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	\$26.50	\$54.50	\$12.05	\$12.05	\$12.05	\$12.05	\$14.60	\$36.50

Plan Comparison	Sage Economy	Telscape 300	Sage Basic	Budget Mobile 500	Sage Mobile Talk Plus***	Virgin Mobile 500	i-wireless 550 Minutes	Sage Plus
Avg. MOU**	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	300	300	310	500	500	500	550	650
Texts included	-	1 txt = 1 min	-	100	500	500	1 txt = 1 min	-
Data included	-	-	-	-	-	-	-	-
Avg. Excess MOUs	315	315	305	115	115	115	65	-
Cost per Min in excess of allowance ***	\$0.03	\$0.030	\$0.05	\$0.033	\$0.04	\$0.100	\$0.050	\$0.04
Cost of excess minutes	\$9.45	\$9.45	\$15.25	\$3.80	\$4.60	\$11.50	\$3.25	\$0.00
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$0	\$2.50	\$5.75	\$5.00	\$15.75	\$5.00	\$5.75	\$15.75
Total GO 153 Cost to Customers	\$9.45	\$11.95	\$21.00	\$8.80	\$20.35	\$16.50	\$9.00	\$15.75
Caller ID	-	\$0.00	-	\$0.00	-	\$0.00	\$0.00	-
Long Distance	-	\$0.00	-	\$0.00	-	\$0.00	\$0.00	-
Voicemail	-	\$0.00	-	\$0.00	-	\$0.00	\$0.00	-
Federal Excise Tax	-	\$0.00	-	\$0.00	-	\$0.00	\$0.00	-
Total Additional costs of vertical features	-	\$0.00	-	\$0.00	-	\$0.00	\$0.00	-
Total Cost to Lifeline Customers with 615 MOU and additional costs of vertical features	\$9.45	\$11.95	\$21.00	\$8.80	\$20.35	\$16.50	\$9.00	\$15.75

Plan Comparison	Air Voice 1000	i-wireless 1000 Minutes & 200 MB Data	Global Connection 1,000	Virgin Mobile 1000	Nexus 1000	Budget Mobile 1000	TAG Mobile Plan 1000	Telscape 1100
Avg. MOU**	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	1000	1000	1000	1000	1000	1000	1000	1100
Texts included	1 txt = 1 min	1 txt = 1 min	1000	1000	-	250	1000	1 txt = 1 min
Data included	-	200 MB	-	-	-	-	-	-
Avg. Excess MOUs	-	-	-	-	-	-	-	-
Cost per Min in excess of allowance ***	-	-	-	-	-	-	-	-
Cost of excess minutes	-	-	-	-	-	-	-	-
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$12.65	\$12.65	\$12.65	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Total GO 153 Cost to Customers	\$12.65	\$12.65	\$12.65	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
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 615 MOU and additional costs of vertical features	\$12.65	\$12.65	\$12.65	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00

Plan Comparison	Cricket Unlimited	Total Call Unlimited Talk & Text	Virgin Mobile Unlimited	TAG Mobile Plan Unlimited	Global Connection Unlimited Talk & Text	Sage Mobile Talk Unlimited***	Sage Value	Budget PrePay Unlimited Talk/Text	Stand Up Unlimited Talk & Text & 1 GB Data	Total Call Unlimited Talk, Text, & Data	Sage Elite
Avg. MOU**	615	615	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Texts included	-	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data included	-	-	-	-	-	-	100 MB	-	1 GB	Unlimited	1024 MB
Avg. Excess MOUs	-	-	-	-	-	-	-	-	-	-	-
Cost per Min in excess of allowance ***	-	-	-	-	-	\$0	\$0	-	-	-	\$0
Cost of excess minutes	-	-	-	-	-	\$0	\$0	-	-	-	\$0
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$21.50	\$29.99	\$30.00	\$30.00	\$30.75	\$30.75	\$30.75	\$32.00	\$35.75	\$39.99	\$55.75
Total GO 153 Cost to Customers	\$21.50	\$29.99	\$30.00	\$30.00	\$30.75	\$30.75	\$30.75	\$32.00	\$35.75	\$39.99	\$55.75
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 615 MOU and additional costs of vertical features	\$21.50	\$29.99	\$30.00	\$30.00	\$30.75	\$30.75	\$30.75	\$32.00	\$35.75	\$39.99	\$55.75

Comparable Local Usage and Equal Access

To demonstrate that its proposed federal Lifeline wireless plans are reasonable, Sage Wireless provided a summary comparing its prepaid federal Lifeline wireless plans to other retail and federal Lifeline offerings made by wireless and wireline local exchange carriers.

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

	Sage Telecom's Proposed Plans						ILEC MR Lifeline Plans				Prepaid Wireless Retail Plans					
	Sage Premier	Sage Economy	Sage Basic	Sage Plus	Sage Value	Sage Elite	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 Basic Plus	Verizon Talk & Text 450
Avg. MOU*	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615
Basic Plan Minutes (allowance)	240	300	310	650	Unlimited	Unlimited	146	146	146	146	1500	1000	Unlimited	Unlimited	Unlimited	450
Texts included	Unlimited	-	-	-	Unlimited	Unlimited	-	-	-	-	1500	-	Unlimited	Unlimited	Unlimited	Unlimited
Data included	1024 MB	-	-	-	100 MB	1024 MB	-	-	-	-	30 MB	-	Unlimited	Unlimited	Unlimited	-
Avg. Excess MOUs**	375	315	305	-	-	-	469	469	469	469	-	-	-	-	-	165
Cost per Min in excess of allowance	\$0.05	\$0.03	\$0.05	\$0.04	\$0	\$0	\$0.033	\$0.033	\$0.033	\$0.033	\$0	\$0	\$0	\$0	\$0	\$0.45
Cost of excess minutes	\$18.75	\$9.45	\$15.25	\$0.00	\$0	\$0	\$15.48	\$15.48	\$15.48	\$15.48	\$0	\$0	\$0	\$0	\$0	\$74.25
Min. Lifeline Plan Cost (per D.10-11-033) or Cost per Plan	\$35.75	\$0	\$5.75	\$15.75	\$30.75	\$55.75	\$2.50	\$3.66	\$2.50	\$3.66	\$30.00	\$20.00	\$40.00	\$45.00	\$50.00	\$59.99
Total GO 153 Cost to Customers	\$54.50	\$9.45	\$21.00	\$15.75	\$30.75	\$55.75	\$17.98	\$19.14	\$17.98	\$19.14	\$30.00	\$20.00	\$40.00	\$45.00	\$50.00	\$134.24
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 615 MOU and additional costs of vertical features	\$54.50	\$9.45	\$21.00	\$15.75	\$30.75	\$55.75	\$35.04	\$36.23	\$49.45	\$50.64	\$30.00	\$20.00	\$40.00	\$45.00	\$50.00	\$134.24

* 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.

** Requires purchase of additional minutes for prices, as noted, to calculate average minutes of use per month.

Based on staff's analysis using 615 average monthly minute of use, CD staff finds it is in the public interest to approve the following of Sage Wireless' proposed plans - the Sage Economy prepaid plan for \$9.45 and the Sage Value prepaid plan for \$30.75. Compared to all other available Lifeline plans, these offer low-income customers competitive voice and pricing choices and equal or better value with more minutes per bucket.

CD staff does not believe that it is in the public interest to approve the following proposed prepaid plans because there are other less expensive choices in the market for a Lifeline customer: a) *Premier* with 240 minutes costs \$54.50, b) *Basic* with 310 minutes costs \$21.00, c) *Sage Plus* with 650 minutes costs \$15.75, and d) the *Elite* unlimited costs \$55.75.

Staff does not believe that it is in the public interest to approve Sage Wireless' proposed post-paid wireless Lifeline plans. These plans have a \$30.00 activation fee and based on 615 monthly average minutes of use, they cost too much for the minutes provided - *Talk* with 200 minutes costs \$26.50 and *Talk Plus* with 500 minutes of voice and text costs \$20.35. Staff recommends rejecting the *Talk Unlimited* talk and text because it costs \$30.75, the same amount as Sage Wireless' *Sage Value* prepaid plan but does not offer any data and has a \$30.00 activation fee.

Due Diligence Review:

An integral part of CD's processing of an ETC designation request is a due diligence review of the requesting carrier as a supplement to the public interest analysis 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, CD's conducting independent research about a carrier's past operations to provide the Commission with information that may be pertinent in deciding whether or not to grant the ETC designation request. Typical research methods include 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), contacting the FCC and USAC, reviewing a company's history of operations, and contacting the Commission's Safety and Enforcement Division and Consumer Affairs Branch.

CD staff did not uncover any fitness issues in its due diligence review that rise to a level to deny Sage's ETC request. However, staff found incidents on consumer websites complaining of bad service, problems with delivery or failure to deliver service, and billing and customer service problems.²⁰ Additionally, the Better Business Bureau website shows an F-grade for Sage for sixty (60) reported incidences of problems with products or service and billing problems over a 3 year period.²¹

Overall, we find that approving Sage's ETC request is consistent with the public interest.

Safety Concerns:

Although wireless phone service offers great mobility for consumers, CD staff notes 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

²⁰ <http://www.complaintsboard.com/complaints/sage-telecom-allen-texas-c112327.html> and <http://www.ripoffreport.com/reports/directory/sage-telecom>.

²¹ <http://www.bbb.org/dallas/business-reviews/telephone-companies/sage-telecom-in-dallas-tx-90110351>.

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 Sage Wireless 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.

Future Changes to Federal Lifeline Wireless Plans:

Regarding future changes that Sage Wireless may want to make to the federal Lifeline wireless plan offerings, including service area changes or offering service on tribal lands, CD staff recommends as follows:

1. For changes to Sage Wireless' Lifeline-only plans that are not based on retail plans currently available to all prospective customers at the time of filing, the company must file a Tier II Advice Letter to request approval of any changes.²² 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; and
2. For changes to its approved service area, the company must file a Tier II Advice Letter that describes the areas to be served and provide a map(s) in Shapefile format of the proposed area.
3. To offer service on Tribal lands, Sage Wireless should file a Tier II advice letter and follow the FCC's tribal engagement process described in the FCC's USF/ICC *Transformation Order ¶¶636-637* and provide with the advice letter the respective tribe's responses, or a declaration in the event a tribe did not respond. The advice letter should describe the specific Tribal lands to be served and include maps in Shapefile format of the proposed Tribal lands.

Final Conclusions and Staff Recommendations:

CD staff recommends conditional approval of Sage Wireless' request for an ETC designation 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. CD staff specifically recommends conditional approval for Sage Wireless to offer these plans:

- *Sage Economy*, a free 300 minute plan at no charge per month to customer

²² Resolution T-17339 Ordering Paragraph 3.

- *Sage Value*, an unlimited talk and text plan with 100 MB of data for \$30.75 per month to customer

CD staff recommends the Commission set forth the following conditions for Sage Wireless' ETC designation:

- Sage Wireless must adhere to applicable state and federal consumer protection and service quality standard requirements and to the CTIA Code, as amended from time to time;
- Sage Wireless must file required annual reports and compliance reports with the FCC, USAC and the Commission, as directed;
- Sage Wireless must comply with 47 C.F.R. § 54.401(d) by filing the required information directly with USAC to certify that its federal Lifeline wireless plans meet federal requirements under the USAC administration. Sage Wireless 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 Sage Wireless' certification of approval from the USAC;
- Sage Wireless must provide marketing materials to the CPUC California LifeLine staff for review prior to distribution and advertising which will clearly label its plans as "*federal Lifeline service*";
- Sage Wireless must continue to comply with CPUC User Fee and universal service 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 Sage Wireless' ETC designation and/or wireless identification registration authority;
- Sage Wireless must file a copy of updated ZIP+4 code data list with the Director of CD and the California LifeLine Administrator; and,
- Sage Wireless must post safety concerns about wireless telephone service coverage limitations on distributed materials and on its company website.

COMMENTS

In compliance with P.U. Code § 311(g), the Commission emailed a notice letter on December 30, 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. The notice letter also informed parties that the final conformed resolution adopted by the Commission will be posted and available at this same website.

CD did not receive comments on this resolution.

FINDINGS AND CONCLUSIONS

1. Sage Telecom Communications, LLC is a prepaid wireless service provider that resells the services of Sprint.

2. Sage Telecom Communications, LLC's principal offices are located at 10440 N. Central Expressway, Suite 700, Dallas, TX 75231.
3. On July 12, 2013, the Commission issued Sage Telecom Communications, LLC, its Wireless Identification Registration number U-4456-C allowing it to operate as a commercial mobile radio service (CMRS) provider to the public in California.
4. On December 26, 2013, Sage Telecom Communications, LLC filed Tier III Advice Letter (AL) 2 requesting eligible telecommunications carrier (ETC) designation to offer only federal Lifeline prepaid wireless service to eligible customers to eligible customers in the service areas of the Uniform Regulatory Framework (URF) carriers excluding the Small Local Exchange Carriers (Small LECs). It did not request authority to offer service on Tribal lands that fall in the URF carrier service areas. Sage Telecom Communications, LLC proposed nine Lifeline-only offerings to which it will apply the \$9.25 federal support amount.
5. On Sage Telecom Communications, LLC only seeks federal Lifeline support and does not seek California LifeLine fund support.
6. To ensure that Sage complies with its obligation to provide service to prospective Lifeline customers within the network service area pursuant to Federal Communications Commission (FCC) rules, Sage shall submit an Information Only report quarterly to the Communications Division Director. The report shall include: a description of each customer service request; the dates of the request; the disposition of the request; method(s) used to provide service (e.g., modifying or replacing customer equipment, deploying a roof-mounted antenna or other equipment, adjusting the nearest cell tower or network or customer facilities, reselling services from another carrier's facilities, or employing, leasing or constructing an additional cell site); and, the date of completion.
7. Sage Telecom Communications, LLC shall file all federal compliance reports, including but not limited to the Form 481 and 47 C.F.R § 54.422 annually as required, and provide copies of these reports to this Commission when they are filed with the FCC and Universal Service Administrative Company (USAC).
8. Sage Telecom Communications, LLC shall file the required service plan information pursuant to 47 C.F.R. § 54.401(d) with USAC. Once accepted by USAC, a copy of the information submitted to USAC and a copy of Sage Telecom Communications, LLC's certification of approval from the USAC shall be provided to the Communications Division Director within 30 days of receipt from USAC.
9. Sage Telecom Communications, LLC meets the FCC's ETC requirements.

10. Sage Telecom Communications, LLC requested waivers of California LifeLine service elements: (4) the ability to receive free incoming calls, (10) choice of flat-rate 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.
11. It is reasonable to grant waivers for California LifeLine elements (4), (10), (11), (12), and (15) because they do not apply to wireless service providers and the Commission has granted such waivers in the past to other federal Lifeline wireless service providers.
12. Sage Telecom Communications, LLC shall comply with all General Order 153 rules including the Lifeline consumer enrollment process, prequalification, certification, eligibility verification and annual renewal, and working with California's LifeLine Administrator to establish customer eligibility, and to cooperate with the California LifeLine team in the review and approval of its federal Lifeline advertisement materials.
13. The Communications Division recommends that Sage Telecom Communications, LLC's ETC designation request be contingent on the following:
 - Sage commit adhere to applicable state and federal consumer protection and service quality standard requirements and to adhere to the CTIA Code, as amended from time to time.
 - Sage must file required annual reports and compliance reports with the FCC and the Commission, as directed;
 - Sage must comply with 47 C.F.R. § 54.401(d) by filing the required information directly with USAC to certify that its federal Lifeline wireless plans meet federal requirements under the USAC administration. Sage 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 Sage's certification of approval from the USAC;
 - Sage must provide marketing materials to the CPUC California LifeLine staff for review prior to distribution and advertising which will clearly label its plans as "federal Lifeline service";
 - Sage must continue to comply with CPUC User Fee and universal service 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 Sage's ETC designation and/or wireless identification registration authority;
 - Sage must file a copy of updated ZIP+4 code data list with the Director of CD and the California LifeLine Administrator; and,
 - Sage must post safety concerns about wireless telephone service coverage limitations on distributed materials and on its company website.

We find CD's recommendations reasonable and adopt them.

14. Sage Telecom Communications, LLC shall 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.
15. Sage Telecom Communications, LLC shall comply with CPUC User Fee and universal service public purpose program surcharge requirements.
16. Failure to comply with fee and surcharge remittance requirements may lead to enforcement action including, but not limited to, revocation of Sage Telecom Communications, LLC's ETC designation and/or wireless identification registration authority.
17. Sage Telecom Communications, LLC shall 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.
18. Sage Telecom Communications, LLC shall be authorized to receive from the Small LECs an updated ZIP+4 code data in their corresponding service areas within 30 days of the effective date of this Resolution. Sage Telecom Communications, LLC shall also be authorized to receive from the Small LECs, on an as-needed basis, any update to the ZIP+4 code data to Sage Telecom Communications, LLC, as with all other wireless designated ETCs in California. Sage Telecom Communications, 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 and to the CLA in a format specified by the CLA.
19. Sage Telecom Communications, LLC shall file a Tier II Advice Letter to request approval to change its service area including a description of the area(s) to be served and including a map(s) in Shapefile format of the proposed area.
20. Sage Wireless does not seek ETC designation or request authority to provide Federal LifeLine on federally recognized Tribal lands. Due to the sovereign status of Tribal lands, should Sage Wireless wish to offer service in areas designated as Tribal lands, the company should file a Tier II advice letter and follow the FCC's tribal engagement process described in the FCC's *USF/ICC Transformation Order* and provide with the advice letter the respective tribe's responses, or a declaration in the event a tribe did not respond. The advice letter should describe the specific tribal lands to be served and include maps in Shapefile format of the proposed Tribal lands.

21. Sage Telecom Communications, LLC's two proposed plans meet federal ETC criteria for public interest determination with the benefits of increased competitive choice, convenience, security with mobility, ability to purchase additional usage, and ability to send and receive text messages in a prepaid plan.
22. Sage Telecom Communications, LLC's federal Lifeline wireless plans have equal or better value in its Lifeline plan pricing for low-income customers:
 - *Sage Economy*, a free 300 minute plan at no charge per month to customer
 - *Sage Value*, an unlimited talk and text plan with 100 MB of data for \$30.75 per month to customer
23. Communications Division conducted due diligence review to determine Sage Telecom Communications, LLC's fitness as it relates to business practice behavior and customer protection that may call into question its fitness to be granted ETC designation to serve California consumers. Communications Division found no fitness issues.
24. 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 raise public interest questions about Sage Telecom Communications, LLC's operations.
25. For public safety reasons, Sage Telecom Communications, LLC shall clearly inform Lifeline customers that coverage limitations may affect wireless mobile service including E-911/911 emergency calls. Disclosures shall include, but are not limited to, clear statements on all marketing materials and the company website.
26. Sage Telecom Communications, LLC shall file a Tier II Advice Letter to request approval for any future changes to the federal Lifeline wireless plans approved in this Resolution since these are not based on a retail plan currently available to all prospective customers. Such request shall demonstrate that the changes comply 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.
27. Sage Telecom Communications, LLC should file a Tier II Advice Letter to request approval to changes to its approved service area and include a map(s) in Shapefile format of the proposed area.

28. On December 30, 2014, the Commission emailed a draft of this resolution to the eligible telecommunications carrier service list for public comments.
29. Communications Division did not receive comments on this resolution.

THEREFORE, IT IS ORDERED that:

1. The Commission conditionally approves Sage Telecom Communications, LLC's (U-4456-C) request for an eligible telecommunications carrier (ETC) designation to provide federal Lifeline prepaid wireless service throughout California in the service areas of the Uniform Regulatory Framework Carriers, excluding the Small local exchange carrier (Small LECs) service areas and Tribal lands.
2. Sage Telecom Communications, LLC's ETC designation approval shall be contingent upon the following:
 - Sage shall adhere to applicable state and federal consumer protection and service quality standard requirements and to the CTIA Code, as amended from time to time
 - Sage shall file required annual reports and compliance reports with the FCC, USAC, and the Commission, as directed;
 - Sage shall submit to the Communications Division Director a copy of the information submitted to USAC and a copy of Sage Telecom Communications, 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 plans;
 - Sage shall provide marketing materials to the CPUC California LifeLine staff for review prior to distribution and publication;
 - Sage shall continue to comply with CPUC User Fee and universal service 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 Sage's ETC designation and/or wireless identification registration authority; and,
 - Sage shall clearly identify its wireless mobility safety content on all distributed federal Lifeline materials and on its company website.
3. Sage Telecom Communications, LLC shall be authorized to offer two federal Lifeline wireless service plans:
 - *Sage Economy*, a free 300 minute plan at no charge per month to customer
 - *Sage Value*, an unlimited talk and text plan with 100 MB of data for \$30.75 per month to customer

4. Sage Telecom Communications, LLC shall use a Tier II Advice Letter to request approval for any future changes to two federal Lifeline plans approved in this Resolution. Such request shall demonstrate that the changes comply 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. Sage Telecom Communications, LLC shall file a Tier II Advice Letter to request approval for any changes to the service areas approved in this Resolution and include a map(s) in Shapefile format of the proposed area.
6. Sage Telecom Communications, LLC shall comply with all General Order 153 rules including the Lifeline consumer enrollment process, prequalification, certification, eligibility verification and annual renewal, and work with the California LifeLine Administrator to establish customer eligibility.
7. Sage Telecom Communications, LLC shall be authorized waivers for these requested service elements of California LifeLine: (4) the ability to receive free incoming calls; (10) choice of flat-rate 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.
8. Sage Telecom Communications, 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. Sage Telecom Communications, 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 Sage Telecom Communications, LLC.
10. Sage Telecom Communications, LLC shall be authorized to receive from the Small LECs an updated list of the ZIP+4 code data in their service areas within 30 days of the effective date of this Resolution. Sage Telecom Communications, LLC shall also be authorized to receive from the Small LECs on an as-needed basis any update to the ZIP+4 code data to Sage Telecom Communications, 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 and to the California LifeLine Administrator in a format specified by the CLA.

11. Sage Telecom Communications, LLC does not seek ETC designation or request authority to provide Federal LifeLine on federally recognized Tribal lands. Due to the sovereign status of Tribal lands, should the company wish to offer service in areas designated as Tribal lands, the company shall file a Tier II advice letter and follow the FCC's tribal engagement process described in the FCC's USF/ICC *Transformation Order* and provide with the advice letter the respective tribe's responses, or a declaration in the event a tribe does not respond. The advice letter shall describe the specific Tribal lands to be served and include maps in Shapefile format of the proposed Tribal lands.
12. Sage Telecom Communications, LLC shall submit to the Communications Division Director an Information Only report quarterly beginning in the first quarter of 2015 of service requests from customers living in the designated service area but outside of its existing network coverage. The report would include: a description of each customer service request; the dates of the request; the disposition of the request; method(s) used to provide service (e.g., modifying or replacing customer equipment, deploying a roof-mounted antenna or other equipment, adjusting the nearest cell tower or network or customer facilities, reselling services from another carrier's facilities, or employing, leasing or constructing an additional cell site); and, the date of completion.
13. Sage Telecom Communications, LLC shall comply with all applicable Commission rules and regulations including the reporting and payment of Public Utilities Commission User Fees and universal service 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 January 29, 2015, the following Commissioners voting favorably thereon:

TIMOTHY SULLIVAN
Interim Executive Director

Resolution T- 17468
CD/ABA

APPENDIX A

Attachment A
Resolution T-17468
Sage Telecom Communications, LLC

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



Attachment B
Resolution T-17468
Sage Telecom Communications, 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)