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

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| **Communications Division** | RESOLUTION T- 17609 |
| **Consumer Programs Branch** | **June 21, 2018** |

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

Resolution T-17609. This Resolution Grants the Request of EZ Reach Mobile, LLC, a Wireless Reseller, to be Designated as a California LifeLine Provider to Offer Prepaid Wireless Telephone Services Supported by the California LifeLine Program in Sprint PCS and T-Mobile’s Wireless Services Territories Throughout California, Excluding Tribal Lands.

**SUMMARY**

By this Resolution, the California Public Utilities Commission (CPUC or Commission) conditionally grants the request of EZ Reach Mobile, LLC (U-4424-C) (EZ Reach), a wireless reseller to operate as an authorized California LifeLine Provider to provide only California LifeLine prepaid wireless service to qualifying low-income households where its underlying carriers, Sprint PCS (Sprint) and T-Mobile provide wireless service in California, as indicated in Attachment A. EZ Reach seeks California LifeLine support only and does not seek Federal Lifeline fund support or authority to serve Tribal lands.

By this Resolution, the Commission approves the following prepaid wireless service plans as eligible for California LifeLine support for EZ Reach:

* *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, and additional data available for purchase at $20 per 1 Gigabyte (GB).
* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 megabytes (MB) of data for $0.00 per month, and additional data available for purchase at $20 per 1 GB.

**EZ Reach’s Advice Letter**

On June 23, 2016, EZ Reach filed Tier 3 Advice Letter No. 2 (AL 2)[[1]](#footnote-1) to the CPUC requesting authorization to be a California LifeLine provider to offer discounted prepaid wireless telephone services to eligible households in California. In AL 2, EZ Reach proposed to offer one wireless plan that includes unlimited voice minutes and text messaging, and 100 MB of data, at net cost of $0 per month to California LifeLine customers. EZ Reach proposed to offer additional data at $0.025 per MB.

On November 14, 2017, EZ Reach filed AL 2A[[2]](#footnote-2) to modify AL 2 and provide additional information regarding EZ Reach’s proposed California LifeLine wireless offering, as required by Decision 14-01-036. In AL 2A, EZ Reach also made revisions in accordance with new rules effective 2017[[3]](#footnote-3), and the 2018 California LifeLine monthly support amount of $14.30[[4]](#footnote-4), and provided supplemental information on the company’s operations, including handset distribution, customer enrollment and intake, and hiring, training and supervision of sales agents.

On December 20, 2017, EZ Reach filed AL 2B[[5]](#footnote-5) to further increase the amount of data included in its proposed wireless plan to 500 MB, as follows:

* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 MB of data for $0.00 per month, with additional data available for purchase at $25 per 1 GB.

On March 12, 2018, EZ Reach filed AL 2C to add a second proposed plan and update the cost of additional data. EZ Reach proposed to also offer an unbundled plan that includes unlimited voice minutes and text messaging with no data, and lower the cost of additional data to $20 per 1 GB, as follows:

* *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, and additional data available for purchase at $20 per 1 GB.
* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 MB of data for $0.00 per month, and additional data available for purchase at $20 per 1 GB.

EZ Reach does not seek Federal Lifeline fund support, and does not request authority to offer service on Tribal lands. It proposes to offer two prepaid wireless plans to which it will apply the $14.30 California LifeLine monthly support amount and a company credit equal to the Federal LifeLine monthly support of $9.25.[[6]](#footnote-6) [[7]](#footnote-7)

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

# BACKGROUND

**California LifeLine Program Requirements**

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

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

1. It has a valid, active operating authority issued by the CPUC;[[8]](#footnote-8)
2. It is current in its remittance of CPUC User Fees and public purpose program surcharges;[[9]](#footnote-9)
3. Its proposed offerings meet the CPUC’s California LifeLine service elements;[[10]](#footnote-10)
4. Its disclosures, schedule of rates and charges, and terms and conditions are thorough and consistent with state and federal rules;
5. Its marketing and selling methods are consistent with D.14-01-036 and 47 C.F.R. § 54.405(b); and
6. Its provisioning process is consistent with and in compliance with the California LifeLine Administrator’s enrollment process, validation checks, transmission requirements, and efforts to prevent waste, fraud, and abuse.[[11]](#footnote-11)

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

1. The provider must offer participants the ability to place and receive voice-grade calls over all distances using the public switched telephone network or successor network;
2. The provider must offer free, unlimited access to public safety N11s (211, 311, 511, 711, and 811) for California LifeLine eligible plans with 1,000 or more voice minutes, and to 911 emergency services for all California LifeLine eligible plans;
3. The provider must offer services on a non-discriminatory basis to any customer residing in the service territory;
4. The provider must offer at least one California LifeLine plan that meets or exceeds the California LifeLine service elements, and is not bundled with any video or data services (Unbundled Service Obligation);
5. The provider must offer to California LifeLine participants all handsets on the same basis as it offers to retail customers;
6. The provider must offer all plans that meet or exceed the California LifeLine service elements and are consistent with the rules on a discounted basis; and
7. The provider must provide free, unlimited access to customer service representatives in the same language in which the California LifeLine service was originally sold or marketed.

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

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

To ensure that participants are adequately informed of the service plans, the California LifeLine provider must prominently disclose and disseminate terms and conditions, program information, and enrollment process to potential and existing participants in compliance with rules including, but not limited to, GO 153, sections 4 and 5, D.14-01-036, Public Utilities Code § 876, and 47 C.F.R. § 54.405(c). Additionally, the service providers must submit their marketing materials, including scripts to Staff for review and approval prior to dissemination and/or availability to the public.[[12]](#footnote-12)

**Notice/Protests**

EZ Reach served its Advice Letter filing and supplements via email on all parties on the California LifeLine proceeding R.11-03-013 service list, and the AL 2 appeared in the Commission’s Daily Calendar on July 5, 2016. No protests were filed.

**DISCUSSION**

Company Overview

EZ Reach is a California corporation with its principal office located at 3957 Pleasantdale Road, Suite 107, Atlanta, Georgia 30340. EZ Reach is a wireless reseller that provides prepaid wireless services using the Sprint PCS and T-Mobile wireless networks. EZ Reach has a contract with Boomerang Wireless, LLC, doing business as *Ready Mobile*, a Mobile Virtual Network Enabler (MVNE), to purchase the minutes of Sprint for resale. EZ Reach is in the process of finalizing its contract with Prepaid Wireless Group, also a MVNE, for access to the T-Mobile network. These contracts allow EZ Reach to obtain the network infrastructure and transmission facilities and operate as a Mobile Network Virtual Operator.[[13]](#footnote-13) EZ Reach currently does not offer LifeLine services in any state, but intends to provide LifeLine and non-LifeLine wireless services in California upon being designated as a California LifeLine service provider. EZ Reach does not request authority to provide service on federally recognized Tribal lands in California.

On April 23, 2012, the Commission issued EZ Reach its Wireless Identification Registration (WIR) number, U-4424-C, allowing it to operate as a commercial mobile radio service (CMRS) provider in California.

Compliance with Commission User Fee and Surcharge Obligations

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

Compliance with California LifeLine Program Requirements

Staff finds EZ Reach’s proposed California LifeLine wireless telephone service plans meet the California LifeLine Program requirements, and are eligible for reimbursement from the California LifeLine Fund. Staff recommends approval of the following California LifeLine wireless service plans:

* *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, and additional data available for purchase at $20 per 1 GB.
* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 MB of data for $0.00 per month, and additional data available for purchase at $20 per 1 GB.

EZ Reach requests a waiver of the California LifeLine pre-qualification requirement for its California LifeLine wireless telephone service plans, since it will offer them on a pre-paid basis. Staff recommends that the Commission grant EZ Reach’s request because it is consistent with D.14-01-036. However, this waiver does not apply to post-paid telephone service plans. If EZ Reach decides to offer any California LifeLine wireless telephone service plans on a post-paid basis in the future, it must comply with the pre-qualification requirement unless it is granted a waiver.

EZ Reach will offer all handsets to LifeLine participants on the same terms and conditions as EZ Reach’s retail customers. EZ Reach did not seek exemptions[[14]](#footnote-14) from the All Plans Requirement and the All Handsets Requirement. If EZ Reach chooses at a later time to request these exemptions, then it should file a Tier 2 advice letter.

D.14-01-036 requires that the discount for the pre-paid telephone service begin with the date of approval notification or the date of service activation, whichever is later. EZ Reach proposes to provide handsets to customers upon completion of the in-person enrollment process.

EZ Reach indicates that it will use the status code 53 process[[15]](#footnote-15) for all sales channels. EZ Reach and its enrollment-related designee, CGM, LLC (CGM) will go through the California LifeLine Administrator to enroll and determine a consumer’s California LifeLine eligibility. EZ Reach plans to use the CGM enrollment mobile application along with the Direct Application Process to intake and process California LifeLine applications.[[16]](#footnote-16) Upon enrollment in the LifeLine program, customers will receive a handset preloaded with 1,000 free promotional voice minutes and 10 MB free promotional data.

Since December 2010, the CPUC has required carriers with limited eligible telecommunications carrier (ETC) designation offering federal Lifeline service in California to clearly label its service. Although EZ Reach is not an ETC, Staff also recommends that EZ Reach clearly label its wireless telephone service plans approved in this Resolution as “California LifeLine wireless service plan”, and refer to the California LifeLine Program, where applicable, in EZ Reach’s terms and conditions, disclosures, and marketing materials. Staff will review all terms and conditions, disclosures, and marketing materials including, but not limited to, customer service representative scripts, internet marketing, and posters and brochures, for review and approval prior to publication and distribution.

Compliance with the California LifeLine Administrator’s Requirements

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

EZ Reach agrees: 1) to comply with the Administrator’s enrollment and de-enrollment processes, transmission requirements, eligibility rules and validation checks; and 2) to facilitate, participate in, and comply with the California LifeLine Administrator’s enrollment process to eliminate waste, fraud and abuse.[[17]](#footnote-17)

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

Providing California LifeLine Wireless Service to Customers/ Service Areas

EZ Reach requests designation as a California LifeLine Provider to provide prepaid wireless service to qualifying households, where its underlying carriers, Sprint and T-Mobile provide wireless service in the state of California. (*See* Attachment A). EZ Reach is not seeking to serve federally recognized Tribal lands in California at this time.

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

Public Interest Determination:

Before recommending designation of a carrier as a California LifeLine provider, Staff must determine that doing so would be in the public interest for California consumers.[[18]](#footnote-18)

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

Price Analysis

When analyzing California Lifeline plan pricing, Staff relies on competitive forces to determine reasonable plan prices and compares proposed offerings to currently available California LifeLine plans and non-Lifeline, retail plan prices. Staff evaluated EZ Reach’s proposed offerings using the expected monthly cost to low-income consumers based on mobile average minutes of use[[19]](#footnote-19) and other Lifeline wireless plans.

# The charts below compare EZ Reach’s proposed California LifeLine wireless plans to similar existing plans in the market.

# *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, with additional data available at $20 per 1 GB.



**(Unlimited Talk & Text Plan Continued)**



# *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 MB of data for $0.00 per month, with additional data available at $20 per 1 GB.[[20]](#footnote-20)



Staff finds the prepaid wireless plans as proposed by EZ Reach to be equal or better value based on comparable offerings and plan pricing for low-income customers and recommends approval.

Due Diligence Review

An integral part of Staff’s processing of a California LifeLine designation request is a due diligence review to determine if the carrier has engaged in behavior that may call into question its fitness to be granted California LifeLine designation to serve California consumers. The due diligence review includes, but is not limited to, conducting independent research about a carrier’s past operations to provide the Commission with information that may be pertinent in deciding whether or not to grant the California LifeLine designation request. Typical research methods include performing Lexis/Nexis legal resource searches, internet searches, reviewing industry and trade publications, querying other governmental agencies, contacting the FCC and Universal Service Administrative Company (USAC), reviewing a company’s history of operations, and consulting with the Commission’s Consumer Protection and Enforcement Division and Consumer Affairs Branch.

Staff’s research revealed that, on May 12, 2016, CPUC issued Resolution T-17510, imposing fines and revoking the operating licenses of 28 wireless service providers for failing to comply with CPUC User Fee, public purpose program surcharge and/or performance bond requirements. EZ Reach was one of the 28 service providers identified in Resolution T-17510, due to its failure to comply with user fee and public purpose program surcharge requirements. In AL 2, EZ Reach indicated that, in order to avoid revocation of its WIR, EZ Reach paid the ordered fines within 30 days of the effective date of Resolution T-17510, remitted all past due User Fees and filed all past due public purpose program surcharge reports.[[21]](#footnote-21) [[22]](#footnote-22) Staff confirmed payment with the Commission’s fiscal office.

Staff did not uncover any other fitness issues in its due diligence review of EZ Reach that rise to a level to deny its request to offer California LifeLine Wireless Service. Staff finds EZ Reach’s AL 2 consistent with the public interest at this time and recommends that the Commission grant the company authority to become a California LifeLine provider. If substantive issues emerge after this California LifeLine provider authorization is approved which raise public interest questions about EZ Reach’s ability to offer subsidized program services in compliance with the authorities granted in this resolution, the Commission may pursue an enforcement action which may include, fines, penalties, and the revocation of the California LifeLine authority, and/or wireless identification registration authority and denial and/or suspension of its California LifeLine disbursements.

Safety Considerations

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

Given that safety and emergency communications are common concerns for all of California’s wireless customers, Staff requires that EZ Reach fully and clearly inform prospective California LifeLine participants that coverage limitations may affect wireless mobile phone service access to E-911 and/or 911 in the event of an emergency. Such disclosures include, but are not limited to, clear statements on marketing materials and conspicuous placement on the public website in the form of information content on webpages, footnotes, and/or listings on a frequently asked questions (FAQ) webpage.

Future Changes to Designated Service Areas

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

Conclusions

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

1. Approve EZ Reach’s request to be authorized as a California LifeLine service provider to provide prepaid wireless services to qualifying households where its underlying carriers, Sprint and T-Mobile, provide wireless service in California, excluding federally-recognized Tribal lands.
2. Approve EZ Reach’s California LifeLine prepaid wireless service plans as follows:

* *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, and additional data available for purchase at $20 per 1 Gigabyte (GB).
* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 megabytes (MB) of data for $0.00 per month, and additional data available for purchase at $20 per 1 GB.

1. Require EZ Reach to file a Tier 2 advice letter to request future changes including, but not limited to, terms and conditions, and to the approved California LifeLine wireless service plans.
2. Require EZ Reach to submit its terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, for review and approval by Staff before offering service, dissemination and/or availability to the public.
3. Require EZ Reach to clearly label the wireless telephone service plan approved by Staff in this Resolution as “California LifeLine wireless service plans”, and refer to the California LifeLine Program, where applicable, in EZ Reach’s terms and conditions, disclosures, and marketing materials.
4. Although Staff finds that EZ Reach’s provisioning process and terms and conditions for “Service Activation” are consistent with the Administrator’s Status Code 53 Process, Staff requires EZ Reach to work with the Administrator and Staff to finalize its provisioning process and solidify its understanding of the program’s processes prior to the company launching its prepaid wireless services.
5. Require EZ Reach to notify the Administrator and obtain approval for any proposed changes to EZ Reach’s provisioning process and operations including, but not limited to, EZ Reach’s service activation method.

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

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

**COMMENTS**

In compliance with P.U. Code § 311(g), the Commission emailed a notice letter on May 22, 2018, informing all parties on the Eligible Telecommunications Carrier service list and the California LifeLine proceeding (R. 11-03-013) 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.

**FINDINGS AND CONCLUSIONS**

1. EZ Reach Mobile, LLC’s (EZ Reach) principal office is located at 3957 Pleasantdale Road, Suite 107, Atlanta, Georgia 30340.

1. On April 23, 2012, the Commission issued EZ Reach its Wireless Identification Registration (WIR) number, U-4424-C, allowing it to operate as a commercial mobile radio service (CMRS) provider in California.
2. EZ Reach is a prepaid wireless service provider that resells the services of Sprint and T-Mobile.
3. On June 23, 2016, EZ Reach filed Tier 3 Advice Letter (AL) 2 to the California Public Utilities Commission (CPUC or Commission) requesting authorization to be a California LifeLine provider to offer discounted prepaid wireless telephone services to eligible households in California.
4. On November 14, 2017, EZ Reach filed AL 2A to modify AL 2 and to provide additional information regarding EZ Reach’s proposed California LifeLine wireless offering as required by Decision 14-01-036.
5. In AL 2A, EZ Reach made revisions in accordance with new rules effective 2017, and the 2018 California LifeLine monthly support amount of $14.30, and provided supplemental information on company operations, including handset distribution, customer enrollment and intake, and hiring, training and supervision of sales agents.
6. In AL 2A, EZ Reach modified its previously proposed plan to include unlimited voice minutes and text messaging, and 250 MB of data, at net cost of $0 per month to California LifeLine subscribers, with additional data available for purchase at $0.025 per MB.
7. On December 20, 2017, EZ Reach filed AL 2B to further increase the amount of data included in its proposed wireless plan to 500 MB.
8. On March 12, 2017, EZ Reach filed AL 2C to add a second proposed plan and update the cost of additional data. EZ Reach proposed to also offer an unbundled plan that includes unlimited voice minutes and text messaging, and lower the cost for additional data to $20 per 1 GB, as follows:

* *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, and additional data available for purchase at $20 per 1 Gigabyte (GB).
* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 megabytes (MB) of data for $0.00 per month, and additional data available for purchase at $20 per 1 GB.

1. EZ Reach does not seek Federal Lifeline fund support, and does not request authority to offer service on Tribal lands.
2. EZ Reach proposes to offer two prepaid wireless plans to which it will apply the $14.30 California LifeLine monthly support amount and a company credit equal to the Federal LifeLine monthly support of $9.25.
3. EZ Reach does not currently provide telecommunications service in California.
4. The Communications Division recommends that EZ Reach’s request to operate as a California LifeLine Provider be approved contingent on the following:
   1. File required annual reports and compliance reports with the Commission;
   2. Continue to comply with CPUC User Fee and surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements;
   3. Provide terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, to the CPUC California LifeLine staff for review and approval prior to offering service, dissemination and/or availability to the public;
   4. Post safety related information about wireless telephone service coverage limitations on terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website; and
   5. Abide by all applicable state and federal consumer protection, including CPUC General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services, and comply with the Cellular Telecommunications and Internet Association’s (CTIA) *Consumer Code for Wireless Service*, as it is amended, and comply with directions to carriers regarding unlocking of phones.
5. EZ Reach requested a waiver of the pre-qualification requirement.
6. EZ Reach did not seek exemptions to the All Plans Requirement and All Handset Requirements.
7. EZ Reach generally understands the program’s Status Code 53 Process and the FCC’s requirement related to its proposed service activation method and provisioning process and it is consistent with the California LifeLine Administrator’s process and FCC’s service activation rule.
8. EZ Reach should label clearly the wireless plan approved in the Resolution as “*California LifeLine wireless service plan*” and refer to the California LifeLine Program, where applicable, in EZ Reach’s terms and conditions, disclosures, and marketing materials.
9. EZ Reach commits to comply with the California LifeLine Program’s enrollment process, including all eligibility rules and validation checks, and to provide the Administrator all required information for the Administrator to determine eligibility.
10. EZ Reach’s prepaid wireless plans have equal or better value based on comparable offerings and plan pricing for low-income customers:

* *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, and additional data available for purchase at $20 per 1 Gigabyte (GB).
* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 megabytes (MB) of data for $0.00 per month, and additional data available for purchase at $20 per 1 GB.

1. It is reasonable to grant a waiver of the California LifeLine pre-qualification requirement for EZ Reach’s California LifeLine wireless plans, because these will be offered on a pre-paid basis.
2. Staff conducted a due diligent review of EZ Reach and found that on May 12, 2016, CPUC issued Resolution T-17510, imposing fines and revoking the operating licenses of 28 wireless service providers for failure to comply with CPUC User Fee, public purpose program surcharge and/or performance bond requirements. EZ Reach was one of the 28 service providers identified in Resolution T-17510, due to failure to comply with user fee and public purpose program surcharge requirements.
3. In AL 2, EZ Reach indicated that, in order to avoid revocation of its WIR, EZ Reach paid the ordered fines within 30 days of the effective date of Resolution T-17510, remitted all past due User Fees and filed all past due public purpose program surcharge reports. Staff confirmed payment with the Commission’s Fiscal office.
4. The Commission may pursue an enforcement action which may include fines, penalties, and the revocation of wireless identification registration, the California LifeLine wireless service provider authority, and/or wireless identification registration authority and denial and/or suspension of its California LifeLine disbursements should substantive issues emerge after EZ Reach is approved which raise public interest questions about EZ Reach’s operations.
5. For public safety reasons, EZ Reach is required to clearly inform LifeLine customers that coverage limitations may affect wireless mobile service including E-911/911 emergency calls. Disclosures will include, but are not limited to, clear statements on all marketing materials and company’s website.
6. EZ Reach should file a Tier 2 advice letter to request approval to change its service area including a description of the area(s) to be served, a list of geographic areas, and a map(s) in Shapefile format of the proposed service area.
7. As a California LifeLine provider, EZ Reach is authorized to provide California LifeLine services throughout the state without any geographic restrictions, excluding federally-recognized Tribal lands in California.
8. EZ Reach should file a Tier 2 advice letter to request approval for any future changes including, but not limited to, terms and conditions, and to the approved California LifeLine wireless service plans.
9. On May 01, 2018, the Commission emailed a draft of this resolution to the eligible telecommunications carrier service list and the California LifeLine proceeding R.11-03-013 service lists for public comments.

**THEREFORE, IT IS ORDERED** that:

1. The Commission approves EZ Reach Mobile, LLC (EZ Reach) (U-4464-C) as a California LifeLine provider to offer prepaid wireless telephone services supported by the California LifeLine Program where its underlying carriers, Sprint and T-Mobile, provide coverage in the state of California, excluding federally recognized Tribal Lands.
2. EZ Reach’s designation approval for California LifeLine prepaid wireless service provider shall be contingent upon the following:
3. File required annual reports and compliance reports with the Commission;
4. Continue to comply with CPUC User Fee and surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements;
5. Provide terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, to the CPUC California LifeLine staff for review and approval prior to offering service, dissemination and/or availability to the public;
6. Post safety related information about wireless telephone service coverage limitations on terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website;
7. Abide by all applicable state and federal consumer protection, including CPUC General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services, and comply with the Cellular Telecommunications and Internet Association’s (CTIA) *Consumer Code for Wireless Service*, as it is amended, and comply with directions to carriers regarding unlocking of phones.
8. EZ Reach shall be authorized to offer the following California LifeLine pre-paid wireless service plans:

* *Unlimited Talk and Text:* Unlimited voice minutes and text messaging for $0.00 per month, and additional data available for purchase at $20 per 1 Gigabyte (GB).
* *Unlimited Talk and Text with 500 MB Data:* Unlimited voice minutes and text messaging, and 500 megabytes (MB) of data for $0.00 per month, and additional data available for purchase at $20 per 1 GB.

1. EZ Reach shall file a Tier 2 advice letter to request approval for any future changes to its approved designated service area. This request shall describe the areas to be served, and include a list of geographic areas and a map(s) in Shapefile format of the proposed service area.
2. EZ Reach shall file a Tier 2 advice letter to request approval for any future changes including, but not limited to, terms and conditions to the approved California LifeLine wireless service plans.

1. EZ Reach shall comply with General Order 153 and the California LifeLine Administrator’s enrollment process including, but not limited to, validation checks, transmission requirements, and efforts to prevent waste, fraud, and abuse.
2. EZ Reach shall clearly label the wireless telephone service plans approved in this Resolution as “California LifeLine wireless service plans” and refer to the California LifeLine program, where applicable, in EZ Reach’s terms and conditions, disclosures, and marketing materials.
3. EZ Reach shall notify the California LifeLine Administrator and obtain prior approval from Staff of any changes to EZ Reach’s provisioning process and operations including, but not limited to, its service activation method.
4. EZ Reach shall comply with all CPUC rules, orders, decisions, and resolutions, the California Public Utilities Code, and Lifeline rules. Failure to do so may result in fines, penalties, denial, suspension, and/or revocation of its wireless identification registrations, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements.

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 June 21, 2018, the following Commissioners voting favorably thereon:

|  |
| --- |
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| ALICE STEBBINSExecutive Director |

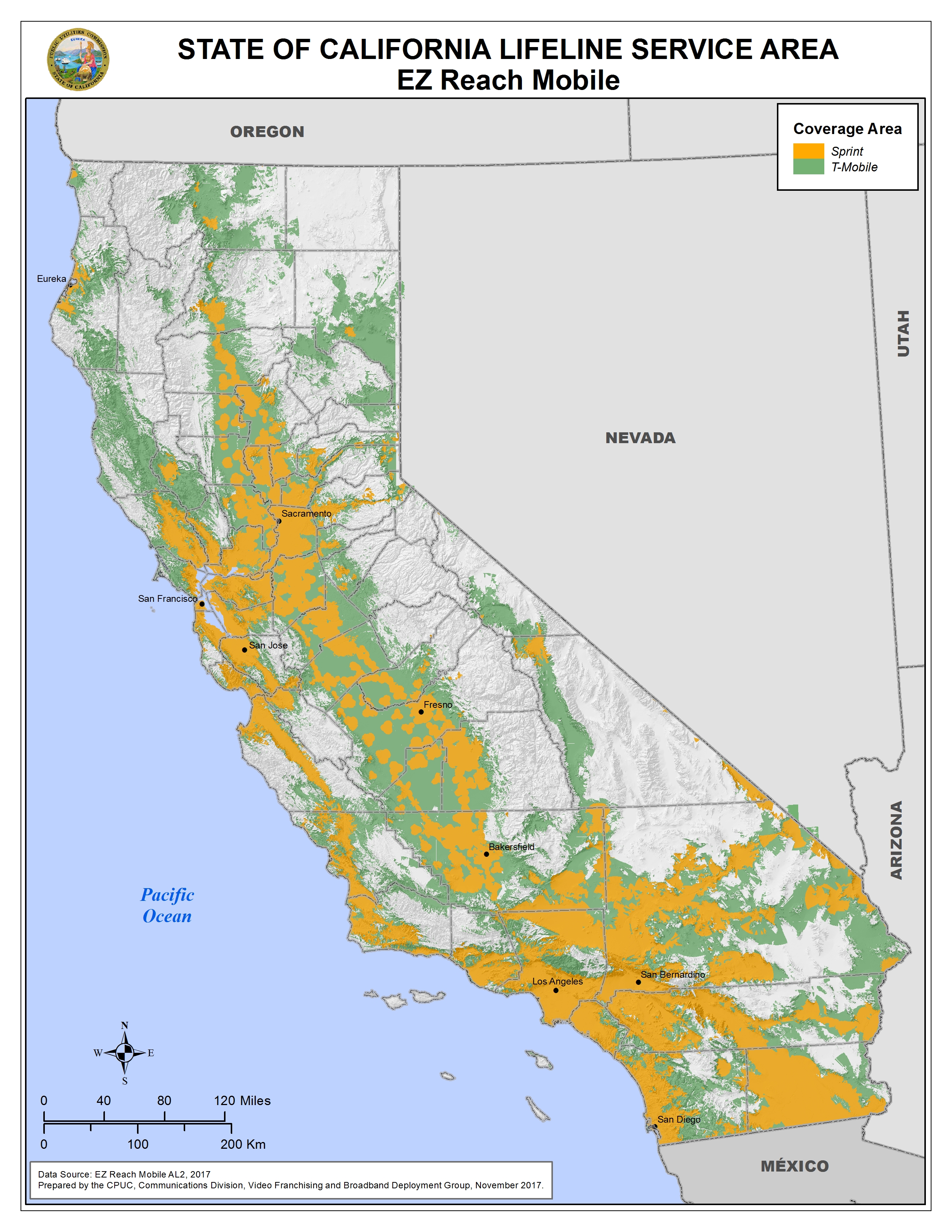
APPENDIX A

**Attachment A**

**Resolution T-17609**

**EZ Reach Mobile, LLC**

**Proposed Service Area for California LifeLine Wireless Services**



1. EZ Reach AL No.2 was dated June 22, 2016 and received by CPUC on June 23 2016. [↑](#footnote-ref-1)
2. EZ Reach AL 2A was dated November 13, 2017 and received by CPUC on November 14, 2017. [↑](#footnote-ref-2)
3. California LifeLine New Limitations Effective June 1, 2017, <http://www.cpuc.ca.gov/ults/>. [↑](#footnote-ref-3)
4. California LifeLine Program SSA Administrative Letter – 2018, <http://www.cpuc.ca.gov/General.aspx?id=1100>. [↑](#footnote-ref-4)
5. EZ Reach AL 2B was dated December 18, 2017 and received by CPUC on December 20, 2017. [↑](#footnote-ref-5)
6. EZ Reach will provide this temporary company credit on the California LifeLine-only plans until the company is designated as an Eligible Telecommunications Carrier by the FCC to receive reimbursements from the Federal Universal Service Fund for its California LifeLine customers. EZ Reach AL 2B, Exhibit A. [↑](#footnote-ref-6)
7. For the proposed plan that includes unlimited voice minutes and text messaging with 500 MB of data, EZ Reach will offer an additional company discount of $1.45, so that the plan is available to LifeLine customers at a net cost of $0 per month. EZ Reach AL 2B, Exhit A. [↑](#footnote-ref-7)
8. *See* OP 3 of D.14-01-036. [↑](#footnote-ref-8)
9. *See* GO 153 §§ 9.5.3.1., 9.8.5, 9.8.6, 9.9.2, 10, and 11 and Ordering Paragraph 21 of D.13-05-035. [↑](#footnote-ref-9)
10. *See* OP 26.a. of D.14-01-036, Attachment D, *See also* GO 153, Appendix A as adopted in D.14-01-036. [↑](#footnote-ref-10)
11. On February 14, 2014, the CPUC’s Communications Division issued an administrative letter titled “Guidance for Service Providers Interested in Offering California LifeLine Wireless Services Consistent with Decision 14-01-036.”(Administrative Letter) (<http://www.cpuc.ca.gov/NR/rdonlyres/AEBD2120-0BE4-4811-B545-64AF0349382F/0/CDAdvice_Letter_Filing_Components_CaLLWireless_APPROVED_021414.pdf>.). This Administrative Letter provides instructions and guidance for a carrier seeking to become a California LifeLine provider to offer California LifeLine wireless services. [↑](#footnote-ref-11)
12. *See* OP 24.c of D.14-01-036. [↑](#footnote-ref-12)
13. EZ AL No.2 filed June 22, 2016, pp. 1-2. [↑](#footnote-ref-13)
14. *See* OP 24.b.iv of D.14-01-036. [↑](#footnote-ref-14)
15. The Administrator developed a special process, “Status Code 53 Process,” for telephone service providers offering pre-paid telephone services waiving the pre-qualification requirement. The Status Code 53 Process requires California LifeLine providers to send an update record with the Service Start Date and telephone number to the Administrator. LifeLine providers are only supposed to send this particular type of update record after confirming the consumer has made an outbound call. [↑](#footnote-ref-15)
16. EZ Reach, AL 2A, Exh. E. [↑](#footnote-ref-16)
17. EZ Reach AL 2A, pp. 2-3. [↑](#footnote-ref-17)
18. *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.* [↑](#footnote-ref-18)
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. Staff analysis uses the 615 average minutes of use (MOU) for wireless voice as a base to evaluate Lifeline plan offerings (Table 38). [↑](#footnote-ref-19)
20. For the proposed plan that includes unlimited voice minutes and text messaging with 500 MB of data, EZ Reach is offering an additional company discount of $1.45, so that the plan is available to LifeLine customers at a net cost of $0 per month. EZ Reach AL 2B, Exhit A. [↑](#footnote-ref-20)
21. EZ Reach AL 2, p. 3. [↑](#footnote-ref-21)
22. Resolution T-17510, <http://docs.cpuc.ca.gov/searchres.aspx?docformat=all&docid=161947861> [↑](#footnote-ref-22)