

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Consumer Programs Branch**

**RESOLUTION T- 17610
June 21, 2018**

R E S O L U T I O N

Resolution T-17610. This Resolution Grants the Request of Mobile Net POSA, Inc., Doing Business As Jolt Mobile to be Designated as a California LifeLine Provider to Offer Prepaid Wireless Telephone Services Supported by the California LifeLine Program Where its Underlying Carriers, Sprint Spectrum L.P. (Sprint) and T-Mobile Provide Wireless Services Throughout California, Excluding Tribal Lands.

SUMMARY

By this Resolution, the California Public Utilities Commission (CPUC or Commission) grants the request of Mobile Net POSA, Inc. (Mobile Net), doing business as Jolt Mobile (U-4464-C), a wireless reseller, hereafter referred to as Mobile Net, to be designated as an authorized California LifeLine Provider to provide only California LifeLine wireless service under the name "Jolt Mobile" to qualifying households where its underlying carriers, Sprint Spectrum L.P. (Sprint) and T-Mobile provide wireless service in California, as indicated in Attachment A. Mobile Net seeks California LifeLine support only, and does not seek Federal Lifeline fund support or authority to serve Tribal lands.

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

- Unlimited Talk and Text Plan: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$17 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 \$17 per 1 GB.

Mobile Net's Advice Letter

On November 18, 2014, Mobile Net filed Tier III Advice Letter Number 3 (AL 3)¹ to the CPUC requesting authorization to be a California LifeLine provider to offer discounted prepaid wireless telephone services to eligible households in California, under the name "Jolt Mobile".

¹ Mobile Net AL 3 was dated November 17, 2014 and received by CPUC on November 18, 2014.
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On February 26, 2016, Mobile Net filed AL 3A² to modify AL and provide additional information regarding Mobile Net's proposed California LifeLine wireless offerings, as required by Decision 14-01-036. In AL 3A, Mobile Net proposed to offer five wireless plans, two for \$0 per month to California LifeLine customers, and three at a discounted rate to California LifeLine customers.

On November 14, 2017, Mobile Net filed AL 3B³. In AL 3B, Mobile Net made revisions in accordance with new rules effective 2017⁴ and the 2018 California LifeLine monthly support amount of \$14.30⁵, and provided supplemental information on the company's operations, including handset distribution, customer enrollment and intake, and hiring, training and supervision of sales agents. In AL 3B, Mobile Net eliminated the three discounted rate plans noted in AL 3A, and proposed to offer only two California LifeLine prepaid wireless plans: one that includes unlimited voice minutes and text messaging with no data, and another that includes unlimited voice minutes and text messaging with 250 MB of data. In AL 3B, Mobile Net proposed to offer additional data for purchase at \$20 per 300 megabytes (MB).

On December 19, 2017, Mobile Net submitted AL 3C⁶ to clarify (a) its enrollment process for households with disabled members who use the teletypewriter machine, and (b) its terms and conditions on the promotional allotment of voice minutes that are provided at in-person enrollment events to California LifeLine applicants for use while their applications are under review by the California LifeLine Administrator. In AL 3C, Mobile Net also revised its previously proposed prepaid wireless plans. In AL 3C, Mobile Net proposed to offer one plan that includes unlimited voice minutes and text messaging with no data, and another that includes unlimited voice minutes and text messaging with 500 MB of data. Additionally, Mobile Net proposed to offer additional data for purchase at \$20 per 300 MB.

On December 22, 2018, Mobile Net submitted AL 3D⁷ to update the cost of additional data for its proposed prepaid wireless plans, as follows:

- Unlimited Talk and Text Plan: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$17 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 \$17 per 1 GB.

On March 14, 2018, Mobile Net submitted AL 3E⁸ to update its proposed terms and conditions⁹ for California LifeLine participants, affirm that its handset unlocking policy¹⁰ will

² Mobile Net AL 3A was dated February 25, 2016, and received by CPUC on February 26, 2016.

³ Mobile Net AL 3B was dated November 13, 2017, and received by CPUC on November 14, 2017.

⁴ California LifeLine New Limitations Effective June 1, 2017, <http://www.cpuc.ca.gov/ults/>.

⁵ California LifeLine Program SSA Administrative Letter – 2018, <http://www.cpuc.ca.gov/General.aspx?id=1100>.

⁶ Mobile Net AL 3C was dated December 18, 2017, and received by CPUC on December 19, 2017.

⁷ Mobile Net AL 3D was dated December 21, 2017, and received by CPUC on December 22, 2017.

⁸ Mobile Net AL 3E was dated March 13, 2018, and received by CPUC on March 14, 2018.

be posted on its website, and provide an explanation to support its requested waiver to make all company retail plans available to California LifeLine customers. Mobile Net states that while the company offers other retail plans, those plans are not currently more beneficial to customers than its two proposed California LifeLine plans or other LifeLine plans on the market, and therefore, requests to waive the requirement to make those plans available to LifeLine customers.¹¹

Mobile Net does not seek Federal Lifeline fund support, and does not request authority to offer service on Tribal lands in California. 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 discount equal to the Federal LifeLine monthly support of \$9.25.^{12 13}

Mobile Net's California rate plans are subject to a one-time \$39 activation fee. Pursuant to Decision 14-01-036, Mobile Net will seek the \$39 activation reimbursement for California LifeLine wireless telephone services no more than two times per year per eligible California LifeLine household. If the California LifeLine household is not eligible to receive the \$39 reimbursement, Mobile Net will pay the \$39 activation fee.

Notice/Protests

Mobile Net served its Advice Letter filing and supplements via email on all parties on the California LifeLine proceeding (Rulemaking 11-03-013) service list, and the AL appeared in the Commission's Daily Calendar on November 26, 2014.

The Office of Ratepayer Advocates (ORA) submitted a protest to the AL on December 8, 2014, noting, that Mobile Net's terms and conditions contained in Attachment C of AL 3 are inappropriate, vague, ambiguous, and/or contradictory, and therefore are unreasonable to customers. Mobile Net responded to ORA's protest on December 15, 2014, explaining that Mobile Net's terms and conditions contain language generally used by wireless service providers, including those that have been approved by the CPUC to offer wireless services. In addition, wireless service providers' terms and conditions are reviewed by Staff during

⁹ In AL 3E, Mobile Net revised the terms and conditions to remove the reference to discounted retail plans and to include information regarding the CPUC Consumer Affairs Branch.

¹⁰ Mobile Net's handset unlocking policy is consistent with the six handset unlocking principles listed in the Cellular Telecommunications and Internet Association's (CTIA) *Consumer Code for Wireless Service*, Mobile Net AL 3B, Attachment D.

¹¹ Mobile Net explained further that a California LifeLine customer who is on Mobile Net's proposed California LifeLine plans at \$0.00 per month can purchase additional data as needed at \$17 per 1 GB and still receive more benefits for less cost than being on Mobile Net's retail plans. Mobile Net AL 3E at page 3 (March 14, 2018).

¹² Mobile Net is providing a company discount in lieu of the federal LifeLine support because it is not an Eligible Telecommunications Carrier (ETC) and does not receive LifeLine support. Mobile states it will provide the discount until the company applies for ETC designation and receives approval to become an ETC. Mobile Net AL 3A at page 3 (February 25, 2016), AL 3B at page 2 (November 13, 2017) and AL 3C at page 1 and Attachment A (December 18, 2018).

¹³ For the proposed plan that includes unlimited voice minutes and text messaging with 500 MB of data, Mobile Net will offer an additional company credit of \$6.45, so that the plan is available to LifeLine customers at a net cost of \$0 per month. Mobile Net AL 3C, p. 1 (December 18, 2018).

the California LifeLine authorization process. Mobile Net, however, revised the language in its terms and conditions on the following areas to address ORA's concerns:

- Ownership rights to the telephone number;
- Disclosure regarding data usage and text messages; and
- Account cancellation due to non-usage.

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 (D.), including D. 17-01-032, 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;¹⁴
2. It is current in its remittance of CPUC User Fees and public purpose program surcharges;¹⁵
3. Its proposed offerings meet the CPUC's California LifeLine service elements;¹⁶
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.¹⁷

If a carrier is seeking to offer discounted wireless services in California, the carrier must demonstrate that its proposed offerings meet the CPUC's LifeLine wireless service elements.

¹⁴ See OP 3 of D.14-01-036.

¹⁵ See GO 153 §§ 9.5.3.1., 9.8.5, 9.8.6, 9.9.2, 10, and 11 and OP 21 of D.13-05-035.

¹⁶ See OP 26.a. of D.14-01-036, Attachment D, and GO 153, Appendix A, as adopted in D.14-01-036.

¹⁷ 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.

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.¹⁸

¹⁸ See OP 24.c of D.14-01-036.

DISCUSSION

Company Overview

Mobile Net is a California corporation with its principal office located at 824 Wilshire Boulevard #200, Los Angeles, CA 90017. Mobile Net is a prepaid wireless service provider that resells the services of Sprint Spectrum L.P. (Sprint) and T-Mobile wireless networks. Mobile Net currently does not offer LifeLine services in any states, but provides non-LifeLine wireless services nationwide under the name “Jolt Mobile”. Mobile Net intends to provide LifeLine and non-Lifeline prepaid wireless services in California under the name “Jolt Mobile”.¹⁹

On May 21, 2014, the Commission issued Mobile Net its Wireless Identification Registration (WIR) number, U-4464-C, allowing it to operate as a commercial mobile radio service (CMRS) provider in California. As a registered wireless carrier in California, Mobile Net is required to report/pay public purpose program surcharges and user fees on its California intrastate revenues.

Compliance with Commission User Fee and Surcharge Obligations

Staff has verified that Mobile Net is current with their payment of the annual CPUC User Fees and public purpose program surcharges. Mobile Net 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 Mobile Net’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 Mobile Net’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 Plan*: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$17 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 \$17 per 1 GB.

Mobile Net 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 Mobile Net’s request because it is consistent with D.14-01-036. However, this waiver does not apply to post-paid telephone

¹⁹ In AL 3A filed on February 25, 2016, Mobile Net explained that the “Expo Mobile” business name is for non-LifeLine service only, and that Mobile Net will only advertise and offer LifeLine services under the name “Jolt Mobile”. In AL 3B filed on November 13, 2017, Mobile Net indicated that the company no longer operates under the name “Expo Mobile”, which has been removed from Mobile Net’s WIR.

service plans. If Mobile Net 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.

Mobile Net will offer all handsets to LifeLine participants on the same terms and conditions as Mobile Net's retail customers.²⁰ Mobile Net did not seek exemptions from the All Handsets Requirement. If Mobile Net chooses at a later time to request the exemption, then it should file a Tier 2 Advice Letter.

Mobile Net states that while the company offers other retail plans, those plans are not currently more beneficial to customers than its two proposed California LifeLine plans or other LifeLine plans on the market, and therefore, requests to waive the requirement to make those plans available to LifeLine customers. To support its waiver request, Mobile Net explains that it has not been granted eligible telecommunications carriers (ETC) designation, and thus, does not receive \$9.25 in federal LifeLine support. However, Mobile Net is providing a temporary company discount equal to the federal LifeLine support amount of \$9.25 in addition to a company credit, as necessary, so that its proposed LifeLine wireless plans are available at a net cost of \$0 per month to California LifeLine participants. Therefore, a California LifeLine customer who is on Mobile Net's proposed California LifeLine plans can purchase additional data as needed and still receive more benefits for less cost than being on Mobile Net's retail plans.²¹ Staff recommends that the Commission grant Mobile Net's request because it is consistent with D.14-01-036. However, in the future, if Mobile Net decides to offer any retail plans that meet or exceed the California LifeLine service elements and are consistent with the California LifeLine rules, it must comply with D.14-01-036 to make those retail plans available to California LifeLine Customers.

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. Mobile Net proposes to provide handsets to customers upon completion of the in-person LifeLine enrollment process. Upon enrollment in the LifeLine program, customers will receive a handset preloaded with 1,000 free promotional voice minutes. Customers will make a call at the enrollment site with Mobile Net representatives present to activate service. Customers can use the promotional minutes while waiting for California LifeLine Administrator to notify them of their application approval.

Mobile Net indicates it will utilize the Status Code 53 process²² for any and all sales channels. Mobile Net and its enrollment-related designee, CGM, LLC (CGM), will go through the

²⁰ Mobile Net confirms that it will unlock handsets upon request and will post its handset unlocking policy on its website prior to providing California LifeLine service, consistent with the mobile wireless device unlocking principles in the CTIA *Consumer Code for Wireless Service*.

²¹ Mobile Net AL 3E, p. 2 (March 14, 2018).

²² 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. California LifeLine providers are only supposed to send this particular type of update record after confirming the consumer has made an outbound call.

California LifeLine Administrator for enrolling and determining a consumers' California LifeLine eligibility. Mobile Net plans to use the CGM enrollment mobile application along with the Direct Application Process to intake and process California LifeLine applications. Thus, Mobile Net understands California LifeLine program's Status Code 53 process and the FCC's requirement with regard to service activation and provisioning. Mobile Net's proposed service activation method and provisioning process are consistent with the California LifeLine Administrator's process and the FCC's service activation rule.

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

Compliance with the California LifeLine Administrator's Requirements

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

Mobile Net agrees: 1) to comply with all eligibility rules and validation checks in the enrollment process administered by the California LifeLine Administrator, and 2) to facilitate, participate in, and comply with the California LifeLine Administrator's enrollment process to eliminate waste, fraud and abuse.²³

Currently, Mobile Net 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 Mobile Net showed some understanding of the program's various processes and requirements, Staff requires Mobile Net to work with the California LifeLine 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. Staff also requires Mobile Net to notify the California LifeLine Administrator, and obtain prior Staff approval for any future changes that Mobile Net may propose for its provisioning process and operations.

²³ Mobile Net AL 3A, page 14.

Providing California LifeLine Wireless Service to Customers/Service Areas

Mobile Net 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 services in the state of California (See Attachment A). Mobile Net is not seeking to serve federally-recognized Tribal Lands in California at this time.²⁴

Should Mobile Net 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 include 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.²⁵ Designating Mobile Net 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 California LifeLine program. Staff finds that Mobile Net 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 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 Mobile Net's proposed offerings using the expected monthly cost to a low-income consumers based on mobile average minutes of use²⁶ and other Lifeline wireless plans.

The charts below compare Mobile Net's proposed California LifeLine wireless plans to similar existing plans in the market.

²⁴ AL 3B.

²⁵ *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*.

²⁶ *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).

Unlimited Talk and Text Plan: Unlimited voice minutes and text messaging for \$0.00 per month, with additional data available for purchase at \$17 per 1 GB.

Unlimited Talk and Text Plan

U-# and Approving Authority	U-4464-C AL 3 11/18/2014	U-4451-C AL18 12/07/17	U-4372-C AL17 11/17/2017	U-4327-C AL17 11/13/2017	U-4458-C AL19 12/06/2017
Comparable ETC w/ CaLL Wireless Plans	Mobile Net Unlimited Talk & Text	AirVoice Unlimited Talk & Text	i-wireless Unlimited Talk	Virgin Assurance California FREEdom W/O DATA	AmeriMex Unlimited
Imputed or Comparable Retail Plan Price	\$ 23.55	\$ 23.55	\$ 25.00	\$ 25.00	\$ 25.00
Federal Lifeline	\$ -	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Tribal Lands	\$ -	\$ -	\$ -	\$ -	\$ -
California LifeLine	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30
Company Discount/Credit	\$ 9.25	\$ -	\$ 1.45	\$ 1.45	\$ 1.45
Plan Price to California LifeLine Customer per Advice Letter	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Avg. MOU*	760	760	760	760	760
Basic Plan Minutes (allowance)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Texts included (texts:minutes)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data included	-	-	-	-	-
Avg. Excess MOUs	-	-	-	-	-
Cost per Minutes in Excess of Allowance	-	-	-	-	-
Cost of Excess Minutes**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to California LifeLine Customer with 615 MOU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Updated Average Minutes of Use (MOU) based on FCC 16-1061 *19th Mobile Wireless Competition Report* adopted September 23, 2016, chart VII.B.1., *Average MOU per Subscriber per Month, 2009-2015*. Avg MOU 760, Year 2015.

Underlying carriers (AT&T, Sprint, T-Mobile, Verizon)	S, TM	A	S	S	S, TM, R/V
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Unlimited Talk and Text Plan (continued)

U-# and Approving Authority	U-4464-C AL 3 11/18/2014	U-4231-C AL22 12/1/2017	U-4380-C AL23 12/07/2017	U-4442-C AL19 11/07/2017	U-4423-C AL16 12/1/2017
Comparable ETC w/CaLL Wireless Plans	Mobile Net Unlimited Talk & Text	TracFone dba Safelink Unlimited Talk & Text	Truconnect Unbundled Plan Unlimited Voice & Text	Telrite California Unlimited	Global Connection Unlimited Talk & Text
Imputed or Comparable Retail Plan Price	\$ 23.55	\$ 25.00	\$ 24.00	\$ 29.95	\$ 35.00
Federal Lifeline	\$ -	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Tribal Lands	\$ -	\$ -	\$ -	\$ -	\$ -
California LifeLine	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30
Company Discount/Credit	\$ 9.25	\$ 1.45	\$ 0.45	\$ 6.40	\$ 11.45
Plan Price to California LifeLine Customer per Advice Letter	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Avg. MOU*	760	760	760	760	760
Basic Plan Minutes (allowance)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Texts included (texts:minutes)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data included	-	-	-	-	-
Avg. Excess MOUs	-	-	-	-	-
Cost per Minutes in Excess of Allowance	-	-	-	-	-
Cost of Excess Minutes**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to California LifeLine Customer with 615 MOU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Updated Average Minutes of Use (MOU) based on FCC 16-1061 19th Mobile Wireless Competition Report adopted September 23, 2016, chart VII.B.1., Average MOU per Subscriber per Month, 2009-2015. Avg MOU 760, Year 2015.

Underlying carriers (AT&T, Sprint, T-Mobile, Verizon)	S, TM	A, TM, V		A	S, TM, R/V
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Unlimited Talk and Text with 500 MB Data: Unlimited voice minutes and text messaging, and 500 MB of data for \$0.00 per month to, with additional data available at \$17 per 1 GB.

Unlimited Talk and Text with 500 MB Data ²⁷

U-# and Approving Authority	U-4464-C AL 3 11/18/2014	U-4436-C AL27 11/07/2017	U-4442-C AL19 11/07/2017	U-4411-C AL17 11/13/2017	U-4411-C AL17 11/13/2017	U-4458-C AL19 12/06/2017
Comparable ETC w/CaLL Wireless Plans	Mobile Net Unlimited Talk & Text 500 MB	Boomerang Unlimited Talk & Text 500 MB	Telrite California Unlimited Voice & Text, Plus 500 MB	TAG Mobile Bundled Unlimited Voice & SMS (ILD) Broadband (500MB-months 1-3; 1 GB after month 3)	TAG Mobile Bundled Unlimited Voice & SMS Broadband (500MB-months 1-3; 1 GB after month 3)	AmeriMex Unlimited Voice, Text & 1 GB data
Imputed or Comparable Retail Plan Price	\$ 30.00	\$ 23.55	\$ 34.25	\$52.00-\$62.00	\$52.00-\$62.00	\$ 29.24
Federal Lifeline	\$ -	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Tribal Lands	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
California LifeLine	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30	\$ 14.30
Company Discount/ Credit	\$ 15.70	\$ -	\$ 10.70	\$28.45-\$38.45	\$28.45-\$38.45	\$ 5.69
Plan Price to California LifeLine Customer per Advice Letter	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Avg. MOU*	760	760	760	760	760	760
Basic Plan Minutes (allowance)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Texts included (texts:minutes)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data included	500 MB	500 MB	500 MB	500 MB - 1 GB	500 MB - 1 GB	1 GB
Avg. Excess MOUs	-	-	-			-
Cost per Minutes in Excess of Allowance	-	-	-			-
Cost of Excess Minutes**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost to California LifeLine Customer with 615 MOU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
* Updated Average Minutes of Use (MOU) based on FCC 16-1061 19th Mobile Wireless Competition Report adopted September 23, 2016, chart VII.B.1., Average MOU per Subscriber per Month, 2009-						
Underlying carriers (AT&T, Sprint, T-Mobile, Verizon)	S, TM	A,S, TM, V	A			S, TM, R/V

²⁷ See footnote 13.

Staff finds the California LifeLine prepaid wireless plans as proposed by Mobile Net to be reasonable compared to other plans offered in California.

Due Diligence Review

An integral part of Staff's processing of California LifeLine 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 California LifeLine designation to serve California consumers. The due diligence review includes, but is not limited to, Staff'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 California LifeLine 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 Consumer Protection and Enforcement Division and Consumer Affairs Branch.

Staff did not discover any issues that would lead to a denial of Mobile Net's request for authority to operate as a California LifeLine wireless provider in the state of California. Therefore, Staff finds Mobile Net's Advice Letter 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 the California LifeLine service provider authorization is approved which raise public interest questions about Mobile Net'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 reimbursements.

Safety Concerns

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 recommends that Mobile Net be required to 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.

Mobile Net's advice letter and supplement filings include clear safety concern statements in the Supplemental Terms and Conditions and Frequently Asked Questions sections, noting E-911 and/or 911 emergency services location accuracy and reliability issues related to network coverage and service quality issues caused by atmospheric or topographical conditions, building obstructions, and/or proximity to cell towers.

Future Changes to California LifeLine Wireless Plans:

As a California LifeLine provider, Mobile Net 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 Mobile Net may want to make to its service areas in California, Staff requires that Mobile Net files a Tier 2 advice letter for changes to its approved California LifeLine designated service area. The Tier 2 advice letter should describe the areas to be served, and include a list of the geographic service areas and a map in Shapefile format of the proposed service area.

Final Conclusions and Staff Recommendations:

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

- 1) Approve Mobile Net to be authorized as a California LifeLine service provider to provide prepaid wireless services to qualifying customers where its underlying carriers, Sprint and T-Mobile, provide wireless service in California, excluding federally-recognized Tribal lands.
- 2) Approve Mobile Net's proposed California LifeLine prepaid wireless service plans, as follows:
 - *Unlimited Talk and Text Plan*: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$17 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 \$17 per 1 GB.
- 3) Require Mobile Net to file a Tier 2 advice letter to request future changes including, but not limited to, terms and conditions and to the approved California LifeLine wireless service plans.
- 4) Require Mobile Net to submit its terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, for review and approval by Staff before dissemination and/or availability to the public, and before offering service.
- 5) Require Mobile Net 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 Mobile Net's terms and conditions, disclosures, and marketing materials.

- 6) Require Mobile Net 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 pre-paid wireless services, even though Staff finds that Mobile Net's provisioning process and terms and conditions for "Service Activation" are consistent with the Administrator's Status Code 53 Process.
- 7) Require Mobile Net to notify the Administrator and obtain prior approval from Staff for any proposed changes to Mobile Net's provisioning process and operations including, but not limited to, Mobile Net's service activation method.

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

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

FINDINGS AND CONCLUSIONS

1. Mobile Net is a California corporation with its principal office located at 824 Wilshire Boulevard #200, Los Angeles, California 90017.
2. On May 21, 2014, the Commission issued Mobile Net its Wireless Identification Registration (WIR) number, U-4464-C, allowing it to operate as a commercial mobile radio service (CMRS) provider to the public in California.
3. Mobile Net is a prepaid wireless service provider that resells the services of Sprint and T-Mobile.
4. On November 18, 2014, Mobile Net filed Tier 3 Advice Letter 3 (AL 3) to the CPUC requesting authorization to be a California LifeLine provider to offer discounted prepaid wireless telephone services to eligible households in California, under the name "Jolt Mobile".
5. On February 26, 2016, Mobile Net submitted AL 3A to modify AL 3 to make certain modifications and provide additional information regarding Mobile Net's proposed California LifeLine wireless offerings, as set forth in Decision 14-01-036.
6. In AL 3A, Mobile Net proposed to offer five wireless plans, two at \$0 per month to California LifeLine customers, and three at a discounted rate to California LifeLine customers.
7. On November 14, 2017, Mobile Net filed AL 3B to make revisions to its proposed service plans, in accordance with new rules effective 2017 and the 2018 California LifeLine monthly support amount of \$14.30, and to provide supplemental information on company operations, including handset distribution, customer enrollment and intake, and hiring, training and supervision of sales agents.
8. In AL 3B, Mobile Net eliminated the discounted rate plans noted in AL 3A, and proposed to offer only two California LifeLine prepaid wireless plans, one that includes unlimited voice minutes and text messaging with no data, and another that includes unlimited voice minutes and text messaging with 250 MB of data.
9. On December 19, 2017, Mobile Net submitted AL 3C to clarify: (a) its enrollment process for households with disabled members who use the teletypewriter machine, and (b) its terms and conditions on the promotional allotment of voice minutes that are provided at in-person enrollment events to California LifeLine applicants for use while their applications are being reviewed by the California LifeLine Administrator.
10. In AL 3C, Mobile Net also revised its previously proposed wireless plans, as follows:
 - *Unlimited Talk and Text Plan*: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$20 per 300 MB.

- 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 300 MB.
11. On December 22, 2018, Mobile Net submitted AL 3D to update the cost of additional data for its proposed LifeLine wireless plans, as follows:
 - Unlimited Talk and Text Plan: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$17 per 1 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 \$17 per 1 GB.
 12. Mobile Net does not seek Federal Lifeline fund support, and does not request authority to offer service on Tribal lands that fall in the URF carrier service areas.
 13. Mobile Net 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.
 14. Mobile Net does not currently provide service in California.
 15. Mobile Net requests a waiver of the California LifeLine pre-qualification requirement.
 16. It is reasonable to grant Mobile Net a waiver of the pre-qualification requirement for its California LifeLine wireless telephone service plans, since the plans will be offered on a pre-paid basis.
 17. Mobile Net requests to waive the requirement to make its retail plans available to California LifeLine customers.
 18. Mobile Net indicates that its retail plans are not currently more beneficial to California LifeLine customers than its two proposed California LifeLine prepaid wireless plans.
 19. It is reasonable to grant Mobile Net's request because it is consistent with D.14-01-036. However, in the future, if Mobile Net decides to offer any retail plans that meet or exceed the California LifeLine service elements and are consistent with the California LifeLine rules, it must comply with D.14-01-036 to make those retail plans available to California LifeLine Customers.
 20. Mobile Net did not seek exemption to the All Handset Requirement.
 21. Mobile Net indicates it will utilize the Status Code 53 process for any and all sales channels.

22. Mobile Net understands the California LifeLine program's Status Code 53 process and the FCC's requirement with regard to service activation and provisioning.
23. Mobile Net's proposed service activation method and provisioning process are consistent with the California LifeLine Administrator's process and the FCC's service activation rule.
24. Mobile Net should clearly label its wireless telephone service plan approved in this Resolution as "California LifeLine wireless service plan", and refer to the California LifeLine Program, where applicable, in Mobile Net's terms and conditions, disclosures, and marketing materials.
25. Mobile Net 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.
26. Mobile Net's California LifeLine wireless plans have equal or better value in its LifeLine plan pricing for low-income customers.
 - Unlimited Talk and Text Plan: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$17 per 1 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 \$17 per 1 GB.
27. Staff conducted due diligence review to determine Mobile Net's fitness as it relates to business practice behavior and customer protection that may call into question its fitness to be granted California LifeLine designation to serve California consumers.
28. Staff found no fitness issues of concern for Mobile Net.
29. The Commission may pursue an enforcement action which may include fines, penalties, and the revocation of wireless identification registration, the California LifeLine service provider authority, and/or wireless identification registration authority, and denial and/or suspension of its California LifeLine reimbursements should substantive issues emerge after this carrier is approved which raise public interest questions about Mobile Net's operations.
30. For public safety reasons, Mobile Net commits to clearly inform Lifeline customers that coverage limitations may affect wireless mobile service including E-911/911 emergency calls. Disclosures will include, but are not limited to, clear statements on all marketing materials and the company website.
31. Mobile Net's proposed plans meet the California LifeLine criteria for public interest determination with the benefits of increased competitive choice, convenience, security

with mobility, ability to purchase additional usage, as well as ability to send and receive text messages in a prepaid plan.

32. Mobile Net should file a Tier 2 advice letter to request approval to change its service area. The Tier 2 advice letter should include a description of the area(s) to be served, a list of the geographic areas, and a map(s) in Shapefile format of the proposed area.
33. As a California LifeLine provider, Mobile Net is authorized to provide California LifeLine services throughout the state without any geographic restrictions, excluding federally-recognized Tribal lands.
34. Mobile Net 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.
35. Staff recommends that Mobile Net's California LifeLine designation request be approved contingent on the following:
 - a) File the required annual reports and compliance reports with the Commission;
 - b) Continue to comply with CPUC User Fee and surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements;
 - c) Provide terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, to the CPUC California LifeLine Staff for review and approval prior to dissemination and/or availability to the public;
 - d) 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
 - e) Abide by all applicable state and federal consumer protection, including CPUC General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services, and comply with the CTIA-The Wireless Association's Consumer Code for Wireless Service, as it is amended, and comply with directions to carriers regarding unlocking of phones.
36. On May 22, 2018, the Commission emailed a draft of this resolution to the eligible telecommunications carrier service list, California LifeLine proceeding R.11-03-013

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

THEREFORE, IT IS ORDERED that:

1. The Commission approves Mobile Net (U-4464-C) as a California LifeLine provider to provide California LifeLine prepaid wireless services where its underlying carriers, Sprint and T-Mobile, provide coverage, excluding federally-recognized Tribal Lands.
2. Mobile Net is approved to operate as an authorized California LifeLine prepaid wireless service provider subject to the following conditions:
 - a) File the required annual reports and compliance reports with the Commission;
 - b) Continue to comply with CPUC User Fee and surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its wireless identification registration, and/or authority to operate as a California LifeLine provider in California and denial and/or suspension of its California LifeLine reimbursements;
 - c) Provide terms and conditions, disclosures, and marketing materials, including scripts used by customer service representatives, to the CPUC California LifeLine Staff for review and approval prior to dissemination and/or availability to the public;
 - d) 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
 - e) Abide by all applicable state and federal consumer protection, including CPUC General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services, and comply with the CTIA-The Wireless Association's Consumer Code for Wireless Service, as it is amended, and comply with directions to carriers regarding unlocking of phones.
3. Mobile Net shall be authorized to offer the following California LifeLine pre-paid wireless service plans:
 - Unlimited Talk and Text Plan: Unlimited voice minutes and text messaging for \$0.00 per month, and additional data available for purchase at \$17 per 1 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 \$17 per 1 GB.

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

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:

/s/ Alice Stebbins

ALICE STEBBINS
Executive Director

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners

APPENDIX A

Attachment A
Resolution T-17###
Mobile Net
Proposed Service Area for California LifeLine Wireless Services

