

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight and Programs Branch**

**RESOLUTION T-17887
June 12, 2025**

R E S O L U T I O N

RESOLUTION T-17887. This Resolution grants the request of TERRACOM, Inc. dba MaxSip Tel (U-4587-C), a wireless services provider, to be designated as an Eligible Telecommunications Carrier to obtain the federal Lifeline support and also as an authorized California LifeLine provider.

SUMMARY

By this Resolution, the California Public Utilities Commission ("CPUC" or "Commission") grants the request of TERRACOM, Inc. dba MaxSip Tel ("TERRACOM") (U-4587-C), a wireless services provider, to be designated as an Eligible Telecommunications Carrier (ETC) to obtain both the federal Lifeline support and authority to participate in the California LifeLine Program to provide services to qualifying low-income households in certain service areas throughout California. TERRACOM's request complies with the Federal Communications Commission's (FCC) Lifeline requirements and the Commission's ETC requirements established in Resolution T-17002. TERRACOM's request also complies with California LifeLine requirements set forth in Public Utilities Code § 871 et seq., General Order (GO) 153, and various CPUC decisions including, but not limited to, Decision (D.)17-01-032, D.14-01-036 and D.10-11-033. Staff finds that the request is reasonable and consistent with the public interest and should be granted to the extent allowed by this Resolution.

TERRACOM's Advice Letter

On July 8, 2024, TERRACOM, Inc. dba Maxsip Tel, submitted a Tier 3 Advice Letter (Advice Letter No 1) to the Commission seeking designation as an ETC, and also as a California LifeLine provider to offer prepaid wireless telephone services to eligible households in California. TERRACOM seeks ETC designation to receive federal

Lifeline support and does not seek to participate in any federal or state high-cost program.¹ TERRACOM is a wireless reseller whose underlying wholesale partners are T-Mobile USA and AT&T Wireless. If the application is approved, TERRACOM's California customers can expect to receive services anywhere that is served by TERRACOM's wholesale network providers in California.²

BACKGROUND

Company Overview

TERRACOM is an Oklahoma Corporation organized on April 10, 2003, with principal offices located at 6650 East Brainerd Road, Suite 200-C, Chattanooga, Tennessee 37421.

TERRACOM provides commercial mobile radio service (CMRS) on a common carrier basis.³ TERRACOM offers prepaid wireless services throughout the United States, operating under the dba "Maxsip Tel." TERRACOM is Fifty One percent (51%) owned by Global Reconnect, LLC, and Forty Nine percent (49%) owned by MAXSIP TEL, LLC. TERRACOM is an approved ETC in 32 jurisdictions in the US (31 US states and the US Virgin Islands.)⁴ TERRACOM's federal Lifeline Compliance Plan was first approved by the FCC on March 25, 2012.⁵ TERRACOM submitted its fifth revision of its federal Lifeline Compliance Plan to the FCC on March 1, 2023 and is currently pending approval.⁶

Federal ETC Designation Requirements

In order to receive federal universal service support, an applicant must be designated as an ETC. Section 254(e) of the Communications Act (the Act), as amended, states that

¹ TERRACOM Advice Letter 1, at 1.

² TERRACOM Data Request Response. March 26, 2025. Question 7. TERRACOM serves its customers over the networks of T-Mobile and AT&T Wireless.

³ TERRACOM Advice Letter 1, at 2.

⁴ TERRACOM Advice Letter 1, at 2. In addition to the US Virgin Islands, the other states where TERRACOM is an approved ETC are Alabama, Alaska, Arizona, Arkansas, Colorado, Georgia, Hawaii, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New York, North Dakota, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin and Wyoming.

⁵ DA 120282 WIRELINE COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF AMERICAN BROADBAND & TELECOMMUNICATIONS, BUDGET PREPAY, CONSUMER CELLULAR, GLOBAL CONNECTION, TERRACOM AND TOTAL CALL WC Docket Nos. 09-197 and 11-42. May 25, 2012. [122181.doc](#).

⁶ TERRACOM Advice Letter 1, at 5.

“only an eligible telecommunications carrier under section 214(e) shall be eligible to receive specific federal universal service support.”⁷

The Act gives state commissions the primary responsibility for granting ETC designations to companies operating in their states. Section 214(e)(2) states that, “[u]pon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission” so long as the requesting carrier meets the requirements of Section 214(e)(1).

Accordingly, Section 214(e)(1) provides that, a common carrier designated as an ETC must offer services supported by the federal Universal Service Fund (USF) throughout the designated service area either by using its own facilities, resale, or by a combination of its own facilities and resale of another carrier’s services and must advertise the services and the related charges using advertising media of general distribution throughout the designated service area. Advertising must include the availability of federal Lifeline services in a manner reasonably designed to reach those likely to qualify for those services.

In addition to meeting the public interest standard, the FCC rules require that a carrier requesting ETC designation must:

1. Certify that it will comply with the service requirements applicable to the support that it receives;
2. Submit a five-year plan that describes proposed improvements or upgrades to the applicant’s network throughout its proposed service area if the ETC is seeking participation in high-cost funding;⁸
3. Demonstrate its ability to remain functional in emergency situations;
4. Demonstrate that it will satisfy applicable consumer and service quality standards;

⁷ 47 C.F.R. §§ 54.400 *et seq.* contains the Federal Communications Commission’s (FCC) Lifeline rules issued to implement § 254 of the Act. Section 54.401 defines Lifeline as a non-transferrable retail service offering for which qualifying low-income consumers pay a reduced charge for voice telephony service after applying the federal Lifeline support amount.

⁸ This requirement is only applicable to ETC applicants requesting to participate in federal High-Cost subsidy programs. TERRACOM is not seeking this authority at this time. If TERRACOM wishes to amend its ETC designation at a later time in order to be eligible for participation in the federal High-Cost program, it may do so by filing a Tier 2 Advice Letter.

5. Demonstrate that it is financially and technically capable of providing the federal Lifeline service; and
6. Submit information describing the terms and conditions of any voice telephone service plans offered to federal Lifeline participants.⁹

California ETC Designation Requirements

The CPUC also adopted procedures and guidelines for processing ETC applications. In Resolution T-17002 (May 25, 2006), the CPUC adopted *The Comprehensive Procedures and Guidelines for ETC Designation and Requirements for ETCs* that are consistent with FCC Universal Service Order 97-157¹⁰ regarding the designation of a telephone carrier as a qualified ETC. Pursuant to this Resolution, applicants seeking ETC designation in California are required to provide the following:

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

In addition to Resolution T-17002 ETC designation rules, carriers requesting ETC designation must also comply with General Order (GO) 153, and CPUC User Fee¹¹ and surcharge obligations.¹² The CPUC User Fee is levied on all telecommunications carriers providing services directly to customers. All telecommunications carriers are

⁹ 47 C.F.R. § 54.202(a).

¹⁰ See *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Dkt. 96-45 (FCC 97-157), released May 8, 1997.

¹¹ Effective January 1, 2025, the standard user fee rate for all telephone corporations was adopted at 1.1% of gross intrastate revenues. Resolution M-4874, adopted 12/19/2024, outlines the User Fees in more detail.

¹² On October 24, 2022, the CPUC adopted Decision 22-10-021 governing the updated surcharge mechanism to fund the state's universal service Public Purpose Programs. All telephone corporations are required to report their access line data as defined in Section 5.2.2 of D.22-10-021.

also required to collect and remit public purpose program surcharges from end-users.¹³ These surcharges fund the CPUC's universal service programs.

California LifeLine Program Requirements

The purpose of the California LifeLine Program is to provide high quality, residential communications services 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 California LifeLine rules and requirements set forth in Public Utilities Code § 871 *et seq.*, General Order (GO) 153, and various CPUC decisions including, but not limited to, Decision (D.)17-01-032, D.14-01-036 and D.10-11-033. The carrier also must comply with all applicable CPUC rules, orders, decisions, resolutions, and the Public Utilities Code.

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 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

¹³ The Commission adopted an intrastate revenue-based end-user surcharge mechanism in D.94-09-065 and D.96-10-066, which has since been updated by D.22-10-021. Current surcharge rules and mechanisms can be found in D.22-10-021, adopted October 24, 2022.

¹⁴ Ordering Paragraph 3 of D.14-01-036.

¹⁵ General Order 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 Ordering Paragraph 26.a. of D.14-01-036, *See also* 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) [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.

When a wireless telecommunications carrier becomes a California LifeLine provider, it is authorized to provide California LifeLine services statewide without any geographic restrictions.

A wireless carrier also must demonstrate that its proposed offerings meet the California 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 to California LifeLine participants all handsets on the same basis as it offers to retail customers;
5. 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;
6. 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.
7. The wireless 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:
 - a. The provider must exempt participants from paying CPUC User Fees, surcharges, and taxes;
 - b. The provider must not assess a fee to participants for paying their bills in person by cash, check or other form of payment;
 - c. The provider must allow participants to terminate service without incurring early termination fees;
 - d. The provider must allow participants to return their handsets within three days of service activation for free, without incurring a restocking fee; and
 - e. 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 information 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, service providers must submit their marketing materials, including scripts, to the Communications Division (CD) for review and approval prior to dissemination and/or availability to the public.¹⁸

Under federal Lifeline rules, an ETC that offers federal Lifeline services on a prepaid basis must require every participant to: 1) activate service or 2) complete an outgoing call before the ETC may *begin* to seek or to receive universal service support for the participant.¹⁹ The FCC's objectives with this requirement are to validate that the "consumer is actually using the Lifeline-supported service" and to prevent waste of federal Lifeline funds.²⁰ In harmony with this federal requirement, CPUC D.14-01-036 requires that the discount for the pre-paid telephone service begin with the date of application approval notification or the service activation date, whichever is later.

Notice/Protests

TERRACOM served its Advice Letter 1 filing via email to all parties on the ETC service list and the Advice Letter appeared in the Commission's Daily Calendar on July 9, 2024. No protests were filed.

DISCUSSION

This Resolution adopts the Staff's recommendation to approve TERRACOM's request for ETC designation, which allows the company to receive federal Lifeline support throughout California, as well as to be designated as a California LifeLine provider. If TERRACOM seeks high-cost support for future federal and/or state grant(s), it must file a Tier 2 Advice Letter with the CPUC to request a change in its ETC status.

Compliance with California LifeLine Requirements

CD staff finds that the proposed California LifeLine wireless telephone service plan indicated below meets the California LifeLine Program requirements and is eligible for reimbursement from the California LifeLine Fund. CD staff recommends approval of

¹⁸ Ordering Paragraph 24.c of D.14-01-036.

¹⁹ *Lifeline Reform Order* ¶260.

²⁰ *Ibid* at ¶255.

the following California LifeLine wireless service plan:

- *Standard Plan with Unlimited Talk, Text and 6GB of data at 4G speeds each month.*

This plan includes unlimited voice minutes, unlimited text messages, and 6 gigabytes of data each month. The California LifeLine discount of \$19.00 will be applied along with the federal Lifeline discount of \$9.25, making the net cost to the LifeLine customers \$0.00 per month.²¹

The plan is subject to a \$39 activation fee which will be waived for California LifeLine participants. Additional data allowances (or “top-ups”)²² will be available for purchase ranging from \$5 to \$30.

Service includes nationwide coverage and access to voice mail, Caller ID, Call Waiting, Call Forwarding, and 3-Way Calling features. There is no additional charge for toll calls. Calls to 911 and calls to TERRACOM customer service are free and will not be deducted from available minutes.

TERRACOM did not request a waiver of the California LifeLine pre-qualification requirement for its pre-paid California LifeLine wireless telephone service plan. Therefore, TERRACOM will be subject to the pre-qualification requirement. If TERRACOM chooses at a later time to request a waiver of the California LifeLine pre-qualification requirement, then it should file a Tier 2 Advice Letter.

TERRACOM, Inc. proposes to distribute handsets to approved California LifeLine participants on the same basis as to the Company’s retail customers. Eligible LifeLine customers will receive a free SIM card to use in their own device and from time-to-time TERRACOM will offer promotions that include a free basic handset. Customers can also choose to purchase a new upgraded handset from TERRACOM. TERRACOM states it will never charge any termination fees and does not require customers to enter any long-term commitment. This enables customers to change service providers if they are unsatisfied with service or move outside of TERRACOM's calling area.

TERRACOM will advertise the availability of its services and charges in a manner reasonably designed to reach LifeLine-eligible consumers using media of general distribution as required by 47 C.F.R. § 54.201(d)(2). The Company expects to advertise

²¹ TERRACOM Advice Letter 1, at 4.

²² *Ibid*, at 4.

the availability of its LifeLine service plans through a variety of media, such as targeted direct mail, advertisements in daily and weekly print periodicals, billboards, event sponsorship, bus advertising, radio advertising, and online search engines.

TERRACOM also expects to coordinate with relevant state agencies, community outreach organizations, and non-profit organizations to make information available regarding TERRACOM's prepaid wireless Lifeline service offering in resource guides and other printed materials produced by those organizations, as well as in their offices or other locations visited by potential Lifeline-eligible subscribers. In addition, TERRACOM expects to market its prepaid wireless Lifeline services through state, county, municipal and non-profit community action agencies, associations, and networks, through printed materials and by sponsoring events held by these agencies. TERRACOM will expand its advertising efforts as necessary to ensure that Lifeline-eligible customers are aware of its service offerings.

All of TERRACOM's California LifeLine advertising will comply with the FCC's rules regarding information to be included in marketing materials, including FCC rule section 54.405(c). Specifically, the Company's materials will state, in easily understood language, that:

1. The service is a Lifeline service;
2. Lifeline is a government assistance program;
3. The service may not be transferred to someone else;
4. Consumers must meet certain eligibility requirements before enrolling in the Lifeline program;
5. The Lifeline program permits only one Lifeline discount per household;
6. Documentation is necessary for enrollment; and
7. TERRACOM (dba Masip Tel) is the provider of the services.
8. TERRACOM's advertising will also include any disclosures required for the California LifeLine program.

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 program must comply with the eligibility requirements and the Administrator's enrollment process.

TERRACOM 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 Administrator's enrollment process to eliminate waste, fraud and abuse.

Currently, TERRACOM 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 TERRACOM showed some understanding of the program's various processes and requirements, CD's recommendation for the company to be authorized as a California LifeLine service provider does not de facto represent Commission approval of the company's provisioning process.

Therefore, CD staff recommends TERRACOM finalize its provisioning process and solidify its understanding of the program's processes with the Administrator and CD staff prior to the company launching its services. CD staff also recommends TERRACOM notify the Administrator and obtain prior CD staff approval for any future changes TERRACOM may propose for its provisioning process and operations including, but not limited to, TERRACOM's service activation method.

Compliance with Federal ETC Requirements

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

1. **Demonstration that the services intended to be offered to comply with the voice telephony definition** - Pursuant to 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.101 (a), TERRACOM asserts that its designated services will comply with the supported services eligible for federal Lifeline support. TERRACOM will provide voice-grade access to the public switched telephone network, using the wireless networks of its underlying carriers, T-Mobile and AT&T Wireless. TERRACOM will offer voice services with unlimited local and long-distance calling.²³
2. **Advertise using media of general distribution** – Pursuant to 47 C.F.R. § 54.201 (d)(2) TERRACOM intends to advertise using a variety of mechanisms, such as direct mail marketing, social media posts, and online advertisements.²⁴

²³ *Ibid*, at 7.

²⁴ *Ibid*, at 8.

3. **Commitment to provide supported service throughout the designated service area** – TERRACOM asserts that it is committed to provide the supported service statewide to requesting customers within the service areas of its underlying networks.
4. **Demonstration of ability to remain functional** – Pursuant to 47 C.F.R. § 54.202 (a)(2) TERRACOM asserts that the company has the ability to remain functional during emergencies via the resiliency and redundant design of its underlying carriers' networks. The underlying carriers are subject to 72 hours of backup power requirements of D.20-07-011.²⁵
5. **Demonstration of financial and technical capability** – Pursuant to 47 C.F.R. § 54.202 (a)(4) Staff finds that TERRACOM is financially capable of providing its proposed voice services to eligible low-income households. TERRACOM submitted financial statements and bank statements for Staff review. TERRACOM provided its bank statements from January and February 2025, which both showed a significant positive balance, while TERRACOM's third quarter 2024 confidential balance sheets and cash flow statements were also deemed to be in order.²⁶ Additionally, Staff found no evidence indicating that TERRACOM has filed for bankruptcy protection or has been the subject of state enforcement or ETC revocation. TERRACOM's financials demonstrate that its cash and assets are sufficient to provide service. TERRACOM is not subject to a review of its technical capability to provide service as the service is delivered over the networks of its wholesale partners.
6. **Commitment to meet public interest requirements for the proposed service areas** – TERRACOM asserts that receiving the ETC designation will serve the public interest by providing another competitive choice for low-income consumers in California.²⁷
7. **Commitment to satisfy all applicable consumer protection and service quality standards** – Pursuant to 47 C.F.R. § 54.202 (a)(3) TERRACOM asserts that it has a strong commitment to consumer protection and service quality. TERRACOM's customer complaint ratio is below one per one thousand customers per year.²⁸ TERRACOM states that it will comply with

²⁵ See D.20-07-011 instituting wireless network resiliency rules.

²⁶ TERRACOM Data Request Response. March 26, 2025.

²⁷ TERRACOM Advice Letter 1, at 10.

²⁸ TERRACOM Data Request Response, question 5. March 26, 2025.

all applicable state and federal consumer protection and service quality standards, including G.O 168.²⁹

Compliance with Commission User Fee and Surcharge Obligations

TERRACOM obtained its Wireless Service Provider Registration (WIR) (U-4587-C) from the Commission on May 13, 2024. TERRACOM is not a Carrier of Last Resort (COLR) in California. Therefore, the California LifeLine wireless services that are the subject of this Advice Letter are not provided as part of any COLR obligations. As a certificated WIR, TERRACOM is required to report and pay public purpose program surcharges an access line basis and user fees on its California intrastate revenues. TERRACOM is currently up to date with all user fees and surcharges. Failure to remain current with user fees and surcharges may lead to citations and enforcement action including, but not limited to, revocation of TERRACOM's WIR operating authority, and/or authority to operate as an ETC in California.

Compliance with the California LifeLine Administrator's Requirements

The California LifeLine Administrator is the sole entity responsible for determining eligibility and 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.

TERRACOM 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 Administrator's enrollment process to eliminate waste, fraud and abuse.

Currently, TERRACOM 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 TERRACOM showed some understanding of the program's various processes and requirements, CD's recommendation for the company to be authorized as a California LifeLine service provider does not de facto represent Commission approval of the company's provisioning process.

²⁹ TERRACOM Advice Letter 1, at 12.

FCC Forbearance

Section 214(e)(1)(A) of the Communications Act provides that an ETC must provide services “using its own facilities or a combination of its own facilities and resale of another carrier’s services.”³⁰ Pursuant to the FCC’s *Lifeline Reform Order*, however, resellers are granted blanket forbearance from this facilities requirement in connection with a limited ETC designation to participate in the federal Lifeline program.³¹ The FCC approved TERRACOM’s Lifeline Compliance Plan, enabling this forbearance, on May 25, 2012.³² TERRACOM is committed to providing Lifeline service in California in accordance with its approved Lifeline Compliance Plan.

Public Interest Determination

Before recommending the designation of a carrier as an ETC, Staff must determine that this action would serve the public interest for California consumers.³³ Designating TERRACOM as a California LifeLine provider will serve the public interest by increasing consumer choices to low-income populations across a wide service area. Upon review, Staff concludes that TERRACOM, Inc. meets the criteria for a public interest determination.

Price Analysis

When analyzing Lifeline plan pricing, CD 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. CD staff evaluated TERRACOM’s proposed offerings using the expected monthly cost to a low-income consumer based on mobile average minutes of use³⁴ and other Lifeline wireless plans.

³⁰ 47 U.S.C. Section 214(e)(1)(A).

³¹ See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service. Advancing Broadband Availability Through Digital Literacy Training*. 27 FCC Red 6656, ¶368.

³² 27 FCC Red 5776. May 25, 2012. See also [Lifeline Compliance Plans & ETC Petitions | Federal Communications Commission](#).

³³ *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*.

³⁴ *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. 16-137 (DA 16-1061) (*Nineteenth Report*). The FCC’s Nineteenth Mobile Wireless Competition Report included data from the second half of 2015 submitted by industry carriers. The report analyzes competition across the entire mobile wireless marketplace. CD staff analysis used the 760 average minutes of use

CD staff finds that TERRACOM's proposed prepaid wireless plan has equal or better value based on comparable offerings and plan pricing for low-income customers and recommends approval.

The chart below compares TERRACOM's available plan to similar existing plans in the market.

(MOU) for wireless voice (excluding most data-only devices) as a base to evaluate these Lifeline plan offerings (B. Usage, para 125, Chart VII.B.1, pg. 95, reflects average billable minutes of use).

Comparison of Proposed California LifeLine Wireless Plans to other Prepaid Federal Lifeline and California LifeLine Wireless Plans in Service									
Comparable ETC w/ CaLL Wireless Plans	TERRACOM, Inc. dba MaxSip Tel	American Broadband California Plan No. 1 (Standard)	Boomerang California LifeLine Standard Plan	AmeriMex Standard California LifeLine Plan	AirVoice California LifeLine Unlimited Talk & Text w/ 6GB Data Plan	i-wireless (Access Wireless) California LifeLine Unlimited Talk, Text, & 6GB	Global Connection (StandUp Wireless) CA LifeLine Unlimited Talk, Text, & 6GB Data	SafeLink Unlimited Talk & Text with 6 GB Data*	"Bring Your Own Phone" Program SafeLink Unlimited Talk & Text with 6 GB Data
Regular Rate	\$30.00	\$34.95	\$69.10	\$49.25	\$30.00	\$45.00	\$30.00	\$24.88	\$24.88
Federal Lifeline Discount	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$9.25	\$19.00	\$9.25	\$9.25
Federal Lifeline Tribal Discount	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
California LifeLine Discount	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$15.63	\$15.63
Monthly Discounted Rate	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Free	Free
Additional Company Discount	\$1.75	\$6.70	\$40.85	\$21.00	\$1.75	\$16.75	\$1.75	\$0.00	\$0.00
Number of Minutes	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Domestic Messages	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data	6 GB	6 GB	6 GB	6 GB	6 GB	6 GB	6 GB	6 GB (at 4G speed)	6 GB (at 4G speed)
Applicable Taxes, Fees, and Surcharges	None	N/A	\$0	N/A	N/A	None	None	Exempt	Exempt
California LifeLine Taxes, Fees, and Surcharges Exemption	N/A	N/A	\$0	LifeLine Participants Exempt	LifeLine Participants Exempt	N/A	LifeLine Participants Exempt	Exempt	Exempt
Per Minute/Message Fee for Additional Minutes/Messages	n/a	N/A	n/a	None	None	N/A	N/A	N/A	N/A
Fee for Additional Data	250MB = \$5 500MB = \$10 1GB = \$20 1.5GB = \$30	100 MB \$6.99 250 MB \$10.99 500 MB \$19.99 1 GB \$24.99 2 GB \$45.99 3 GB \$65.99 5 GB \$79.99	\$5 for 500 MB \$10 for 1.0 GB	\$ 9.99 for 1 GB data \$18.99 for 2 GB data	500 MB for \$5.00 3 GB for \$25.00 1 GB for \$15.00 4 GB for \$32.00 2 GB for \$20.00 5 GB for \$35.00	\$1 Bolt-On = Add 0.5 GB per month up to 6 months \$5 = Add 500 MB \$10 = Add 1 GB \$25 = Add 7.5 GB \$35 = Add 8.5 GB \$50 = Add 10 GB \$70 = Add 20 GB \$110 = Add 50 GB	\$5 for 250 MB \$10 for 1.5 GB \$20 for 3 GB \$30 for 8 GB	N/A	N/A

Due Diligence Review

An integral part of the processing of an ETC designation and/or requests for authority to participate in California LifeLine involves a due diligence review. This review is designed to determine if the applicant has engaged in any conduct that may raise concerns regarding its fitness to receive ETC designation to serve California consumers.

The due diligence review includes, but is not limited to, conducting independent research about the applicant's historical operations. This research provides the Commission with relevant information that is pertinent to the decision on whether to grant TERRACOM the ETC request. Typical research methods include conducting legal resource searches, performing internet searches, reviewing industry and trade publications, consulting with other governmental agencies, and contacting the FCC and USAC. Additionally, Staff examine each company's history of operations, and consult with the Commission's Consumer Protection and Enforcement Division as well as the Consumer Affairs Branch.

The Commission Staff have conducted a thorough review and found no evidence that TERRACOM has been subject to enforcement sanctions or ETC revocation proceedings in any state. Furthermore, there has been no Notice of Apparent Liability issued to the company by the FCC. Staff did not identify any issues that would warrant denial of TERRACOM's request for authority to operate as an ETC service provider in the state of California. In the event that any significant issues arise following the grant of ETC authorization, which may later call into question TERRACOM's ability to serve the public interest when providing subsidized program services granted in this resolution, the Commission retains the authority to initiate enforcement actions. Such actions may include the imposition of fines, penalties, and/or the revocation of TERRACOM's ETC designation in California.

SAFETY CONSIDERATIONS

Given that safety and emergency communications are common concerns for all of California's telephone customers, Staff recommends that the Commission require TERRACOM to fully and clearly inform prospective federal Lifeline participants that access Enhanced 911 (E-911) and/or 911 may be limited or unavailable in the event of an emergency or power outage. 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 frequently asked questions (FAQ) webpage.

COMMENTS

In compliance with P.U. Code § 311(g), the Commission emailed a notice letter on May 8, 2025, informing all parties on the Eligible Telecommunications Carrier service list of the availability of this resolution for public comments at the Commission's website www.cpuc.ca.gov. The notice letter also informed parties that the final confirmed resolution adopted by the Commission will be posted and available at the same website.

RECOMMENDATION

Staff recommends that the Commission:

- 1) Approve TERRACOM's request to be authorized as an ETC service provider and as a California LifeLine provider to provide wireless Lifeline services throughout California.
- 2) Require TERRACOM 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 wireless telephony services.
- 3) Require TERRACOM to comply with all of the following:
 - a) File required annual reports and compliance reports with the Commission, such as but not limited to, annual FCC's ETC reports and G.O. 133 D service outage reports;
 - b) Continue to comply with CPUC User Fee and public purpose program surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its operating authority in California;
 - c) Post safety related information about wireless telephone service limitations on distributed terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website;
 - d) 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

- e) Comply with applicable California Public Utilities Commission Decisions regarding emergency consumer protections and service quality rules, including but not limited to GO 133-D and D.20-07-011.

FINDINGS AND CONCLUSIONS

1. TERRACOM, Inc. Dba Maxsip Tel (TERRACOM) is an Oklahoma corporation organized on April 10, 2003, with principal offices located at 6650 East Brainerd Road, Suite 200-C, Chattanooga, Tennessee 37421. TERRACOM operates under the dba "Maxsip Tel" throughout the United States.
2. TERRACOM provides commercial mobile radio service (CMRS) on a common carrier basis by reselling the wireless network services of underlying carriers, currently T-Mobile and AT&T Wireless. TERRACOM offers prepaid wireless services and is approved to provide wireless Lifeline service in 32 jurisdictions throughout the United States.
3. On July 8, 2024, TERRACOM submitted Tier 3 Advice Letter 1 to the California Public Utilities Commission (CPUC) requesting ETC designation to obtain federal Lifeline support for certain services, as well as designation as a California LifeLine provider.
4. The Communications Division conducted a due diligence review to evaluate TERRACOM's fitness in relation to its business practice behavior and customer protection. This evaluation was aimed at determining whether any issues that may call into question its fitness to be granted authority as a California LifeLine service provider to serve California consumers and as an ETC to participate in the federal Lifeline program. The Communications Division found no concerns regarding its fitness at the time of this application.
5. TERRACOM obtained its WIR (U-4587-C) from the Commission on May 13, 2024.
6. TERRACOM indicated that it will offer wireless voice and broadband service throughout California utilizing the current underlying networks, AT&T Wireless and T-Mobile.
7. TERRACOM proposed one pre-paid wireless plan: *Standard Plan with Unlimited Talk, Text and 6GB of data at 4G speeds each month.*

8. TERRACOM's prepaid wireless plan has equal or better value based on comparable offerings and plan pricing for low-income customers.
9. TERRACOM is required to comply with CPUC User Fee and universal service public purpose program surcharge remittance and reporting requirements.
10. Failure to comply with CPUC user fee and surcharge remittance and reporting requirements may lead to enforcement action including, but not limited to, 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 disbursements.
11. TERRACOM **did not** request a waiver from the California LifeLine Program's pre-qualification requirement for their Prepaid Plan.
12. If TERRACOM decides to offer any California LifeLine wireless telephone service plans on a post-paid basis in the future, they must submit a Tier 2 Advice Letter to add said plans, and any post-paid plans must comply with the pre-qualification requirement.
13. TERRACOM should label clearly the one wireless plan approved in this Resolution as "*California LifeLine Bundled Standard Plan*" and refer to the California LifeLine Program, where applicable, in TERRACOM, Inc's terms and conditions, disclosures, and marketing materials.
14. TERRACOM commits to comply with the California LifeLine Program's enrollment process, including all eligibility rules and validation checks, and to provide the Administrator with all required information for the Administrator to determine eligibility.
15. TERRACOM should provide CPUC California LifeLine staff 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.
16. For public safety reasons, TERRACOM should clearly inform Lifeline customers that coverage limitations may affect wireless mobile service including E-911/911 emergency calls.

17. TERRACOM should file a Tier 2 Advice Letter to request approval for any future changes including, but not limited to, terms and conditions, the approved California LifeLine wireless service plan, or to request exemptions from the All Plans Requirement and the All Handsets Requirement.
18. TERRACOM commits to comply with the CPUC's enrollment process, including all eligibility rules and validation checks, and to provide the Administrator with all required information for the Administrator to determine eligibility.
19. TERRACOM commits to offer wireless service with unlimited local and domestic long-distance voice minutes, unlimited text messages, and 6 gigabytes of data each month.
20. The California LifeLine discount of \$19.00 will be applied along with the federal Lifeline discount of \$9.25, making the net cost to the LifeLine customers \$0.00 per month.
21. The Commission may pursue an enforcement action which may include fines, penalties, denial, suspension, and/or revocation of its ETC designation should substantive issues emerge after TERRACOM is approved which raises public interest questions about TERRACOM's operations.
22. Staff recommends that TERRACOM's ETC designation request to obtain federal Lifeline support be approved contingent on the following:
 - a) File required annual reports and compliance reports with the Commission, such as, but not limited to, FCC's annual reporting requirements for ETCs and G.O. 133 D service outage reports;
 - 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 ETC designation;
 - c) 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
 - d) Comply with applicable California Public Utilities Commission Decisions regarding emergency consumer protections and service quality rules.
23. As an ETC and a California LifeLine provider, TERRACOM is authorized to provide wireless services throughout California.

THEREFORE, IT IS ORDERED THAT:

1. The request of TERRACOM, Inc., dba Maxsip Tel (TERRACOM) (U-4587-C) to be designated as an Eligible Telecommunications Carrier providing of wireless Lifeline services throughout California is approved.
2. TERRACOM must offer the following California LifeLine pre-paid wireless service plan: California *LifeLine Bundled Standard Plan* - Unlimited Talk, Text and 6GB of data at 4G speeds.
3. TERRACOM must comply with all CPUC rules, orders, decisions, and resolutions established by the California Public Utilities Commission, as well as the California Public Utilities Code, and LifeLine rules. Failure to do so may result in various enforcement actions 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.
4. TERRACOM's designation as a California LifeLine prepaid wireless service provider shall be contingent upon the following:
 - a) File 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 at CaLL_marketing@cpuc.ca.gov for review and approval prior to offering service, dissemination and/or availability to the public;
 - d) Post safety related information about wireless telephone service coverage limitations on distributed terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website;
 - e) 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; and
- f) Comply with applicable CPUC Decisions regarding emergency consumer protections and service quality rules.
5. TERRACOM's Eligible Telecommunications Carrier designation approval for federal Lifeline support shall be contingent upon the following:
- a) Submission of annual reports and compliance reports with the Commission, such as but not limited to the Federal Communications Commission's annual reporting requirements for Eligible Telecommunication Carriers and the California Public Utilities Commission's General Order 133 D service outage reports;
 - b) Compliance with the California Public Utilities Commission's User Fee and public purpose program surcharge remittance and reporting requirements. Failure to do so may result in enforcement action including penalties, fines, denial, suspension, and/or revocation of its eligible telecommunications carrier designation;
 - c) Posting of safety-related information about wireless telephone service limitations on distributed terms and conditions, disclosures, marketing materials, including scripts used by customer service representatives, and on its company website; and
 - d) Abiding by all applicable state and federal consumer protection, including the California Public Utilities Commission's General Order 168, which is the Consumer Bill of Rights Governing Telecommunications Services.
 - e) Comply with applicable California Public Utilities Commission Decisions regarding emergency consumer protections and service quality rules, including but not limited to, GO 133-D and D.20-07-011.
6. TERRACOM shall comply with the California Public Utilities Commission's 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. TERRACOM shall 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 federal Lifeline wireless services.
8. TERRACOM shall comply with all applicable California Public Utilities Commission's 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 eligible telecommunications carrier designation in California.

9. TERRACOM shall file a Tier 2 Advice Letter to request changes to its designation status to include federal high-cost support if it chooses to do so.
10. TERRACOM shall 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 plan.
11. TERRACOM 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.
12. TERRACOM shall clearly label the one wireless telephone service plan approved in this Resolution as "*California LifeLine Bundled Standard Plan*", and refer to the California LifeLine Program, where applicable, in TERRCOM, Inc's terms and conditions, disclosures, and marketing materials.
13. TERRACOM shall notify the California LifeLine Administrator and obtain prior approval from the Communications Division of any changes to TERRCOM's provisioning process and operations including, but not limited to, its service activation method.

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 _____, the following Commissioners voting favorable thereon:

Rachel Peterson
Executive Director

