

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight & Programs Branch***

**RESOLUTION T-17266
December 2, 2010**

R E S O L U T I O N

RESOLUTION T-17266. This Resolution grants the request of Cricket Communications Inc. (U-3076-C) for limited eligible telecommunications carrier status within California. The request is reasonable given Cricket Communications Inc. has met the requirements for eligible telecommunications carrier designation.

SUMMARY

By this Resolution, the Commission approves the request of Cricket Communications Inc. (U-3076-C) for limited eligible telecommunications carrier (ETC) designation in California, for the purpose of offering only Federal LifeLine and Link-up services to qualifying end-user customers. The Commission finds that Cricket complies with the federal ETC requirements and the Commission's ETC requirements in Commission Resolution T-17002.

BACKGROUND

Eligible Telecommunications Carrier (ETC) is a federal designation¹ given to a common carrier that is eligible to receive federal support for providing services that are supported by the federal universal support mechanism² to low-income consumers and/or those in high cost areas of a state.

¹ C.F.R § 54.201

² C.F.R § 54.101

To be designated an ETC, an applicant must meet the following five generally established ETC requirements:

- 1) commitment to, and ability to provide service in its proposed service area;
- 2) ability to remain functional in emergencies;
- 3) commitment to satisfying consumer protection and service quality standards;
- 4) an offering of local usage comparable to that offered by the incumbent LEC; and
- 5) ability to offer equal access if all other ETCs in the area relinquish their ETC designations.³

The FCC encourages state Commissions to apply these requirements to all ETC applicants over which they have jurisdiction. Additionally, the FCC and state commissions must determine that an ETC designation is in the public interest. Factors to be included in the public interest analysis are the following: 1) increased consumer choice, 2) advantages and disadvantages of particular service offerings, and 3) potential for cream-skimming in rural service areas.⁴

To be eligible for universal service subsidies, an ETC must offer the services the FCC reimburses through the federal universal service support mechanisms under 47 U.S.C. § 254(c). The ETC can accomplish this either by using its own facilities or through combining its own facilities with resale of another carrier's services. The ETC must advertise the availability of such services and the charges for these services using media of general distribution.⁵

The primary responsibility for designating a carrier as an ETC rests with state commissions for those carriers over which they have jurisdiction⁶. In cases where a state does not have jurisdiction over a carrier, the Federal Communications Commission (FCC) conducts the ETC designation process.⁷

To discharge its obligation to evaluate ETC designation requests, the CPUC issued Resolution T-17002 in May 2006 that contains comprehensive procedures, guidelines, and reporting requirements that are consistent with, yet broader than federal rules⁸ for ETC designation request reviews. Resolution T-17002 reflects the ETC designation

³ FCC 05-46 §IV. ETC Designation Process ¶20

⁴ FCC 05-46 § IV.B

⁵ 47 U.S.C. § 214(e)(1)

⁶ 47 U.S.C. § 214(e)(2).

⁷ 47 U.S.C. § 214(e)(6).

⁸ Resolution T -17002, pg. 2, "CPUC finds that additional mandatory requirements for ETC designation and ETC eligibility reasonable as it provides a means to monitor and ensure that any funds given to California ETCs are used to achieve the goals of universal service."

requirements found in FCC 97-157⁹ and portions of FCC 05-46¹⁰, which are contained in Appendices A & B, and are included as Attachment 1 to this resolution.

In addition to the federal and CPUC requirements for evaluating ETC requests, the Communications Division (CD) staff reviews the requests for compliance with CPUC General Order (G.O.) 153 and with other state regulatory requirements for telephone corporations operating in California.

G.O. 153 implements the Moore Universal Telephone Service Act, and contains California LifeLine service requirements for wireline carriers offering basic residential telephone service in California, including twenty-two elements of LifeLine service that carriers must provide. A list of the LifeLine service elements is included in Attachment 2 to this resolution. At this time wireless carriers providing service in California can offer California LifeLine service. If a wireless carrier is able to comply with GO 153¹¹ as an ETC, then the carrier can offer Federal LifeLine service also. CD staff has applied the provisions of G.O. 153 in its evaluation of Cricket's ETC designation request. CD recommends that, until the Commission adopts California LifeLine rules for wireless service providers in Phase II of R. 06-05-028, Cricket's federal LifeLine offerings must comply with G.O. 153. Once the CPUC adopts rules for the offering of wireless LifeLine in California, wireless ETCs, including Cricket, must comply with those rules.

All telephone corporations operating in California are required to possess a certificate of public convenience and necessity (CPCN) for wireline carriers, or a wireless identification number (WIN) for all commercial mobile radiotelephone services (CMRS) providers¹². Both of these classes of carriers are required to pay CPUC user fees¹³ and submit surcharge¹⁴ amounts assessed on customers' intrastate telecommunications services to support the CPUC's universal service programs. CD reviews each ETC applicant for compliance with these regulatory requirements as part of the determination as to whether it is in the public interest to approve an ETC designation request.

⁹ FCC 97-157, adopted May 7, 1997, established the definition of services to be supported by the federal USF support mechanism and a timetable for implementation. It also adopted the statutory criteria in 47 U.S.C. §214(e) as the rules to govern which carriers are eligible to receive federal USF support.

¹⁰ FCC 05-46, Docket No. 96-45, adopted February 25, 2005, addressed the minimum requirements for a telecommunications carrier to be designated an ETC.

¹¹ See D. 10-11-033, *mimeo* at 68.

¹² See D. 94-10-031.

¹³ See P.U. Code § 432.

¹⁴ See D. 96-10-066 (8)(g).

SUBJECT OF ADVICE LETTER

On March 3, 2010, Cricket Communications, Inc. (Cricket) filed Tier III Advice Letter 2 (AL 2) requesting limited eligible telecommunications carrier status, for the purpose of offering federal LifeLine and Link-up services to qualifying end-user customers throughout the area in which it is designated an ETC and for which it is receiving the federal LifeLine subsidy. Cricket is not seeking federal Universal Service high-cost support or support for an offering of California's LifeLine Service.

Cricket states that it "...will provide service to customers promptly using its standard customer equipment (handsets/wireless devices) upon verification of LifeLine eligibility."¹⁵ Cricket's LifeLine offering provides unlimited monthly local and long distance usage minutes to their LifeLine customers.

Cricket proposes to provide Federal LifeLine service in areas of the state where Cricket currently provides retail wireless service. LifeLine customers will have the option of selecting any one of Cricket's pay-in-advance plans, currently ranging in price from \$35.00 - \$60.00 per month. Cricket will offer LifeLine customers the following features:

- 1) The lowest price plan offers Unlimited local calling, caller ID, unlimited long distance, and unlimited text messaging for \$21.50¹⁶ per month;
- 2) Activation fee of \$7.50 after the 50% Link-up credit; and
- 3) Ability for customers to purchase a Cricket handset starting at \$39.99, or use a preexisting handset that the customer owns.
- 4) The ability to apply the Federal LifeLine discount to any of its other available plans.

Cricket's service area in Southern California encompasses San Diego County. In the San Joaquin Valley, Cricket's coverage spans the counties of Stanislaus, Tuolumne, Merced, Mariposa, Fresno, Kings, and Tulare (see map of Cricket's service area - Attachment 3). Some portions of Cricket's wireless footprint cover portions of the service areas of AT&T California, Verizon California, and the rate-of-return regulated small ILECs (referred to here as the Small LECs): Kerman, Hornitos, Sierra, Ponderosa, and Ducor telephone companies. In the "Protest" section below, this resolution addresses these companies' objections to this service overlap.

¹⁵ See Cricket AL 2, at 7.

¹⁶ Cricket's lowest priced lifeline subsidized offering has been used for evaluation purposes.

Cricket is a Delaware corporation with principal offices at 5887 Copley Dr., San Diego California. Cricket is a facilities-based wireless service provider, and the Commission issued to Cricket registration authority, number WIN U-3076-C, on May 4, 2001. A copy of this authorization is included in this resolution as Attachment 4. Requirements for providing service in California include, but are not limited to, payment of surcharges and fees. Failure to comply with the requirements as identified in Cricket's May 4, 2001 wireless identification authorization may result in revocation of the WIN.¹⁷

NOTICE / PROTEST

Cricket filed its application for ETC status on March 3, 2010 in Advice Letter 2, and the application was published on the Commission's Daily Calendar on March 10, 2010. Verizon California Inc., the Small LECs, and DRA all filed timely protests on March 23, 2010.

Verizon argues that the CPUC should reject Cricket's ETC request because it contains material error, omissions, and inconsistencies with federal and state law. Verizon alleges the following to support its position: (1) Cricket fails to demonstrate compliance with Federal LifeLine and Link-up program regulations with regard to verification and certification and that using G.O. 153 as a *guideline* does not comply with Federal regulations; (2) the federal USF fund may be unduly burdened; (3) Cricket fails to address the impact on eligible residents of Tribal Lands within its proposed service territory in violation of federal mandates for ETCs; and (4) Cricket fails to comply with the Resolution T-16086 service list requirements.

The Small LECs¹⁸ filed their protest pursuant to G.O. 96-B § 7.4.2(2)¹⁹, § 7.4.2(6)²⁰ and recommend that the CPUC reject Cricket's advice letter without prejudice. They claim

¹⁷ See requirement #14, May 4, 2001 letter addressed to Cricket Communications Inc. issuing Wireless Identification Number U-3076-C (Attachment #4).

¹⁸ This group is composed of Calaveras Telephone Co., Cal-Ore Telephone Co., Ducor Telephone Co., Foresthill Telephone Co., Happy Valley Telephone Co., Hornitos Telephone Company, Kerman Telephone Co., Pinnacles Telephone Co., The Ponderosa Telephone Co., Sierra Telephone Co., The Siskiyou Telephone Co., Volcano Telephone Co., and Winterhaven Telephone Co. These telephone companies generally operate in rural areas, have rates that are regulated, and operate in territories that are not officially opened to competition.

¹⁹ G.O. 96-B § 7.4.2 in general provides Grounds for Protest of advice letters. Subsection (2) states the "The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies."

²⁰ § 7.4.2(6) of G.O. 96-B protests based upon "[t]he relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require relitigating a prior order of the Commission."

that even if Cricket resubmits the ETC advice letter to exclude offering Federal LifeLine service in the Small LEC service areas, the CPUC should hold the request in abeyance at least until the CPUC more fully considers the implications of providing LifeLine funding to wireless providers in proceeding R.06-05-028 (Universal Service reform).

The Small LECs assert that Cricket has not complied with federal ETC requirements regarding offering service throughout a rural LEC's service area²¹, and has not demonstrated that granting Cricket ETC designation is in the public interest²². The Small LECs also argue that the CPUC should not grant Cricket ETC designation prior to the CPUC's completion of the Universal Service reform proceeding, because the Small LECs say, it is unclear whether wireless LifeLine services will be offered in California. As a consequence, the Small LECs argue, customer confusion will result from having two LifeLine programs in the state. Additionally the Small LECs assert that Cricket does not expressly state that it will abide by G.O. 153.

DRA states that, while it supports wireless LifeLine for low-income consumers, DRA would like to see three commitments from Cricket: (1) implementation of a consumer protection plan which includes a commitment to resolve consumer complaints in seven days or less and file semi-annual reports regarding the complaints received; (2) notification to all new and existing customers of LifeLine availability, and advertising Cricket's advice letter offering, to existing customers that may qualify for the program; and (3) availability of a low-cost new or refurbished handset to low-income customers in the range of \$25.00.

DISCUSSION

I. Did Cricket Comply With Federal ETC Eligibility Requirements?

CD concludes that Cricket has complied with Federal ETC designation requirements.²³ Cricket has pledged to offer the services that are supported by the USF pursuant to 47 U.S.C., § 254(c), either by using its own facilities or through a combination its own facilities and the resale of another carrier's service. Cricket has already deployed facilities of its own for the provision of service to its current non-LifeLine customers²⁴. Therefore, CD is persuaded that Cricket will provide USF supported services through a combination of its own facilities and the resale of another carrier's service.

²¹ 47 U.S.C. § 214(e)(1)(A) requires that an ETC offer USF supported service throughout the Small LECs service areas, or alternatively have the service area redefined pursuant to 47 U.S.C. §214(e)(5) and Title 47 §54.207(c) CFR.

²² 47 U.S.C. § 214(e)(2).

²³ 47 U.S.C. §§ 214 (e)(1) and 254(c)

²⁴ Cricket AL2, at 2

CD further concludes that Cricket will meet the requirement to advertise the availability of the LifeLine offering using media of general distribution. Cricket currently uses general media for its non-LifeLine services, and has committed to advertise USF services, using a combination of general media, social service and government agencies, developing a training program for employees to ensure they can explain the LifeLine program to customers, as well as use of Cricket's website, and in-store advertising.

CD also believes that Cricket has complied with the five FCC ETC eligibility requirements²⁵, because it (1) has committed to provide the supported services; (2) has demonstrated the ability to remain functional in an emergency situation through its current operations; (3) has committed to satisfy consumer protection and service quality standards; (4) offers a local usage plan comparable to that provided by the ILEC; and (5) acknowledges that it may be required to provide equal access to long distance carriers if all other ETCs in the service area relinquish their ETC status.

Comparable Local Usage

Neither the CPUC nor the FCC has adopted minimum local usage standards or quantity of minutes to measure comparability. However, the FCC encourages state commissions to consider whether an ETC offers a local usage plan comparable to those offered by the incumbents in examining whether the ETC applicant provides adequate local usage to receive designation as an ETC and does not prevent states from determining what the minimum number of local usage minutes should be for an applicant to be awarded ETC status.²⁶

Based on a comparison of Cricket's offering to the flat rate LifeLine offering of AT&T California and Verizon California with unlimited long distance and caller ID added, CD concludes that Cricket's offering is comparable to the ILEC's flat rate local usage offerings.

For \$21.50 per month²⁷, Cricket offers unlimited local calling, long-distance calling with no charge for incoming calls, unlimited text messaging, and caller ID at no additional charge, and includes applicable surcharges, fees, and taxes.²⁸ Pacific Bell dba AT&T

²⁵ FCC 05-46 ¶¶ 20 - 68 addresses Federal ETC eligibility requirements.

²⁶ FCC 05-46, ¶ 34

²⁷ The lowest priced offering of Cricket has been used for evaluation purposes (\$35.00 - \$13.50 = \$21.50).

²⁸ Cricket Reply Comments p.2

offers LifeLine flat rate service for \$6.84 per month with unlimited local calling, and Verizon California (through MCI metro) offers flat rate LifeLine service with unlimited local calling for \$6.03 each month. While there is a significant difference in price between Cricket's basic LifeLine offering and the ILEC's LifeLine offering, the ILECs do not include unlimited long distance, text messaging, or Caller ID. The following table shows the cost of what an ILEC LifeLine customer would pay for a plan that is comparable to Cricket's:

Comparable LifeLine Service Prices			
	Cricket	AT&T*	Verizon*
LifeLine Flat Rate	\$21.50	\$6.84	\$6.03
Caller ID	0	\$9.99	\$7.95
Unlimited Long Distance Calling	0	\$32.99	\$10.99 (for 200 minutes monthly)
Unlimited Text Messaging	0	N/A	N/A
Surcharges, Fees, and Taxes ²⁹	N/A	\$0.21	\$0.18
Total	\$21.50	\$50.03	\$25.15

*Prices quoted from company's website or tariffs.

II. Is Granting ETC Status to Cricket in the Public Interest?

The Small LECs allege that Cricket has not demonstrated that granting it ETC status is in the public interest. Cricket disputes this allegation and states that its advice letter outlined the benefits of its service, including increasing access in rural areas to wireless services available in urban ones, providing mobility of telecommunications services for

²⁹ Pursuant to GO 153, California LifeLine customers do not pay public purpose surcharges, CPUC User Fee, or the end user common line charge; however, they do pay the Federal Communications Excise Tax of 3%. The charge reflected in *this* chart line, is 3% of the carrier's basic LifeLine Flat rate charge. As a note the FCC also exempts Federal Life customers from fees on any services supported by universal service (see www.fcc.gov/cgb/consumerfacts/llu.html).

customers, and giving customers the convenience of not having to track their usage as a result of the unlimited local and long-distance calling.

CD believes that on balance it is in the public interest to designate Cricket an ETC in California. CD sees advantages to the Cricket offering, including (1) one price for service that includes unlimited local calling, caller ID, unlimited long-distance calling, and text messaging; (2) flexibility for customers to use a Cricket handset or one they already own; (3) a Link-up discount of 50% or \$7.50 off the normal \$15.00 activation charge; (4) expanded local calling area; (5) no credit check, deposit, or contract; (6) no customer bills or termination fees; and (7) telephone mobility.

The disadvantages of the wireless service include the potential that the handset is removed from the home and poor reception due to weather terrain and service coverage. CD believes that customers can exercise judgment in determining whether the wireless service meets their needs given their separate circumstances and location.

Based on a review of the comments by the Small LECs, and Cricket, as well as a review of CD's analysis, the Commission rejects the Small LEC's claim that Cricket did not demonstrate its designation as an ETC is in the public interest.

III. Did Cricket Comply With State Requirements?

Resolution T-17002 ETC Designation Compliance

CD believes that Cricket has met the fourteen ETC requirements found in Resolution T-17002. Attachment 5 to this resolution provides an evaluation of Cricket's request for compliance with Commission rules. Two of the elements, local usage requirement and public interest determination, are also part of the Federal Eligibility requirements and as previously discussed in this resolution, CD finds that Cricket's Local Usage plan is comparable to that of the ILECs, and that Cricket's offering serves the public interest.

G.O. 153 Basic Elements of Service Compliance

CD acknowledges that Cricket's offering does not meet three of the twenty-two elements of basic service set forth in G.O. 153 (see Attachment 2 for a complete list):

- Customer choice of flat rate local service or measured rate local service
- Free provision of one directory listing per year
- Free white pages telephone directory

Cricket does not give customers a choice of flat-rate local or measured rate local service. "Flat rate" local service allows a customer unlimited calling within the customer's 12-mile local calling area for a fixed price.³⁰ "Measured rate" local service includes a call allowance and then a per-call charge for calls beyond the allowance but still within the local calling area.³¹ The Cricket offering provides only the flat-rate option.

CD believes that Cricket's lack of a measured rate local calling offering should not be cause to deny it ETC status. No federal or California rule mandates that *wireless* carriers offer both a measured and flat-rate service. Additionally, the CPUC does not regulate commercial mobile radiotelephone services (CMRS/wireless) rates or market entry³². Therefore wireless carriers may choose either a measured or flat-rate service business model. Consequently, until the CPUC develops wireless LifeLine rules that would apply to all wireless carriers offering LifeLine service, the Commission may authorize Cricket to deviate from this particular G.O. 153 requirement.³³ Through issuance of this resolution, the Commission is authorizing the deviation.

The Cricket offering does not include one free directory listing per year. Presently, no publicly available listing of wireless telephone numbers exists. Therefore, CD does not believe that the directory listing requirement can reasonably be applied to Cricket, and consequently, the CPUC should also authorize a deviation from this G.O. 153 requirement³⁴ for Cricket. Through issuance of this resolution, the CPUC is authorizing the deviation.

Finally, the Cricket offering does not include provision of a free white-pages telephone directory. Again, given that no publicly available white-pages directory exists for the wireless industry at this time, CD believes that a deviation from this requirement is warranted. Through issuance of this resolution, the CPUC is authorizing a deviation from this G.O. 153 requirement³⁵ for Cricket.

While Cricket does not meet the three G.O. 153 requirements identified above, CD has concluded that Cricket's offering overall would provide a public benefit. For the reasons cited above, Cricket's inability to meet three of the G.O. 153 basic service elements should not be grounds for denying it ETC status for the purpose of offering Federal LifeLine.

³⁰ See G.O. 153, *mimeo*, p. 3

³¹ See G.O. 153, *mimeo*, p. 5

³² See 47 U.S.C. 332 (c)(3)(A) See also D. 95-10-032, *mimeo* at 17.

³³ See G.O. 153, Service Elements of Life, *mimeo* at 32.

³⁴ See G.O. 153, Service Elements of Life, *mimeo* at 32.

³⁵ See G.O. 153, Service Elements of Life, *mimeo* at 32.

CD believes that G.O. 153 § 4.2 LifeLine enrollment procedures provide a reasonable means for wireless carriers, including Cricket, to determine if a prospective LifeLine customer is eligible for LifeLine service. Therefore, until the Commission establishes rules for wireless ETC applicants in California, CD recommends that G.O. 153 LifeLine certification and verification rules be used in evaluating wireless carrier ETC designation requests.

Based upon CD's analysis, the Commission agrees that Cricket has met the California ETC designation requirements for offering Federal LifeLine service.

IV. Has Cricket Complied with Federal ETC Requirements Regarding Offering Service Throughout a Rural LECs Service Area?

The Small LECs assert that Cricket has not complied with federal ETC requirements regarding offering service throughout a rural LEC's service area. Cricket admits that it does propose to offer service in the San Joaquin Valley, covering nearly the entire service area of Kerman Telephone with some outlying areas of Hornitos Telephone Co., Sierra Telephone Co., Ponderosa Telephone Co., and Ducor Telephone Co. Although Cricket is not proposing to redefine the Small LEC's service areas, it suggests that it is the CPUC's obligation to request a study area redefinition³⁶ from the FCC. Cricket submits that no danger of creamskimming³⁷ would result from a service area redefinition because Cricket seeks only federal LifeLine support, and not federal high-cost support.

Cricket cites in its comments on proposed Resolution T-17266 that wireless carriers currently offer service through parts of the Small LEC territories, and restricting them from offering Federal LifeLine in territories they already serve only deprives rural customers of this benefit³⁸.

³⁶ C.F.R. § 54.207 identifies a study area, as being synonymous with a rural carrier's service area until a Federal-State Joint Board establishes a different definition. A study area redefinition would provide Cricket with a waiver from serving the entirety of the rural carrier's service area.

³⁷ Rural creamskimming is generally understood to be a carrier's selectively operating in only the low-cost, high-revenue portions of a rural telephone company's study area. This practice places the relevant incumbent carrier at an unfair disadvantage. *See* Virginia Cellular, FCC 03-338, *mimeo* p. 16

³⁸ *See* November 4, 2010 Comments of Cricket Communications, Inc. (U 3076 C) On Draft Resolution T - 17266, *mimeo* @ 2.

Additionally, Cricket has made a clear commitment to provide service to customers outside of its current network coverage area, if requested, by following the six step process articulated in 47 C.F.R. § 54.202(a)(1)(i).³⁹

We have reconsidered the restriction on Cricket's ability to offer service in the Small LEC territories. We do not find such a restriction is reasonable or in the public interest. Cricket currently offers retail wireless service in some parts of some small LEC service areas, and the Commission recognizes that there is already significant wireless carrier overlap with many of the rate-of-return carriers. We cannot foresee how our universal service goals or objectives would be advanced by eliminating the ability of some consumers to choose alternative Lifeline providers. Our recent decision D. 10-11-033 in the LifeLine proceeding, R. 06-05-028, voted out on November 19, 2010, does not place any geographic restrictions on non-traditional telecommunications service providers, such as wireless, who volunteer to participate in the California LifeLine program.

While Cricket is not requesting authority to participate in the California LifeLine program and requests ETC designation for the Federal program, we will use current Commission California LifeLine policies and rules, including those in D. 10-11-033, for evaluating requests by wireless carriers for ETC designation that is limited to providing federal Lifeline and Link-up services. When the Commission adopts rules for California wireless LifeLine offerings in the anticipated Phase II of R. 06-05-028, Cricket will be required to comply with those rules.

Based upon the comments and reply comments the Commission approves Cricket's request to provide Federal LifeLine service throughout California.

V. Did Cricket Demonstrate Compliance with Federal LifeLine and Link-up Certification and Verification Regulations, and G.O. 153?

Verizon alleges that Cricket failed to demonstrate compliance with federal LifeLine and Link-up certification and verification regulations, and that using G.O. 153 as a guideline does not comply with federal regulations. Cricket responded that it has met with Solix and CD staff to determine what certification and verification procedures Cricket will need to implement once the Commission grants ETC status. Cricket also asserts that G.O. 153 is only a guideline, because Cricket is pursuing Federal LifeLine funds and not State LifeLine monies.

The Small LECs argue that Cricket does not expressly commit that it will abide by G.O. 153. Cricket responds that it "fully intends to comply with G.O. 153 to the extent that the rules apply to wireless services offered by Cricket."⁴⁰

³⁹ Cricket Advice Letter 2, page 7.

G.O. 153 requires that a verification form be sent annually to California LifeLine customers to determine continued program eligibility⁴¹. In California, certification and verification are accomplished through a third-party administrator or certification agent⁴², currently Solix.

CD believes that requiring Cricket to comply with G.O. 153 is tantamount to Cricket's complying with the federal rules for federal LifeLine and Link-up certification and verification. These rules require that, for states not mandating LifeLine support, a LifeLine applicant's income must be at, or below 135% of the federal poverty level, or participate in one of the specified federal assistance programs.⁴³ Section 5.1.5 of G.O. 153 allows a customer to qualify for, and enroll in California LifeLine, based on any of twelve criteria, which include all of the federal assistance programs. CD recommends that Cricket be required to comply with G.O. 153 requirements, including the third-party certification and verification process, and that Cricket not provide the LifeLine service prices until the customer has been prequalified by the third-party certification agent.

Based on CD's analysis, the Commission adopts CD's recommendations that Cricket be required to comply with requirements in G.O. 153 pertaining to the third-party certification agent.

VI. Will Cricket's ETC Designation Unduly Burden the USF Fund?

Verizon alleges that the federal USF fund may be unduly burdened by designating Cricket as an ETC. Cricket responded by stating that Verizon has mischaracterized the issue, and notes that a number of states have approved wireless ETC status to carriers without "...significant impact to the LifeLine fund in those states."⁴⁴

CD does not believe that designating Cricket as an ETC will adversely affect the federal USF. The Florida data Verizon provided in support of its allegation that granting Cricket ETC designation will have an adverse affect on the federal USF fund is

⁴⁰ Cricket response to protests dated March 30, 2010, *mimeo*, pg. 7

⁴¹ G.O. 153, §§ 4.4, 4.5

⁴² G.O. 153, § 4.2.1

⁴³ Title 47 § 54.409(b) identifies seven federal assistance programs: 1) Medicaid; (2) Food Stamps; (3) Supplemental Security Income; (4) Federal Public Housing Assistance (Section 8); (5) Low-Income Home Energy Assistance Program; (6) National School Lunch Program's free lunch program, or (7) Temporary Assistance for Needy Families.

⁴⁴ Cricket response to protests dated March 30, 2010, *mimeo*, pg. 5

anomalous and does not demonstrate that a Cricket ETC designation in California will have an adverse effect on the federal USF. Rather, we note that Florida is the only state in the country that experienced such a high percentage of growth in the LifeLine service fund during the 2008-2009 period.⁴⁵

Based upon the information provided by Verizon regarding Federal LifeLine support payments for the year 2008 and nine months of 2009, and after excluding LifeLine disbursements to Florida, the annualized results show that LifeLine disbursements in 2009 have not dramatically increased because of entry of wireless LifeLine offerings.

In the nine months of 2009, the inclusion of LifeLine disbursements to one carrier in the state of Florida accounted for approximately 64% of the total LifeLine payments for that nine-month period. In 2008, that same carrier in Florida accounted for approximately 14% of total LifeLine disbursements. CD believes that the significant increase in federal USF disbursements associated with one carrier's LifeLine offerings in Florida does not demonstrate that Cricket will unduly burden the federal USF, given the anomalous nature of Florida's data.

Based upon CD's review of the comments submitted by Verizon, Cricket, and CD's analysis, the Commission rejects Verizon's protest that designating Cricket as an ETC will unduly burden the USF fund.

VII. Does Cricket Fail to Address the Impact of its ETC Designation on Tribal Lands?

Verizon cites Title 47, CFR §§ 54.400(a), 54.400(e), and 54.409(c)⁴⁶ in support of its contention that Cricket failed to address the impact of its ETC designation on eligible residents of Tribal Lands within its proposed service territory in violation of federal mandates for ETCs. Verizon also claims that Cricket omitted any discussion of support for residents of Tribal Lands. Cricket responds that Verizon has not identified any requirement that an ETC designation request must outline the impact of the LifeLine service on Tribal Lands. Cricket maintains that it is well aware of its responsibility to tribal land inhabitants, who may be entitled to three levels of LifeLine service.

⁴⁵ Verizon Protest dated March 23, 2010, pg. 2

⁴⁶ Verizon Protest dated March 23, 2010, pg. 3

A review of 47 U.S.C. §§ 214, 254, Title 47 C.F.R §§ 54.400(a), 54.400(e), and 54.409(c) does not evidence a requirement that an ETC applicant address the impact of its designation on Tribal Lands. The service requirements of an ETC are found in 47 U.S.C. § 214 (e) 1 (A) & (B)⁴⁷ The requirements listed do not include a showing of any Tribal Lands' impact of an ETC designation, or a discussion of the support due to Tribal Lands residents as part of the ETC designation request. Therefore, CD concludes that Cricket has satisfactorily addressed the tribal lands impact issue raised by Verizon by pointing out that there is no ETC designation requirement regarding Tribal Land impacts or support due to the residents of these lands.

Based CD's analysis and a review of the comments submitted by Verizon and Cricket, the Commission rejects Verizon's protest that Cricket fails to address the impacts of or support due to residents of Tribal Lands as a result of its designation as an ETC.

VIII. Would Cricket's ETC Designation in Advance of Concluding the Commission's Review of the Telecommunications Public Policy Programs (R. 06-05-028) Result in Customer Confusion?

The Small LECs argue that the CPUC should not grant Cricket ETC designation prior to completion of the CPUC's Rulemaking (R. 06-05-028) regarding Universal Service reform. The Small LECs further assert that it is unclear whether wireless LifeLine services will be offered in California; accordingly, they argue, customer confusion will result from having two LifeLine programs in the state. Cricket points out that the Rulemaking relates to the California LifeLine program, but Cricket is seeking only to offer federal LifeLine service and to obtain subsidies under the federal program. Consequently, Cricket argues, it is not necessary to delay approving its ETC designation request until a decision is rendered in the open Universal Service proceeding.

Although CD acknowledges that some customer confusion may occur if two LifeLine programs, federal and state, are being offered in the same geographic area, nonetheless, CD does not agree that ETC designation must be delayed pending issuance of a decision in R.06-05-028. Cricket has pledged to provide its customers with a clearly delineated \$13.50⁴⁸ subsidy on the monthly bill along with the \$7.50 Linkup subsidy.

⁴⁷ These requirements are that the carrier offer services supported by the Federal universal support mechanism under § 254 (c) of U.S.C. Title 47 using its facilities or a combination of its facilities and those of another carrier, and that it advertise these services and charges in media of general distribution throughout the area it has received ETC designation in.

⁴⁸ Cricket informed CD staff that it would contribute \$3.50 in addition to the federal LifeLine discount of \$10.00, thereby providing the LifeLine customer with a total subsidy of \$13.50.

Cricket also states that its advertisements will explicitly indicate that customers may receive a \$13.50 discount on their wireless service.

CD believes that Cricket can provide sufficient disclosure to customers to minimize confusion. CD recommends that Cricket be required to clearly label its LifeLine service as being offered under the Federal program to ensure no confusion between the two programs. CD also recommends that Cricket submit its LifeLine marketing materials to CD for review for clarity prior to their publication.

On November 19, 2010 the Commission adopted D. 10-11-033 in R. 06-05-028, which allows LifeLine customers to choose alternative LifeLine providers. Consequently the recommendation of the Small LECs to withhold Cricket's ETC designation until a decision in R. 06-05-028 is rendered is moot.

IX. Does Cricket Need To Make A Commitment to Implement a Consumer Protection Plan?

DRA requests that Cricket pledge to implement a consumer protection plan, including a commitment that Cricket will resolve consumer complaints in seven days or less, and will file semi-annual reports regarding the complaints received. In response to DRA's recommendation, Cricket states that it is committed to customer service, and that it must satisfy its customers to win them back every month as a consequence of its prepaid service business model. Currently, Cricket meets voluntarily with Consumer Affairs Branch (CAB) staff on a periodic basis to review complaint data and trends. Cricket points out that the CAB data for 2009 shows a low number of complaints for that year. Additionally, Cricket states that it presently resolves most customer complaints during the first customer contact. Also, Cricket does not believe that it is appropriate for the Commission to adopt new consumer protection requirements in the context of an advice letter request for ETC designation for a single provider.

Given that no party has provided evidence that Cricket has a specific customer service problem, CD agrees that Cricket should not be required to implement a specialized consumer protection plan as a condition of obtaining ETC status. Also, we note that Cricket has already adopted the Cellular Telecommunications and Internet Association (CTIA) Consumer Code. Though not legally binding, this action demonstrates a commitment to consumer protection.⁴⁹

Based upon CD's analysis, and a review of the comments, by DRA and Cricket, the Commission rejects DRA's request that Cricket implement a specialized consumer protection plan.

⁴⁹ Cricket AL2, pg. 8

X. Cricket Notification of New and Existing Customers of LifeLine Availability.

DRA requests that Cricket commit to notifying all new and existing LifeLine customers about its Advice Letter 2 offering, and to advertise the Cricket Federal LifeLine offering to existing customers who may qualify for the program. Cricket states that it plans to advertise its Federal LifeLine service using a combination of media, social service, and government agencies, while at the same time developing a training program for employees to ensure they can explain the program to potential new customers. Cricket also states that it will notify current customers regarding the availability of LifeLine through SMS text messaging, Cricket's website, and in-store advertising. Cricket opposes DRA's recommendation that the company advertise the Advice Letter 2 offering, claiming that such a marketing campaign would confuse customers. Cricket commits to advertising Federal LifeLine offering once it has received ETC status.

CD agrees with Cricket that advertising its advice letter offering in advance of ETC designation would be confusing to customers in the event the ETC designation request is denied. CD considers Cricket's plan to begin advertising LifeLine service after its ETC designation is approved to be reasonable, and that its plan to use media of general distribution⁵⁰ as well as SMS text messaging to current customers will adequately notify customers of the LifeLine offerings availability.

Based upon CD's analysis and a review of all the comments submitted by DRA and Cricket, the Commission rejects DRA's request that Cricket make an additional commitment to notify new and existing customers of its Advice Letter 2 offering in advance of receiving ETC designation.

XI. Commitment to Provide New or Refurbished Handset in the \$25.00 Range.

DRA requests that Cricket commit to making available a low-cost new or refurbished handset, costing approximately \$25.00, to low-income customers. Cricket states that it currently offers promotional pricing on handsets for customers and allows customers to use a handset they currently own. In addition, Cricket allows customers to recycle old cell phones and to receive a credit toward the purchase of a new handset. Cricket also offers the first month of service free to any customer who buys a new or refurbished handset.

CD staff reviewed Cricket's website on June 21, 2010 to determine the cost of handsets, and found that it has three telephones available within the price range of \$9.99 - \$29.99.

⁵⁰ 47 U.S.C. § 214(e)(1)(B).

A refurbished Samsung u340 could be purchased for \$9.99 whereas a Cricket A100 or Samsung R211 could be bought new for \$29.99. Based upon these handset prices, and notwithstanding the other credits/ discounts that Cricket offers, CD notes that Cricket already does offer new and refurbished handsets at a price well below \$25.00, and a price just a few dollars more than \$25.00.

Accordingly, the Commission will not order Cricket to price handsets closer to the \$25.00 range.

XII. Cricket Properly Served Advice Letter 2

Verizon charges that Cricket failed to comply with the Resolution T-16086 service list requirements. Cricket responded that Resolution T-16086 was superseded by Resolution T-17002, which does not have a service list requirement, and at Cricket's request, CD staff provided Cricket with the service list it used.

CD concurs that Cricket did use the proper service procedures regarding this advice letter. Resolution T-16086 was superseded by Resolution T-17002, which does not have a specific service list of parties. Cricket contacted CD for direction, and CD provided Cricket the list used for the TracFone Advice Letter, which Cricket then used to serve parties with this advice letter.

Based upon CD's analysis and a review of the comments submitted by Verizon and Cricket, the Commission rejects Verizon's protest that Cricket failed to properly serve Advice Letter 2.

XIII. Summary of CD Recommendations

CD recommends that Cricket's limited ETC designation request be approved with the following conditions until such time that the Commission adopts specific LifeLine rules for wireless carriers:

- Allow Cricket to offer wireless Federal Lifeline service in all areas of the state that it provides retail service;
- Comply with G.O. 153 verification and certification processes;

- Clearly label its LifeLine offering as Federal LifeLine to minimize customer confusion between State and Federal LifeLine programs, and provide copies of marketing materials, prior to publication, to CD staff for review of message clarity.

CD recommends the use of G.O. 153 as a part of evaluating wireless carrier ETC designation requests until such time that the Commission adopts wireless LifeLine rules for California.

COMMENTS

The Small LECs, DRA, and Cricket all filed timely comments on November 4, 2010. None of the parties raised new issues beyond those presented in the initial protests to the advice letter and the related responses to protest, except that Cricket requests that: a) it be allowed to offer federal LifeLine service in the Small LEC territories pending outcome of its Forbearance request filed with the FCC regarding the redefinition of service territories⁵¹, (b) language be added to the draft resolution allowing it to offer federal LifeLine in the Small LEC territories when the California LifeLine proceeding is complete (R. 06-05-028), and (c) the draft resolution be modified to reflect that wireless carriers may voluntarily participate in the California LifeLine program currently, but have chosen not to do so.

In its comments and reply comments Cricket requests that the DRAFT Resolution be revised to: 1) allow it to offer Federal Lifeline throughout the small LEC areas now, or alternatively, if Cricket is not granted this relief now, clarify that when the Commission adopts the pending Lifeline PD (R.06-05-028) that Cricket may offer Lifeline service in the Small LEC territories without further Commission approval, 2) remove the requirement that Cricket must be required to comply with wireless LifeLine rules for California once the Commission adopts such rules, 3) clarify language on page 3 that states “[a]t this time wireless carriers providing service in California cannot offer California LifeLine service...”, to read that wireless carriers are not prohibited from participating in California LifeLine, 4) eliminate the sentence on page 15 that states that the Commission accepts the Small LECs claim that customer confusion may occur with two Lifeline programs operating currently in California, and 5) find that Cricket’s offering is comparable to wireline basic service. Cricket clarified that it no longer offers the \$16.50 LifeLine plan and states that its lowest cost LifeLine plan of \$21.50, which includes applicable surcharges, fees, and taxes, is still a lower rate than the comparable rates of AT&T and Verizon when long distance and caller ID are added.

⁵¹ See **Attachment A** to Comments of Cricket Communications, Inc. (U3076 C) On Draft Resolution T-17266.

Cricket requests that the Commission deny the request of the small LECs for a 30-day extension to provide Cricket, CD staff and the third party administrator the Zip+4 data, and maintain the current 30-day requirement.

Cricket also stated that it has filed, with the FCC, a Petition For Forbearance from the requirement regarding rural LEC service areas, that an ETC offer service throughout the rural LEC's service area.⁵²

In comments and/or reply comments the Small LECs and DRA both continue to request that Draft Resolution T-17266 not be adopted in advance of closing proceeding R.06-05-028. DRA additionally states its belief that the draft resolution correctly acknowledges Cricket's responsibility to pay public purpose surcharges and fees, but does not think it is in the public interest to grant ETC status to Cricket in advance of California Wireless LifeLine rules.

The Small LECs support the draft decision's requirement that Cricket comply with the certification and verification requirements of G.O. 153 and that Cricket should be limited to service outside of the Small LEC areas. However, the Small LECs propose removal of the finding that Cricket's offering is comparable with the ILEC offerings, and they would like 60, rather than 30, days to provide the Zip+ 4.

As a result of the Commission adopting D. 10-11-033 on November 19, 2010, which allows LifeLine customers to choose alternative LifeLine providers, the recommendation to delay approval of Cricket's ETC designation, pending conclusion of proceeding R. 06-05-028, is rendered moot.

In comments, Cricket has requested that it not be restricted from offering Federal LifeLine in the Small LEC territories⁵³. We have reconsidered this restriction, and do not find the restriction to be reasonable or in the public interest given that Cricket currently offers service within the Small LECs' territories. We are concerned about the inconsistency for customers in the Small LECs' territories who today can purchase Cricket's wireless service, but who would be unable to purchase Cricket's wireless LifeLine service if we leave the restriction in place. For this reason, we will remove the restriction and authorize Cricket to offer Federal LifeLine service as an ETC throughout California. We do so with the understanding that once we adopt rules for California wireless LifeLine offerings in Phase II of proceeding R. 06-05-028, Cricket will be required to comply with those rules.

⁵² Cricket Comments on DRAFT Resolution Appendix A- PETITION OF CRICKET COMMUNICATION, INC. FOR FOREBEARANCE - pages 3-4.

⁵³ See November 4, 2010 Comments of Cricket Communications, Inc. (U 3076 C) On Draft Resolution T - 17266, *mimeo* @ 1.

This resolution grants Cricket's request for ETC designation to provide Federal LifeLine service throughout the state. There no longer is a need for the Small LECs to provide the Zip+4 data to Cricket, CD, and the third party administrator. Accordingly, the Zip+4 data requirement has been removed from this final resolution and the request of the Small LECs for an additional 30 days is to provide the Zip +4 data is now moot.

At the same time, we still consider Cricket's Federal LifeLine offering to be comparable to the ILEC's plan and as a result, this will not be removed from the resolution.

Cricket's request that it be allowed to operate in Small LEC territories pending FCC approval of Cricket's Petition for Forbearance of the geographic service requirement, or alternatively, pending adoption of the California Lifeline proposed decision which does not restrict wireless carriers from serving small LEC service areas, is now moot. D. 10-11-033 has stated that geographic restrictions will not be placed on non-traditional carriers⁵⁴ and they can participate in the California LifeLine program if they are able to comply with the requirements of G.O. 153. We believe that these policies should be applied in evaluating requests by wireless carriers, such as Cricket, for ETC designation to provide Federal Lifeline service. the language in this final resolution has been modified to reflect the policies in D. 10-11-033.

FINDINGS

1. On March 3, 2010, Cricket Communications Inc. (U-3076-C) filed Advice Letter 2 requesting limited eligible telecommunications carrier (ETC) status to offer only federal LifeLine services within California.

⁵⁴ D. 10-11-033, *mimeo* at 72

2. Cricket Communications Inc. is a facilities-based wireless carrier (CEC) in California, registered on May 4, 2001 operating as Cricket. Cricket is a Delaware corporation with principal offices at 5887 Copley Dr., San Diego California. Cricket is required to pay CPUC user fees and public purpose program surcharges as a condition of its wireless carrier designation in California.
3. On March 23, 2010 Verizon California Inc., the Small LECs, and DRA filed protests against Advice Letter 2.
4. Cricket has met the requirements for ETC status found in Resolution T-17002.
5. Cricket will provide USF supported services through a combination of its own facilities and the resale of another carrier's service.
6. Cricket has committed to provide the services supported by the USF.
7. Cricket has demonstrated the ability to remain functional in an emergency situation.
8. Cricket has committed to satisfy consumer protection and service quality standards.
9. Cricket acknowledges that it may be required to provide equal access to long distance carriers if all other ETCs in the service area relinquish their ETC status.
10. It is in the public interest to designate Cricket as an ETC to offer Federal LifeLine in California..
11. Cricket has not met three of the G.O. 153 elements of basic telephone services, regarding customer choice of flat or measured rate service, one free directory listing per year, and a free white-pages telephone directory.
12. Cricket is authorized a waiver from the G.O.153-B requirements that it offer measured rate service, offer one free directory listing per year, or provide a free white pages directory. These waivers are based upon a wireless carrier's ability to choose either a flat rate or measured rate business model, and the lack of a publicly available listing of wireless telephone numbers or publicly available white pages at this time.
13. Cricket has provided a local usage plan that is comparable to the local usage plans of the ILECs that operate in the areas Cricket requests ETC designation in.

14. Designation of Cricket as an ETC will not unduly burden the USF fund.
15. Cricket does not have a responsibility to address how designation as an ETC impacts residents of Tribal Lands.
16. Cricket does not need to implement a special consumer protection plan.
17. Advertising Cricket's Advice Letter 2 in advance of approval would be confusing to customers.
18. Cricket should clearly label its LifeLine offering as Federal LifeLine to minimize customer confusion between State and Federal LifeLine programs, and to provide copies of marketing materials to CD staff for review of message clarity prior to publication.
19. Cricket's ETC designation is contingent upon Cricket complying with Commission rules, including continuing to pay public purpose surcharges and PUC user fees.
20. Cricket should comply with G.O. 153's certification and verification with Solix to establish customer's LifeLine eligibility.
21. It is reasonable to use Commission rules and policies for California LifeLine service, including D. 10-11-033 and G.O. 153 for evaluating ETC designation requests, including Federal LifeLine certification and verification, until the Commission adopts specific rules for wireless LifeLine offerings.

THEREFORE, IT IS ORDERED that:

1. Cricket Communications, Inc.'s request for limited eligible telecommunications carrier status for purposes of receiving only Federal LifeLine and Link-up service subsidies is granted.
2. Cricket Communications, Inc. must comply with Commission rules, including the payment of public purpose program surcharges and PUC user fees. Failure to do so may result in revocation of ETC designation in California.
3. Until the Commission adopts specific rules for wireless LifeLine offerings, G.O. 153 shall be used in evaluating ETC designation requests, including Federal

LifeLine certification and verification. Once wireless specific LifeLine rules are adopted, Cricket will be required to comply with those rules.

4. Cricket Communications Inc. must comply with General Order 153 certification and verification with the third-party administrator (Solix) to establish customer's LifeLine eligibility.
5. Cricket Communications Inc. is granted a waiver from having to offer measured rate service, offer one directory listing per year, or provide a free white pages directory.
6. Cricket Communications Inc. shall clearly label its offering Federal LifeLine, and provide copies of marketing materials to CD staff for review of clarity prior to publication.

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 November 19, 2010, the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director

Resolution T-17002

Appendix A

Comprehensive Procedures and Guidelines For Eligible Telecommunications Carrier Designation

Each telecommunications carrier seeking eligible telecommunications carrier designation must file an advice letter with the Commission with the following information:

Section I - Compliance with FCC 97-157

- A) The service areas for which the carrier is requesting ETC designation including a List of Geographic Service Areas and a map in .shp format showing the proposed service area. For wireless petitioners, the map should identify the location of cell sites and shade the area where the carrier provides commercial mobile radio service or similar service.
- B) An itemized list of the designated services to be provided, i.e.
 - ✓ Single party service;
 - ✓ Voice grade access to the public switched network;
 - ✓ Local usage;
 - ✓ Dual tone multi-frequency signaling or its functional equivalent;
 - ✓ Access to emergency services;
 - ✓ Access to operator services;
 - ✓ Access to interexchange services;
 - ✓ Access to directory assistance; and
 - ✓ Toll limitation for qualifying low-income consumers.
- C) A list of any services which the carrier proposes not to provide and for which the carrier is seeking an extension of time.
- D) An indication of whether the carrier plans to apply for a waiver of the requirement that an ETC not disconnect LifeLine for non-payment of toll.
- E) A description of the carrier's advertising plan, indicating the advertising media to be used, and an explanation of how its plan meets the advertising requirement in section 214(e) of the Telecommunications Act.
- F) If necessary, implement tariff changes via the advice letter filing process. This provision would not apply to carriers that are not required to maintain tariffs.
- G) If applicable, request additional time to perform network upgrades to provide single-party service, access to E911 service, and/or toll limitation to low income customers.

Section II – Compliance with FCC 05-46

A) Commitment to Provide Service

An ETC applicant must demonstrate that it has the commitment and ability to provide supported services throughout the designated area by providing services to all requesting customers within its designated service area. Each applicant shall certify that it will:

1. provide service on a timely basis to requesting customers within the applicant's service area where the applicant's network already passes the potential customer's premises; and
2. provide service within a reasonable period of time, if the potential customer is within the applicant's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost by:
 - a. modifying or replacing the requesting customer's equipment;
 - b. deploying a roof-mounted antenna or other equipment;
 - c. adjusting the nearest cell tower;
 - d. adjusting network or customer facilities;
 - e. reselling services from another carrier's facilities to provide service; or
 - f. employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment.

If the carrier determines that it cannot serve the customer using one or more of these methods, then the carrier must report the unfulfilled request within 30 days after making such determination.

B) Submission of Two-Year Service Quality Improvement Plan

In submitting a formal plan detailing how it will use universal service support to improve service within the service areas for which it seeks designation, an ETC must submit a two-year plan describing its proposed improvements or upgrades to the ETC's network on a wire center-by-wire center basis throughout its designated service area. The two-year plan must demonstrate in detail how high-cost support will be used for service improvements that would not otherwise be made without such support. This must include:

- 1) a description of any plan for investment to be made or expenses to be incurred which will improve or permit the offering of services that are the subject of reporting requirements in FCC Form 477 (the form and instructions may be accessed at: <http://www.fcc.gov/formpage.html#477>);

- 2) a description of investments made and expenses paid with support from the high-cost fund;
- 3) the projected start date and projected completion date for each improvement and the estimated amount of investment for each project;
- 4) the specific geographic areas where the improvements will be made;
- 5) the ETC's projected operating expense requirements for the current and following year;
- 6) a certification that the investments made and expenses paid will be incurred to maintain and provide telecommunication services to any customer requesting service in ETC's service area;
- 7) a description of any capital improvements planned including whether the funds for the improvements are from operating expenses, grants, or loaned funds from the Rural Utilities Service or some other government or private institution; and
- 8) a description of the benefits to consumers that resulted from the investments and expenses reported pursuant to this requirement.

Carriers should provide this information for each wire center in each service area for which they expect to receive universal service support. Service quality improvements in the two-year plan do not necessarily require additional construction of network facilities.

C) Ability to Remain Functional

In order to be designated as an ETC, the carrier must demonstrate that it has back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

D) Consumer Protection

The carrier seeking ETC designation should demonstrate its commitment to meet consumer protection and service quality standards in its application. Thus, an ETC applicant should report information on consumer complaints per 1,000 handsets or lines on an annual basis. Likewise, a carrier should commit to serve the entire service area and provide two-year network improvement plans addressing each wire center for which it expects to receive support.

E) Local Usage

The carrier should be able to demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which the carrier seeks designation.

F) Equal Access

The carrier should be able to provide equal access if all other ETCs in the service area relinquish their designations pursuant to section 214 (e) (4) of the ACT.

G) Public Interest Determination

The carrier should be able to show that the carrier's designation as an ETC is consistent with the public interest, convenience and necessity. Therefore, the ETC applicant should demonstrate: that the designation will increase consumer choices, the advantages and disadvantages of its service offerings, and the absence of creamskimming.

Appendix B

**Comprehensive Reporting Requirements
For
Eligible Telecommunications Carriers
Eligible for Federal High-Cost Support**

Each telecommunications carrier eligible for federal universal service high-cost support must file an advice letter with the Commission with the following information:

Section I - Compliance with FCC 03-249

A. Carrier Information:

1. Name of the carrier;
2. The carrier's Study Area Code;
3. Carrier type as designated by the FCC such as rural ILEC, non-rural ILEC, competitive ETC serving lines in the rural and/or non-rural service areas;
4. The applicable Code of Federal Regulations (CFR) section(s) for which the federal universal service high-cost support is provided;
5. The current basic residential rate excluding Extended Area Service in the area they serve; and
6. A statement, under oath, that the federal universal service high-cost support provided to the carrier will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

B. Basic Residential Service Rate:

All ETCs, whether, rural or non-rural, are required to include in their current basic residential service rates excluding Extended Area Service (EAS) in the areas they serve.

C. Filing Dates:

1. On or before September 15 if eligible for the federal universal service high-cost support for the first, second, third and fourth quarters of succeeding year.
2. On or before December 15 if eligible for the federal universal service high-cost support for the second, third and fourth quarters of the succeeding year.
3. On or before March 15 if eligible for the federal universal service high-cost support for the third and fourth quarters of that year.
4. On or before June 15 if eligible for the federal universal service support for the fourth quarter of that year.

Section II – Compliance with FCC 05-46

- A. A two-year service quality improvement plan, including, as appropriate, maps detailing progress towards meeting its prior two-year improvement plan, explanations of how much universal service support was received and how the support was used to improve service quality in each wire center for which designation was obtained, and an explanation of why network improvement targets, if any, have not been met. If a designated ETC has submitted a five-year plan in a GRC application that has been approved by the Commission and is still in effect, the carrier may refer to its GRC filing and submit a progress report on the plan covered by the GRC.
- B. Detailed information on outages in the ETC's network caused by emergencies, including the date and time of onset of the outage, a brief description of the outage, the particular services affected by the outage, the geographic areas affected by the outage, and steps taken to prevent a similar outage situation in the future. If an ETC has submitted a Major Service Interruptions report in accordance with CPUC Memorandum dated October 5, 1977, the ETC need not submit the same report. However, in their self-certification letter, the ETC should cite the date(s) of submission of the report; and
- C. Information on the number of unfulfilled requests for service from potential customers for the past year and the number of complaints per 1,000 handsets or lines. If an ETC has submitted the Held Primary Service Order and Customer Trouble Reports in accordance with Sections 3.1 and 3.3 of G. O. 133-B, the ETC need not submit the same reports. However, in their self-certification letter, the ETC should cite the date(s) of submission of the reports.

Cricket's Compliance with the Service Elements of LifeLine
Source: Cricket's Advice Letter 2 and Protest Responses
June 24, 2010

	Service Element of LifeLine	In Compliance	Comments
1)	Access to single party local exchange service that is substantially equivalent to single party local exchange service.	Yes	
2)	Access to all interexchange carriers offering service in the LifeLine customer's local exchange.	Yes	
3)	Ability to place calls	Yes	
4)	Ability to receive free incoming calls	Yes	
5)	Free touch-tone dialing	Yes	
6)	Free unlimited access to 911/E-911	Yes	
7)	Access to local directory assistance (DA). Each utility shall offer its LifeLine customers the same number of free DA calls that it provides to its non-LifeLine customers.	Yes	
8)	Access to foreign Numbering Plan Areas.	Yes	
9)	LifeLine rates and charges.	Yes	
10)	Customer choice of flat rate local service or measured-rate local service. The 17 smaller LECs identified in D. 96-10-066 do not have to offer LifeLine customers the choice unless they offer the choice to their non-LifeLine customers.	No	Cricket offers a flat rate to all customers.
11)	Free provision of one directory listing per year as provided for in D. 96-02-072.	No	No Publicly available wireless listings of telephone numbers are available.

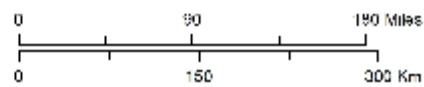
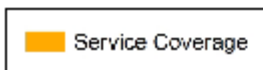
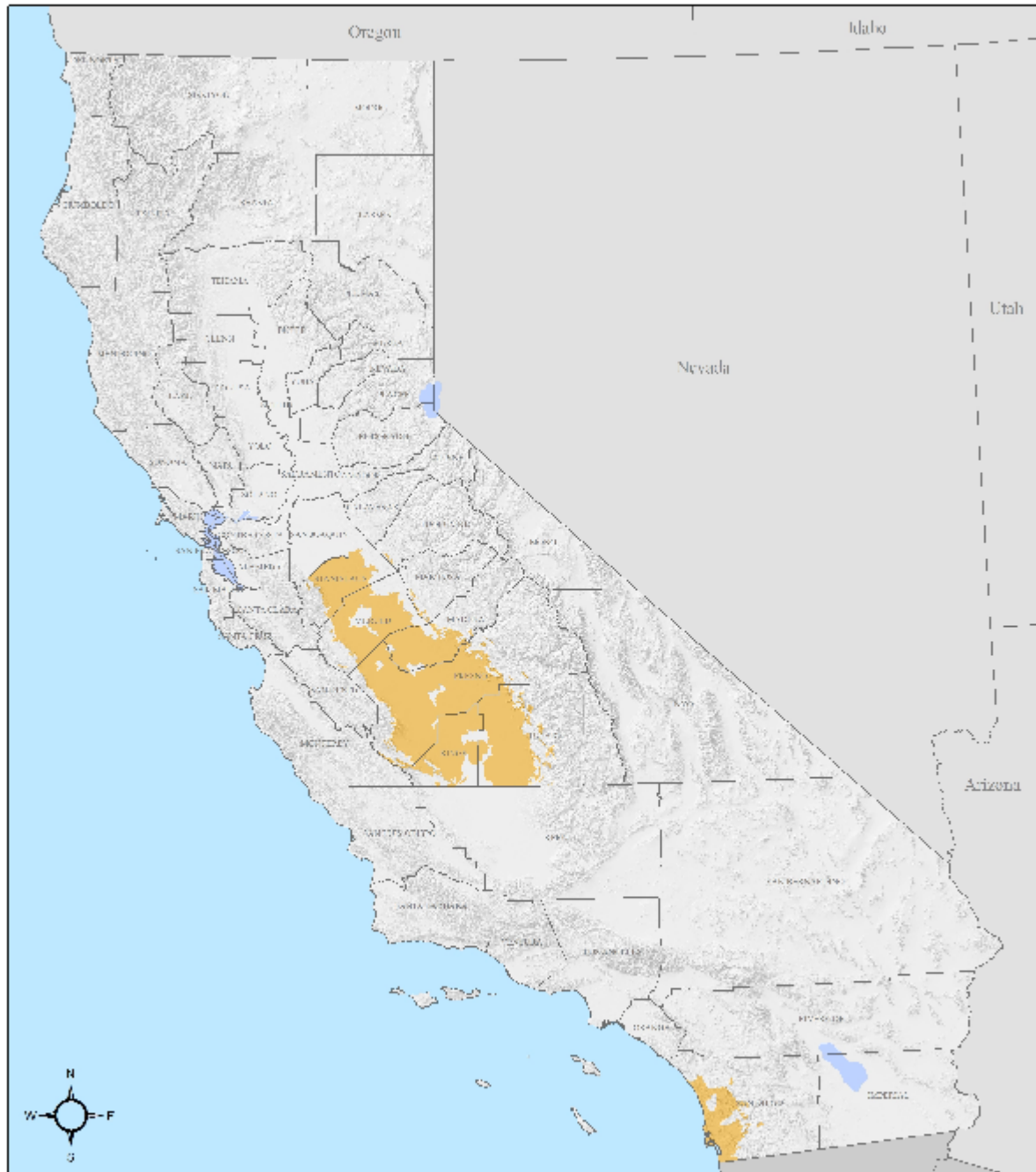
Cricket's Compliance with the Service Elements of LifeLine
Source: Cricket's Advice Letter 2 and Protest Responses
June 24, 2010

	Service Element of LifeLine	In Compliance	Comments
12)	Free white pages telephone directory	No	Wireless carriers do not provide this resource.
13)	Access to operator service.	Yes	
14)	Voice grade connection to the public switched telephone network.	Yes	
15)	Free Access to 800 or 800-like toll-free services.	Yes	
16)	Access to telephone relay services as provided for in PU Code § 2881 et seq.	Yes	Hearing impaired service.
17)	Toll free access to customer service for information about LifeLine, service activation, service termination, service repair, and bill inquires.	Yes	
18)	Toll free access to customer service representatives fluent in the language (English and non-English) the LifeLine service was originally sold in.	Yes	
19)	Free access to toll blocking service.	N/A	Cricket service provides unlimited local and long distance calling
20)	Free access to toll control service, but only if (i) the utility is capable of offering toll-control service, and (ii) the LifeLine customer has no unpaid bill for toll service.	N/A	Cricket service provides unlimited local and long distance calling
21)	Access to two residential telephone lines if a low income household with a disabled person requires both lines to access LifeLine	Yes	

Cricket's Compliance with the Service Elements of LifeLine
Source: Cricket's Advice Letter 2 and Protest Responses
June 24, 2010

	Service Element of LifeLine	In Compliance	Comments
22)	Free access to the California Relay Service via 711 abbreviated dialing code.	Yes	

CRICKET COMMUNICATIONS SERVICE COVERAGE IN CALIFORNIA - 2010



Source: Cricket Communications, 2010
Prepared by the California Public Utilities Commission, Central Valley Office, Video Programming and Broadband Department, March 2010

STATE OF CALIFORNIA

GRAY DAVIS, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 4, 2001

Cricket Communications, Inc.
Attn: Robert J. Irving, Jr., Assistant Secretary
10307 Pacific Center Court
San Diego, CA 92121

Re: Wireless Identification Number (U-3076-C) Cricket Communications, Inc.

Dear Mr. Irving:

This is to notify you that the information provided to the Telecommunications Division in a letter received May 2, 2001, meets the information filing requirements for Wireless Registration Identification (WRI) in Decision 94-10-031 as modified by Decision 94-12-042. Your corporate identification number is U-3076-C. Cricket Communications, Inc. may begin to provide facilities-based wireless service to the public in California.

In all respects except authorization for market entry and rates, the authority of the Commission to regulate terms and conditions of newly registered wireless carriers shall apply to the same extent as those holding certificates of CPCN prior to August 10, 1994. Specifically this includes, but is not limited to the following requirements:

1. The corporate identification number assigned to applicant is U-3076-C, which should be included in the caption of all original filings with this Commission and in the titles of other pleadings filed in existing cases.
2. Applicant shall notify the Director of the Telecommunications Division in writing of the date service is first rendered to the public as authorized herein, within five days after service begins.
3. Applicant shall be granted a waiver of P.U. Code sections 816-830 and 851-855, consistent with Decisions 85-07-081 and 85-11-044.
4. Applicant shall comply with General Order 159-A and D. 96-05-035, as they pertain to cell citing or to a Mobile Telephone Switching Office.
5. Applicant is subject to the current 0.80% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service (Pub. Util. Code Section 879; Resolution T-16366, December 2, 1999; Resolution T-16412, May 18, 2000).

6. Applicant is subject to the current 0.000% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (Pub. Util. Code Section 2881; D.98-12-073 and Resolution T-16487, December 21, 2000).
7. Applicant is subject to the user fee provided in Pub. Util. Code Sections 431-435, which is 0.11% of gross intrastate revenue for the 2000-2001 fiscal year (Resolution M-4800).
8. Applicant is subject to the current surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (Pub. Util. Code Section 739.30; D.96-10-066, pp.3-4, App. B, Rule 1.C; set by Resolution T-16380 at 0.0% for 2000, January 20, 2000).
9. Applicant is subject to the current 2.6% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B (D.96-10-066, p. 191, App. B, Rule 6.F., Resolution T-16365 December 2, 1999; Resolution T-16430, September 21, 2000).
10. Applicant is subject to the current 0.185% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G; set by Resolution T-16374, December 16, 1999; Resolution T-16437, September 21, 2000).
11. All surcharges shall be shown as a single item on a customer's bill.
12. The corporate identity number and authority to render cellular service will expire if not exercised within 12 months after the date of this letter.
13. Within 60 days of the issuance of a Wireless registration Identification number, applicant shall comply with PU Code Section 708, Employee Identification Cards, and notify, in writing that compliance has been met, to the Chief of the Telecommunications Division.
14. If applicant fails to remit the fees discussed above, then the Telecommunications Division shall prepare a Commission resolution that revokes the applicant's Wireless Identification Number for Commission approval.
15. Applicant is subject to the jurisdiction of the Commission for the resolution of customer complaints.
16. Applicant shall notify the Telecommunications Division in writing of any changes to the information it submitted for wireless registration within 30 days. Such information does not have to be served on competitors, cities and counties.

Sincerely,



Jack Leutza, Director
Telecommunications Division

**California ETC Requirements
Resolution T-17002
Cricket Communications Inc. (Advice Letter 2 filed March 3, 2010)**

**Each carrier seeking ETC status must file an Advice Letter containing the following information
Section I – Compliance with FCC 97-157**

Requirement	In Compliance	Comments
A) Provide the service areas for which the carrier is requesting ETC designation, including a list of Geographic Service Areas and a map in .shp format showing the proposed service area. For wireless petitioners, the map should identify the location of cell sites and shade the area where the carrier provides commercial mobile radio service or similar service	Yes	
B) Provide an itemized list of the designated services to be provided, i.e. single party service, voice grade access to the PSTN, etc.	Yes	
C) Provide a list of any services which the carrier proposes not to provide and for which the carrier is seeking an extension of time.	Yes	
D) Provide an indication of whether the carrier plans to apply to apply for a waiver of the requirement that an ETC not disconnect LifeLine for non-payment of toll.	Yes	
E) Provide a description of the carrier's advertising plan, including the advertising media to be used, and an explanation of how its plan meets the advertising requirement in section 214(e) of the Telecommunications Act.	Yes	
F) If necessary, implement tariff changes via the advice letter filing process. This provision would not apply to carriers that are not required to maintain tariffs.	N/A	Wireless carriers do not have tariffs.
G) If applicable, request additional time to perform network upgraded to provide single party service, access to E911 service and/or toll limitation to low-income customers.	Yes	

California ETC Requirements
Resolution T-17002
Cricket Communications Inc. (Advice Letter 2 filed March 3, 2010)

Each carrier seeking ETC status must file an Advice Letter containing the following information

Section II – Compliance with FCC 05-46

Requirement	In Compliance	Comments
A) A commitment to provide Service: The ETC applicant must demonstrate that it has the commitment and ability to provide supported services throughout the designated area by providing services to all requesting customers within its designated service area.	Yes	
B) The ETC must submit a 2 year Service Quality Improvement Plan.	N/A	Cricket is not requesting High-Cost support.
C) Ability to Remain Functional: The ETC applicant must demonstrate the ability to remain functional in an emergency situation.	Yes	
D) Consumer Protection: The ETC applicant should demonstrate its commitment to consumer protection and service quality standards.	Yes	
E) Local Usage: The ETC applicant should show that it offers a local usage plan comparable to the plan offered by the incumbent local exchange carrier in the area it seeks to offer service in.	Yes	
F) Equal Access: The ETC applicant should be able to provide equal access if all other ETCs in the territory relinquish their designation.	Yes	
G) Public Interest Determination: The ETC applicant should be able to show its designation will increase consumer choices, the advantages and disadvantages of its service offerings, and the absence of creamskimming.	Yes	