

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 28, 2021**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** April 1, 2022

**DATE:** December 16, 2021

**TO:** Public Utility Commission

**FROM:** Jon Cray

**THROUGH:** Michael Dougherty **SIGNED**

**SUBJECT:** ASSURANCE WIRELESS USA, L.P.:  
Docket No. UM 1522  
Notice of Relinquishment of ETC and ETP Designations.

**STAFF RECOMMENDATION:**

Approve Assurance Wireless USA L.P.'s (Assurance Wireless) request to relinquish its Eligible Telecommunications Carrier (ETC) and Eligible Telecommunications Provider (ETP) designations, subject to the seven conditions set forth in this Staff Report, effective April 1, 2022.

**DISCUSSION:**

Issue

Whether the Commission should approve Assurance Wireless's notice to relinquish its ETC and ETP designations.

Applicable Law

Section 214(e)(2) of the federal Communications Act of 1934, as amended, gives state commissions primary responsibility for designating ETCs to receive federal universal service support for high-cost and low-income (Lifeline) purposes. General ETC and Lifeline requirements are reflected in Federal Communications Commission (FCC) regulations, 47 CFR Part 54. Specific federal requirements for ETC relinquishment are prescribed in both 47 USC §214(e)(4) and 47 § CFR 54.205(a) and are similar in each case. Federal law requires an ETC to provide advance notice of relinquishment to the state commission that granted its ETC designation. After receiving such notice, the state

commission shall grant an ETC to relinquish its designation if there will be at least one ETC remaining in the area and all customers of the relinquishing carrier can obtain service from the remaining ETC(s). If this condition cannot be met, the state commission shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETC(s).

There are no Oregon-specific requirements for ETC relinquishment beyond the federal requirements, nor are there any specific Oregon Administrative Rules that govern ETP relinquishment. However, because ETP status requires active federal ETC status, relinquishment of ETC designation effectively terminates ETP designation as well.

### Analysis

#### *Background*

The Commission granted ETC and ETP designations to Virgin Mobile USA, L.P. (Virgin Mobile), a wholly owned subsidiary of Sprint Nextel Corporation (Sprint), on January 23, 2012. The designations enabled Virgin Mobile to offer prepaid wireless service at no charge to eligible low-income households through participation in the federal Lifeline program and the Oregon Telephone Assistance Program (OTAP), collectively known as Oregon Lifeline, under the Assurance Wireless brand. The Commission did not designate Virgin Mobile to receive federal high-cost support.

On March 27, 2020, Sprint notified the Commission of a name change for Virgin Mobile USA, L.P. to Assurance Wireless USA, L.P.

On April 1, 2020, Sprint and T-Mobile USA, Inc. (T-Mobile) completed the FCC-approved transfer of the licenses and authorizations held by Sprint and its wholly-owned and controlled subsidiaries to T-Mobile. Assurance Wireless became an indirect subsidiary of T-Mobile as a result.

On November 9, 2021, Assurance Wireless filed Notice of Relinquishment (Notice), of its ETC and ETP designations, pursuant to 47 U.S.C. § 214(e)(4) and 47 § C.F.R. 54.205(a). In its Notice, Assurance Wireless explained that the Company and T-Mobile have decided to focus on other business initiatives; therefore, Assurance Wireless will cease to offer Lifeline-supported service to eligible low-income households in Oregon.

Assurance Wireless demonstrates in its Notice that it meets the basic federal requirements for ETC relinquishment. The filing provides the required advance notice of relinquishment to the Commission. Assurance Wireless's designated service area includes zip codes within wire centers served by incumbent local exchange carriers, all of which are ETCs that offer Oregon Lifeline discounts on voice and broadband internet

access service. Therefore, no purchase or construction of facilities will be required because of Assurance Wireless's relinquishment. Also, a few other ETCs, such as i-wireless, LLC and Boomerang Wireless, LLC offer prepaid wireless service at no charge in most of Assurance Wireless's designated service area. These ETCs may serve as alternative providers for some of Assurance Wireless's current Lifeline customers.

Although Assurance Wireless meets the basic federal requirements for ETC relinquishment, those requirements do not address potential effects on customers, such as adequate notice periods. Nor do the Commission's own rules for abandonment of service apply to wireless service providers such as Assurance Wireless. However, Assurance Wireless addresses the concern in its Notice as it pertains to advance customer notice and acceptance of applications.

Customer notice will occur in four (4) total stages. Assurance Wireless will send a text message at least sixty (60) days, thirty (30) days, and fifteen (15) days before the date of relinquishment. Forty-five (45) days prior to relinquishment, Assurance Wireless will mail a letter. The notices will inform customers that Assurance Wireless will cease to provide wireless service on April 1, 2022, and refer them to the Commission's Oregon Lifeline webpage for options available to them. Assurance Wireless's approach provides customers with multiple, sufficient advance notice of impending termination of their Lifeline-supported service. It also affords customers ample time to select and apply for the Oregon Lifeline benefit with another ETC if they so choose.

To minimize the potential for new customer churn and confusion, Staff finds that a relinquishing ETC should be authorized to stop accepting applications after the Commission approves the relinquishment notice. In this case, Assurance Wireless will stop accepting Oregon Lifeline applications on December 29, 2021. This approach will prevent a prospective customer from waiting for smartphone delivery and activating service with Assurance Wireless only to be required to find another ETC shortly thereafter. In addition, Assurance Wireless will not seek federal Lifeline support in return for providing the same level of wireless service at no charge to its current Lifeline customer base from January 1, 2022 through March 31, 2022. This approach obviates the need for customers to contact the Commission in the interim to disenroll from Assurance Wireless or otherwise risk application denial for the Oregon Lifeline benefit through another ETC in accordance with 47 C.F.R § 54.409 that generally states the benefit is limited to one per household.

Approximately 27,000 customers will be affected by the relinquishment. However, a number of the 27,000 customers are receiving the Emergency Broadband Benefit, an FCC program, in the form of free unlimited data (and unlimited voice minutes and texts) from Assurance Wireless. On December 31, 2021, the Affordable Connectivity Program

will supplant the Emergency Broadband Benefit program. Assurance Wireless will participate in the Affordable Connectivity Program. Emergency Broadband Benefit customers with Assurance Wireless that transition to the Affordable Connectivity Program from December 29, 2021 through March 1, 2022, will least likely experience harm by the relinquishment. However, customers commonly confuse and conflate the Lifeline and Emergency Broadband Benefit programs. Since the inception of the Emergency Broadband Benefit program on May 12, 2021, Staff has and continues to handle a disproportionate number of customer calls and applications intended for the Emergency Broadband Benefit. The transition to the Affordable Connectivity Program will likely compound customer confusion. Also, Assurance Wireless has not filed claims of federal Lifeline reimbursement to the Universal Service Administrative Company nor has Assurance Wireless provided Staff Oregon-specific claim data on FCC Form 497 since July 2021. The corresponding reimbursement data is essential for the OTAP key performance measures that the Commission reports to the Oregon Legislature.

To address and mitigate these concerns, Assurance Wireless has agreed to the following conditions.

1. In its text messages sent to customers at least sixty (60) days, thirty (30) days, and fifteen (15) days before the date of relinquishment that alert customers to an important notice regarding relinquishment, Assurance Wireless will direct customers to visit a link to a webpage that:
  - a. Informs the customer Assurance Wireless will cease to provide Lifeline-supported wireless service in Oregon, effective April 1, 2022;
  - b. Explains and distinguishes the Lifeline, Emergency Broadband Benefit and Affordable Connectivity Programs;
  - c. Clarifies that customers enrolled in the Emergency Broadband Benefit and Affordable Connectivity Program will continue to receive free wireless service with a description of the plan(s);
  - d. Educates customers with the option of applying for the Affordable Connectivity Program with clear step-by-step instructions on how to apply, enroll, or seek assistance;
  - e. Offers customers the option of subscribing to services offered by T-Mobile or T-Mobile's brands; and
  - f. Directs customers to visit the Commission's Oregon Lifeline webpage at [www.lifeline.oregon.gov](http://www.lifeline.oregon.gov) for Lifeline-specific alternatives.

Assurance Wireless will provide the content of the webpage in plain language and in Spanish. Assurance Wireless will provide Staff a draft of the text messages and webpage content to review for accuracy and approval.

2. Assurance Wireless will provide the same enumerated information in the first condition in its letter sent at least forty-five (45) days prior to relinquishment to customers. Assurance Wireless will mail the letter in both English and Spanish. Assurance Wireless will provide Staff a draft of the letter to review for accuracy and approval.
3. Assurance Wireless will provide the necessary training, tools, and resources to its customer service representatives to appropriately respond to Oregon customer inquiries and concerns about the relinquishment. The customer service representatives will be equipped to address the enumerated list in the first condition. Assurance Wireless will provide Staff a draft of the training materials to review for accuracy and approval.
4. Assurance Wireless will stop accepting Oregon Lifeline applications on December 29, 2021.
5. Assurance Wireless will ship smartphones to all new Commission-approved Lifeline customers no later than January 31, 2022.
6. Assurance Wireless will maintain daily communications with Staff regarding Oregon Lifeline operational, customer service, and reporting issues through March 31, 2022.
7. Assurance Wireless will submit a copy of its FCC Form 497 specific to Oregon for each month from July 2021 through December 2021. In conjunction with FCC Form 497, Assurance Wireless will report the corresponding customers' names, addresses, phone numbers, and Commission-assigned OTAP identification numbers for which it requested claims of federal low-income support to Staff in an electronic format accessible by the Commission.

### Conclusion

Staff recommends the Commission grant Assurance Wireless's Notice of Relinquishment of its ETC and ETP designations, subject to the above-listed conditions. Assurance Wireless demonstrates that it meets the federal requirements for ETC relinquishment, and ETP relinquishment must necessarily follow. The conditions serve to minimize disruption to customers as they navigate the complex implications of Assurance Wireless's relinquishment.

Assurance Wireless has had the opportunity to review this memo and has no objection.

Docket No. UM 1522  
December 16, 2021  
Page 6

**PROPOSED COMMISSION MOTION:**

Approve Assurance Wireless's ETC and ETP designation relinquishment notice, effective April 1, 2022, subject to the seven conditions set forth in this Staff Report.

UM 1522