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November 19, 2010

**VIA OVERNIGHT DELIVERY**

Public Utility Commission of Oregon  
550 Capitol Street, NE  
Salem, Oregon 97310-1380  
Attn: Ms. Lois Meerdink

Re: i-wireless, LLC

Dear Lois:

Enclosed please find an original and one (1) copy of the Application for Designation as an Eligible Telecommunications Carrier in the State of Oregon for the Limited Purpose of Offering Lifeline Service to Qualified Households for i-wireless, LLC along with an original signed signature page. **This filing has been electronically submitted.**

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me. Thank you for your assistance.

Respectfully submitted,

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart  
Attorney for i-wireless, LLC

Enclosures

cc: Patrick McDonough

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

In the Matter of	)	
	)	
	)	
Application of i-wireless, LLC	)	Docket No. _____
for Designation as an Eligible Telecommunications	)	
Carrier in the State of Oregon for the Limited	)	
Purpose of Offering Lifeline Service to Qualified	)	
Households	)	
	)	

**APPLICATION OF I-WIRELESS, LLC  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF OREGON FOR THE LIMITED PURPOSE OF  
OFFERING LIFELINE SERVICE TO QUALIFIED HOUSEHOLDS**

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*Attorney for i-wireless, LLC*

November 19, 2010

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FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF OREGON FOR THE LIMITED PURPOSE OF  
OFFERING LIFELINE SERVICE TO QUALIFIED HOUSEHOLDS**

**I. INTRODUCTION**

i-wireless, LLC (“i-wireless” or the “Company”), by its undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”)<sup>1</sup>, Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission (“FCC”),<sup>2</sup> and the rules and regulations of the Public Utility Commission of Oregon (“Commission”),<sup>3</sup> hereby submits this Application for Designation as an Eligible Telecommunications Carrier (“ETC”) in the State of Oregon. i-wireless seeks ETC designation solely to provide Lifeline service to qualifying Oregon consumers; it will not seek access to funds from the federal and state Universal Service Funds (“USF”) for the purpose of providing

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<sup>1</sup> 47 U.S.C. § 214(e)(2)

<sup>2</sup> 47 C.F.R. §§ 54.101-54.207.

<sup>3</sup> See *In the Matter of Public Utility Commission of Oregon Staff Investigation to Establish Requirements for Initial Designation and Recertification of Telecommunications Carriers Eligible to Receive Federal Universal Service Support*, Docket No. UM 1217, Order No. 06-292 (entered June 13, 2006) (“Oregon ETC Order”). ETC designation, certification and reporting requirements are contained in Appendix A to the Oregon ETC Order, and are referenced as (“Appendix A”) in this Application.

service to high cost areas.<sup>4</sup> As demonstrated herein, and as certified in Exhibit 1 to this Application, i-wireless meets all the statutory and regulatory requirements for designation as an ETC in the State of Oregon. Rapid grant of i-wireless' request, moreover, would advance the public interest because it would enable the Company to commence much needed Lifeline services to lower-income Oregon residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Application for ETC designation.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed to:

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## **II. BACKGROUND**

### **A. Company Overview**

i-wireless is a North Carolina Limited Liability Company.<sup>5</sup> Its principal office is located at 1 Levee Way, Suite 3104, Newport, Kentucky 41071. i-wireless is a reseller of commercial mobile radio service ("CMRS") throughout the United States and was acknowledged as a CMRS provider in the State of Oregon on March 1, 2007. i-wireless provides prepaid wireless telecommunications services to consumers by using the Sprint Nextel ("Sprint") network on a wholesale basis to offer nationwide service. i-wireless obtains from Sprint the network

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<sup>4</sup> Given that i-wireless only seeks Lifeline support from the low-income program and does not seek any high-cost support, ETC certification requirements for the high-cost program are not applicable to i-wireless.

<sup>5</sup> i-wireless was organized in the State of North Carolina on September 7, 2006.

infrastructure and wireless transmission facilities to allow i-wireless to operate as a Mobile Virtual Network Operator (“MVNO”).

i-wireless’ prepaid wireless services that are affordable and easy to use are attractive to lower-income and lower-volume consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. i-wireless will offer consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of other, similar MVNOs’ customers, i-wireless anticipates that many of its customers will be from lower-income backgrounds and will not previously have enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. i-wireless will not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service. i-wireless will allow customers to choose a prepaid plan in which they are charged only for the minutes they use.

By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or were previously ignored by traditional carriers, i-wireless will expand the availability of wireless services to many more consumers, which is the principal reason that Congress created the universal service program.

#### **B. i-wireless’ Universal Service Offering**

i-wireless, through its underlying carrier, has the ability to provide all services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC’s Rules (47 C.F.R. § 54.101(a)) and Appendix A (Initial Designation) throughout Oregon. Upon designation as an ETC, i-wireless will make available to consumers Lifeline offerings which will provide consumers with all of the functionalities and features currently provided by i-



wireless to existing customers. i-wireless will provide Lifeline service to qualifying customers requesting this service throughout Oregon, including those residing on tribal lands, pursuant to the universal service program and in accordance with 47 C.F.R. § 54.202(a)(1) and Appendix A (Initial Designation, § 3.2).

i-wireless intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice usage at all price points. The Company's Lifeline service offering will provide customers with the same features and functionalities enjoyed by all other i-wireless prepaid customers. Attached hereto as Exhibit 2 is a table of i-wireless' rate plans and Lifeline service offering, showing that eligible customers will receive a free handset and a minimum of 100 anytime prepaid minutes per month at no charge, with additional service priced at \$0.10/minute and \$0.10/text message.<sup>6</sup> Customers may use their minutes to place domestic long distance calls at no additional charge. In addition to voice services, prepaid Lifeline customers also will have access to a variety of other standard features at no additional charge, including voice mail, caller I.D. and call waiting services. Unlike many carriers, i-wireless does not decrement minutes for incoming text messages or calls placed to i-wireless customer service or 911 emergency services. Customers are able to check the balance of their minutes for free, and specified amounts of unused minutes carry over month-to-month.

Furthermore, through i-wireless' partnership with The Kroger Co. ("Kroger"), one of the nation's largest grocery retail chains, customers can accumulate free minutes for dollars spent at select Kroger owned store locations using their Kroger shopper's card.<sup>7</sup> Currently, i-wireless has

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<sup>6</sup> i-wireless expects that the Company's Lifeline service offering may change as the wireless market evolves. As such, the Company requests that the Commission's grant of ETC designation provide it with the requisite authority to modify the parameters of the offering as marketplace conditions develop.

<sup>7</sup> Detailed information on the Free Minutes program is located on the Company's website, [www.iwirelesshome.com](http://www.iwirelesshome.com).

partnerships with 55 Kroger stores in Oregon. Lifeline customers can participate in this Free Minutes program even when utilizing food stamps for payment. By combining the Lifeline program and the Free Minutes program, subscribers can easily enjoy 200 minutes or more per month at no charge.

Though i-wireless' Lifeline service offering will be the default plan for Lifeline customers, subscribers will have the option to apply the Lifeline discount towards any of the service plans offered by i-wireless, in accordance with the requirements in OAR 860-033-0010.<sup>8</sup> As Exhibit 2 demonstrates, i-wireless' Lifeline offering will allow feature-rich mobile connectivity for qualifying subscribers through a variety of rate plans that are comparable in minutes and features to those available to post-paid wireless subscribers – but at low Lifeline rates and without a the burden of credit checks, contracts, activation fees or roaming charges. i-wireless' prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

Low-income consumers will further benefit from i-wireless' service because of i-wireless' unique software distribution platform that will allow customers to purchase both phones and refill minutes at local stores in neighborhoods where many Lifeline-eligible customers reside. i-wireless has existing relationships with over 2,200 such neighborhood retailers across the United States. This innovative distribution model is more practical and convenient for potential Lifeline customers than other mechanisms, because it allows customers to obtain phones, service, and

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<sup>8</sup> i-wireless offers a \$15 Lifeline discount on any of its service plans. This amount is comprised of \$13.50 federal and state USF-supported dollars and a contribution of \$1.50 from the Company. To arrive at the 100 free minutes provided in the default Lifeline plan: the Company applies the \$15 Lifeline discount to its retail "10-cent Anytime" pay-per-use plan, which costs a retail customer \$5 and discounts the monthly rate for minutes and texts to 10 cents per minute/text (incoming texts are free). After deducting the \$5 retail plan cost from the \$15 Lifeline discount, the remaining \$10 buys 100 minutes at 10 cents per minute.

minutes without the expense and trouble of traveling to retail locations outside their neighborhoods or to having access to a computer to go online. i-wireless' distribution arrangement will therefore advance the Commission's goals of increasing awareness of and participation in the Lifeline program.

**C. The Commission Has Jurisdiction to Designate Wireless ETCs.**

Section 214(e)(2) of the Act provides state public utility commissions with the "primary responsibility" for the designation of ETCs.<sup>9</sup> Although Section 332(c)(3)(A) of the Act prohibits states from regulating the entry of or the rates charged by any provider of commercial mobile service or any private mobile service, this prohibition does not allow states to deny wireless carriers ETC status.<sup>10</sup> Therefore, the Commission has the authority to designate i-wireless as an ETC. Pursuant to this authority, the Commission has historically participated in determining whether to grant ETC status to an applying carrier, including any requesting wireless carrier.<sup>11</sup> Under the Act, a state public utility commission with jurisdictional authority over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1). i-wireless recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC's Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier's services. However, on April 1, 2009, i-wireless filed with the FCC a petition requesting that the FCC exercise its forbearance authority under Section 10 of the Act (47 U.S.C. § 160) with

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<sup>9</sup> 47 U.S.C. § 214(e)(2).

<sup>10</sup> See *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) ("USF Order").

<sup>11</sup> See *In the Matter of Cingular Wireless Application for Designation as an Eligible Telecommunications Carrier*, Docket No. UM 1253, Order No. 07-111 (March 29, 2007).

respect to the facilities-based service requirement.<sup>12</sup> The FCC granted the *Petition for Forbearance* for the purposes of participating in the Lifeline program in an Order dated June 25, 2010.<sup>13</sup> Section 10(e) of the Act (47 U.S.C. § 160(e)) provides: “[a] State commission may not continue to apply or enforce any provision of this chapter that the [Federal Communications] Commission has determined to forbear from applying under subsection (a) of this section.” As such, the Commission is required by Section 10(e) to act in accordance with the FCC’s *i-wireless Forbearance Order*, and therefore, may not apply the facilities-based requirement to i-wireless. Indeed, the Commission has the authority to act under Section 214(e)(2) of the Act and to grant i-wireless’ request for designation as an ETC throughout the State of Oregon.

### **III. I-WIRELESS SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC**

Section 254(e) of the Act provides that “only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support.” Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to designate wireless ETCs.<sup>14</sup> Section 214(e)(1) of the Act and Section 54.201(d) of the FCC’s rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services. Applicants also must commit to

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<sup>12</sup> See *i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45, filed Apr. 1, 2009, (“*Petition for Forbearance*”).

<sup>13</sup> *Petition of i-wireless, LLC for Forbearance from 47 U.S.C § 214(e)(1)(A)*, Order, FCC 10-117 (rel. June 25, 2010) (“*i-wireless Forbearance Order*”). A copy of the *i-wireless Forbearance Order* is attached hereto as Exhibit 3.

<sup>14</sup> *USF Order*, at 8858-59, ¶ 145.

advertise the availability and rates of such services.<sup>15</sup> As detailed below, i-wireless satisfies each of the above-listed requirements.

**A. i-wireless Will Provide Service Through Resale**

In the *i-wireless Forbearance Order*, The FCC conditionally granted i-wireless' *Petition for Forbearance* from the facilities requirement, "given the importance of public safety and in light of the fact that a Lifeline ETC is generally a low-income customer's only connection to the public switched telephone network."<sup>16</sup> The FCC further explained that "requiring a Lifeline provider to own the facilities it uses to offer service does not necessarily further the statutory goal of the low-income program."<sup>17</sup>

The FCC specifically conditioned its grant of forbearance on i-wireless as follows:

(a) i-wireless providing its Lifeline customers with basic 911 and enhanced 911 ("E911") access regardless of activation status and availability of prepaid minutes; (b) i-wireless providing its new Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (c) i-wireless complying with conditions (a) and (b) as of the date it provides Lifeline service; (d) i-wireless obtaining a certification from each Public Service Answering Point ("PSAP") where i-wireless seeks to provide Lifeline service confirming that i-wireless provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met; (e) i-wireless requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from i-wireless; (f) i-wireless establishing safeguards to prevent its customers from receiving multiple i-wireless Lifeline subsidies at the same address, and (g) i-wireless dealing directly with the customer to certify and verify the customer's Lifeline eligibility. The FCC required i-wireless to submit a plan describing the measures it would take to implement each of these conditions.<sup>18</sup>

In accordance with the *i-wireless Forbearance Order*, i-wireless filed its compliance plan with the FCC on July 26, 2010. In that compliance plan, i-wireless described how it would comply

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<sup>15</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

<sup>16</sup> *i-wireless Forbearance Order* ¶ 11.

<sup>17</sup> *Id.* ¶ 15.

<sup>18</sup> See *Id.* ¶ 16.

with each of the FCC's stated conditions. A copy of its compliance plan is attached to this Application as Exhibit 4. i-wireless commits to providing Lifeline service in Oregon in accordance with the compliance plan.

**B. i-wireless Is a Common Carrier**

CMRS resellers like i-wireless are treated as common carriers for regulatory purposes.<sup>19</sup>

**C. i-wireless Will Provide All Required Services and Functionalities**

i-wireless offers, or will offer upon designation as an ETC in Oregon, all of the services and functionalities required by Section 54.101(a)(1)-(9) and Section 54.202(a) of the FCC's Rules (47 C.F.R. § 54.101(a) and 47 C.F.R. § 54.202(a)) and Appendix A (Initial Designation § 2.1) including the following:

**1. Voice Grade Access to the Public Switched Telephone Network**

i-wireless provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from Sprint. Bandwidth for this voice-grade access is at minimum between 300 and 3,000 MHz as required by FCC rules.<sup>20</sup>

**2. Local Usage**

As part of the voice grade access to the PSTN, an ETC must provide local calling services to its customers. In addition, an applicant for ETC designation must demonstrate that it offers a local usage plan that is "comparable" to the plan offered by the ILEC in the relevant

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<sup>19</sup> *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); *see also PCIA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services *and resellers of such services*." (emphasis added)).

<sup>20</sup> *See* 47 U.S.C. § 54.101(a)(1).

service territory.<sup>21</sup> In analyzing whether an ETC applicant's plan is comparable to the underlying ILEC's, the FCC reviews all aspects of the plan on a case-by-case basis, including the nature of the supported service, the size of the local calling area, the inclusion of additional services (e.g., caller I.D., etc.) and the amount of local usage.<sup>22</sup> The FCC has determined that a carrier satisfies the local usage requirements when it offers customers rate plans containing varying amounts of local usage.<sup>23</sup>

i-wireless' proposed Lifeline offering fully complies with the local usage requirements established by the FCC. ILECs in Oregon are required by ORS 759.235 to provide unlimited local calling on a flat-rate basis, and wireline CLECs offer similar service. ILECs also offer measured-rate service that consists of a small flat monthly fee and charges that apply per minute. With i-wireless, customers can choose from monthly plans, unlimited plans or pay-per-use plans without the burden of contracts, activation fees or roaming charges. Not only will i-wireless' offering be comparable to the underlying ILEC plans, but it also will exceed them in several respects. Contrary to the ILECs' plans, i-wireless will offer customers a certain amount of service free of charge. In contrast to the ILEC plans, which contain relatively small local calling areas, i-wireless customers can use their minutes to place calls statewide (or even nationwide) because i-wireless does not constrict customers' use by imposing a local calling area requirement. In addition to free voice services, i-wireless will provide Lifeline customers with access to a variety of other features at no cost, including voice mail, caller I.D., call waiting services and E911 capabilities.

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<sup>21</sup> 47 C.F.R. § 54.202(a)(4); *See also* Appendix A (Initial Designation § 2.4)

<sup>22</sup> *See Federal-State Joint Board on Universal Service*, Report and Order, 20 FCC Rcd 6371, 6385 (2005).

<sup>23</sup> *See e.g., Farmers Cellular, Inc.*, CC Docket No. 96-45, Memorandum Opinion and Order, 18 FCC Rcd 3848, 3852 ¶ 9 (2003); *Pine Belt Cellular, Inc. and Pine Belt PCS, Inc.*, CC Docket No. 96-45, Memorandum Opinion and Order, 17 FCC Rcd 9589, 9593 ¶ 10 (2002); *Western Wireless Corp., Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48, 52 ¶ 10 (2000).

### **3. Dual Tone Multi-Frequency Signaling or its Functional Equivalent**

i-wireless provides dual tone multi-frequency (“DTMF”) signaling to expedite the transmission of call set up and call detail information throughout the network. All wireless handsets offered for sale by the Company are DTMF-capable.

### **4. Single-Party Service or its Functional Equivalent**

“Single-party service” means that only one party will be served by a subscriber loop or access line during a telephone transmission. i-wireless provides single party service to its customers for the duration of each telephone call, and does not provide multi-party (or “party-line”) services.

### **5. Access to 911 and E911 Emergency Service**

i-wireless provides 911 and E911 access for all of its customers, in accordance with FCC guidelines. i-wireless also complies with the FCC’s regulations governing the deployment and availability of E911 compatible handsets. In particular, the Company will fully comply with the FCC’s E911 requirements applicable to wireless resellers.<sup>24</sup> Because i-wireless is a pure reseller and does not have its own facilities, the Company has no ability to report on the status of E911 deployment and compliance by its underlying carriers, and thus requests a waiver of Appendix A (Initial Designation § 8.2). As stated previously, i-wireless will provide access to emergency services consistent with the requirements set forth in the *i-wireless Forbearance Order*.<sup>25</sup>

Furthermore, in accordance with 47 CFR §54.202(a)(2), i-wireless, through its underlying carrier(s), has the ability to remain functional in emergency situations. Given that i-wireless is a reseller, it does not own or operate any cell sites, microwave hubs, or switches. Therefore, the

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<sup>24</sup> See *Revision of the Commission’s Rules to Ensure Compatibility With Enhanced 911 Emergency Calling Systems, Report and Order- and Second Further Notice of Proposed Rulemaking*, 18 FCC Rcd 25340 (2003).

<sup>25</sup> See *i-wireless Forbearance Order* ¶ 11.



requirement in Appendix A (Initial Designation § 8.1) is not applicable and i-wireless requests a waiver of the requirement. The Company will provide to its customers the same ability to remain functional in emergency situations as currently provided by its underlying carrier(s) to their own customers, including access to a reasonable amount of back-up power rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

**6. Access to Operator Services**

i-wireless offers all of its customers access to operator services, in accordance with the FCC's requirements.

**7. Access to Interexchange Service**

i-wireless' service provides its customers with the ability to make interexchange, or long distance, telephone calls. In fact, interexchange calls are included in i-wireless' service with no additional charge.

**8. Access to Directory Assistance**

All i-wireless customers are able to dial "411" to reach directory assistance services from their wireless handsets.

**9. Toll Limitation for Qualified Low-Income Customers**

Toll limitation allows customers to block the completion of outgoing long distance calls to prevent them from incurring significant long distance charges and risking disconnection. As described above, i-wireless provides its wireless service on a prepaid, or pay-as-you-go, basis. i-wireless' service, moreover, is not offered on a distance-sensitive basis and minutes are not charged separately for local or domestic long distance services. Customers also must specifically authorize access for international services, for which additional charges may apply. As the FCC found in its grant of ETC designation to Virgin Mobile, "the prepaid nature of [a prepaid

wireless service provider's] service offering works as an effective toll control."<sup>26</sup> The nature of i-wireless' service, therefore, mitigates any concerns that low-income customers will incur significant charges for long distance calls resulting in disconnection of their service.

**D. Five-Year Network Improvement Plan and Equal Access to Long Distance Carriers**

Under FCC guidelines, an ETC applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed designated service area. This guideline has no application where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because i-wireless seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline services to eligible customers, submission of a Five-Year Network Improvement Plan is not required, and i-wireless thereby requests a waiver of Appendix A (Initial Designation § 5.3). i-wireless also requests waivers for Appendix A (Initial Designation §§ 5.1 and 5.2) because the FCC rules that are to be certified do not apply to i-wireless as a non-facilities based carrier seeking only Lifeline support. Since Lifeline support is designed to reduce the monthly cost of telecommunications services for eligible consumers, is distributed on a per-household basis and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low income users, which is clearly in the public interest.

The FCC's Rules also require an applicant for ETC status to provide a certification that it acknowledges that the FCC may require it to provide equal access to long distance carriers in the

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<sup>26</sup> See *Federal-State Joint Board on Universal Service; In the Matter of Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petitions for Designation as an Eligible Telecommunications Carrier in the States of New York, North Carolina, Pennsylvania, Tennessee and Virginia*, Order, FCC 09-18 (rel. March 5, 2009) ("Virgin Mobile Order"), 24 FCC Rcd at 3394 ¶ 34.

event that no other ETC is providing equal access within the service area (47 C.F.R § 54.202(a)). However, in the *TracFone ETC Order*, the FCC determined that TracFone was not required to provide such certification because it is a pure reseller.<sup>27</sup> Because i-wireless is a pure reseller, the Company maintains that it also is not required to provide such certification.

**E. Service Commitment Throughout the Proposed Designated Service Area**

i-wireless provides service in Oregon by reselling service which it obtains from its underlying facilities-based provider. The provider's network is operational and largely built out. Thus, i-wireless will be able to commence offering its Lifeline service to all locations served by its underlying carrier very soon after receiving approval from the Commission. Indeed, it already serves those areas. The only delay will be the time needed to implement procedures and internal systems to offer the Lifeline program. Therefore, i-wireless will be able to provide Lifeline service to all qualified customers on a timely basis or within a reasonable period of time in accordance with 47 C.F.R. § 54.202(a)(1). i-wireless further commits to provide service throughout its proposed ETC-designated service area to all customers making a reasonable request for service, as required in 47 C.F.R. § 54.202(a)(1)(i).

**F. Commitment to Consumer Protection and Service Quality**

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.<sup>28</sup> As a reseller, i-wireless' service is of the same quality and reliability as that of its underlying carrier(s). The Company in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. Specifically, i-wireless commits to comply with the Cellular

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<sup>27</sup> See *In the Matter of Federal-State Joint Board on Universal Service: TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York et al.*, FCC 08-100, Order (rel. Apr. 11, 2008) ("*TracFone ETC Order*"), 23 FCC Rcd 6206 n.35.

<sup>28</sup> See 47 C.F.R. § 54.202(a)(3); See also Appendix A (Initial Designation § 9.1).

Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. In accordance with Appendix A (Initial Designation § 9.2), i-wireless commits to resolve complaints received by the Commission and will designate a contact person to work with the Commission's Consumer Services Division for complaint resolution.

i-wireless also commits to exceptional customer service standards. i-wireless contracts with a high quality, U.S. domestic customer care group. Customers are able to contact i-wireless customer care for free via a toll free number or by dialing 611 from their i-wireless phone. Customers are also able to contact Customer Care via the Company's website or by mail. In addition, there are a number of automated systems and web options for customers needs. Customers may visit i-wireless retail locations to ask questions or buy additional airtime, should they wish to do so. i-wireless is committed to resolving customer questions, concerns and complaints in a swift and satisfactory manner.

**G. i-wireless Will Advertise the Availability of Supported Services**

i-wireless will broadly advertise the availability and rates for the services described above using media of general distribution as required by Section 54.201(d)(2) of the FCC's regulations and Appendix A (Initial Designation §§ 6-7).<sup>29</sup> The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline services, using media of general distribution that may include advertisements via newspapers, radio and the internet. These advertising campaigns will be specifically targeted to reach low-income customers and promote the availability of cost-effective wireless services to this neglected consumer segment.

In addition, i-wireless will utilize its network of retail partners to help promote the availability of its Lifeline plans, especially those retail outlets that are frequented by lower

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<sup>29</sup> See 47 C.F.R. § 54.201.

income consumers. i-wireless will provide retail vendors with signage to be displayed where i-wireless products are sold, and with printed materials describing i-wireless' Lifeline program. Given the relationship that exists between i-wireless, lower income consumers, and retail outlets that are often visited by lower income consumers, i-wireless expects to be able to inform consumers of the availability of Lifeline service in a manner that will result in significantly higher participation in the Lifeline program by qualified consumers than has been the case in the past.

i-wireless will supplement these methods of communication to specifically advertise and promote the availability of its Lifeline offerings to qualifying customers throughout Oregon. i-wireless intends to distribute brochures at various state and local social service agencies, and intends to partner with nonprofit assistance organizations (such as Habitat for Humanity), in order to inform customers of the availability of its Lifeline services.

Statistics suggest there are many eligible customers who are not yet aware of the programs. According to the best data available to the Company, as of December 31, 2009, fewer than 20% of consumers eligible for Lifeline Services in the State of Oregon were being provided such services.<sup>30</sup> i-wireless believes that its advertising and outreach efforts detailed above will result in increased participation in the Lifeline program.

#### **H. i-wireless Will Comply with the Lifeline Certification and Verification Requirements in 47 C.F.R. § 54.410**

Section 54.410 of the FCC's Rules requires ETCs to certify and verify a Lifeline customer's initial and continued eligibility. i-wireless will comply with the Oregon Telephone

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<sup>30</sup> See attached Exhibit 5, 2009 Lifeline Participation Rates by State, which was obtained from the Universal Service Administrative Company ("USAC"), an independent not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the FCC. USAC administers Universal Service Fund (USF) programs for high cost companies serving rural areas, low-income consumers, rural health care providers, and schools and libraries. Also attached is an FCC News Release dated September 14, 2009.

Assistance Program (“OTAP”) certification and verification requirements listed in OAR 860-033-0030.<sup>31</sup> The OTAP procedures are more stringent than the procedures imposed by the FCC as a condition to the Company’s grant of forbearance, and are effective in ensuring that only eligible customers receive Lifeline services. The Commission conducts monthly recertification to ensure customers are still eligible, and i-wireless will de-enroll any customer that is determined ineligible by the Commission. To further prevent waste, fraud or abuse, i-wireless has adopted a non-usage policy and will be prepared to provide reports to the Commission on a monthly basis detailing the number of Lifeline customers that are de-enrolled from the Company’s Lifeline program due to inactivity.<sup>32</sup> Therefore, there should be no major concern regarding waste, fraud or abuse of the Company’s Lifeline program.

**I. i-wireless Requests Designation Throughout Its Service Area in Oregon**

i-wireless is not a rural telephone company as defined in Section 153(37) of the Act (47 U.S.C. § 153(37)). Accordingly, i-wireless is required to describe the geographic area(s) within which it requests designation as an ETC. i-wireless requests ETC designation in the non-rural exchange areas of Qwest Corporation and Frontier Communications Northwest Inc (f/k/a Verizon Northwest Inc.). Appendix A (Initial Designation § 3.1) of the *Oregon ETC Order* requests ETC applicants to provide a map showing designated service area boundaries overlaid on the boundaries of all ILEC wire centers and a list of ILEC wire centers included in the proposed designated service area. i-wireless’ service area encompasses the service area of its underlying carrier, and i-wireless does not have access to the service area maps of its underlying carrier. In addition, underlying carriers’ maps are subject to non-disclosure agreements. Thus, i-wireless requests a waiver of the requirements set forth in Appendix A (Initial Designation § 3.1)

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<sup>31</sup> If certain OTAP requirements are not applicable to prepaid wireless resellers, i-wireless will request waivers for such requirements in its application for designation as an Eligible Telecommunications Provider (ETP).

<sup>32</sup> A copy of the Company’s non-usage policy is attached hereto as Exhibit 6.

because it does not have access to the requested information. However, i-wireless has provided a list of wire centers in which the Company requests ETC designation.<sup>33</sup>

Appendix A (Initial Designation § 4) requests ETC applicants to provide a description of network facilities (§ 4.1), a map showing current network coverage and signal strengths (§ 4.2), and an identification of resale agreements (§ 4.3). i-wireless has a resale agreement with its underlying carrier. However, i-wireless does not have access to its underlying carrier's maps showing network coverage and signal strengths, nor can it provide a description of its underlying carrier's network facilities. Accordingly, i-wireless requests a waiver of the requirements set forth in Appendix A (Initial Designation §§ 4.1 and 4.2). However, i-wireless has attached as Exhibit 8 general coverage maps that are available on the Company's website and the website of its underlying carrier.

**J. i-wireless Will Comply With All Regulations Imposed By The Commission**

By this Application, i-wireless hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Application. In preceding sections, i-wireless has requested waivers of certain requirements set forth in the *Oregon ETC Order* regarding initial designation of an ETC. The Company also maintains that certain annual recertification requirements set forth in the *Oregon ETC Order* are not applicable to i-wireless as a prepaid wireless reseller, and hereby requests waivers of the following requirements in Appendix A (Annual Recertification). Section 5 – i-wireless will provide to its customers the same ability to remain functional in emergency situations as currently provided by its underlying carrier(s) to their own customers. However, because the Company does not own its own facilities, it will not

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<sup>33</sup> See Exhibit 7.

have access to statistics needed to compile the data requested. Sections 7.1 and 7.2 – the FCC rules that are to be certified do not apply to i-wireless as a non-facilities based carrier seeking only Lifeline support. Section 7.3 – the Five-Year Network Improvement Plan update applies only to carriers receiving high cost support, and thus is not required for i-wireless.

i-wireless hereby affirms that it will remit all applicable assessments, fees, surcharges, and taxes - including those that support 911 and RSPF services. The Company also affirms that Lifeline support funds will be used only for the intended purposes and all funds will be passed through directly to the customer. Upon Commission request, i-wireless is prepared to answer questions or present additional testimony or other evidence about its services within the state.

#### **IV. DESIGNATION OF I-WIRELESS AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST**

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is “to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies” to all citizens, regardless of geographic location or income.<sup>34</sup> There is no question that designation of i-wireless as an ETC in Oregon will further the public interest by providing Oregon consumers, especially low-income consumers, with lower prices and higher quality services. Many lower-income customers in Oregon have yet to reap the full benefits of the intensely competitive wireless market. Whether because of financial constraints, poor credit history or intermittent employment, these consumers often lack the countless choices available to most consumers.

The instant request for ETC designation must be examined in light of the Act’s goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—particularly low-income consumers—

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<sup>34</sup> *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.



receive affordable and comparable telecommunications services. Given this context, designating i-wireless as an ETC would significantly benefit low-income consumers eligible for Lifeline services in the State of Oregon—who are the intended beneficiaries of universal service. The Company’s participation in the Lifeline program also undoubtedly would increase opportunities for the Company to serve these customers with appealing and affordable service offerings.

i-wireless offers a unique benefit, through its affiliation with Kroger, which allows customers to earn Free Minutes simply by shopping at select Kroger-owned store locations using their Kroger shopper’s card. Because i-wireless and Kroger are committed to lower-income individuals, customers can participate in the Free Minutes program even when using food stamps for payment. i-wireless’ Lifeline customers will receive the same high-quality wireless services and exceptional customer service provided to all Company customers. i-wireless’ Lifeline rate plans will not only allow feature-rich mobile connectivity for qualifying subscribers *at no cost to the subscriber*, but also will bring a variety of rate plans into the reach of Lifeline customers that are comparable in minutes and features to those available to post-paid wireless subscribers – but at low Lifeline rates and without the burden of credit checks, contracts, activation fees or roaming charges. i-wireless customers are able to choose a prepaid plan in which they are charged only for the minutes they use, and specified amounts of unused minutes carry over month-to-month. By allowing customers to apply the Lifeline discount to the rate plan that best meets their individual needs, i-wireless truly presents a unique benefit to low-income consumers and establishes itself as a pioneer in the prepaid wireless marketplace.

Low-income consumers will further benefit from i-wireless’ service because of i-wireless’ unique software distribution platform that affords customers the convenience to obtain phones, service, and refill minutes at small, local stores in neighborhoods where many Lifeline-eligible

customers reside. i-wireless has existing relationships with over 2,200 such neighborhood retailers across the United States. This innovative distribution model enables customers to maintain wireless service without the expense and trouble of traveling to retail locations outside their neighborhoods or having to access a computer to go online. i-wireless' distribution arrangement will therefore advance the goals of increasing awareness of and participation in the Lifeline program.

i-wireless foresees that the implementation of its Lifeline program will create the need for more i-wireless employees in Oregon. i-wireless currently employs two Oregon residents as field sales representatives who travel to work with all store locations throughout the state. i-wireless believes that the Company will need to expand its number of Oregon sales representatives once its Lifeline program is underway. If the program is successful and i-wireless is able to administer it directly from Kroger-owned store locations, then Kroger will likely need to hire more Oregon residents as well.

Most importantly, i-wireless' Lifeline service will provide low-income Oregon residents with the convenience and security offered by wireless services—even if their financial position deteriorates. i-wireless' prepaid wireless plans enable consumers to enjoy the benefits of wireless telecommunication without being subject to extensive credit reviews and long-term service commitments, which historically have limited the availability of wireless service to many Americans, including many Oregon residents. ETC designation in Oregon would enable i-wireless to offer appealing and affordable service offerings to low-income Oregon customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without question, prepaid wireless services have become essential for lower-income customers, providing them with value for their money, access to emergency services on wireless devices, and

a reliable means of contact for prospective employers, social service agencies or dependents. Providing i-wireless with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

Moreover, grant of i-wireless' Application will serve the public interest in increasing the number of ETCs in Oregon. By granting ETC status to i-wireless, the Commission will enable i-wireless to increase the number of Oregon residents receiving Lifeline support, thereby increasing the amount of USF money flowing into Oregon.

In sum, ETC designation in the State of Oregon would enable i-wireless to provide all of the public benefits cited by the FCC in its analysis in the *Virgin Mobile Order*. Namely, i-wireless would provide "increased consumer choice, high-quality service offerings, and mobility,"<sup>35</sup> as well as the safety and security of effective 911 and E911 services.<sup>36</sup>

#### **A. The Benefits of Competitive Choice**

The benefits to consumers of being able to choose from among a variety of telecommunications service providers have been acknowledged by the FCC for more than three decades.<sup>37</sup> Designation of i-wireless as an ETC will promote competition and innovation, and spur other carriers to target low-income consumers with service offerings tailored to their needs and to improve their existing networks to remain competitive, resulting in improved services to consumers. Designation of i-wireless as an ETC will help assure that quality services are available at "just, reasonable, and affordable rates" as envisioned in the Act.<sup>38</sup> Designation of i-wireless as an ETC would offer Lifeline-eligible consumers an additional choice of providers for

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<sup>35</sup> See *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38.

<sup>36</sup> See *Id.* at 3391 ¶ 23.

<sup>37</sup> See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

<sup>38</sup> See 47 U.S.C. § 254(b)(1).

accessing telecommunications services, representing a significant step towards ensuring that all low-income consumers share in the many benefits associated with access to wireless services.

## **B. Impact on the Universal Service Fund**

i-wireless' request for designation as an ETC solely for Lifeline purposes would not unduly burden the USF or otherwise reduce the amount of funding available to other ETCs. The secondary role of Lifeline support with respect to overall USF expenditures is well documented. According to the Joint-Board's most recent monitoring report, Lifeline funding totaled approximately \$775 million in 2006 while high-cost program expenditures amounted to approximately \$4.1 billion—more than five times the amount of Lifeline funding.<sup>39</sup> Although many parties have raised concerns over the growth in the USF's high-cost program, the Lifeline program has triggered no similar outcry. Designation of i-wireless as an ETC in the State of Oregon, however, raises no similar concerns and any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers. As noted in the FCC's *i-wireless Forbearance Order*, "the additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest."<sup>40</sup> "A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance [associated with granting i-wireless' *Petition for Forbearance*] in the context of the Lifeline program outweighs the potential costs."<sup>41</sup>

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<sup>39</sup> See *Universal Service Monitoring Report*, CC Docket 98-202, Tables 2.2 and 3.1 (2008).

<sup>40</sup> *i-wireless Forbearance Order*, ¶ 19.

<sup>41</sup> *Id.*

**V. ANTI-DRUG ABUSE CERTIFICATION**

i-wireless certifies that no party to this Application is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

**VI. CONCLUSION**

Based on the foregoing, designation of i-wireless as an ETC in the State of Oregon accords with the requirements of Section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, i-wireless respectfully requests that the Commission promptly designate i-wireless as an ETC in the State of Oregon solely for purposes of participating in the Lifeline program.

Respectfully submitted,

/s/ Lance J.M. Steinhart

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*Attorney for i-wireless, LLC*

November 19, 2010

**EXHIBIT 1**

**Certification of Patrick McDonough, Vice President, i-wireless, LLC**

State of Kentucky )  
 )  
County of Campbell )

### Certification

Personally appeared before the undersigned, an officer duly authorized to administer oaths, Patrick McDonough, who first being duly sworn, deposes and states that he is the Vice President of i-wireless, LLC, Applicant in this application, and has read the same and knows the contents thereof, and confirms that the statements made herein are true to the best of his knowledge and belief.

Dated: 7/28/2010

/s/ Patrick McDonough  
Patrick McDonough, Vice President

Subscribed and sworn to before me, a Notary Public in the State and County above named, this 28th day of July 2010.

(Notary Seal)

/s/ Brandon Barbour  
(Signature of person authorized to administer oath)

My Commission Expires: 3-12-2012

## EXHIBIT 2

### i-wireless, LLC's Lifeline Rates

#### Lifeline Service Offering

100 anytime minutes per month

(additional usage priced at 10 cent minutes and 10 cent text messages)

Free handset

Voicemail, Caller-ID, call waiting, three-way calling

Net cost to Lifeline customer: **\$0**

#### Talk Plans (monthly)

- Talk plan / 200 anytime minutes  
Net cost to Lifeline customer: **\$5**
- Talk Plus plan / 200 anytime minutes and unlimited off-peak minutes  
Net cost to Lifeline customer: **\$15**
- Talk Unlimited plan / Unlimited voice  
Net cost to Lifeline customer: **\$25** (\$35 without Kroger shopper's card)

#### Text Plans (monthly)

- Text plan / Unlimited texting with 10 cent minutes  
Net cost to Lifeline customer: **\$5**
- Text Plus plan / Unlimited texting and 200 minutes  
Net cost to Lifeline customer: **\$25**
- Unlimited Talk & Text plan / Unlimited voice and texting  
Net cost to Lifeline customer: **\$35** (\$45 without Kroger shopper's card)

#### Pay-per-use

- Basic / 20 cent minutes & 20 cent outgoing text messages

#### \*Included in all Lifeline rate plans:

Free handset

Voicemail, Caller-ID, call waiting, three-way calling

Free incoming text messages

Free calls to Customer Service

Free calls to 911 emergency services

Free balance checks

Ability to carry over specified amounts of unused minutes month-to-month

Ability to accumulate Free Minutes with Kroger shopper's card purchases



**EXHIBIT 3**

*i-wireless Forbearance Order*

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Telecommunications Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197
	)	
i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)	)	

**ORDER**

Adopted: June 22, 2010

Released: June 25, 2010

By the Commission:

**I. INTRODUCTION**

1. In this order, we grant in part and deny in part a petition for forbearance filed by i-wireless, LLC (i-wireless), a prepaid wireless resale provider, requesting that the Commission forbear from the requirement that a carrier designated as an eligible telecommunications carrier (ETC) for purposes of federal universal service support provide services, at least in part, over its own facilities.<sup>1</sup> As a result, i-wireless may seek ETC designation to offer discounted service to qualified low-income consumers through the universal service Lifeline program. i-wireless will be subject to the same conditions that the Commission previously applied to prepaid wireless resellers TracFone Wireless, Inc. and Virgin Mobile USA, L.P. in granting similar requests. The conditions will help to ensure that, if i-wireless is granted ETC designation for the purpose of providing Lifeline service, its low-income consumers have access to 911 and enhanced 911 services and will help to protect the universal service fund against waste, fraud and abuse. However, we deny i-wireless's petition for forbearance for the purposes of participating in the Link Up program because the company has not demonstrated that granting its request satisfies the three-prong statutory test for forbearance.<sup>2</sup>

**II. BACKGROUND**

2. Congress directed the Commission to establish the universal service fund to help ensure that "[q]uality services [are] available at just, reasonable, and affordable rates" for consumers throughout the nation, "including low-income consumers."<sup>3</sup> The Commission's Lifeline program furthers this goal by reducing the price of monthly telephone service for low-income consumers, and the Commission's

<sup>1</sup> i-wireless, LLC Petition for Forbearance, CC Docket No. 96-45 (filed Apr. 1, 2009) (Forbearance Petition). On March 23, 2010, pursuant to section 10(c) of the Act, the Wireline Competition Bureau (Bureau) extended until June 30, 2010, the date on which the Forbearance Petition shall be deemed granted in the absence of a Commission decision that the petition fails to meet the standard for forbearance under section 10(a) of the Act. *i-wireless, LLC Petition for Forbearance*, CC Docket No. 96-45, Order, 25 FCC Rcd 2762 (Wireline Comp. Bur. 2010); 47 U.S.C. § 214(e).

<sup>2</sup> 47 U.S.C. § 160(a).

<sup>3</sup> 47 U.S.C. § 254(b)(3).

Link Up program furthers this goal by reducing the customary connection charge for commencing telephone service at a low-income consumer's principal place of residence.<sup>4</sup>

3. The Communications Act of 1934, as amended (the Act), provides that only an entity designated as an eligible telecommunications carrier shall be eligible for universal service high-cost and low-income support.<sup>5</sup> To become an ETC, a common carrier must offer the services supported by the federal universal service support mechanisms "either using its own facilities or a combination of its own facilities and resale of another carrier's services" to each customer in its designated service area.<sup>6</sup> Carriers designated as ETCs generally must participate in the Lifeline and Link Up programs and are reimbursed for the revenues foregone through their participation in these programs.<sup>7</sup>

4. The Commission has granted two petitions for forbearance from the facilities requirement for ETC designation in section 214(e) of the Act. In 2005, the Commission forbore from applying the facilities requirement to TracFone Wireless, Inc. (TracFone), a wireless reseller, insofar as TracFone sought ETC designation only for the purpose of receiving Lifeline support.<sup>8</sup> Similarly, in 2009, the Commission forbore from applying the facilities requirement to another wireless reseller, Virgin Mobile USA, L.P. (Virgin Mobile).<sup>9</sup> In both orders, the Commission conditioned forbearance on the carriers' meeting certain obligations upon being designated as an ETC that are tailored to the concerns arising from each carrier's lack of facilities and proposed service offering.<sup>10</sup>

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<sup>4</sup> Through the Lifeline program, low-income consumers may receive discounts of up to \$13.50 off the monthly cost of telephone service, with the federal program reimbursing the ETC up to \$10 each month. 47 C.F.R. § 54.401(a)(2). In tribal areas, the federal program reimburses ETCs up to an additional \$25 each month. 47 C.F.R. § 54.405(a)(4). Through the Link Up program, low-income consumers may receive discounts of up to \$30 off the connection charge. 47 C.F.R. § 54.411(a)(1). In tribal areas, low-income consumers may receive up to an additional \$70 off the connection charge. 47 C.F.R. § 54.411(a)(3).

<sup>5</sup> 47 U.S.C. § 254(e). A carrier need not be an ETC to participate in the schools and libraries or rural health care universal service programs. 47 U.S.C. § 254(h)(1)(A) and (B)(ii); see *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9015, para. 449 (1997) (*Universal Service First Report and Order*) (subsequent history omitted); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-46, Fourteenth Order on Reconsideration, 14 FCC Rcd 20106, 20114-15, para. 19 (1999) (*Fourteenth Order on Reconsideration*).

<sup>6</sup> 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d)(1). Because a carrier need not be an ETC to participate in the schools and libraries or rural health care universal service programs, a carrier need not offer service over its own facilities to receive support from those programs. See *supra* note 5.

<sup>7</sup> See 47 C.F.R. § 54.407(b)-(c). ETCs designated for the limited purpose of participating in the Lifeline program, in contrast, may only receive Lifeline support.

<sup>8</sup> *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (*TracFone Forbearance Order*).

<sup>9</sup> *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Tennessee*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009) (*Virgin Mobile Forbearance Order*).

<sup>10</sup> Specifically, each carrier must: (1) provide its Lifeline customers with 911 and enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes; (2) provide its Lifeline customers with E911-compliant handsets and replace, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (3) comply with conditions (1) and (2) as of the date it provides Lifeline service; (4) obtain a certification from each public-safety answering point (PSAP) where the carrier provides Lifeline service confirming that the carrier provides its customers with 911 and E911 access or self-certify that it does so if certain conditions are met; (5) require each customer to self-certify at time of service activation and (continued . . .)

5. *i-wireless Forbearance Petition.* Like Tracfone and Virgin Mobile, i-wireless is a non-facilities-based commercial mobile radio service (CMRS) provider (i.e., a pure wireless reseller) that provides prepaid wireless telecommunications services.<sup>11</sup> On April 1, 2009, i-wireless filed a petition seeking forbearance from the facilities requirement of section 214(e) of the Act so that it may be designated as an ETC and be eligible to receive Lifeline and Link Up low-income support.<sup>12</sup> i-wireless states that its request for forbearance satisfies the statutory requirements and is in the public interest.<sup>13</sup> Further, i-wireless agrees to abide by the conditions imposed on TracFone and Virgin Mobile as part of the Commission's decisions granting those carriers' requests to forbear from the ETC facilities requirement to allow them to receive Lifeline support only.<sup>14</sup>

### III. DISCUSSION

6. The Act requires the Commission to forbear from applying any requirement of the Act or of our regulations to a telecommunications carrier if and only if the Commission determines that: (1) enforcement of the requirement is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier are just and reasonable and are not unjustly or unreasonably discriminatory; (2) enforcement of that requirement is not necessary for

(continued from previous page) \_\_\_\_\_  
annually thereafter that he or she is the head of household and receives Lifeline-supported service only from that carrier; (6) establish safeguards to prevent its customers from receiving multiple Lifeline subsidies from that carrier at the same address; (7) deal directly with the customer to certify and verify the customer's Lifeline eligibility; and (8) submit to the Wireline Competition Bureau a compliance plan outlining the measures the carrier will take to implement these conditions. *See id.* at 3386–87, 3392, paras. 12, 26; *TracFone Forbearance Order*, 20 FCC Rcd at 15098–99, 15104, paras. 6, 19; *Federal-State Joint Board on Universal Service; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Designation as an Eligible Telecommunications Carrier in the State of Connecticut; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Massachusetts; Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama; Petition for Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Designation as an Eligible Telecommunications Carrier in the State of Tennessee; Petition for Designation as an Eligible Telecommunications Carrier in the State of Delaware for the Limited Purpose of Offering Lifeline Service to Qualified Households; Petition for Designation as an Eligible Telecommunications Carrier in the State of New Hampshire for the Limited Purpose of Offering Lifeline Service to Qualified Households; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania for the Limited Purpose of Offering Lifeline Service to Qualified Households; Petition for Designation as an Eligible Telecommunications Carrier in the District of Columbia for the Limited Purpose of Offering Lifeline Service to Qualified Households*, CC Docket No. 96-45, Order, 24 FCC Rcd 3375 (2009) (*TracFone Forbearance Modification Order*).

<sup>11</sup> Forbearance Petition at 2.

<sup>12</sup> *See* Forbearance Petition. On June 5, 2009, the Bureau issued a public notice seeking comment on the Forbearance Petition. *Comment Sought on i-wireless, LLC Petition for Forbearance from Eligible Telecommunications Carrier Facilities Requirement*, CC Docket No. 96-45, Public Notice, 24 FCC Rcd 7682 (Wireline Comp. Bur. 2009). Comments on the Forbearance Petition were filed by the National Association of State Utility Consumer Advocates (NASUCA) and the National Emergency Number Association (NENA). Reply comments were filed by NASUCA, i-wireless, and the Pennsylvania Public Utility Commission (Pennsylvania Commission). We interpret i-wireless's petition to request forbearance not only from the statutory facilities requirement, 47 U.S.C. § 214(e)(1)(A), but also from our parallel regulatory requirements, 47 C.F.R. § 54.201(d)(1), (i). We have previously read these requirements to have the same scope and purpose as the statutory provision. *See Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3386–87 n.41.

<sup>13</sup> Forbearance Petition at 8–13.

<sup>14</sup> Forbearance Petition at 13; *TracFone Forbearance Order*, 20 FCC Rcd at 15098–99, 15104, paras. 6, 19; *Virgin Mobile Forbearance Order*, 24 FCC Rcd 3386–87, 3392, paras. 12, 26.

the protection of consumers; and (3) forbearance from applying that requirement is consistent with the public interest.<sup>15</sup> As in the *TracFone Forbearance Order* and the *Virgin Mobile Forbearance Order*, we examine the facilities requirement from which i-wireless seeks forbearance in light of the statutory goal of providing low-income consumers with access to telecommunications services and in light of the specific programs in which i-wireless seeks to participate. Because our prior orders have laid the path for examining forbearance requests in the context of the Lifeline program, we first evaluate i-wireless's petition in that context. We then turn to the new issue of whether i-wireless has demonstrated that the statutory requirements for forbearance are met in the context of the Link Up program.

#### A. Forbearance for Lifeline

7. In this section, we evaluate whether i-wireless has met the three-prong statutory test for forbearance to receive Lifeline support. For the reasons provided below, we conditionally grant the request of i-wireless for forbearance from the facilities requirement of section 214(e) for the purpose of seeking ETC designation to provide Lifeline support only.

8. *Just and Reasonable.* As an initial matter, we note that a provision or regulation is "necessary" if there is a strong connection between the requirement and regulatory goal.<sup>16</sup> Section 10(a)(1) of the Act requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation for Lifeline support only is necessary to ensure that the charges, practices, classifications or regulations are just and reasonable and not unjustly or unreasonably discriminatory.<sup>17</sup>

9. As the Commission found in the *TracFone Forbearance Order* and the *Virgin Mobile Forbearance Order*, we conclude that the section 214(e) facilities requirement is not necessary to ensure that i-wireless's charges, practices, and classifications are just and reasonable and not unjustly or unreasonably discriminatory where it is providing Lifeline service only.<sup>18</sup> As a reseller, i-wireless is by definition subject to competition. We expect that i-wireless's Lifeline offerings will compete, at a minimum, with the Lifeline offerings of the incumbent wireline carrier in a given geographic area, and potentially, depending on the states where i-wireless seeks ETC designation, with the offerings of TracFone and Virgin Mobile.<sup>19</sup> We also expect that this competition will spur innovation amongst carriers in their Lifeline offerings, expanding the choice of Lifeline products for eligible consumers. For these reasons, we find that the first prong of section 10(a) is met. In the limited context of Lifeline support, the facilities requirement is not necessary to ensure that i-wireless's charges, practices, and classifications are just and reasonable.

10. *Consumer Protection.* Section 10(a)(2) requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation only for Lifeline support is necessary for the protection of consumers. As in the cases of TracFone and Virgin Mobile, we find that imposing the facilities requirement on i-wireless is not necessary for the protection of consumers so long as the carrier complies with the obligations described below. Specifically, we conclude that forbearance from this provision will benefit consumers. Indeed, if i-wireless is ultimately granted limited ETC status, it would be offering Lifeline-eligible consumers an additional choice of providers for accessing telecommunications services. The prepaid feature may be an

<sup>15</sup> 47 U.S.C. § 160(a)-(b). In making a public interest determination, section 10(b) requires the Commission to consider whether forbearance will promote competitive market conditions.

<sup>16</sup> See *CTIA v. FCC*, 330 F.3d 502, 512 (D.C. Cir. 2003).

<sup>17</sup> 47 U.S.C. § 160(a)(1); 47 U.S.C. § 214(e).

<sup>18</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15100, para. 12; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3389, para. 20.

<sup>19</sup> See 47 C.F.R. § 54.405(a) (requiring ETCs to offer Lifeline service).

attractive alternative for such consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

11. Given the importance of public safety and in light of the fact that a Lifeline ETC is generally a low-income customer's only connection to the public switched telephone network, however, we condition this grant of forbearance on i-wireless's compliance with certain obligations upon being designated as an ETC, consistent with the public safety obligations previously imposed on TracFone and Virgin Mobile.<sup>20</sup> Specifically, our forbearance is conditioned on i-wireless:

- (1) providing its Lifeline customers with 911 and enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes;
- (2) providing its Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service;
- (3) complying with conditions (1) and (2) as of the date it provides Lifeline service; and
- (4) obtaining a certification from each PSAP where the carrier seeks to provide Lifeline service confirming that the carrier provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met.

12. The Commission has an obligation to promote "safety of life and property" and to "encourage and facilitate the prompt deployment throughout the United States of a seamless, ubiquitous, and reliable end-to-end infrastructure" for public safety.<sup>21</sup> The provision of 911 and E911 services is critical to our nation's ability to respond to a host of crises, and this Commission has a longstanding and continuing commitment to a nationwide communications system that promotes the safety and welfare of all Americans, including Lifeline customers.<sup>22</sup> As we have held previously, we believe these obligations are necessary to ensure that the Lifeline customers of these wireless resellers have meaningful access to emergency services.<sup>23</sup>

13. Consistent with the obligations we have placed on TracFone and Virgin Mobile, these obligations apply in any state in which i-wireless becomes an ETC and plans to serve any customers without using its own facilities. Additionally, i-wireless must furnish to the Commission upon request copies of all certifications required by the fourth obligation.<sup>24</sup> Furthermore, if i-wireless seeks to use the self-certification option, it may do so only after complying with the following procedures. *First*, i-wireless must request certification from the PSAP and notify the PSAP that the carrier may self-certify compliance if the PSAP has neither provided certification nor made an affirmative finding that the carrier does not provide its customers with access to 911 and E911 service within the PSAP's service area within 90 days of the request. This evaluation period commences upon proper notification.<sup>25</sup> The evaluation

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<sup>20</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15101-02, paras. 15-16; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3390-91, paras. 21-23.

<sup>21</sup> *Applications of Nextel Communications, Inc. and Sprint Corporation For Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 05-63, Memorandum Opinion and Order, 20 FCC Rcd 13967, 14020, para. 144 (2005).

<sup>22</sup> *Id.*

<sup>23</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15101-02, paras. 15-16; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3390-91, para. 21-23.

<sup>24</sup> See *Virgin Mobile ETC Designation Order*, 24 FCC Rcd at 3390, para. 22.

<sup>25</sup> *Id.* at 3390-91, para. 22. Consistent with the *Virgin Mobile Forbearance Order*, in providing notice that it may self-certify, i-wireless must provide a PSAP with all of the information and/or equipment requested by the PSAP in analyzing i-wireless's ability to provide 911 and E911 to its customers.

period is tolled whenever a PSAP reasonably requests information or equipment to evaluate the carrier's request until the carrier responds with that information or equipment.<sup>26</sup> If a PSAP determines that the carrier will not offer its Lifeline customers appropriate access to emergency services or has concerns regarding the carrier's ability and if the PSAP notifies the carrier of its concerns during the evaluation period, the evaluation period is extended by an additional 90 days and the carrier may not self-certify compliance until it has addressed the PSAP's concerns.<sup>27</sup> *Second*, before self-certifying, the carrier must obtain from its underlying carrier in that area certification that the underlying carrier routes emergency calls from the carrier's customers to the PSAP in the same manner that it routes emergency calls from its own customers.<sup>28</sup> *Third*, the carrier must provide the PSAP with a copy of the relevant self-certifications at the time it is effective.<sup>29</sup> *Fourth*, if a PSAP finds that i-wireless does not provide its customers with 911 and E911 access after the carrier has self-certified that it does, the carrier must notify the Commission of this finding upon receiving notice and must explain how it plans to meet the PSAP's concerns and provide Lifeline customers with appropriate 911 and E911 access.<sup>30</sup>

14. Accordingly, we find that, subject to the 911 and E911 conditions and the self-certification and other conditions set out above, and consistent with the Commission's grant of forbearance to TracFone and Virgin Mobile, the ETC facilities-based requirement is not necessary for consumer protection with respect to i-wireless's receipt of Lifeline support only. We therefore conclude that the second element of section 10(a) is satisfied.

15. *Public Interest.* Section 10(a)(3) requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation for Lifeline support only is in the public interest. In evaluating whether forbearance is in the public interest, we follow the path we laid out in the *TracFone Forbearance Order* and the *Virgin Mobile Forbearance Order*. We note first that the Commission's traditional concern with a carrier doubling its recovery by reselling facilities that are already supported by the high-cost fund does not apply in the low-income context.<sup>31</sup> We also note that Lifeline support is designed to reduce the monthly cost of telecommunications service for qualifying low-income consumers and is directly reflected in the price that the low-income customer pays.<sup>32</sup> Requiring a Lifeline provider to own the facilities it uses to offer service does not necessarily further the statutory goal of the low-income program.<sup>33</sup> In accordance with our forbearance grants to TracFone and Virgin Mobile, we find that the public interest is served by forbearing from the facilities requirement in section 214(e) to allow i-wireless to receive Lifeline support.<sup>34</sup>

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<sup>26</sup> *Id.* at 3391, para. 22.

<sup>27</sup> *Id.* at 3390 n.67.

<sup>28</sup> *Id.* at 3391, para. 22. Like other certifications, the carrier is required to retain these underlying carrier certifications and provide them to the Commission upon request.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15100-01, para. 12; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3389, para. 18.

<sup>32</sup> 47 C.F.R. §§ 54.401, 54.504.

<sup>33</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15104-05, para. 23; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3393, para. 29.

<sup>34</sup> See *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3392-93, para. 27 (“[W]e do not believe that similar requests will have a detrimental impact on the fund. We note that to the extent any similarly situated prepaid wireless reseller seeks forbearance from these requirements for the purpose of providing only Lifeline support, it (continued . . .)

16. Continued growth of the universal service fund has highlighted in recent years the importance of the Commission's continued commitment to fight waste, fraud, and abuse. Accordingly, in addition to the consumer protection conditions outlined above and consistent with obligations imposed on TracFone and Virgin Mobile, we find that it is necessary to require i-wireless to assume additional obligations designed to protect against waste, fraud, and abuse.<sup>35</sup> Specifically, we condition our forbearance from the facilities requirement on i-wireless:

- (5) requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from that carrier;
- (6) establishing safeguards to prevent its customers from receiving multiple Lifeline subsidies from that carrier at the same address;
- (7) dealing directly with the customer to certify and verify the customer's Lifeline eligibility; and
- (8) submitting to the Wireline Competition Bureau a compliance plan outlining the measures the carrier will take to implement the obligations contained in this order within 30 days of the effective date of this order.

17. As we have held previously, we believe these obligations are necessary safeguards to help deter waste, fraud, and abuse.<sup>36</sup> These obligations apply in any state in which i-wireless becomes an ETC and plans to serve any customers without using its own facilities. Consistent with the obligations we have placed on TracFone and Virgin Mobile, we require i-wireless to clearly state the penalties for perjury on the self-certification form it uses to comply with the fifth obligation and to monitor compliance of its customers' self-certifications by retaining those self-certifications and providing them, as well as documentation of how the carrier obtained the certification, to the Commission upon request.<sup>37</sup>

18. We disagree with parties that argue that we should condition our forbearance on i-wireless complying with additional obligations, such as offering a particular usage package or complying with state-level 911 and E911 obligations.<sup>38</sup> We believe it is appropriate to leave those assessments to whichever commissions will rule on i-wireless's petitions for designation as an ETC. A state commission is generally in a better position than we to assess whether a particular offering will benefit that state's low-income consumers and to determine whether it is necessary to condition ETC designation on compliance with state-level 911 and E911 obligations.<sup>39</sup> We therefore encourage parties arguing for

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will be expected to comply with all the conditions we imposed upon TracFone, which Virgin Mobile has agreed to do.”).

<sup>35</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15103-04, 15105, paras. 18, 25; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3392, para. 25.

<sup>36</sup> These obligations are in addition to, and do not supplant, the certification and verification eligibility already required by our rules for federal default states and any similar state rules for the non-federal default states. See, e.g., 47 C.F.R. § 54.410. On May 4, 2010, the Commission asked the Federal-State Joint Board on Universal Service to review the Commission's eligibility, verification, and outreach rules for the Lifeline and Link Up universal service programs. See *Federal-State Joint Board on Universal Service; Lifeline and Link Up*, CC Docket No. 96-45, WC Docket No. 03-109, Order, 25 FCC Rcd 5079 (2010).

<sup>37</sup> See *TracFone Forbearance Order*, 20 FCC Rcd at 15103-04, 15105, paras. 18, 25; *Virgin Mobile Forbearance Order*, 24 FCC Rcd at 3392, para. 25 & n.74.

<sup>38</sup> See, e.g., NASUCA Comments at 4-5 (arguing that forbearance is inappropriate unless i-wireless explains how it will apply the Lifeline discount to its plans); NENA Comments at 1-2 (arguing that carriers seeking forbearance should commit to complying with state-level 911 and E911 obligations as a condition of forbearance).

<sup>39</sup> Of course, if a state commission does not have jurisdiction to designate i-wireless as a limited-purpose ETC, we will consider i-wireless's application as well as whether any additional obligations are necessary for that particular designation to be in the public interest. See 47 U.S.C. § 214(e)(6).



additional obligations to redirect their arguments to ETC designation proceedings rather than this proceeding.

19. Similarly, we are not persuaded by comments regarding the impact on the size of the universal service fund and the associated contribution obligation if we grant the forbearance petition.<sup>40</sup> Granting forbearance here would allow i-wireless to compete with TracFone and Virgin Mobile (as well as other ETCs) for the existing pool of low-income customers, and the size of that pool is determined by Lifeline program eligibility requirements, not by the number of providers competing for those customers. The additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest. A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance in the context of the Lifeline program outweighs the potential costs.<sup>41</sup>

20. In conclusion, we find that conditionally granting i-wireless forbearance for purposes of seeking ETC designation to participate in the Lifeline program only will further the statutory goal of providing low-income subscribers access to telecommunications and emergency services, while protecting the universal service fund against waste, fraud, and abuse.<sup>42</sup> To the extent, however, that our predictive judgment proves incorrect and these conditions prove to be inadequate safeguards, parties may file appropriate petitions with the Commission and we have the option of reconsidering this forbearance ruling.<sup>43</sup>

#### B. Forbearance for Link Up

21. We decline to grant the request of i-wireless for forbearance from the facilities requirement for the purpose of seeking ETC designation to receive Link Up support.<sup>44</sup> Petitioners seeking forbearance bear the burden of proof and must show that each of the statutory elements of forbearance is met.<sup>45</sup> i-wireless has not done so in the context of the Link Up program. Specifically, i-wireless does not

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<sup>40</sup> See Pennsylvania Commission Reply at 5–6.

<sup>41</sup> For example, Virgin Mobile (the second wireless reseller to receive forbearance) has recently increased the number of minutes it offers to low-income consumers through its Lifeline product to attract more customers. Compare, e.g., Pennsylvania Commission Reply, CC Docket No. 96-45, at 6 n.16 (filed July 20, 2009) (noting that Virgin Mobile planned to offer 120 free prepaid minutes to Lifeline customers), with Virgin Mobile Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Alabama, WC Docket No. 09-197, at 8 (filed Jan. 15, 2010) (noting that Virgin Mobile plans to offer 200 free prepaid minutes to its Lifeline customers).

<sup>42</sup> i-wireless has committed to complying with all the obligations imposed on TracFone and Virgin Mobile as conditions of forbearance. See Forbearance Petition at 13.

<sup>43</sup> See *Petition for Forbearance of the Verizon Telephone Companies Pursuant to 47 U.S.C. § 160(c)*, WC Docket No. 01-338, Memorandum Opinion and Order, 19 FCC Rcd 21496, 21508–09, para. 26 & n.85 (2004); see also *Petition of SBC Communications Inc. for Forbearance from Structural Separations Requirements of Section 272 of the Communications Act of 1934, As Amended, and Request for Relief to Provide International Directory Assistance Services*, CC Docket No. 97-172, Memorandum Opinion and Order, 19 FCC Rcd 5211, 5223–24, para. 19 & n.66 (2004); *Cellnet Communications, Inc. v. FCC*, 149 F.3d 429, 442 (6th Cir. 1998).

<sup>44</sup> See Forbearance Petition at 8–14.

<sup>45</sup> See, e.g., *Petition to Establish Procedural Requirements to Govern Proceedings for Forbearance under Section 10 of the Communications Act of 1934, As Amended*, WC Docket No. 07-267, Report and Order, 24 FCC Rcd 9543, 9554–55, para. 20 (2009) (“We now state explicitly that the burden of proof is on forbearance petitioners at the outset and throughout the proceeding.”); *Petitions of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver, Minneapolis-St. Paul, Phoenix, and Seattle Metropolitan Statistical Areas*, WC Docket No. 07-97, Memorandum Opinion and Order, 23 FCC Rcd 11729, 11750, 11754–58, paras. 28, 36, 39 (2008) (noting that Qwest had failed to meet its burden of persuasion regarding sufficiency of market share).

address in its petition the differences between the Lifeline and Link Up programs, nor does the company explain how the obligations conditional to Lifeline participation would apply in the context of Link Up. Moreover, i-wireless does not explain how the public interest would be served by forbearing from the facilities requirement in this context.<sup>46</sup> General references to the statutory goal of ensuring that low-income consumers have access to telecommunications services do not suffice to replace a particularized argument regarding the facts and policy surrounding the facilities requirement and the Link Up program.<sup>47</sup> We thus conclude that i-wireless has failed to meet its burden to show that forbearing from the facilities requirement in the context of the Link Up program is in the public interest.<sup>48</sup>

#### IV. ORDERING CLAUSES

22. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 254, the petition for forbearance filed by i-wireless Telecom, LLC IS GRANTED IN PART to the extent discussed herein and conditioned on fulfillment of the obligations set forth in this order and otherwise DENIED.

23. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 254, we forbear from applying sections 54.201(d)(1) and 54.201(i) of the Commission's rules, 47 C.F.R. § 54.201(d)(1), (i), to i-wireless Telecom, LLC to the extent discussed herein and conditioned on fulfillment of the obligations set forth in this order.

24. IT IS FURTHER ORDERED that, pursuant to section 1.103(a) of the Commission's rules, 47 C.F.R. § 1.103(a), this order SHALL BE effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

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<sup>46</sup> See Forbearance Petition at 8-14 (discussing Link Up only in the context of its discussion of Lifeline).

<sup>47</sup> See *Amendment of the Commission's Rules Concerning Maritime Communications*, PR Docket No. 92-257, Third Report and Order and Memorandum Opinion and Order, 13 FCC Rcd 19853, 19879-80, para. 55 (1998) ("MariTEL's request cannot be granted because it is too vague, both as to the specific provisions from which we should forbear from enforcing, and as to why forbearance would be in the public interest.").

<sup>48</sup> Because we find that i-wireless has not met its burden of proof on the third statutory element, we do not examine whether it did so on the first or second elements.

**EXHIBIT 4**

**i-wireless Compliance Plan**

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of the	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Telecommunications Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197
	)	
i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)	)	

**I-WIRELESS, LLC'S COMPLIANCE PLAN**

i-wireless, LLC (“i-wireless” or the “Company”), by its attorney, hereby files its plan outlining the measures it will take to implement the conditions imposed by the Federal Communications Commission (“Commission”) in its recent Order, released June 25, 2010, in the above-captioned matter<sup>1</sup>. Given the severe economic environment that is forcing many lower-income customers to forego wireless service, i-wireless respectfully requests expeditious approval of this plan so that the Company, upon designation as an Eligible Telecommunications Carrier (“ETC”), may quickly deploy much-needed Lifeline services to many low-income customers.

**BACKGROUND**

The Commission’s *Order* conditionally granted i-wireless’ request for forbearance from the Section 214(e)(1)(A) requirement that a carrier designated as an ETC for purposes of federal universal service support provide services, at least in part, over its own facilities, stating “i-wireless may seek ETC designation to offer discounted services to qualified low-income consumers through the universal service Lifeline program<sup>2</sup>.” The petition for forbearance was denied for the purposes of participating in the Link Up program.

The Commission found that a conditional grant of forbearance for i-wireless from the facilities requirement of section 214(e) for the purpose of seeking ETC designation to provide Lifeline support only “will further the statutory goal of providing low-income subscribers access to

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<sup>1</sup> See *Federal-State Joint Board on Universal Service; In the Matter of i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, Order, FCC 10-117, released June 25, 2010 (“*Order*”).

<sup>2</sup> *Order* at ¶ 1.

telecommunications and emergency services, while protecting the universal service fund against waste, fraud and abuse<sup>3</sup>.” The Commission’s grant of forbearance is subject to the following conditions: (a) i-wireless providing its Lifeline customers with 911 and Enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes; (b) i-wireless providing its Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, noncompliant handsets of existing customers who obtain Lifeline-supported service; (c) i-wireless complying with conditions (a) and (b) as of the date it provides Lifeline service; and (d) i-wireless obtaining a certification from each PSAP where the carrier seeks to provide Lifeline service confirming that the carrier provides its customers with 911 and E911 access or self-certifying that it does so if certain conditions are met; (e) i-wireless requiring each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from i-wireless; (f) i-wireless establishing safeguards to prevent its customers from receiving multiple Lifeline subsidies from i-wireless at the same address; and (g) i-wireless dealing directly with the customer to certify and verify the customer’s Lifeline eligibility<sup>4</sup>. The Commission required i-wireless to submit a plan describing the measures it would take to implement each one of these conditions within thirty days of the release of the Order<sup>5</sup>.

### COMPLIANCE PLAN

i-wireless commends the Commission’s commitment to a nationwide communications system that promotes the safety and welfare of all Americans, including Lifeline customers<sup>6</sup>. i-wireless will comply with all conditions set forth in the *Order*, the provision of this Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.

#### **I. Access to 911 and E911 Services**

In the *Order*, the Commission required i-wireless to provide its Lifeline customers with access to 911 and E911 services immediately upon activation of service, and stated that, in order to demonstrate compliance with the condition, i-wireless must obtain certification from each PSAP

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<sup>3</sup> *Order* at ¶ 20.

<sup>4</sup> *See Order* at ¶¶ 11, 16.

<sup>5</sup> *See id.*

<sup>6</sup> *See Order* at ¶ 12.

where it provides Lifeline service confirming that its customers receive 911 and E911 services. If within 90 days of i-wireless' request, a PSAP has neither provided the certification nor made an affirmative finding that the Company does not provide its customers with 911 and E911 services within the applicable service area, the *Order* allowed i-wireless to self-certify that it meets the requirements<sup>7</sup>. The Commission and consumers are hereby assured that all i-wireless customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from i-wireless handsets, even if the account associated with the handset has no minutes remaining.

i-wireless can ensure the Commission that all Lifeline customers will have meaningful access to emergency calling services at the time the customer activates Lifeline service, and that such access will continue regardless of the customer's account status or the availability of prepaid minutes. The Company's existing practices currently provide access to 911 and E911 services to the extent that these services have been deployed by its underlying carrier, Sprint Nextel ("Sprint"). i-wireless also currently enables 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active, suspended or terminated. Finally, the Company transmits all 911 calls initiated from any of its handsets even if the account associated with the handset has no remaining minutes.

To satisfy the conditions of the *Order* regarding 911 and E911 services, i-wireless will implement the following measure prior to deploying Lifeline services in a given area. Initially, the Company will confirm that its underlying carrier has deployed E911 services in a specific PSAP territory. i-wireless will obtain the requisite certification from each PSAP where it provides Lifeline service confirming that its customers receive 911 and E911 services<sup>8</sup>. If within 90 days of receiving the Company's request, a PSAP has neither provided such certification nor made an affirmative finding that the Company does not provide its customers with 911 and E911 services within the applicable service area, i-wireless will self-certify that it meets the basic and E911 requirements.

## **II. E911-Compliant Handsets**

The Commission also conditioned its grant of forbearance determination on i-wireless providing only E911-compliant handsets to its Lifeline customers<sup>9</sup>. i-wireless will ensure that all

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<sup>7</sup> See *Order* at ¶ 13.

<sup>8</sup> A form of this PSAP certification request is attached hereto as Exhibit A.

<sup>9</sup> See *Order* at ¶ 11.

handsets used in connection with the Lifeline service offering will be E911-compliant. In fact, i-wireless' phones have always been and will continue to be 911 and E911-compliant. i-wireless uses phones from Sprint that have been through a stringent certification process in Sprint's handset certification lab, which ensures that the handset models used meet all 911 and E911 requirements. In i-wireless' four year history, only one handset model has failed the E911 process during the handset lab certification, and that is a model the Company did not launch. As a result, any existing customer that qualifies for and elects Lifeline service will already have a 911/E911-compliant handset, which will be confirmed at the time of enrollment in the Lifeline program. Furthermore, in the event that an existing customer does not have an E911-compliant handset, the Company will replace it with a new 911/E911-compliant handset at no charge to the customer. Any new customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911/E911-compliant handset as well, free of charge.

### **III. Certification of Lifeline Customers' Eligibility**

To safeguard against misuse of the Lifeline service plan, the *Order* required i-wireless to deal directly with the customer and require each customer to self-certify under penalty of perjury at time of service activation and annually thereafter that they are the head of household and receive Lifeline-supported service only from i-wireless<sup>10</sup>. The Commission also required i-wireless to establish safeguards to prohibit more than one supported i-wireless service at each residential address<sup>11</sup>. i-wireless proposes the following plan to implement these certification and verification conditions:

#### **A. Policy**

i-wireless will comply with all certification and verification requirements for Lifeline eligibility established by states where it is designated as an ETC. In states where there are no state-imposed requirements, i-wireless will comply with the certification and verification procedures in effect in that state as reflected on the website of the Universal Service Administration Company. However, for any states which do not mandate Lifeline support and/or which do not have established rules of procedure in place, i-wireless will certify at the outset and will verify annually consumers' Lifeline eligibility in accordance with the Commission's requirements.

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<sup>10</sup> See *Order* at 16.

<sup>11</sup> See *id.*

## **B. Certification Procedures**

i-wireless will implement certification procedures that enable consumers to demonstrate their eligibility for Lifeline assistance by contacting i-wireless via telephone, facsimile, or the internet. At the point of sale, consumers will be provided with printed information describing i-wireless' Lifeline program, including eligibility requirements, and with instructions for enrolling. Consumers will be directed to a toll-free telephone number and to i-wireless' website, which will contain a link to information regarding the Company's Lifeline service plan, including a detailed description of the program and state-specific eligibility criteria. i-wireless understands and accepts the Commission's requirement that the Company have direct contact with all customers applying for participation in the Lifeline program<sup>12</sup>. Retailers will have no role in the Lifeline application process, other than to provide customers with printed information regarding the program.

Consumers will be required to call a toll-free number to complete an application over the phone. The application will then be mailed to the customer for signature under penalty of perjury and for the submission of supporting documentation. The signed application and support documentation must be mailed to the address provided by the Company. Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under i-wireless' supervision by managers experienced in the administration of the Lifeline program.

i-wireless will insure that all required documentation is taken care of properly by using state-specific compliance checklists. In addition, the Lifeline application form will include a certification section where the applicant must attest and sign under penalty of perjury that the applicant meets the relevant eligibility criteria. For states with program-based eligibility criteria, the form will list each of the qualifying programs, and the applicant will be required to identify the program(s) in which they participate. For states with income-based eligibility criteria, the applicant will be required to certify under penalty of perjury that their household income does not exceed the relevant threshold (e.g., 135% of the Federal Poverty Guidelines for federal default states) and will be required to provide proof of income-based eligibility. Applicants will also be required to certify under penalty of perjury that they are head of their household and receive Lifeline-supported service only from i-wireless. Penalties for perjury will be clearly-stated on the certification form, as

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<sup>12</sup> See Order at ¶ 16.



required by the *Order*<sup>13</sup>.

Finally, the application forms will require each applicant to provide their name, primary residential address and an alternate telephone number (if any). i-wireless will incorporate this information into its customer information database. The Company will check the name and address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives i-wireless Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with the address. i-wireless will deny the Lifeline application of any such individual and advise the applicant of the basis for the denial. i-wireless shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that the procedures it will implement will prevent i-wireless customers from engaging in such abuse of the program.

### **C. Verification Procedures**

As required by the Commission's *Order*, i-wireless will require every consumer enrolled in the Lifeline program to verify on an annual basis that they are the head of their household and only receive Lifeline service from i-wireless<sup>14</sup>. i-wireless will notify each participating Lifeline consumer on the anniversary of their enrollment that they must confirm their continued eligibility in accordance with the applicable requirements. Such verification will be required in order for the consumer to continue to purchase prepaid airtime from i-wireless at the discounted rate only available to those customers who are enrolled in its Lifeline program.

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<sup>13</sup> See *Order* at ¶ 17.

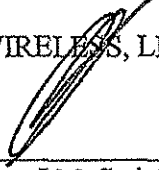
<sup>14</sup> See *Order* at ¶ 16.

CONCLUSION

i-wireless submits that its Compliance Plan fully satisfies the conditions set forth in the Commission's *Order* granting forbearance to the Company. Implementation of the procedures described herein will promote public safety and should ensure that Lifeline customers have access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, i-wireless respectfully requests that the Commission expeditiously approve its Compliance Plan so that i-wireless may begin providing the benefits of much-needed Lifeline service to qualifying low-income consumers as quickly as possible.

Respectfully submitted,

I-WIRELESS, LLC



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Lance J.M. Steinhart  
Lance J.M. Steinhart, P.C.  
1720 Windward Concourse  
Suite 115  
Alpharetta, Georgia 30005  
(770) 232-9200

*Its Counsel*

Dated July 26, 2010

**EXHIBIT A**

PSAP CERTIFICATION REQUEST

[Date]

Public Safety Answering Point Coordinator  
[Address]

Re: Request for PSAP Certification for Lifeline Participation

Dear PSAP Coordinator:

This is to inform you that i-wireless, LLC (“i-wireless”), has been designated an Eligible Telecommunications Carrier (“ETC”) by the Federal Communications Commission (“FCC”) for the purpose of offering reduced-cost service to low-income customers in the state of [State] under the federal Lifeline program. (See attached FCC Order \_\_\_\_\_ released \_\_\_\_\_.)

Lifeline ensures that low-income customers have access to quality telephone service at a reasonable, affordable rate, and i-wireless is pleased to be among the wireless carriers offering Lifeline service to low-income customers, particularly during this difficult economic environment.

The FCC’s approval for i-wireless to offer Lifeline service was conditional upon the following requirements: (1) offer 911 and enhanced 911 (E911) access immediately upon activation of service, and (2) provide its new Lifeline customers with E911-compliant handsets and replace, at no additional charge to the customer, noncompliant handsets of existing customers who subscribe to Lifeline service. The FCC further required that i-wireless seek certification from each Public Safety Answering Point (“PSAP”) where i-wireless intends to offer Lifeline service confirming that i-wireless provides its customers with 911 and E911 access. i-wireless is seeking this certification from your PSAP based on the information provided in this letter and any additional information you may request.

i-wireless’ wireless services operate on the Sprint Nextel (“Sprint”) network. As you may be aware, Sprint has completed the deployment of facilities necessary to offer Phase I and/or II E911 services in your service area, providing Sprint and i-wireless customers with 911 and E911 access. i-wireless’ Lifeline customers will enjoy this same access to 911 and E911 service once activated for service, regardless of activation status or availability of prepaid airtime. As required by the FCC, all i-wireless handsets will comply with applicable federal requirements governing the provision of 911 and E911 service. i-wireless will provide new Lifeline customers with E911-compliant handsets and, for existing customers who subscribe to Lifeline service, will verify that their handsets are E911-compliant or replace the handset at no charge to the customer.

For your convenience, enclosed is a certification form for your review and signature as PSAP Coordinator. Please return the signed certification form in the self-addressed stamped envelope. As required by the FCC, i-wireless will keep the certification on file in the event the FCC seeks to review this documentation. **If within 90 days of receipt of this letter, you do not provide the certification or make an affirmative finding that i-wireless does not provide its customers with 911 and E911 service in your area, i-wireless is permitted to self-certify compliance with the requirements for 911 and E911 access for this PSAP.** (See FCC Order \_\_\_\_\_ at para. \_\_\_\_.)

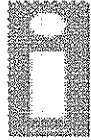
Should you have any questions about the foregoing, please contact us at [pat.mcdonough@iwirelesshome.com](mailto:pat.mcdonough@iwirelesshome.com). Please be sure to include your name and address in the email.

Thank you in advance for your cooperation and for enabling i-wireless to offer Lifeline service to low-income customers in your PSAP jurisdiction.

Sincerely,

i-wireless, LLC

**i-wireless Lifeline Program  
PSAP Certification Form**



State of \_\_\_\_\_

PSAP Name: \_\_\_\_\_

PSAP Coordinator Name: \_\_\_\_\_

Business Address: \_\_\_\_\_  
\_\_\_\_\_

PSAP Jurisdiction Description: \_\_\_\_\_

In my capacity as the Coordinator for the Public Safety Answering Point ("PSAP") described above, I am responsible for the implementation of 911 and Enhanced 911 ("E911") service in accordance with the rules and regulations of the Federal Communications Commission ("FCC").

I have been informed by i-wireless, LLC ("i-wireless") that, by Order dated \_\_\_\_\_, the FCC has designated i-wireless as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (47 U.S.C. § 214(e)(6)), for the limited purpose of providing Lifeline service in [State], among other states. I have further been informed that the FCC's designation of i-wireless as an ETC is subject to certain conditions, including a condition that i-wireless must obtain certification from each PSAP where it will offer Lifeline service that i-wireless customers will have 911 and E911 access immediately upon activation of service.

In connection with its request for certification by the PSAP, i-wireless has provided certain information. I have been informed by i-wireless that its wireless service operates on the Sprint Nextel ("Sprint") network. i-wireless has indicated that its Lifeline customers will have the same access to 911 and E911 service as the retail customers of Sprint. In addition, i-wireless has represented that its Lifeline handsets will comply with the FCC Order requiring that the handsets be capable of accessing 911 and E911 service regardless of activation status or availability of prepaid airtime.

Upon information and belief, in my capacity as PSAP Coordinator, I hereby certify that i-wireless has provided evidence that it is complying with the FCC requirement that it provide customers with access to basic and E911 service immediately upon activation of Lifeline service.

Dated:

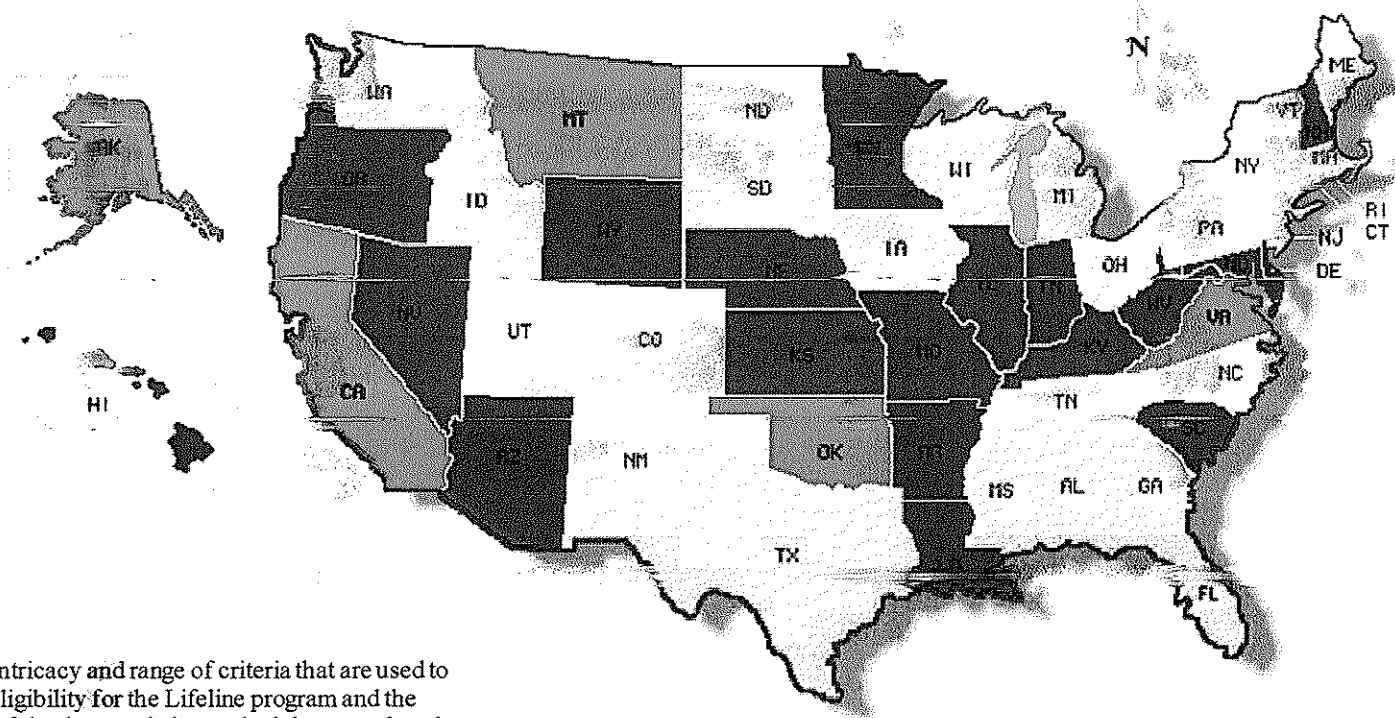
\_\_\_\_\_  
Signature of PSAP Coordinator

**EXHIBIT 5**

**2009 Lifeline Participation Rates by State and FCC News Release**

## 2009 Lifeline Participation Rates by State

- - Below 10%
- - 10% - 20%
- - 20% - 50%
- - Above 50%



**Notes:**

Due to the intricacy and range of criteria that are used to determine eligibility for the Lifeline program and the limitations of the data used, the methodology employed to create this map involves several estimates, assumptions, simplifications, and omissions. Therefore, the rates generated on this map should be treated as estimates only.

3-8-10

District of Columbia = 10% - 20%





# NEWS

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D. C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>  
TTY: 1-888-835-5322

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 615 F.2d 385 (D.C. Cir. 1974).

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FOR IMMEDIATE RELEASE:  
September 14, 2009

NEWS MEDIA CONTACT:  
Rosemary Kimball (202) 418-0511  
Email: [rosemary.kimball@fcc.gov](mailto:rosemary.kimball@fcc.gov)

## FCC SUPPORTS "NATIONAL LIFELINE AND LINK UP TELEPHONE DISCOUNT AWARENESS WEEK" - SEPTEMBER 14 - 20, 2009

WASHINGTON, DC -- Today, the Federal Communications Commission (FCC) joined the effort to call attention to the "National Lifeline and Link Up Telephone Discount Awareness Week," which takes place September 14 - 20, 2009. Various state and local agencies throughout the country will be participating with outreach activities and events. The "Lifeline" and "Link Up" programs provide financial assistance to low-income consumers in connecting a residential phone line and paying their monthly bill. The programs have been active for years and are administered by the FCC and state public utility commissions, but at least half of eligible consumers nationwide do not take advantage of this assistance.

"Lifeline" involves discounts on monthly charges for a primary residential telephone line, including wireless service. "Link Up" involves a discount on the cost of initiating the primary telephone service for a residence, including the activation of a wireless phone that serves as the primary residential telephone. The discounts are available throughout the country, including an enhanced discount on Tribal lands. In general, consumers at or below 135% of the federal poverty guidelines, or who participate in one or more of a number of other assistance programs, are eligible for Lifeline and Link Up.

To help call attention to the availability of these programs, the FCC joins the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Utility Consumer Advocates (NASUCA), and urges government agencies and non-profit organizations to help disseminate information on Lifeline and Link Up to their constituents. More information about the programs and how to apply is available at [www.lifeline.gov](http://www.lifeline.gov) or <http://www.usac.org/li/low-income/apply-for-support.aspx>.

-- FCC --

**EXHIBIT 6**  
**Non-Usage Policy**

## **I-WIRELESS, LLC'S NON-USAGE POLICY**

i-wireless has implemented a policy that covers inactive handsets assigned to customers that are enrolled in its Lifeline program. Under the policy, if i-wireless Lifeline customers have 60 days without any usage, i-wireless will notify them that they are no longer eligible for i-wireless Lifeline service, but that they will have a 30 day grace period following such notification in order to show usage on the account and have their eligibility restored. Usage includes, but is not limited to, making calls, receiving calls, sending text messages, receiving text messages, or adding airtime. i-wireless has the ability to monitor call activity, including the number of minutes used, through call detail record reporting platforms.

If a customer has not restored their eligibility by the end of the applicable 30-day period following notification of ineligibility, the customer will lose any free monthly minutes remaining in their account and will no longer receive a monthly allocation of free minutes. i-wireless will, at that point, cease seeking reimbursement from the federal and state Universal Service Funds (USF) for that customer.

For 90 days after the end of this 30-day period, if the customer has a sufficient balance in their account, they will be charged at the retail rate for each additional minute of use. After the end of this 90-day period, their account will expire and service will be deactivated. Once the account expires, the customer will lose their phone number, and i-wireless will assess a termination charge equal to the value of the balance in their account, if any balance exists.

Customers who have been deactivated following the 60 days of non-usage and subsequent 30 day grace period may participate in the Lifeline program in the future by reapplying and reestablishing eligibility.

**EXHIBIT 7**

**Wire Centers**

ILEC	WIRE CENTER CLLI	WIRE CENTER NAME
QWEST	ADAROR21	ADAIR
QWEST	ALBYOR63	ALBANY
QWEST	ASLDOR55	ASHLAND
QWEST	ASTROR64	ASTORIA
QWEST	ATHNOR56	ATHENA-WESTON
QWEST	BAKROR23	BAKER-SUMPTER
QWEST	BENDOR24	BEND
QWEST	BLBTOR01	BLACK BUTTE (CAMP SHERMAN)
QWEST	BLRVOR53	BLUE RIVER
QWEST	BURLOR62	BURLINGTON
QWEST	CLCKOR53	CULP CREEK
QWEST	CLVROR01	CULVER
QWEST	CNBHOR64	CANNON BEACH
QWEST	CNPOR29	CENTRAL POINT
QWEST	CRVSOR65	CORVALLIS
QWEST	CTGVOR53	COTTAGE GROVE
QWEST	DLLSOR58	DALLAS
QWEST	EUGNOR28	EUGENE RIVER ROAD
QWEST	EUGNOR53	EUGENE 10TH AVE
QWEST	FLCYOR58	FALLS CITY
QWEST	FLRNOR53	FLORENCE
QWEST	GLHLOR55	GOLD HILL
QWEST	GRPSOR29	GRANTS PASS
QWEST	HMTNOR56	HERMISTON
QWEST	INDPOR58	INDEPENDENCE
QWEST	JCVLOR56	JACKSONVILLE
QWEST	JFSNOR63	JEFFERSON
QWEST	JNCYOR51	JUNCTION CITY
QWEST	KLFLOR54	KLAMATH FALLS
QWEST	LAPIOR52	LAPINE
QWEST	LEBGOR54	LEABURG
QWEST	LKOSOR62	LAKE OSWEGO
QWEST	LWLLOR53	LOWELL

ILEC	WIRE CENTER CLLI	WIRE CENTER NAME
QWEST	MDFDOR33	MEDFORD
QWEST	MDRSOR52	MADRAS
QWEST	MLTNOR56	MILTON-FREEWATER
QWEST	MLWKOR17	MILWAUKIE
QWEST	MPTNOR54	MAPLETON
QWEST	MRCLOR53	MARCOLA
QWEST	NPLNOR62	NORTH PLAINS
QWEST	NWPTOR35	NEWPORT
QWEST	OKRGOR01	OAKRIDGE
QWEST	ORCYOR18	OREGON CITY
QWEST	PHNXOR55	PHOENIX
QWEST	PNTNOR56	PENDLETON
QWEST	PRVLOR53	PRINEVILLE
QWEST	PTLDOR02	PTLD CYPRESS
QWEST	PTLDOR08	PTLD HAROLD
QWEST	PTLDOR11	PTLD ALPINE
QWEST	PTLDOR12	PTLD ATLANTIC
QWEST	PTLDOR13	PTLD BELMONT
QWEST	PTLDOR14	PTLD BUTLER
QWEST	PTLDOR17	PTLD CHERRY
QWEST	PTLDOR18	PTLD PROSPECT
QWEST	PTLDOR69	PTLD CAPITOL
QWEST	RANROR01	RAINIER
QWEST	RDMDOR01	REDMOND
QWEST	RGRVOR55	ROGUE RIVER
QWEST	RSBGOR57	ROSEBURG
QWEST	SALMOR58	SALEM STATE(MAIN)
QWEST	SALMOR59	SALEM 10TH AVE
QWEST	SESDOR64	SEASIDE
QWEST	SLTZOR66	SILETZ
QWEST	SPFDOR01	SPRINGFIELD
QWEST	SPRVOR02	SPRING RIVER ROAD
QWEST	SSTROR01	SISTERS

ILEC	WIRE CENTER CLLI	WIRE CENTER NAME
QWEST	STFDOR56	STANFIELD
QWEST	STHNOR40	ST HELENS
QWEST	STHROR58	OAKLAND-SUTHERLIN
QWEST	TOLDOR66	TOLEDO
QWEST	UMTLOR57	UMATILLA
QWEST	VENTOR54	VENETA
QWEST	WDBNOR59	WOODBURN
QWEST	WLWLWA01	WALLA WALLA-TOUCHET
QWEST	WNTNOR57	WINSTON
QWEST	WRSPOR52	WARM SPRINGS
QWEST	WRTNOR64	WARRENTON
QWEST	WSPTOR64	WESTPORT
FRONTIER COMM. NW	ALOHORXX	ALOHA
FRONTIER COMM. NW	AMTYORXX	AMITY
FRONTIER COMM. NW	AMVLORXX	AUMSVILLE
FRONTIER COMM. NW	BKNGORXX	BROOKINGS
FRONTIER COMM. NW	BNDNORXX	BANDON
FRONTIER COMM. NW	BNKSORXX	BANKS
FRONTIER COMM. NW	BVTNORXB	BEAVERTON
FRONTIER COMM. NW	CLTSORXA	CLATSKANIE
FRONTIER COMM. NW	COVEORXX	COVE
FRONTIER COMM. NW	CQLLORXX	COQUILLE
FRONTIER COMM. NW	CSBYORXX	COOS BAY
FRONTIER COMM. NW	DTRTORXA	DETROIT
FRONTIER COMM. NW	DYTNORXA	DAYTON
FRONTIER COMM. NW	ELGNORXX	ELGIN
FRONTIER COMM. NW	EMPRORXX	EMPIRE
FRONTIER COMM. NW	ENTRORXX	ENTERPRISE
FRONTIER COMM. NW	FRGVORXX	FOREST GROVE
FRONTIER COMM. NW	GDISORXX	GRAND ISLAND
FRONTIER COMM. NW	GLBHORXX	GOLD BEACH
FRONTIER COMM. NW	GRHMORXB	GRESHAM
FRONTIER COMM. NW	GSTNORXX	GASTON

ILEC	WIRE CENTER CLLI	WIRE CENTER NAME
FRONTIER COMM. NW	HDLDORXA	HOODLAND
FRONTIER COMM. NW	HLBOORXB	HILLSBORO
FRONTIER COMM. NW	IMBLORXX	IMBLER
FRONTIER COMM. NW	IMNHORXX	IMNAHA
FRONTIER COMM. NW	JSPHORXX	JOSEPH
FRONTIER COMM. NW	LAGRORXB	LAGRANDE
FRONTIER COMM. NW	LKSDORXX	LAKESIDE
FRONTIER COMM. NW	LNGLORXX	LANGLOIS
FRONTIER COMM. NW	LOSTORXX	LOSTINE
FRONTIER COMM. NW	MLCYORXA	MILL CITY
FRONTIER COMM. NW	MMVLORXX	MCMINNVILLE
FRONTIER COMM. NW	MRPHORXX	MURPHY
FRONTIER COMM. NW	MYPNORXX	MYRTLE POINT
FRONTIER COMM. NW	NBNDORXX	NORTH BEND
FRONTIER COMM. NW	NWBRORXA	NEWBERG
FRONTIER COMM. NW	ORNTORXA	ORIENT
FRONTIER COMM. NW	PRVTORXX	PROVOLT
FRONTIER COMM. NW	PTORORXX	PORT ORFORD
FRONTIER COMM. NW	PWRSORXX	POWERS
FRONTIER COMM. NW	RDPTORXX	REEDSPORT
FRONTIER COMM. NW	SCHLORXX	SCHOLLS
FRONTIER COMM. NW	SHWDORXA	SHERWOOD
FRONTIER COMM. NW	SLTNORXA	SILVERTON
FRONTIER COMM. NW	SMRWORXA	SOMERSET WEST
FRONTIER COMM. NW	SNDYORXA	SANDY
FRONTIER COMM. NW	SNSDORXX	SUNNYSIDE
FRONTIER COMM. NW	STFRORXX	STAFFORD
FRONTIER COMM. NW	TGRDORXA	TIGARD
FRONTIER COMM. NW	TGRDORXC	TIGARD BULL MTN
FRONTIER COMM. NW	TRNRORXA	TURNER
FRONTIER COMM. NW	TULTORXA	TUALATIN
FRONTIER COMM. NW	UNINORXA	UNION
FRONTIER COMM. NW	VRNNORXX	VERNONIA



ILEC	WIRE CENTER CLLI	WIRE CENTER NAME
FRONTIER COMM. NW	VYVWORXA	VALLEY VIEW
FRONTIER COMM. NW	WIVLORXA	WILSONVILLE
FRONTIER COMM. NW	WLLWORXX	WALLOWA
FRONTIER COMM. NW	YMH LORXA	YAM HILL

**EXHIBIT 8**

**Coverage Maps**





