

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1668

In the Matter of)
)
Boomerang Wireless, LLC d/b/a enTouch Wireless)
)
Application for Limited Designation as an Eligible)
Telecommunications Carrier and Eligible)
Telecommunications Provider for the Purpose)
of Offering Lifeline Service, and Request for)
Waiver Pursuant to 860-033-0001(2))
_____)

JOINT MOTION TO AMEND ORDER

For the reasons set forth below, pursuant to ORS 756.568, Boomerang Wireless, LLC d/b/a enTouch Wireless (“Boomerang” or the “Company”), the Staff of the Public Utility Commission of Oregon (“Staff”) and the Citizens’ Utility Board of Oregon (“CUB”) (collectively, the “Parties”) hereby move that the Oregon Public Utility Commission (“Commission”) amend Order No. 15-280 (the “Order”), to modify paragraph 38 of the Stipulation adopted as Appendix A to the Order, regarding the obligation to offer, provide or replace handsets set forth in paragraph 38.

Paragraph 38 of the Stipulation currently provides:

38. Boomerang will provide applicants approved for Boomerang's Lifeline service at no charge with the option to receive a free handset. All handsets offered will have immediate E911 functionality. The cost of the free handset is borne by Boomerang. No portion of the handset costs is subsidized either by the federal Universal Service Fund or the RSPF. Boomerang will provide one free phone per a twelve-month period to replace a handset that is reported lost or stolen as long as the customer is an active Boomerang customer approved by the Commission for Lifeline service.

On April 27, 2016, more than six months after the Stipulation was adopted, the Federal

Communications Commission (“FCC”) issued its *2016 Lifeline Modernization Order* (the “FCC Order”).¹ The FCC Order made significant changes to the federal Lifeline program. Among other changes, the FCC Order imposes new broadband service standards and voice minute requirements on providers of mobile Lifeline service as conditions of receiving federal Lifeline support. Effective December 2, 2016, Lifeline-supported mobile broadband service plans must include at least 500 MB of data per month at 3G speeds, and Lifeline-supported voice-only plans must include at least 500 minutes per month.² The minimum data and voice amounts will increase in subsequent years. On December 1, 2017, they increase to 750 minutes per month for voice-only plans, and 1 GB per month for broadband plans; on December 1, 2018 they increase again to 1,000 minutes per month for voice and 2 GB per month for broadband.³ Despite the increased obligations for Lifeline support, the amount of the federal Lifeline subsidy will not increase. The subsidy will remain capped at \$9.25 per month for customers on non-Tribal lands,⁴ and is slated phase down to zero for voice-only services over time.⁵

While an ETC is not required to provide a device for use with a Lifeline-supported service, the FCC Order adopted additional requirements for such devices when they are provided by an ETC, with or without charge. Specifically, a device must be Wi-Fi enabled and certain devices must have hotspot capabilities.

The changes described above substantially alter the economics of the Lifeline program in

¹ *In re Lifeline & Link Up Reform & Modernization et al.*, WC Docket No. 11-42 *et al.*, 31 FCC Rcd. 3962 (released April 27, 2016).

² *See id.* at ¶ 93.

³ *See id.*

⁴ *See id.* at ¶ 114. The subsidy for customers on Tribal lands will remain at \$34.25 per month.

⁵ For voice-only plans, the support amount will decrease to \$7.25 per month as of December 1, 2019, then to \$5.25 per month on December 1, 2020, and will be phased out entirely as of December 1, 2021, except in areas where there is only one Lifeline provider. *See id.* at ¶ 117.

a way that was not envisioned when the Stipulation was entered or adopted. In addition, the Order mandates more costly Lifeline service standards with no corresponding increase in support. Under these circumstances, Boomerang has determined that it is no longer economical to bear the cost of offering a free handset to each new customer. Nor is it economical to bear the additional burden of offering active customers a free phone every twelve months to replace handsets reported lost or stolen. By eliminating these handset costs, Boomerang anticipates that it will be able to achieve a cost structure that allows it to provide Lifeline service that meets the increasing service standards set forth in the Order.

If this Motion is granted, Boomerang plans to stop offering any free handsets to new Lifeline customers, except those Lifeline customers on Tribal plans. Instead, Boomerang will offer devices for a charge for use with a Lifeline-supported service that are compliant with the new FCC requirements addressing Wi-Fi and hotspot capabilities. A customer who currently has a free handset can keep that handset and continue to use it for the various Lifeline plans as long as the customer remains eligible. To further mitigate the impact of this transition, Boomerang will allow active customers that received a free phone from Boomerang before December 2, 2016 the opportunity to receive one free replacement handset for a handset reported lost or stolen before December 2, 2017.

In light of the FCC Order, Staff and CUB support modifying the Stipulation to relieve Boomerang of the obligation to offer or provide free handsets to customers and/or applicants. Therefore, the Parties jointly request that the Commission modify paragraph 38 of the Stipulation to read:

38. Boomerang *may* provide applicants approved for Boomerang's Lifeline service at no charge with the option to receive a free handset. All handsets offered will have immediate E911 functionality. The cost of the free handset is borne by Boomerang. No portion of the handset costs is subsidized either by the federal

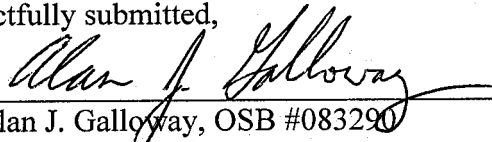
Universal Service Fund or the RSPF. For customers that received a free phone from Boomerang prior to December 2, 2016, Boomerang will provide one free phone to replace a handset that is reported lost or stolen through December 2, 2017, as long as the customer is an active Boomerang customer approved by the Commission for Lifeline service.

For the reasons set forth above, the Parties respectfully request that the Commission grant this motion to modify Order No. 15-280, Appendix A, paragraph 38 as set forth above.

Dated this 8th day of February 2017.

Respectfully submitted,

By:


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