

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1456

In the Matter of

LCW WIRELESS, LLC

Applications for Designation as Eligible  
Telecommunications Carrier and Eligible  
Telecommunications Provider.

ORDER

**DISPOSITION: APPLICATION APPROVED**

On November 9, 2009, LCW Wireless, LLC, dba Cricket (LCW) filed an application with the Public Utility Commission of Oregon (Commission) requesting designation as an eligible telecommunications carrier (ETC) and eligible telecommunications provider (ETP) pursuant to OAR 860-033-0005(3). ETC and ETP designations will enable the carrier to offer discounted mobile phone services to eligible low-income consumers.

LCW is a Commercial Mobile Radio Service (CMRS) carrier. LCW owns facilities in Oregon that generally cover the Interstate 5 corridor. Based on that coverage, LCW requests designation in the corresponding wire centers which are listed within the attachment to the Staff Report, attached hereto as Appendix A.

In order to be designated as an ETC, a telecommunications service provider must meet the basic requirements of 47 U.S.C. § 214(e)(1), and must comply with the additional public interest requirements of 47 U.S.C. § 214(e)(2). Commission Staff (Staff) finds that LCW has demonstrated that it meets both the basic statutory conditions and the public interest threshold for eligibility. LCW further agrees to abide by the provisions of Order No. 06-292, requiring that all ETCs file annual reports with the Commission in order to retain their ETC status. The details of the filing and Staff's recommendation are described in Staff's Report and incorporated by reference.

At its Public Meeting on February 23, 2010, the Commission adopted Staff's recommendations and approved LCW's application for designation as an ETC to provide OTAP<sup>1</sup> and Lifeline/Link Up to Commission-approved customers.

---


<sup>1</sup> Oregon Telephone Assistance Program.

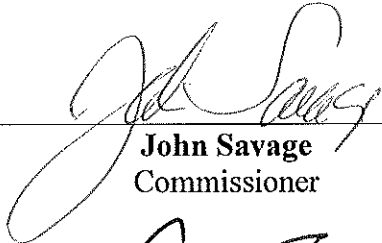
**ORDER**

IT IS ORDERED that:

- 1. LCW Wireless, LLC's application for designation as an Eligible Telecommunications Carrier for purposes of receiving federal low-income support only, is approved.
- 2. LCW Wireless, LLC's application for designation as an Eligible Telecommunications Provider to participate in the Oregon Telephone Assistance Program in the wire centers listed in Appendix A, is approved.

Made, entered, and effective FEB 25 2010.

  
 \_\_\_\_\_  
**Lee Beyer**  
 Chairman

  
 \_\_\_\_\_  
**John Savage**  
 Commissioner

  
 \_\_\_\_\_  
**Ray Baum**  
 Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 23, 2010**

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE \_\_\_\_\_ N/A \_\_\_\_\_

DATE: February 12, 2010

TO: Public Utility Commission

FROM: Celeste Han *CH* and Jon Cray *JC*

THROUGH: Rick Willis *RL*, David Poston *DP*, Lee Sparling *LS*, Bryan Conway *BC*, and Kay Marinos *KM*

SUBJECT: LCW WIRELESS LLC: (Docket No. UM 1456) Applications for Designation as Eligible Telecommunications Carrier and Eligible Telecommunications Provider.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission grant LCW Wireless, LLC dba Cricket's request to be designated as an Eligible Telecommunications Carrier (ETC) for purposes of federal universal low-income support only, in the wire centers listed in Appendix A. Staff further recommends that the Commission grant LCW Wireless, LLC dba Cricket's request to be designated as an Eligible Telecommunications Provider (ETP) pursuant to Oregon Administrative Rule (OAR) 860-033-0005(3) in the wire centers listed in Appendix A. ETC and ETP designations will enable the carrier to offer discounted mobile phone services to eligible low-income consumers.

**DISCUSSION:**

**Background**

LCW Wireless, LLC dba Cricket (LCW) is a Commercial Mobile Radio Service (CMRS) carrier. LCW owns facilities in Oregon that generally cover the Interstate 5 (I-5) corridor. Based on that coverage, LCW requests designation in the corresponding wire centers which are listed in Appendix A. LCW requests only low-income support, and will not claim high-cost support.

LCW filed its initial applications for federal ETC designation and for ETP designation on November 9, 2009. After discussions with Staff, LCW submitted a revised ETC

Docket No. UM 1456  
February 12, 2010  
Page 2

application on December 30, 2009. LCW sent copies of its applications to all incumbent local exchange carriers (ILECs) in the proposed designated service area. No parties filed to intervene in this docket.

Typically, ETC and ETP designations are accomplished through a two-step process. First, an applicant submits a filing for ETC status with this Commission in which it demonstrates that it meets all the requirements for designation. Among the requirements are commitments to offer federal Lifeline discounts to eligible low-income customers and to participate in the Oregon Telephone Assistance Program (OTAP) as well. After receiving ETC designation from the Commission, the carrier then submits a separate application for ETP status to participate in the OTAP. If the application is acceptable, the ETC is granted ETP status in a separate docket and Commission order. LCW's application differs from other ETCs in Oregon in that it requests only low-income support, and not high-cost support. Therefore, in this case, staff considered both applications together to better focus on the proposed low-income offerings that drive LCW's primary motive for obtaining ETC status. This memo first addresses ETC requirements and then ETP requirements, and presents a joint recommendation covering both applications.

### **ETC Designation**

Section 214(e)(2) of the federal Communication Act of 1934, as amended by the Telecommunications Act of 1996 (the Act), delegates authority to state commissions to designate common carriers that are eligible to receive federal universal service support. State commissions may confer federal ETC status on common carriers that meet conditions set out in Section 214(e)(1) of the Act. In general, those conditions require that the ETC offer and advertise, throughout its designated service area, the services that are supported by federal universal service support mechanisms. The carrier must provide the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's service. Carriers other than the ILECs may be designated as ETCs if such designation is consistent with the public interest.

In Docket No. UM 1217, Order No. 06-292, the Commission adopted an explicit set of requirements for federal ETC designation. These requirements are largely based on the Act and Federal Communications Commission (FCC) recommendations. Appendix A to the order sets forth detailed requirements for initial designation and for annual recertification of ETC status. Although LCW requests ETC status to receive only low-income support, it must still meet all the requirements for ETCs that also request high-cost support, with the exception of submission of network improvement plans. LCW demonstrates in detail in its revised application that it satisfies each of the following designation requirements:

Docket No. UM 1456  
February 12, 2010  
Page 3

1. Common carrier status.
2. Commitment and ability to provide all supported services.
3. Commitment and ability to provide supported services throughout the designated service area.
4. Use of own facilities to provide service (including coverage maps).
5. Commitment to use support funds only for the intended purposes.
6. Commitment to advertise supported services.
7. Commitment to offer and advertise Lifeline, Link Up and OTAP services.
8. Ability to remain functional during emergencies.
9. Commitment to service quality and consumer protection standards.

Additionally, Order No. 06-292 requires a demonstration that designation of an ETC applicant is in the public interest. This demonstration must address:

1) specific ways in which consumer choices will be increased, and 2) specific advantages and disadvantages of the applicant's service offerings. LCW's application demonstrates that ETC designation is in the public interest. LCW's designation will increase choices for eligible low-income consumers in the I-5 corridor by adding new wireless options for Lifeline/OTAP consumers. For \$16.50 a month (after discount), eligible LCW customers will be able to make unlimited calls within the designated service area. This calling area significantly exceeds the local calling areas of the ILECs. Additional plans allow customers to add unlimited long distance or texting services. No contracts are required and there are no early termination fees (ETFs). Each qualifying customer's name, address and eligibility will be verified monthly by OTAP personnel, who will also monitor LCW to ensure its performance and service offerings meet the goals of the OTAP and Lifeline programs.

The FCC requires a creamskimming test in cases where an ETC applicant proposes to include only a portion of a rural ILEC's study area in its designated service area, unless the FCC has previously "redefined" that ILEC's study area. Although LCW proposes to include some, but not all, of two rural ILECs' wire centers (CenturyTel and Cascade Utilities), a creamskimming test is not required because the FCC has already redefined the study areas of these two ILECs. See FCC DA 04-2111 released July 12, 2004.

Finally, Order No. 06-292 requires that all ETCs file annual reports with the Commission in order to retain their ETC status. LCW agrees to abide by these reporting requirements.

Docket No. UM 1456  
February 12, 2010  
Page 4

## ETP Designation

In 1987, the Commission established OTAP in response to the law enacted by the Oregon Legislature stating that all Oregonians have a right to access basic telecommunication services under the Residential Service Protection Fund (RSPF). OTAP is one of four telecommunication assistance programs outlined in Chapter 290, Oregon Laws 1987.

OTAP is administered by Commission staff and serves as a corollary to the Lifeline portion of the federal Lifeline/Link Up Program. The state contributes \$3.50 per eligible consumer for basic local exchange telephone service, while the federal government contributes up to \$10 per customer through the federal Lifeline program.

Currently, there are 29 ILECs, 1 competitive local exchange carrier and 3 wireless companies participating in the OTAP and federal Lifeline/Link Up Program. Approximately 45,000 low-income customers in Oregon currently receive OTAP and Lifeline support.

In states that maintain their own low-income support programs, the FCC requires customers to meet state eligibility requirements in order to receive federal Lifeline/Link Up support. In states that do not have their own income support programs, customers are required to meet default federal eligibility requirements. In Oregon, customers are eligible to receive OTAP and Lifeline/Link Up assistance if they are currently receiving federal food stamps or assistance from another low-income program for which eligibility requirements do not exceed 135 percent of the federal poverty level. In addition to food stamps, customers receiving assistance such as Temporary Assistance to Needy Families, Supplemental Security Income or coverage under an approved medical program may qualify.

In order to be designated as an ETP to participate in OTAP, a telecommunications service provider must comply with the Commission's requirements for ETC status. The telecommunications service provider must also demonstrate that it will comply with OAR 860-033-0001 through OAR 860-033-0100 by filing a completed ETP application form. LCW filed its ETP application with the Commission on November 9, 2009. A copy of the application is attached as Appendix B.

Staff determined that the ETP application was complete and responsive. As part of the ETP application, LCW agreed to abide by all the Commission OARs pertaining to OTAP. These rules specifically pertain to OTAP and Lifeline/Link Up applicability,

Docket No. UM 1456  
February 12, 2010  
Page 5

eligibility, benefits, compensable expenses, accounting, reporting and auditing. Also, LCW confirmed for staff that once designated as an ETP, it will offer and advertise OTAP and Lifeline/Link Up discounts on all existing and future monthly prepaid service offerings. In summary, LCW has satisfied staff expectations and requirements to provide OTAP and Lifeline/Link Up to Commission-approved customers.

**PROPOSED COMMISSION MOTION:**

The requests of LCW Wireless, LLC dba Cricket for designation as 1) an Eligible Telecommunications Carrier for purposes of receiving federal low-income support only, and 2) an Eligible Telecommunications Provider to participate in OTAP, in the wire centers listed in Appendix A, be granted.

UM 1456 LCW

Docket No. UM 1456  
 February 12, 2010  
 Page 6

## APPENDIX A

LCW Wireless, LLC dba Cricket  
 Federal ETC Designated Service Area – Oregon

<u>Wire Center*</u>	<u>CLLI Code</u>	<u>ILEC Study Area</u>
Aloha	ALOHORXX	Verizon Northwest, Inc. (532416)
Hillsboro	HLBOORXB	"
Beaverton	BVTNORXB	"
Banks	BNKSORXX	"
Forest Grove	FRGVORXX	"
Tigard	TGRDORXA	"
McMinnville	MMVLORXX	"
Somerset West	SMRWORXA	"
Gresham	GRHMORXB	"
Bull Mountain	TGRDORXC	"
Newberg	NWBRORXA	"
Scholls	SCHLORXX	"
Sunnyside	SNSDORXX	"
Sandy	SNDYORXA	"
Orient	ORNTORXA	"
Stafford	STFRORXX	"
Wilsonville	WIVLORXA	"
Tualatin	TULTORXA	"
Turner	TRNRORXA	"
Aumsville	AMVLORXX	"
Sherwood	SHWDORXA	"
Amity	AMTYORXX	"
Dayton	DYTNORXA	"
Grand Island	GDISORXX	"
Silverton	SLTNORXA	"
Valley View	VYVWORXA	"
Cypress	PTLDOR02	Qwest Corporation (535163)
Atlantic	PTLDOR12	"
Alpine	PTLDOR11	"
Butler	PTLDOR14	"
St. Helens	STHNOR40	"
Burlington	BURLOR62	"

Docket No. UM 1456  
 February 12, 2010  
 Page 7

Dallas	DLLSOR58	Qwest Corporation (cont.)
North Plains	NPLNOR62	"
Oregon City	ORCYOR18	"
Lake Oswego	LKOSOR62	"
Independence	INDPOR58	"
Harold	PTLDOR08	"
Cherry	PTLDOR17	"
Prospect	PTLDOR18	"
Milwaukie	MLWKOR17	"
Capitol	PTLDOR69	"
Belmont	PTLDOR13	"
Keizer	SALMOR59	"
Salem	SALMOR58	"
Woodburn	WDBNOR59	"
Jefferson	JFSNOR63	"
Corvallis	CRVSOR65	"
River Road	EUGNOR28	"
Eugene-10 <sup>th</sup> Ave.	EUGNOR53	"
Springfield	SPFDOR01	"
Adair	ADAROR21	"
Albany	ALBYOR63	"
Veneta	VENTOR54	"
Cottage Grove	CTGVOR53	"
Junction City	JNCYOR51	"
Scappoose	SCPPORXA	CenturyTel (532361)
Aurora	AURRORXA	"
Charbonneau	CHBUORXA	"
Lebanon	LBNNORXB	"
Brownsville	BWVLORXX	"
Creswell	CRWLORXA	"
Shedd	SHDDORXA	"
St. Paul	STPLORXX	St. Paul Cooperative Tel. (532396)
Halsey	HLSYORXB	Roome Telecommunications (532375)
Mt. Angel	MTANORXA	Mt. Angel Telephone (532386)
Monroe	MONRORXB	Monroe Telephone (532385)

Docket No. UM 1456  
February 12, 2010  
Page 8

Molalla	MLLLORXA	Molalla Telephone (532383)
Gervais	GRVSORXX	Gervais Telephone (532373)
Corbett	CRBTORXC	Cascade Utilities (532371)
Needy Canby	NEDYORXA CNBYORXA	Canby Telephone Association (532362) "
Beaver Creek	BVCKORXA	Beaver Creek Cooperative (532359)
Redland	RDLTORXX	Clear Creek Mutual (532363)
Monitor	MNTRORXA	Monitor Cooperative Tel. (532384)

\*Each wire center will be included in its entirety.

Oregon Telephone Assistance Program (OTAP) Application  
for Eligible Telecommunications Provider (ETP) to provide OTAP Services

Part I. Application Information and Service Plan

1. Contact information pertaining to your designated staff who would be handling OTAP communications:

Name: Morgan Graham, Local Customer Operations Manager

Address: 1750 NW Naito Parkway, Suite 250

City: Portland

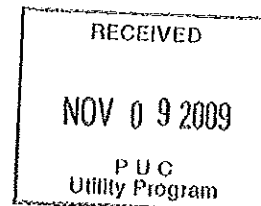
State: OR

Zip: 97209

Phone number: 503-306-2505

Fax:

E-Mail: mdgraham@cricketcommunications.com



2. The number of residential, business and tribal basic service customers served by the applicant as of December 31, of the most recent calendar year.

LCW Wireless, LLC had 99,884 voice subscribers in Oregon on December 31, 2008. LCW does not distinguish between residential, business, and tribal customers.

Part II. Conditions to Provide OTAP Services to Qualifying Oregonians

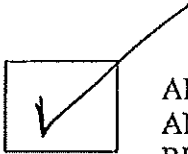
These conditions apply in addition to the general conditions of certification. Violating these conditions, or misrepresenting information provided to PUC in the course of administering the OTAP programs may result in cancellation of your authority to provide OTAP Services and/or an order requiring you to refund with interest and penalties of any OTAP support distributed under false information.

1. The applicant agrees to offer reduced residential rates with all service offerings that include basic telephone or cellular service to eligible low-income customers pursuant to the Oregon Telephone Assistance program (OTAP).
2. The applicant understands that only PUC may approve OTAP benefits for the consumer and provide benefits to OTAP consumers after PUC has notified the applicant of their eligibility. A telecommunication provider who grants OTAP benefits to ineligible customers will have the total amount of the OTAP benefits that were given to those customers deducted from the monthly or quarterly OTAP reimbursement invoices that the telecommunications provider submits to the Commission (OAR 860-033-0045 (1) (d)).

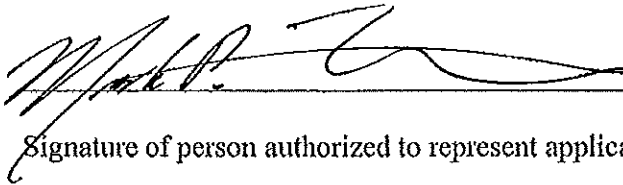
3. The applicant agrees that they will ensure the consumer will see their OTAP credit within 30 days from the date that the applicant has been notified of the consumer's eligibility status, and to remove consumers within 30 days after they no longer qualify for OTAP benefits.
4. The applicant agrees that they will submit reports for reimbursement quarterly (if they have less than 1,000 OTAP consumers) or monthly (if they have more than 1,000 OTAP consumers). Reports are expected to be submitted even if there are zero consumers (OAR 860-033-0045 (1)).
5. An OTAP recipient is required to be the named subscriber to the local telecommunication service in order for that household to qualify for OTAP benefits. PUC may waive this requirement if it determines that good cause exists. Applicant agrees to comply with reimbursing OTAP consumers who are not named subscribers at the Commission's request.
6. The applicant agrees to apply Commission assigned OTAP identification numbers to its OTAP customers' accounts.
7. Based upon accounting procedures approved by the Commission, the applicant agrees to maintain accounting records so that costs associated with OTAP can be separately identified. Records must be provided to the Commission upon request.
  - a. **Active OTAP Customer Report:** The applicant agrees to submit an Active OTAP Customer Report listing the names of all customers with the Commission assigned identification number receiving the OTAP benefits. Applicants with 1,000 or more OTAP customers must submit the report monthly to the Commission Applicants with fewer than 1,000 OTAP customers must submit the report quarterly to the Commission.
  - b. **Order Activity Report:** The applicant agrees to submit an Order Activity Report listing the names of all OTAP customers with the Commission assigned identification number whose service was disconnected. The applicant is aware that the Commission may require additional information such as a listing of all OTAP customers whose telephone numbers or addresses have changed.
  - c. **No Match Report:** The applicant agrees to notify the Commission of any discrepancy that prevents a customer from receiving the OTAP benefit after the Commission has notified the applicant of customers who meet eligibility criteria on a weekly basis.
8. The applicant agrees to ensure that confidential information (including phone number, addresses, contact information, etc.) of OTAP recipients is protected (OAR 360-033-0030 (5)). The applicant agrees to maintain a written policy to

ensure that the applicant's staff does not breach the confidentiality of OTAP consumers, and to do background checks on employees who have access to customer records.

- 9. The applicant agrees to have in place database encryption and firewall technologies to protect customer service information stored electronically.



APPLICANT UNDERSTANDS ALL OF THE ABOVE CONDITIONS AND AGREES TO ABIDE BY ALL APPLICABLE COMMISSION RULES, STATE LAW AND THE CONDITIONS OF CERTIFICATION. PLEASE INITIAL BOX AT LEFT.

  
Signature of person authorized to represent applicant

Attorney for LCW Wireless,  
LLC  
Title

Mark P. Trincherro  
Printed Name

November 9, 2009  
Date