

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. GLO-T-18-01
OF GLOBAL CONNECTION INC. OF)
AMERICA DBA STAND UP WIRELESS)
APPLICATION FOR DESIGNATION AS AN) ORDER NO. 34163
ELIGIBLE TELECOMMUNICATIONS)
CARRIER)

On June 20, 2018, Global Connection Inc. of America dba STANDUP WIRELESS (“StandUP Wireless”) applied to the Commission for an Order designating it as an eligible telecommunications carrier (“ETC”) that can provide Lifeline services to qualifying consumers throughout Idaho. The Lifeline program is intended to provide telecommunications service to eligible low-income customers by using Universal Service Fund (“USF”) revenues to make the services more affordable. Idaho participates in the residential Lifeline program under *Idaho Code* § 56-901. *See* Order No. 21713.

THE APPLICATION

StandUP Wireless is a Georgia corporation that provides prepaid wireless telecommunications services as an ETC in twenty-six states. Application at 3-4. StandUP Wireless has applications for wireless ETC designation pending in three states and with the FCC in ten states. *Id.* at 4. StandUP Wireless states it has never had an application for wireless ETC designation denied. *Id.* StandUP Wireless indicates that it will not and is not eligible to seek access to funds from the federal USF for purposes of serving high-cost areas or for participating in the Link-Up program. *Id.* at 1-2. StandUP Wireless avers that it meets all statutory and regulatory requirements for designation as an ETC in the State of Idaho. *Id.* at 2.

StandUP Wireless provides commercial mobile radio service through its underlying carriers, Sprint Spectrum L.P. and T-Mobile USA. *Id.* at 4. StandUP Wireless operates as a Mobile Virtual Network Operator through the network infrastructure and wireless transmission facilities it obtains from its underlying carriers on a wholesale basis. *Id.* StandUP Wireless requests ETC designation to operate statewide (excluding tribal lands) to provide Lifeline service wherever its underlying carriers have wireless coverage. *Id.* at 15-16.

StandUP Wireless states it can provide all services supported by the universal service program as detailed in 47 C.F.R. § 54.101(a) throughout Idaho. *Id.* at 5. StandUP Wireless anticipates that many of its customers will be low income. StandUP Wireless states it does not require those customers to sign long-term service contracts, conduct credit checks as a prerequisite to obtaining wireless service, or require payment of an out-of-pocket fee by subscribers. *Id.* at 5. StandUP Wireless will receive compensation from the Lifeline program for providing its services. *Id.* at 5.

StandUP Wireless commits that its Lifeline-supported voice and broadband services will meet or exceed the minimum service standards in 47 C.F.R. § 54.408 currently and as updated. *Id.* at 5. StandUP Wireless will offer two plan options at no net cost to Lifeline customers after application of Lifeline support. *Id.* at 6. StandUP Wireless will offer a voice plan that includes 750 minutes, unlimited text messages, and 1 gigabyte of data per month, and a broadband plan that will include 500 voice minutes, unlimited text messages, and 1 gigabyte of data per month. *Id.* at 6. Additional credits and data may be purchased according to a schedule set out in the Application, but subject to change. *Id.* at 6. All Lifeline plans also include a free handset and access to caller ID, call waiting, call forwarding, three-way calling, and voicemail at no additional charge. *Id.* at 6. Domestic long distance calls are included at no additional charge. *Id.* at 7.

StandUP Wireless states it acts to prevent duplicate Lifeline benefits per household and complies with the National Lifeline Accountability Database and §54.404 of the FCC's rules. *Id.* at 9-10. Further, StandUP Wireless has contracted with a third party Lifeline service bureau to review subsidy request data. *Id.* at 10.

StandUP Wireless seeks a forbearance from § 214(e)(1)(A) of the Telecommunications Act, and § 54.201(i) of the FCC's Rules found at 47 C.F.R. § 54.201(i), which prohibit a state commission from designating a telecommunications carrier as an ETC if the carrier is a non-facility-based carrier that only serves customers by reselling another carrier's services. StandUP Wireless grounds its request for a forbearance of this "facilities requirement" on the FCC's grant of forbearance from enforcement of that requirement for carriers seeking Lifeline-only ETC designation. *Id.* at 12. StandUP Wireless submitted its FCC-approved Compliance Plan with its Application in accordance with the Lifeline and Link-Up Reform and Modernization Order. *Id.* at 13.

StandUP Wireless states it (1) will provide service consistent with the FCC's grant of forbearance from § 214's Facilities Requirements, (2) is a common carrier, (3) will provide all supported services, (4) requests designation throughout its service area in Idaho, (5) will advertise the availability of supported services, (6) commits to providing service throughout the proposed designated service area, (7) can function in emergency situations, (8) is committed to consumer protection and service quality, (9) is financially and technically capable, (10) will comply with the Lifeline certification and verification requirements, (11) will comply with all regulations imposed by the Commission, and (12) is in the public interest for the Commission to approve its Application. *Id.* at 13-29.

StandUP Wireless claims its Application is in the public interest because: (1) it will provide greater wireless opportunities to low-income consumers, (2) its offerings provide several advantages to low-income consumers, (3) it expands consumer choice, and (4) it will not unduly burden the USF or otherwise reduce funding available to other ETCs. *Id.* at 25-29.

THE COMMENTS

Staff filed the only comments in this matter, and recommended the Commission approve the Application. In forming its recommendation, Staff reviewed the Company's Application to determine whether the Application satisfies Order No. 29841. Staff also reviewed the Application for compliance with federal requirements, namely the proceedings in FCC 16-38 including the Lifeline and Link-Up Reform and Modernization Order, the Third Report and Order, Further Report and Order, and Order on Reconsideration. The Company submitted an FCC-approved Compliance Plan with its Application.

Staff determined that the Company either met the appropriate state and federal requirements for designation as an ETC, or qualified for an exemption from specific requirements. Staff stated that the Company does not seek high-cost support and thus is eligible for exemption from the requirement in Order No. 29841 that an ETC provide two-year network improvement and progress reports. Similarly, Staff stated that Lifeline-only ETCs are exempt under FCC rules from the federal requirement to provide five-year network improvement plans as contemplated in 47 C.F.R. § 54.202. Staff also stated that the FCC has granted a forbearance from the requirement that ETCs offer services, at least in part, utilizing their own facilities. Finally, the Company does not intend to offer services on tribal lands and therefore does not have to submit an application to tribal governments concurrently with its Application to this Commission.

Staff determined that the Company meets all other requirements of Commission Order No. 29841, as listed in Appendix 1 of that Order. Those requirements are: (1) to be a common carrier as defined by 47 U.S.C. § 214(e)(1), (2) to demonstrate ability to provide universal services, (3) to advertise the availability of its service offerings, (4) to describe local usage plans, (5) that the Application be in the public interest (6) that the Company be committed and have the ability to provide supported services, (7) to be able to remain functional in emergencies, and (8) to commit to consumer protection and service. Accordingly, Staff recommends that the Commission approve the Company's Application.

Staff determined that the Company meets all other requirements of Commission Order No. 29841, as listed in Appendix 1 of that Order.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 62-610D, 62-615(1) and 47 U.S.C. § 214(e)(2). The Commission has reviewed the record, including the Application and its exhibits and comments of Commission Staff. We find that the requested designation as an ETC for the purpose of providing Lifeline-only support in the State of Idaho is consistent with the public interest, convenience, and necessity under 47 U.S.C. § 214(e)(2) and complies with previous Commission Orders.

A. § 214 of the Telecommunications Act of 1996

We first address the requirements listed in § 214(e)(1) of the Telecommunications Act of 1996. That provision requires an applicant to be a “common carrier,” as defined by 47 U.S.C. § 153(11), that offers services “using its own facilities or a combination of its own facilities and resale of another carrier’s services.” 47 U.S.C. § 214(e)(1)(A). On the record before us, we find that StandUP Wireless is a “common carrier” under the definition found at 47 U.S.C. § 153(11). We further find that the FCC has granted forbearance from the “own-facilities” requirement in § 214(e)(1)(A) for Lifeline-only ETCs through its *Lifeline and Link-Up Reform Order*.¹ 47 U.S.C. § 214(e)(1)(B) requires the Company to “advertise the availability of [its] services and the charges therefor using media of general distribution.” The Company makes adequate assurances in its Application that it will comply with this provision. Application at 17, Exh. 5. Based on the foregoing, we find that the Company satisfies the requirements of 47 U.S.C. § 214(e)(1).

¹ *In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket No. 11-42, *et al*, and Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38.

B. Public Interest

In examining the public interest under 47 U.S.C. § 214(e)(2), we first consider whether the Company would contribute to the appropriate Idaho funds. *See* Order No. 33226 at 3. In its Application, the Company committed to remit required Idaho Telephone Service Assistance Program (“ITSAP”) funds to the ITSAP administrator. Because the Company is applying for Lifeline-only designation as an ETC and does not seek high-cost support, we find that the Company fulfills this first prong of our analysis. Next, we consider whether the Company attempts to engage in “cream skimming.” Order No. 29841 at 16. In Order No. 29541 we explained, “Rural cream skimming occurs when competitors seek to serve only the low-cost, high-revenue customers in a rural telephone company’s study area.” Order No. 29541 at 16. The Company requests designation statewide (excluding tribal lands), not merely in low-cost areas. Application at 15-16. Therefore, the Company’s Application does not raise cream skimming concerns. Thus, we find that granting the Company’s Application is consistent with the public interest.

C. Remaining Requirements

Finally, we address the remaining requirements in 47 C.F.R. § 54.202 and Order No. 29841.

(1) Service Requirements for Support Received. StandUP Wireless makes sufficient guarantees in its Application that it will provide all services required by 47 C.F.R. § 54.101(a) for this Commission to find that it meets this requirement. *See* Application at 14.

(2) Plan for Proposed Improvements or Upgrades to the Network. Consistent with our prior Orders, and that of the FCC, we find this requirement inapplicable because StandUP Wireless seeks a Lifeline-only ETC designation for which it will receive no network improvement funds. Order No. 29841; *Lifeline and Link-Up Reform Order*, 27 F.C.C.R. 6656, ¶ 386.

(3) Ability to Remain Functional in Emergencies. StandUP Wireless makes sufficient guarantees in its Application for this Commission to find it meets this requirement. *See* Application at 14.

(4) Willingness to Satisfy Consumer Protection and Service Quality Standards. StandUP Wireless makes sufficient guarantees in its Application for this Commission to find it meets this requirement. *See Id.* at 19.

(5) Financial and Technical Capability. StandUP Wireless makes sufficient guarantees in its Application for this Commission to find it meets this requirement. *See Id.* at 19-24.

(6) Notice to Affected Tribes. StandUP Wireless does not seek ETC designation on tribal lands with this Application; therefore, this provision is inapplicable. *See Id.* at 15.

ORDER

IT IS HEREBY ORDERED that the Commission approves StandUP Wireless's Application for designation as an ETC as discussed herein.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{4th} day of October 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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