

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF Q LINK WIRELESS LLC FOR)	CASE NO. QLW-T-13-01
DESIGNATION AS AN ELIGIBLE)	
TELECOMMUNICATIONS CARRIER IN)	
IDAHO)	ORDER NO. 32995
)	

On May 6, 2013, Q Link Wireless LLC (“Company” or “Q Link”) filed an Application, pursuant to 47 U.S.C. § 214(e)(2), Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission (“FCC”), and the rules and regulations of the Idaho Public Utilities Commission (“Commission”), seeking designation as an eligible telecommunications carrier (“ETC”) in the State of Idaho for the sole purpose to provide Lifeline service to qualifying Idaho consumers.

Subsequently, Commission Staff (“Staff”) directed a series of production requests to Q Link in order to obtain additional information regarding the Company’s operations and services. The Company responded with answers to Staff’s inquiries.

On January 24, 2014, the Commission issued a Notice of Application and Modified Procedure. *See* Order No. 32968. Staff and the Idaho Telecom Alliance (“ITA”) submitted written comments. The Company submitted reply comments.

THE APPLICATION

Q Link is a Delaware corporation with its principal business office located in Dania, Florida. Q Link provides commercial mobile radio service (“CMRS”). The Company states that it provides prepaid wireless telecommunications services similar to TracFone, Inc. and Virgin Mobile USA, L.P. The Company utilizes the network and facilities of Sprint Spectrum, L.P. (“Sprint”) Network and Sprint Nextel. Q Link attached a copy of its FCC-approved Compliance Plan, Exhibit 4, granting forbearance to the FCC’s facilities requirement as a Lifeline only ETC. Q Link commits to providing Lifeline service in Idaho in accordance with the Compliance Plan.

Q Link has been designated as an ETC in Arizona, Colorado, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Nevada, Ohio, Oklahoma, Pennsylvania, Texas, Utah, West Virginia, and Wisconsin. The Company has pending ETC applications in several other states.

Q Link states that it markets its prepaid telecommunications services to low-income consumers. The Company offers three basic Lifeline plans to eligible non-Tribal customers and a single plan to eligible Tribal customers. Q Link allows customers to purchase additional minutes by phone, on-line or through retail outlets. Q Link's Lifeline plans include a free handset, Caller ID, Call Waiting, and Voicemail. A detailed description of the Company's Lifeline plans is attached to the Application as Exhibit 2.

In its Application, Q Link states that it meets all of the Section 214 requirements for designation as an ETC. The Company believes that granting its Application would promote the public interest by providing a competitive choice for low-cost, high quality telecommunications services in Idaho. Q Link states that its operations in Idaho will not unduly burden the USF. The Company will obtain compensation for eligible customers and adhere to the safeguards outlined in the *Lifeline and Link-up Reform Order* in order to minimize the likelihood of customers/households receiving duplicative support.

STAFF COMMENTS

Staff reviewed Q Link's Application, including the Company's FCC-approved Compliance Plan, financial documents, and management information. In addition, Staff conducted an analysis of the Company's compliance with the federal Telecommunications Act of 1996, the *Lifeline and Link Up Reform and Modernization Order* and Commission Order No. 29841. Specific state and federal requirements for ETC designation are discussed in more detail below:

Public Interest Considerations

1. Contribution to the Idaho Programs. In response to Staff's First Production Requests No. 2, Q Link stated that it will contribute to the ITSAP and the IECA funds.

2. Cream Skimming analysis. Q Link requests ETC designation statewide, subject to the existence of its underlying carriers' facilities and corresponding coverage. The Company states that it "understands that its service may overlap with rural carriers in Idaho, but maintains that the public interest factors justify its designation in these carriers' service areas, because it seeks ETC designation solely to utilize USF funding to provide Lifeline service and does not seek and will not accept Link-Up or high cost support." *Application* at 14-15.

As in the Virgin Mobile ETC application, Staff believes the Company's exclusion of high-cost support in its Application makes this cream skimming analysis moot, as well as the

rural versus non-rural service area considerations. *See* VMU-T-11-01, Order No. 32645 at 3. Staff believes that Q Link's ETC designation should not include the entire state. The Company's ETC designation should be limited to those exchanges listed in Exhibit 6.

Network Improvement Plan

In the Idaho ETC Designation Order, the two-year network improvement and progress report is required of all ETCs receiving high-cost support. *See* Order No. 29841 at 18. With Cricket Communications, Inc.'s ETC application, the Commission determined that a two-year network improvement plan was not applicable to Lifeline-only ETCs and granted Cricket's ETC designation. *See* CRI-T-11-01, Order No. 32501.

Pursuant to the FCC's *USF/ICC Transformation Order*, a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC. Because Lifeline-only ETCs are not receiving funds to improve or extend its networks, the FCC stated that it "saw little purpose in requiring such plans as part of the ETC designation process."¹ In its Application, Q Link states that it is only seeking low-income USF support and a limited ETC designation. Accordingly, Staff believes Q Link is exempt from Idaho's two-year network improvement plan requirement.

Ability to Remain Functional in Emergencies

Q Link states that it has the ability to remain functional in emergency situations in accordance with the Idaho ETC Order and Section 54.202(a)(2) of the FCC's Rules, 47 C.F.R. § 54.202(a)(2). Q Link asserts that it will provide the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of backup power to ensure functionality without an external power source, the ability to re-route traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. *Application* at 15.

Other ETC Designation Requirements

1. Common Carrier Status. Q Link is a common carrier as defined in U.S.C. Title 47. *Id.* at 11.

¹ *See Lifeline and Link up Reform and Modernization et al.*, WC Dkt No. 11-42 *et al.* Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 at ¶ 386.

2. Provide the Universal Services. Q Link will provide each of the supported services identified in Section 54.101 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). *Id.* at 12-13.

3. Advertising. Q Link will advertise the availability and rates for its services described in the Application through media of general distribution. *Id.* at 13-14.

4. The Commitment and Ability to Provide Supported Services. Q Link resells services. Q Link's network "is operational and largely built out and Q Link will be able to commence offering its Lifeline service to all locations served by its underlying carrier very soon after receiving approval by the Commission." *Id.* at 15.

5. A Commitment to Consumer Protection and Service. Q Link commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. The Company commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. *Id.* at 16.

6. Description of the Local Usage Plan. Q Link states that an applicant for ETC designation is no longer required to demonstrate that it offers a local usage plan that is "comparable" to the plan offered by the ILEC in the relevant service territory. Nevertheless, it will offer service plans comparable to the underlying ILEC plans, "but it also will exceed them in several aspects." *Id.* at 16.

7. Tribal Notification. The Company states that it will provide relevant and necessary Tribal notifications.

Staff believes the Application demonstrates that Q Link has the requisite technical, financial and managerial expertise as well as the commitment to fulfill the obligations of an ETC in Idaho. Staff believes the Company will provide all universal services supported by the federal USF throughout its underlying carrier's service territory; it has addressed all of the public interest questions that accompany an ETC application; the Company's compliance plan has been approved by the FCC; and Q Link will provide multiple pricing plans which will increase customer choice for low-income service in Idaho.

Staff believes Q Link's Application for designation as an ETC is in the public interest and should be approved for those wire centers listed in Exhibit 6 of the Application.

ITA COMMENTS

On February 4, 2013, ITA submitted comments to the Commission. ITA stated that it does not support Q Link's Application for ETC status unless the Company "commits to paying both the Emergency Communications Fee and the ITSAP fees. . ."

Q LINK REPLY COMMENTS

In a letter to the Commission, Q Link responded to ITA's concerns and included an affidavit from its CEO, Issa Asad. Mr. Asad's affidavit affirmed the Company's commitment "to remit all fees applicable to the Company as a wireless Eligible Telecommunications Carrier, including, but not limited to the Emergency Communications Fee and the ITSAP fees."

COMMISSION FINDINGS AND DECISION

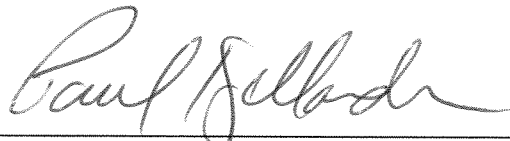
The Commission reviewed Q Link's Application, as well the written comments submitted by Staff, ITA, and the Company. The Commission finds that Q Link satisfies the technical requirements for ETC designation set forth in 47 U.S.C. § 214(e)(1) and Commission Order No. 29841. *See* Order No. 32319. The Commission also recognizes Q Link's sworn affirmation to remit all applicable fees, including E-911 and ITSAP fees. The Commission finds that granting Q Link ETC status is in the public interest and will provide Idaho consumers with another pre-paid telecommunications service option.

ORDER


IT IS HEREBY ORDERED that the Application of Q Link Wireless LLC seeking designation as an eligible telecommunications carrier, exclusively in the wire centers described in Exhibit 6 of the Company's Application, for the sole purpose to provide Lifeline service is approved.

THIS IS A FINAL ORDER. Any person interested in the Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in 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 13th
day of March 2014.



PAUL KJELLANDER, PRESIDENT

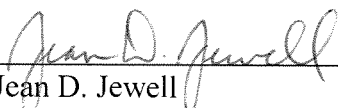


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:QLW-T-13-01_np2