

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Petition of T- )  
Mobile Central LLC and Voice Stream )  
Pittsburgh, Limited Partnership dba T- ) Case No. 11-5726-TP-UNC  
Mobile for Designation as Low-Income ) Case No. 11-5727-TP-UNC  
Competitive Eligible Telecommunications )  
Carriers. )

FINDING AND ORDER

The Commission finds:

- (1) On May 7, 1997, the Federal Communications Commission (FCC) issued a Report and Order in CC Docket 96-45 (96-45), *In the Matter of the Federal-State Board on Universal Service*, adopting rules to promote universal service consistent with the requirements of the Telecommunications Act of 1996 (1996 Act). In its 96-45 decision, the FCC, among other things, set forth parameters for the states to determine those carriers eligible to receive federal universal service support.
- (2) Consistent with the FCC's 96-45 decision, the Commission, on November 20, 1997, in Case No. 97-632-TP-COI (97-632), *In the Matter of the Commission Investigation of the Intrastate Universal Service Discounts*, adopted filing procedures for carriers seeking status as either a rural or nonrural eligible telecommunications carrier for the purpose of receiving federal universal service funding.
- (3) On February 6, 2012, the FCC released a Report and Order in *In the Matter of Lifeline and Link-Up Reform and Modernization, Lifeline and Link-Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23 (*Lifeline Reform Order*), adopting reforms that address waste, fraud, and abuse with regard to the federal Universal Service Fund (USF).
- (4) On May 23, 2012, the Commission issued a Finding and Order in Case No. 10-2377-TP-COI, *In the Matter of the Commission Investigation into the Provision of Nontraditional Lifeline Service by*

*Competitive Eligible Telecommunications Carriers (10-2377 Order)*. In that Finding and Order, the Commission took steps to prevent waste, fraud, and abuse of the federal USF with regard to the provision of nontraditional Lifeline service.

- (5) On November 10, 2011, T-Mobile Central LLC and Voice Stream Pittsburgh, Limited Partnership dba T-Mobile (collectively, T-Mobile or joint applicants) each filed petitions for designation as a low-income competitive eligible telecommunications carrier (ETC) to provide wireless Lifeline service in Ohio. The petitions were filed pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, 47 C.F.R. 54.101-54.207, and Rule 4901:1-6-19, Ohio Administrative Code (O.A.C.).
- (6) On May 24, 2012, joint applicants docketed a letter seeking to withdraw Case No. 11-5727-TP-UNC and have these matters considered as a joint petition. The Commission will grant joint applicants' request.
- (7) On September 14, 2012, joint applicants filed a supplement to the joint application. On September 26, 2012, joint applicants filed an amended supplement to the joint application which, except for the exhibits, supercedes the September 14, 2012, supplement in this matter. The joint application in this matter now reveals that T-Mobile Central LLC and Voice Stream Pittsburgh LP dba T-Mobile are each wholly owned subsidiaries of T-Mobile USA, Inc. Joint applicants are facilities-based commercial mobile radio service providers currently serving the mobile wireless communications needs of consumers in Ohio. By obtaining designation as an ETC for the limited purposes of Lifeline eligibility, T-Mobile seeks to expand its current service offerings to include a Lifeline service offering tailored to meet the communications needs of low-income consumers in Ohio. Joint applicants assert that T-Mobile does not generally differentiate between Lifeline and non-Lifeline customers but rather that both Lifeline and non-Lifeline customers enjoy the same world class network and network facilities, the same billing system, and the same Customer Care systems. Where appropriate, however, Lifeline customers are subject to slightly different administrative processes in T-Mobile systems. For example, T-Mobile uses certain billing system indicators to allow joint applicants to

separately track Lifeline and non-Lifeline customers in order to ensure compliance with all applicable state and federal recordkeeping and terms and conditions of service requirements.

- (8) T-Mobile own and operates three mobile switching facilities and approximately 1,460 cell sites in Ohio. T-Mobile also leases interconnection and backhaul facilities. T-Mobile does not, however, resell the services of another provider nor does T-Mobile resell Lifeline-supported lines to other service providers in Ohio. T-Mobile asserts that it will provide all of the services supported by the universal service program throughout its service area, in conformance with 47 C.F.R. 54.101(a), as recently modified by the *Lifeline Reform Order* and the Commission's rules.
- (9) T-Mobile's planned initial Lifeline service offering in Ohio is similar to the Lifeline offering made available in other states where it has been designated as an ETC. T-Mobile Lifeline service is a post-pay service that offers 145 Whenever minutes, 500 night minutes, and 500 weekend minutes per month at a discounted rate of \$9.99 per month (non-discounted rate of \$19.99 - \$10.00= \$9.99). The minutes included in T-Mobile's Lifeline plan expire at the end of each month and do not roll-over from month-to-month. Lifeline customers also will be charged a significantly discounted rate of \$0.05 per minute overage rate for minutes above the aforementioned limits. In conformance with the 2011 amendments to the CTIA-The Wireless Association's® Voluntary Consumer Code for Wireless Services, T-Mobile is taking steps to implement proactive text notifications to customers when the customer has exhausted or will soon exhaust an established number of minutes of use. Lifeline customers also have the ability to make international calls to Canada and Mexico at the additional per-minute rates of \$0.49 and \$0.69, respectively.
- (10) T-Mobile's directory assistance service is available to Lifeline customers for an additional charge of \$1.99 per call and includes automatic connection by a directory assistance operator to a mobile number located in the U.S., ability to request up to three directory listings per call, access to Canadian listings through directory assistance, and access to a variety of information through directory assistance such as

mobile numbers, movie listings, sports scores, stock quotes, weather, reverse look-ups, restaurant reviews, and category searches.

- (11) T-Mobile's *Lifeline* offering permits customers to send and receive text messages at a cost of \$0.20 per message. Text messages are charged whether they are opened or not; however, customers who do not wish to send and/or receive text messages may request that the feature be removed from the customer's account. Additionally, joint applicants submit that T-Mobile does not charge customers for blocking or removing access to texting and voice mail from customer accounts. Additional benefits for Lifeline customers include voice mail, caller identification, and call-waiting services at no additional charge, free calls (i.e., calls are not deducted from the customer's package of minutes) to 9-1-1 and customer service from the customers' wireless handset regardless of whether the customer has any remaining minutes available on the customer's account, and no fees for local number portability and federal universal service. Other taxes, fees, and surcharges are not waived and are imposed on Lifeline customers to the extent provided by law. Joint applicants aver that, upon activation of Lifeline service, T-Mobile will immediately provide its Lifeline customers with access to 9-1-1 and E9-1-1 services.
- (12) T-Mobile currently charges a \$5.00 payment processing fee for telephone payments that utilize customer service representative assistance. However, customers can avoid this payment processing fee by choosing one of the many other payment options including walk-in services in most retail stores, traditional payment by mail, payment through telephone interactive voice response system, and on-line payments. Methods of payment include cash, personal checks, electronic checks, credit cards, debit cards, MoneyGram, prepaid debit/credit cards, and gift cards. T-Mobile also charges all customers, both *Lifeline* and *non-Lifeline*, a late payment fee equal to the greater of \$5.00 or 1.5 percent to the extent allowed by law. In Ohio, payments are considered late for purposes of calculating late fees if the payment is not received within ten days of the payment due date.

- (13) Joint applicants will not require a Lifeline customer to enter into a service contract nor impose early termination fees. Thus, a Lifeline customer may terminate their Lifeline service simply by providing notice and paying all outstanding charges. T-Mobile currently provides multiple low-cost handset options to Lifeline customers. T-Mobile does not automatically provide a free handset with its Lifeline service offering. However, an existing T-Mobile customer who subsequently qualifies for Lifeline service may have entered into a service commitment in order to obtain a free handset. In that instance, the service commitment will carry over to Lifeline service and such customer who cancels service for any reason other than non-payment or disqualification for Lifeline will be charged an early termination fee. T-Mobile Lifeline customers also may provide and use their own properly functioning handset that is unlocked and compatible with joint applicants' Global System for Mobile (GSM) communications network. T-Mobile will not offer any unique payment plans to cover the cost of the handset to be used with Lifeline service above and beyond the low-cost handsets and the option to use any properly working GSM device that is unlocked and compatible with T-Mobile's network.
- (14) T-Mobile contends that it will provide all prospective Lifeline customers with printed information describing its Lifeline program prior to the time of enrollment. This information will explain Lifeline eligibility requirements, emphasize that no more than one Lifeline benefit is available per household, and provide instructions for enrolling in the Lifeline program. Alternatively, potential customers may be directed, via T-Mobile's literature or advertising, to a toll-free telephone number and T-Mobile's website, which will contain a link to information regarding its Lifeline offerings and eligibility. Prospective customers also have the option of returning a completed and signed application along with all required supporting documentation to T-Mobile by mail or facsimile. To the extent applicable, electronic signatures must meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC Sec. 7001-7006, as well as all applicable state laws.
- (15) T-Mobile states that, consistent with the FCC's *Lifeline Reform Order* and the Commission's *10-2377 Order*, applicants for

Lifeline service will be required to self-certify that: a) they receive only one Lifeline benefit per household; and b) they are the head of their respective households. Additionally, consistent with the FCC and Commission orders, Lifeline applicants will be required to provide documentation of income eligibility or qualifying program participation at the time of enrollment. Going forward, T-Mobile will require its Lifeline subscribers to annually certify their continuing Lifeline eligibility. T-Mobile will require that its Lifeline subscribers make such certifications under penalty of perjury.

Before initiating service for a prospective customer, T-Mobile states that it will check the name and address of the Lifeline applicant, as well as the personal information required for verification, against its database to determine if any of this information is associated with a customer who already receives Lifeline-supported service from joint applicants. T-Mobile will then review the application to determine whether the applicant is attempting to receive Lifeline-supported service for more than one handset or wireline phone associated with the applicant's address. T-Mobile has indicated that approval of an application generally takes 72 hours but may take up to seven days.

- (16) T-Mobile asserts that joint applicants will advertise availability of the supported wireless Lifeline service and the corresponding charge in a manner that fully informs the general public within the vicinity of the service areas of the service and charge, using media of general distribution, and agrees to comply with all form and content requirements, if any, made by the FCC or the Commission regarding ETCs.
- (17) In accordance with 47 U.S.C. 214(e)(2), a state commission "may designate a requesting carrier as an ETC if it meets the requirements outlined in the law." Additionally, 47 U.S.C. 254 provides that "only an [ETC] designated by Section 214(e) shall be eligible to receive specific federal universal service support." Therefore, the Commission has reviewed T-Mobile's joint application as discussed herein.
- (18) Based on a review of the record in this proceeding, the Commission determines that the pending application seeking ETC status for Lifeline-only support should be conditionally

approved, as discussed below. The designation shall be limited to the service area set forth in T-Mobile's joint application.

In granting this interim approval, the Commission relies upon T-Mobile's representation that joint applicants provide their customers in the state of Ohio with access to 9-1-1 and enhanced 9-1-1 services provided by local governments or other public safety organizations. Additionally, we expect T-Mobile to be able to deliver automatic numbering information and automatic location information over its existing network, and otherwise comply with all applicable state and federal E-9-1-1 requirements.

Consistent with the ETC designation granted pursuant to this Order, joint applicants must offer Lifeline service to subscribers throughout the designated service area who meet the requisite eligibility requirements. The Commission emphasizes that this ETC designation is limited to Lifeline service only and is granted for an interim one-year period of time commencing from the date of this Order. At the conclusion of this interim period, the Commission will review the joint applicants' operations for compliance with the FCC's ETC requirements and the requirements of the Commission's *10-2377 Order* and any subsequent entries on rehearing and this Order to determine if renewal of the ETC designation is appropriate. During this review, the joint applicants can continue to provide Lifeline service without interruption, subject to verification of compliance, until the Commission orders otherwise.

The Commission's approval in this Order is contingent upon the joint applicants complying with our *10-2377 Order*, all applicable FCC orders pertaining to T-Mobile's operations as ETCs, and applicable Commission rules, as well as satisfying the conditions delineated below. Subject to these stated conditions, the Commission finds that T-Mobile's application is consistent with the requirements of the 1996 Act, the applicable FCC decisions, and Rules 4901:1-6-09 and 4901:1-6-19, O.A.C. For the purpose of the designation as an ETC, T-Mobile's service shall be considered as the primary household line, notwithstanding the fact that it is a wireless service. Only the primary household line is eligible for Lifeline support and Lifeline support is limited to a single Lifeline subscription per household.

Additionally, we direct T-Mobile to check the Lifeline applicant's name and address against the National Lifeline Accountability Database once that database is operational. If T-Mobile finds either the applicant's name or address to be a duplicate, T-Mobile must require the applicant to certify using the appropriate form developed by the Universal Service Administrative Company (USAC) that he or she lives at a multiple-household address. Further, T-Mobile is expected to process and validate its subscriber data prior to requesting any Lifeline reimbursement. Such validation shall be consistent with all USAC-established validation procedures.

In determining that joint applicants should be designated as ETCs on an interim basis, the Commission finds that T-Mobile is financially and technically capable of providing Lifeline service and that T-Mobile's provisioning of Lifeline services will be in the public interest by providing an additional alternative provider of those services delineated in 47 C.F.R. 54.101. Further, the Commission notes that while we generally prohibit service commitments and early termination penalties for Lifeline customers, under the narrow circumstances discussed above involving preexisting customers who voluntarily enter into a service commitment in exchange for a free handset, we will authorize T-Mobile to proceed to provide Lifeline service on an interim basis.

- (19) The Commission recognizes that the federal USF, which is already facing an unprecedented demand, supports T-Mobile's service. Given the mobile nature of wireless, it is more difficult to ensure that only eligible customers are receiving the service. Thus, to help guard against the potential for waste, fraud, and abuse, we find that T-Mobile must first comply with the certification criteria as set forth in Rule 4901:1-6-19(H), O.A.C.

To properly address concerns regarding the potential for waste, fraud, and abuse regarding the disbursement of federal Lifeline support, subscriber eligibility shall be established and verified pursuant to the processes as set forth in the FCC's *Lifeline Reform Order* and the Commission's *10-2377 Order*. With regard to the issue of waste, we note that joint applicants must notify Lifeline customers that have not utilized their service for any continuous 60-day period that their discount will be removed, subject to a 30-day grace period.



- (20) The record reflects that T-Mobile will annually advertise the availability of the Lifeline service and the corresponding rate via media of general circulation throughout joint applicants' service territory. This shall include all media of general distribution. While T-Mobile may utilize various methods of promoting Lifeline service and providing company-specific contact information, T-Mobile, itself, must have direct contact with all customers applying for participation in and seeking eligibility determinations relative to the Lifeline program, prior to activating the service.
- (21) Joint applicants must contribute to the state of Ohio's 9-1-1 fund for all of T-Mobile's Ohio wireless subscribers, including those enrolled in Lifeline service. Additionally, T-Mobile must provide its requisite contribution to Ohio's Telephone Relay Service for all of its subscribers, including those enrolled in Lifeline service. Joint applicants must also pay the annual Commission assessment consistent with Section 4905.10, Revised Code. The Commission reserves the right to perform an audit regarding T-Mobile's contributions into Ohio's 9-1-1 and Telephone Relay Service funds. The Commission further directs T-Mobile to make available to the Commission Staff (Staff), upon request, information concerning joint applicants' contributions into Ohio's 9-1-1 and Telephone Relay Service funds.
- (22) The Commission reminds T-Mobile that the joint applicants must comply with the Commission's rules regarding telephone number optimization (Rule 4901:1-7-25, O.A.C.) and the FCC's rules in 47 C.F.R. 52. The Commission further directs joint applicants to make available to Staff, upon request, information concerning the applicant's utilization of telephone numbers.
- (23) To the extent that joint applicants amend the existing rates, terms, and conditions of their Lifeline service offering, T-Mobile must notify the Commission by filing such modifications in this docket. Joint applicants are directed to provide all records and documents requested by Staff for the purpose of monitoring the company's provision of Lifeline service and compliance with the terms and conditions of this Order.

- (24) Joint applicants must maintain the following Ohio-specific information on a monthly basis, and informally provide Staff with quarterly reports reflecting data for that time frame. Joint applicants should submit the first quarterly report to Staff no later than January 1, 2013, and should encompass data beginning from October 3, 2012. The scope of the quarterly reports may change as Staff deems it appropriate.
- (a) The number of Lifeline service applications received by joint applicants;
  - (b) The number of Lifeline service applications approved by joint applicants. The response should include a numerical breakdown of the basis for approval (e.g., the number of applications approved based on income eligibility or program-based eligibility);
  - (c) The current total number of Lifeline customers served by the company;
  - (d) If, in the future, T-Mobile offers more than one Lifeline plan, the number of customers subscribed to each individual plan;
  - (e) The number of Lifeline service applications that were denied by joint applicants. The response should include a numerical breakdown of the basis for denial (e.g., address found to be receiving other Lifeline benefits, improper documentation, or incomplete documentation);
  - (f) The number of handsets that were deactivated after 60 days of nonusage. For the purpose of this question, deactivated implies that joint applicants are no longer receiving Lifeline support from the USF for the handset;
  - (g) The number of handsets that have been deactivated on a monthly basis due to the failure of subscribers to recertify or verify. For the purpose of this question, deactivated implies that joint applicants are no longer receiving Lifeline support from the USF for the handset;

- (h) The number of Lifeline service subscribers whose handsets were deactivated and who subsequently re-enrolled in the Lifeline program; and,
  - (i) The number of Lifeline contacts received by joint applicants from Ohio customers each month. The response should include a numerical breakdown of the reason for the contact (e.g., coverage availability, service denied, did not receive a phone, did not receive monthly minutes, etc.).
- (25) On December 20, 2011, the Edgemont Neighborhood Coalition (Edgemont) filed a motion to intervene in this matter, pursuant to Section 4903.221, Revised Code, and Rule 4901-1-11, O.A.C. In support of its intervention, Edgemont asserts that its interest in this case is as an organization directly representing low-income residents and due to the some of the vague statements made in the application. Edgemont's motion to intervene is well-made and is, therefore, granted.

It is, therefore,

ORDERED, That joint applicants' request to withdraw Case No. 11-5727-TP-UNC and have these matters considered as a joint petition be granted. It is, further,

ORDERED, That joint applicants be granted conditional designation as ETCs for the limited purpose of providing Lifeline service for an interim one-year period of time consistent with Finding (18). It is, further,

ORDERED, That joint applicants comply with the provisions of this Finding and Order, including the submission of quarterly reports consistent with Finding (24). It is, further,

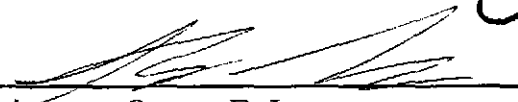
ORDERED, That Edgemont is granted intervention in this matter in accordance with Finding (25). It is, further,

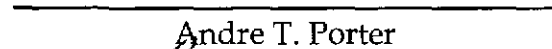
ORDERED, That nothing contained in this Finding and Order shall be deemed binding upon the Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

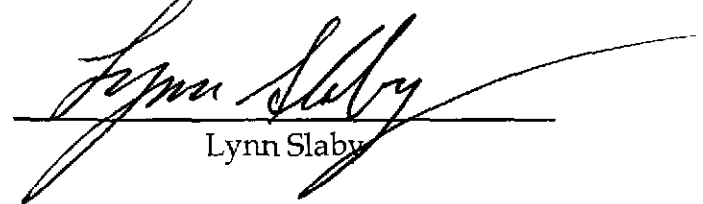
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
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JRJ/vrm

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Secretary