

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

In the Matter of)	
)	
Application of Telrite Corporation d/b/a Life)	Docket No. TC13-022
Wireless for Designation as an Eligible)	
Telecommunications Carrier in the State of)	
South Dakota for the Limited Purpose of Offering)	
Wireless Lifeline Service to Qualified Households)	
(Low Income Only))	

**RESPONSE OF TELRITE CORPORATION D/B/A LIFE WIRELESS
TO STAFF MEMORANDUM DATED AUGUST 28, 2013**

Telrite Corporation d/b/a Life Wireless (“Telrite”) respectfully submits this Response to Staff Memorandum filed August 28, 2013, in further support of its request for designation as an eligible telecommunications carrier (“ETC”) in the State of South Dakota. The additional information set forth below is incorporated by reference into and further supports the application filed in this docket on February 25, 2013, as amended.

On August 28, 2013 the Staff of the South Dakota Public Utilities Commission (“Commission”) filed a detailed Memorandum to the Commission organizing the relevant statutes, rules, and information related to the Application. Telrite wishes to express its general agreement with the recommendations of the Memorandum, as well as its appreciation of the Staff’s attention to detail and thoroughness presented in the Memorandum.

With respect to the public interest determination, Telrite respectfully submits that it is in the public interest for the designation of Telrite as an additional ETC in the non-rural areas for the reasons presented below. The orders and rules cited in footnotes 16 and 17 to the Staff’s Memorandum are with regard to ETC designations by the Federal Communications Commission

("FCC") under Section 214(e)(6) of the Telecommunications Act of 1996 (the "Act"). Section 214(e)(6) of the Act provides that the FCC may itself grant ETC designations under its own rules in the event that a state commission no longer exercises jurisdiction over designation of an ETC.

Because the Commission has retained jurisdiction to designate ETCs in South Dakota, Telrite's Application was filed pursuant to Section 214(e)(2) of the Act.¹ This federal statutory provision makes a distinction in the "public interest" standard for non-rural telephone company areas, as opposed to "rural" areas. The statute provides that in non-rural areas, the designation need only be "consistent with" the public interest, convenience, and necessity, whereas in rural telephone company areas, the statute requires state commissions to make an affirmative public interest determination.

Because Telrite's application for designation as an ETC, as amended, was made pursuant to Section 214(e)(2) in non-rural areas only, Telrite's position remains that an affirmative public interest finding is unnecessary so long as the designation is "consistent with" the public interest. This statutory distinction remains unchanged under the recently adopted FCC rules which were adopted for purposes of FCC designation under Section 214(e)(6). However, as noted beginning in paragraph 28 of its Application, Telrite has demonstrated that it meets and will comply with all applicable FCC rules, including applicable requirements under 47 C.F.R. § 202, as amended by the FCC.

¹ Section 214(e)(2) provides as follows: (2) Designation of eligible telecommunications carriers. *A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.*

Notwithstanding the foregoing, to the extent the Commission applies an affirmative public interest standard as suggested by Staff, Telrite's designation as an additional ETC is in the public interest of South Dakotans.

To Telrite's knowledge, currently there is only a single prepaid wireless ETC in the State of South Dakota which has been designated as a Lifeline-only ETC in all non-rural Qwest wire centers. Telrite's designation as an additional ETC in this same non-rural area will serve the public interest. Under Section 214(e)(2) of the Act, a state commission "shall" designate more than one ETC in all areas (other than rural telephone areas), a federal policy manifested in statute supporting the fact that Telrite's designation is in the public interest. In Section 214(e)(2), Congress has recognized that by virtue of competitive market forces themselves, designation of "more than one" ETC in the non-rural telephone company areas serves to promote the public interest.

The Staff in its Memorandum accurately summarized several potential benefits designation of Telrite as an ETC, such as enhanced consumer choice, different service offerings, competitive pressure being brought to bear on other wireless and wireline providers, different coverage areas, and potentially better penetration of the low-income market. Staff also noted Telrite's commitment to comply with FCC requirements to help combat fraud, waste, and abuse in the low-income programs.

Telrite wishes to note the following additional reasons why designation of Telrite as an additional ETC will serve the public interest of South Dakotans and will result in additional benefits of increased consumer choice.

Designation of more than one wireless prepaid carrier as an ETC will foster competition in the prepaid wireless market throughout the Qwest areas, and will provide broader services to

South Dakotans. By way of example, the single existing prepaid wireless ETC in the non-rural Qwest area may enroll only through a website or other remote enrollment methodologies, whereas Telrite will be physically present in the South Dakota low-income community to verify eligibility and enroll participants. If designated as an ETC, Telrite's efforts on the ground will aid to identify and enroll low-income South Dakotans for whom Lifeline support was intended, in a way not possible through remote-only enrollment.

Moreover, the single existing ETC's underlying carriers are Sprint/Verizon, whereas Telrite's underlying carrier is AT&T Wireless, providing different and broader coverage in the same non-rural areas, raising the level of consumer choice as noted by Staff. Also, if designated an ETC, Telrite will offer more competitive recharge plans to consumers in South Dakota. Customers of Telrite will be able to purchase either 60 recharge minutes or two unlimited days of talk and text for \$5.00, whereas on information and belief, the existing ETC will provide only the option of 60 recharge minutes.

Other distinctions between Telrite and the existing ETC will promote the public interest. For example, Telrite will provide enhanced customer service operations based in the United States, providing South Dakotans the ability to promptly and easily resolve service issues. And, if designated as an ETC, Telrite will make available to South Dakotans the option to utilize their existing handsets, provided they meet all eligibility criteria, a benefit not available to customers of many other wireless providers.

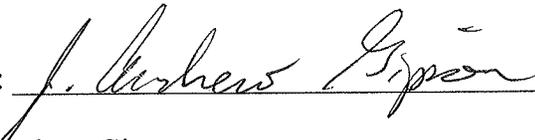
In summary, because Telrite's application was filed pursuant to Section 214(e)(2) of the Telecommunications Act of 1996, and because Telrite's Application as amended is limited to non-rural areas, the Commission as a "state commission" need not make a public interest finding, so long as Telrite's application is "consistent with" the public interest. However, given

that Congress has recognized that more than one ETC "shall" be designated in areas other than rural telephone company areas, and for the foregoing reasons, Telrite respectfully submits that its Application is both consistent with and furthers the public interest in South Dakota.

Telrite also submits that it has reviewed the list of conditions set forth on page 15 of the Staff Memorandum, and will comply with these conditions if designated as an ETC in South Dakota.

WHEREFORE, premises considered, having demonstrated herein that Telrite satisfies all the conditions of eligibility necessary for designation as an ETC under Section 214(e)(2) in South Dakota, and having shown that the public and universal service interests of the telecommunications consumers of the State of South Dakota will be properly served, Telrite respectfully requests that the Commission grant its Application and designate Telrite Corporation d/b/a Life Wireless as a wireless eligible telecommunications carrier, subject to the conditions contained in the Staff Memorandum.

Respectfully Submitted,

By:  _____

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CERTIFICATE OF SERVICE

I hereby certify that an original of the Response to Staff Memorandum, filed in PUC Docket TC-13022 was served upon the PUC electronically, directed to the attention of:

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A copy was also sent by e-mail and/or US Postal Service First Class mail to each of the following individuals:

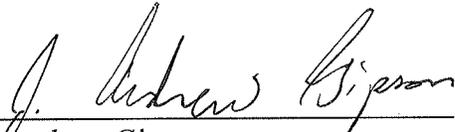
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Dated this 18th day of September, 2013.



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