

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

TERRACOM INC.)
d/b/a Maxsip Tel)
Petition for Designation as an Eligible) Docket No. TC23-____
Telecommunications Carrier)
_____)

**PETITION OF TERRACOM INC. D/B/A MAXSIP TEL
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF SOUTH DAKOTA AND WAIVER OF CERTAIN RULES**

Lance J.M. Steinhart, Esq.
Managing Attorney
Lance J.M. Steinhart, P.C.
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

Attorneys for TERRACOM INC. d/b/a Maxsip Tel

August 4, 2023

TABLE OF CONTENTS

I. INTRODUCTION1

II. COMPANY OVERVIEW3

III. THE COMMISSION HAS JURISDICTION OVER DESIGNATION OF WIRELESS ETCs6

IV. TERRACOM SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC UNDER 47 C.F.R. § 54.2017

V. TERRACOM SATISFIES THE ADDITIONAL REQUIREMENTS FOR ETC DESIGNATION UNDER 47 C.F.R. § 54.202(a)12

VI. DESIGNATION OF TERRACOM AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST20

VII. CONCLUSION.....24

TABLE OF EXHIBITS

| | <u>Exhibit</u> |
|--|----------------|
| Certification | 1 |
| FCC-Approved Compliance Plan and FCC-5 TH Revised Compliance Plan | 2 |
| Coverage Area | 3 |
| Sample Advertisement | 4 |
| Key Management Bios..... | 5 |
| Proposed Lifeline Offering | 6 |
| Financial Statements | 7 |

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

| | | |
|---|---|-----------------------|
| TERRACOM INC. |) | |
| d/b/a Maxsip Tel |) | |
| Petition for Designation as an Eligible |) | Docket No. TC23-_____ |
| Telecommunications Carrier |) | |
| _____ |) | |

PETITION

I. INTRODUCTION

TERRACOM INC. d/b/a Maxsip Tel (“TERRACOM” or the “Company”), by its undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”),¹ Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission (“FCC”),² and the rules and regulations of the Public Utilities Commission of the State of South Dakota (the “Commission”), hereby submits this Petition for Designation as an Eligible Telecommunications Carrier (“ETC”) in the State of South Dakota (this “Petition”). Pursuant to ARSD 20:10:32:56, TERRACOM also hereby petitions for waiver of ARSD 20:10:32:43.01(2), ARSD 20:10:32:43.02 and ARSD 20:10:32:54(1-2), as discussed in section V.J below.

¹ 47 U.S.C. § 214(e)(2)

² 47 C.F.R. §§ 54.101-54.207.

TERRACOM seeks ETC designation solely to provide Lifeline service to qualifying South Dakota consumers; it will not (and is not eligible to) seek access to funds from the federal Universal Service Fund (“USF”) for the purpose of participating in the Link-Up program or high cost program.³

As demonstrated herein, and as certified in Exhibit 1 attached hereto, TERRACOM meets all the statutory and regulatory requirements for designation as an ETC in the State of South Dakota, including the requirements outlined in the FCC’s *Lifeline and Link Up Reform Order*,⁴ *Lifeline Modernization Order*,⁵ and *Fifth Report and Order*.⁶ Furthermore, TERRACOM is positioned to reach unserved and underserved Lifeline-eligible consumers. Rapid grant of TERRACOM’s request, therefore, would advance the public interest because it would enable the Company to commence much needed Lifeline services to a wide array of low-income South Dakota residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Petition.

³ Given that the Company only seeks Lifeline support from the low-income program and does not seek any high-cost support, ETC certification requirements for the high-cost program are not applicable to the Company.

⁴ *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, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline and Link Up Reform Order*”).

⁵ *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, WC Docket No. 09-197, WC Docket No. 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2016) (hereinafter, “*Third Report and Order*” or “*Lifeline Modernization Order*”).

⁶ *In the Matter of Bridging the Digital Divide for Low-Income Consumers, Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 17-287, WC Docket No. 11-42, WC Docket No. 09-197, Fifth Report and Order, Memorandum Opinion and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 19-111 (rel. Nov. 14, 2019) (hereinafter, “*Fifth Report and Order*”).

All correspondence, communications, pleadings, notices, orders and decisions relating to this Petition should be addressed to:

Lance J.M. Steinhart, Esq.
Managing Attorney
Lance J.M. Steinhart, P.C.
Attorneys for TERRACOM INC.
d/b/a Maxsip Tel
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

II. COMPANY OVERVIEW

TERRACOM is an Oklahoma corporation organized on April 10, 2003, with principal offices located at 6650 East Brainerd Road, Suite 200-C, Chattanooga, Tennessee 37421. TERRACOM is owned Fifty One percent (51%) by Global Reconnect, LLC, a Delaware limited liability company; and Forty Nine percent (49%) by MAXSIP TEL LLC, a New York limited liability company (“Maxsip”).⁷ TERRACOM also owns One hundred percent (100%) of YourTel America, Inc., a Missouri corporation (“YourTel”).

TERRACOM is a provider of commercial mobile radio service (“CMRS”) and provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of Tier 1 carriers, currently T-Mobile USA, Inc. (“T-Mobile”) and/or AT&T (collectively, “Underlying Carriers”) on a wholesale basis. TERRACOM obtains from its Underlying Carriers the network infrastructure and wireless transmission facilities to allow the Company to operate as a Mobile Virtual Network Operator (“MVNO”). The Underlying Carrier is selected based on best coverage available at the service address.

⁷ On April 3, 2023, MAXSIP TELECOM CORPORATION reorganized from a New York corporation to a New York limited liability company.

TERRACOM is designated as an ETC to provide Lifeline services to low-income consumers on a wireless basis in Arizona, Arkansas, Colorado, Indiana, Iowa, Louisiana, Maryland, Minnesota, Nebraska, Nevada, Oklahoma, Texas, West Virginia and Wisconsin. As of 2015, TERRACOM directly holds 100% of the ownership interest in YourTel, which is designated an ETC to provide Lifeline services on a wireless basis in Illinois, Kansas, Maine, Missouri, Pennsylvania, Rhode Island, and Washington. TERRACOM commenced providing Lifeline services in 2004.

Pursuant to the terms of a Stock Purchase Agreement by and among TERRACOM; Global Reconnect, LLC, a Delaware limited liability company (“Seller”); and Maxsip, Maxsip will purchase one hundred percent (100%) of the issued and outstanding common stock of TERRACOM including its wholly owned subsidiary, YourTel from Seller (the “Transaction”). In step one of the Transaction, Maxsip acquired forty nine percent (49%) of the issued and outstanding common stock of TERRACOM; step two of the Transaction is the purchase of the remaining fifty-one percent (51%) of the stock of TERRACOM which will close upon obtaining any required regulatory approvals for the Transaction, including its 5th Revised Compliance Plan, which was filed with the FCC on March 1, 2023, a copy of which is attached hereto as Exhibit 2.

Maxsip was formed in 2008 and then commenced offering competitive local exchange and resold long distance service. On August 28, 2008, the FCC International Bureau granted Maxsip Section 214 international authority to provide facilities-based service in accordance with section 63.18(e)(1) of the FCC’s rules, and also to provide resale service in accordance with section 63.18(e)(2) of the FCC’s rules. Maxsip’s principal offices are located at 708 Central Avenue, Woodmere, New York 11598. Maxsip has established considerable financial resources that will be available, as needed, to support TERRACOM in its operations and continuing growth. Maxsip

is wholly owned by Israel Max, a United States citizen. Maxsip provides competitive local exchange services in New York and New Jersey, as well as landline Lifeline services in New York. Maxsip is authorized to provide commercial mobile radio services throughout the United States and Puerto Rico, is authorized to provide VoIP services throughout the United States, and has been authorized to provide services by the FCC and USAC under the Affordable Connectivity Program (“ACP”) (and previously the Emergency Broadband Benefit “EBB” program) in said jurisdictions.

TERRACOM will provide affordable prepaid mobile phone service, including calling, text messaging, and broadband access, along with user-friendly handsets, and high quality customer service. The Company will not require service contracts from its customers and it will always ensure competitively low pricing for its services and products. TERRACOM will manage all aspects of the customer experience, including setting service pricing, handset selection, marketing materials, and live customer service. The Company’s prepaid, budget-friendly pricing will give many low-income consumers the option of having mobile phone service and broadband access without the burden of hidden costs, varying monthly charges, or contractual commitments. Customers will be able to customize their TERRACOM service to suit their needs with TERRACOM’s available bundles of minutes, broadband data, and text packages to supplement their monthly plan.

TERRACOM’s Lifeline customers will depend on, and benefit greatly from, TERRACOM’s inexpensive and flexible pricing plans. TERRACOM will not impose credit checks nor will it require any deposits or contractual commitments. Many Lifeline customers turn to carriers like TERRACOM because they cannot afford the postpaid services provided by traditional wireless carriers. TERRACOM will affirmatively reach out to the low-income sector of the consumer base to offer attractive and affordable communications options. As such,

TERRACOM will contribute to the expansion of mobile wireless and broadband services for low-income consumers in South Dakota.

III. THE COMMISSION HAS JURISDICTION OVER DESIGNATION OF WIRELESS ETCs

Section 214(e)(2) of the Act provides state public utility commissions with the “primary responsibility” for the designation of ETCs.⁸ Although Section 332(c)(3)(A) of the Act prohibits states from regulating the entry of or the rates charged by any provider of commercial mobile service or any private mobile service, this prohibition does not allow states to deny wireless carriers ETC status.⁹ Under the Act, a state public utility commission with jurisdictional authority over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1).

TERRACOM recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC’s Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier’s services. However, the FCC has granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation.¹⁰ Section 10(e) of the Act (47 U.S.C. § 160(e)) provides: “[a] State commission may not continue to apply or enforce any provision of this chapter that the [Federal Communications] Commission has determined to forbear from applying under subsection (a) of this section.” As such, the Commission is required by Section 10(e) to act in accordance with the FCC’s grant of forbearance, and therefore, may not apply the facilities-based requirement

⁸ 47 U.S.C. § 214(e)(2).

⁹ *USF Order*, at 8858–59, ¶ 145.

¹⁰ *See Lifeline and Link Up Reform Order* at ¶ 368.

to TERRACOM. Therefore, the Commission has the authority under Section 214(e)(2) of the Act to grant TERRACOM's request for designation as an ETC throughout the State of South Dakota.

IV. TERRACOM SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC UNDER 47 C.F.R. § 54.201

Section 254(e) of the Act provides that, “only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support.” Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to designate wireless ETCs.¹¹ Section 214(e)(1) of the Act and Section 54.201(d) of the FCC's rules provide that applicants for ETC designation must be common carriers that shall, throughout the designated service area, offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier's services, except where the FCC has forborne from the “own facilities” requirement. Applicants also must commit to advertise the availability and rates of such services.¹² As detailed below, TERRACOM satisfies each of the above-listed requirements.

¹¹ See *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) (“*USF Order*”).

¹² See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

A. TERRACOM Will Provide Service Consistent with the FCC’s Grant of Forbearance from Section 214’s Facilities Requirements

Although Section 214 requires ETCs to provide services using their facilities, at least in part, the FCC has forbore from that requirement with respect to carriers such as TERRACOM. In the *Lifeline and Link Up Reform Order*, the FCC granted forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:¹³

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier’s service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary.

In accordance with the *Lifeline and Link Up Reform Order*, TERRACOM filed a Compliance Plan with the FCC, which the FCC approved on May 25, 2012.¹⁴ TERRACOM filed its Fourth Revised Compliance Plan on October 3, 2016, which the FCC approved on November 8, 2016,¹⁵ identifying a transfer of control and making revisions to comply with rule changes since the 2012 Lifeline Reform Order. TERRACOM filed its 5th Revised Compliance Plan, which

¹³ See *Lifeline and Link Up Reform Order* at ¶¶ 368, 373, and 379.

¹⁴ *Wireline Competition Bureau Approves the Compliance Plans of American Broadband & Telecommunications, Budget Prepay, Consumer Cellular, Global Connection, TerraCom and Total Call*, Public Notice, 27 FCC Rcd 5776 (WCB rel. May 25, 2012); *In Re Telecommunications Carriers Eligible for Universal Service Support, et al.*, Third Revised Compliance Plan of TerraCom, Inc. (filed June 19, 2012) (providing minor updates requested by Bureau staff).

¹⁵ *Wireline Competition Bureau Approves the Amended Compliance Plan of TerraCom*, Public Notice, DA 16-1264 (rel. Nov. 8, 2016); *In Re Telecommunications Carriers Eligible for Universal Service Support, et al.*, Fourth Revised Compliance Plan of TerraCom, Inc. (filed Oct. 3, 2016), a copy of which can be found at <https://www.fcc.gov/ecfs/document/1003273824499/1>.

remains pending, on March 1, 2023. TERRACOM commits to providing Lifeline service in South Dakota in accordance with its approved Compliance Plan, as revised, and in compliance with applicable state and federal regulations, to the extent amendments thereto may supersede commitments made in the Compliance Plan.

B. TERRACOM Is a Common Carrier

CMRS providers like TERRACOM are treated as common carriers.¹⁶

C. TERRACOM Will Provide All Supported Services

Through its Underlying Carriers, TERRACOM is able to provide all of the supported services required by Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) as follows:

1. Voice Telephony Service

As set forth in 47 C.F.R. § 54.101(a)(1), eligible Voice Telephony Services must provide the following:

Voice Grade Access to the Public Switched Telephone Network. TERRACOM provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from its Underlying Carriers.

Local Usage At No Additional Charge. TERRACOM offers rate plans that provide its customers with minutes of use for local service at no additional charge.

Access to Emergency Services. TERRACOM provides 911 and E911 access for all of its customers to the extent the local government in its service area has implemented 911 or E911

¹⁶ *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); *see also PCIA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, (Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services *and resellers of such services.*") (emphasis added).

systems. As noted, calls to 911 emergency services will always be free and will be available regardless of service activation status or availability of minutes. TERRACOM also complies with the FCC’s regulations governing the deployment and availability of E911 compatible handsets.

Toll Limitation. In its *Lifeline and Link Up Reform Order*, the FCC provided that toll limitation would no longer be deemed a supported service.¹⁷ “ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls.”¹⁸ Nonetheless, TERRACOM’s offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. TERRACOM’s service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same.

2. Broadband Internet Access Services

The FCC has stated that broadband Internet access service (“BIAS”) consists of the ability for a user to receive “the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service.”¹⁹ TERRACOM provides BIAS to low-income consumers via resale of its Underlying Carriers’ mobile services.

¹⁷ See *Lifeline and Link Up Reform Order* at ¶ 367.

¹⁸ See *id.* at ¶ 49.

¹⁹ See 47 C.F.R. § 8.2(a).

D. TERRACOM Requests Designation Throughout Its Service Area

TERRACOM is not a rural telephone company as defined in Section 153(37) of the Act (47 U.S.C. § 153(37)). Accordingly, TERRACOM is required to describe the geographic area(s) within which it requests designation as an ETC. TERRACOM requests ETC designation throughout the non-rural (i.e. CenturyLink) service areas in South Dakota, including federally recognized tribal lands. Current coverage maps are attached hereto as Exhibit 3. The FCC has previously determined that designating a competitor as an ETC in areas served by non-rural ILECs is *per se* in the public interest.²⁰

To the best of TERRACOM's knowledge, neither AT&T Mobility LLC nor T-Mobile USA, Inc. provide a postpaid and/or prepaid wireless Lifeline offering.

E. TERRACOM Will Advertise the Availability of Supported Services

TERRACOM will advertise the availability and rates for the services described above using media of general distribution as required by 47 C.F.R. § 54.201(d)(2). TERRACOM will comply with the FCC's rules regarding information to be included in marketing materials, including FCC rule section 54.405(c). Specifically, TERRACOM's marketing materials will state, in easily understood language, that: (i) the service is a Lifeline service; (ii) Lifeline is a government assistance program; (iii) the service may not be transferred to someone else; (iv) consumers must meet certain eligibility requirements before enrolling in the Lifeline program; (v) the Lifeline program permits only one Lifeline discount per household; (vi) documentation is necessary for

²⁰ Federal-State Joint Board on Universal Service; Cellco Partnership d/b/a Bell Atlantic Mobile Petition for Designation as an Eligible Telecommunications Carrier, *Memorandum Opinion and Order*, CC Docket No. 96-45, 16 FCC Rcd 39, 45; -U 14 (Rel. Dec. 26, 2000) (hereinafter "*Cellco Partnership*") ("For those areas served by non-rural telephone companies, such as the state of Delaware, we believe that designation of an additional ETC based upon a demonstration that the requesting carrier complies with the statutory eligibility obligations of section 214(e)(1) is *consistent per se with the public interest*. The carrier need make *no further showing* to satisfy this requirement.") (emphasis added).

enrollment; and (vii) TERRACOM is the provider of the services. Moreover, the Lifeline application/certification form will state that Lifeline is a federal benefit and that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program.

The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline service, using mediums for outreach such as internet, radio, television, print advertising, and direct mailing.²¹ Moreover, TERRACOM will expand its advertising efforts as necessary to ensure that Lifeline-eligible customers are aware of the Company's service offerings.

V. TERRACOM SATISFIES THE ADDITIONAL REQUIREMENTS FOR ETC DESIGNATION UNDER 47 C.F.R. § 54.202(a)

TERRACOM hereby provides the additional information and certifications required for carriers seeking ETC designation as set forth in 47 C.F.R. § 54.202(a).

A. Service Commitment Throughout the Proposed Designated Service Area

TERRACOM will provide service in South Dakota by reselling service which it obtains from its Underlying Carriers whose networks are operational and largely built out. Thus, TERRACOM will be able to commence offering its Lifeline service to all locations served by its Underlying Carriers very soon after receiving approval from the Commission.

In accordance with 47 C.F.R. § 54.202(a)(1)(i), and by the certification attached in Exhibit 1, TERRACOM commits to comply with the service requirements applicable to the low-income support that it receives. Pursuant to 47 C.F.R. § 54.202(a)(1)(ii), a common carrier seeking

²¹ See attached Exhibit 4 for a sample advertisement. The advertisement will be updated if necessary to comply with any state specific requirements.

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.

In accordance with ARSD 20:10:32:43.01(1), TERRACOM commits to provide service on a timely basis to requesting customers in its Designated Service Area where the applicant's network already passes the potential customer's premises.

B. Ability to Remain Functional in Emergency Situations

In accordance with 47 C.F.R. § 54.202(a)(2), TERRACOM has the ability to remain functional in emergency situations. As discussed, TERRACOM will utilize the extensive and well-established network and facilities of Tier 1 carriers to provide its Lifeline services. The Company understands that its Underlying Carriers' networks have access to a reasonable amount of back-up power to ensure functionality without an external power source, are able to reroute traffic around damaged facilities, and are capable of managing traffic spikes resulting from emergency situations. Through access to the Underlying Carriers' networks, TERRACOM and its customers benefit from this functionality.

C. Commitment to Consumer Protection and Service Quality

In accordance with 47 C.F.R. § 54.202(a)(3), an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards, and wireless applicants may satisfy this requirement with a commitment to comply with the Cellular Telecommunications and Internet Association's ("CTIA") Consumer Code for Wireless Service. TERRACOM hereby commits to comply with the CTIA Consumer Code for Wireless Service.

TERRACOM's customer service representatives are located at the Company's principal place of business in Chattanooga, Tennessee and the toll-free telephone number is 888-716-8880. Customer service is available Monday through Friday from 10:00AM to 7:00PM EDT via phone

or online chat. Subscribers can also initiate support tickets 24 hours a day 7 days a week via an online chat and customer service representatives respond during the above-mentioned support hours. TERRACOM will cooperate fully with the Commission to resolve all consumer complaints. At this time, the company does not plan to have physical locations and employees in South Dakota.

D. TERRACOM is Financially and Technically Capable

In accordance with 47 C.F.R. § 54.202(a)(4), TERRACOM is financially and technically capable of providing Lifeline-supported services. Financial Statements for the year ended December 31, 2022, Exhibit 7, are marked and filed as “Confidential and Proprietary” under separate cover. Maxsip brings to TERRACOM not only financial stability, but also managerial and technical resources available to Maxsip which has been providing telecommunications service since 2008 including wireline Lifeline service, and wireless service under the EBB and ACP. Maxsip receives revenue from a number of sources which are independent from the revenue it receives in the form of Lifeline reimbursements, such as non-Lifeline wireless income from the sale of prepaid wireless services to non-Lifeline consumers as well as the sale of replenishment airtime minutes and data to Lifeline consumers, the sale of various other ancillary services, and CLEC and VoIP services. Maxsip will similarly move forward with TERRACOM operations such that TERRACOM provides non-Lifeline services wholly separate from and/or complementary to its Lifeline services. TERRACOM has provided non-Lifeline telecommunications services since 2004 and will continue to do so after the closing of the Transaction. Consequently, TERRACOM never has and will not be relying exclusively on Lifeline reimbursement for its operating revenues. Maxsip has not been subject to enforcement sanctions related to the Low Income Fund or ETC

revocation proceedings in any state.²² Neither TERRACOM nor any of its affiliates have any pending investigations before the FCC.

In addition, TERRACOM's and Maxsip's financial and technical capabilities to provide service are demonstrated by its performance over 20 years. The senior management of TERRACOM and Maxsip has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to TERRACOM.²³ TERRACOM will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its Underlying Carriers.

E. Terms and Conditions of Proposed Lifeline Offering

TERRACOM has the ability to provide all services supported by the universal service program, as detailed in 47 C.F.R. § 54.101(a), throughout South Dakota. TERRACOM commits that its Lifeline-supported voice services will meet or exceed the minimum service standards set forth in 47 C.F.R. § 54.408, including as such standards are updated going forward. TERRACOM'S Lifeline-supported broadband services will also meet the minimum service standards set forth in 47 C.F.R. § 54.408 for mobile broadband internet access services, including for service speed and data usage allowance, as such standards are updated going forward. To the extent TERRACOM provides devices for use with Lifeline-supported broadband service, such devices will meet the equipment requirements set forth in 47 C.F.R. § 54.408(f), and TERRACOM will not impose an additional or separate tethering charge for mobile data usage below the minimum standard.

²² Neither Maxsip nor TerraCom have been subject to any ETC revocation proceedings. TerraCom has resolved all FCC enforcement proceedings. *In Re TerraCom, Inc., and YourTel America, Inc. File Nos.: EB-TCD-13- 00009175, EB-IHD-13-00010677*, Order, 30 FCC Rcd 7,075 (EB rel. July 9, 2015).

²³ See Exhibit 5 for key management bios.

Attached hereto as Exhibit 6 is a summary table of the Company's proposed Lifeline service offerings, showing that Lifeline customers will receive 1,000 voice minutes, 1,000 text messages, and 4.5 gigabytes (GB) of data (unlimited talk, text and 10 GB data for tribal customers) per month at a net cost of \$0.00 after application of Lifeline support.²⁴ Lifeline customers that also elect to receive ACP benefits from TERRACOM will receive unlimited talk and text with 15 GB data after application of Lifeline and ACP support. Customers will be able to purchase additional minutes or data as needed. In addition to wholly-supported or discounted wireless services, prepaid Lifeline customers will receive access to voicemail, caller ID and call waiting features at no additional charge. All plans will include nationwide domestic long-distance at no extra per-minute charge, and TERRACOM will not assess any usage for access to its free customer services (611). Emergency (911) calls will be free, regardless of service activation or availability of minutes, and will not count against the customer's airtime. The Company's Lifeline offering will provide feature-rich mobile connectivity for qualifying subscribers without the burden of credit checks or service contracts. TERRACOM's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

The Company will determine the Underlying Carrier based upon signal strength at the customer's address. In the event that the customer is not satisfied with the coverage after reasonable attempts by the company to improve coverage, the customer will not be charged for termination and will be able to keep any phone or SIM card provided by the Company without charge.

²⁴ This plan meets the requirements to receive full Lifeline support based upon current FCC minimum service standards ("MSS") and may change based on future MSS.

F. TERRACOM Will Comply with the Lifeline Certification and Verification Requirements

Customers interested in obtaining information on the Lifeline program will be directed to a toll-free telephone number and to the Company's website, which will contain information regarding the Company's Lifeline service plans, including a description of the Lifeline program and eligibility criteria. Customers must then apply directly through the National Lifeline Eligibility Verifier ("National Verifier"), which they may do online or by submitting all required documentation to the National Verifier by mail. Customers may download a copy of the application form from the Internet (either from the National Verifier's or Company's website) or request that a copy be mailed to them. TERRACOM utilizes the standard Lifeline application forms as required by FCC rules, and thus complies with the disclosure and information collection requirements in 47 C.F.R. § 54.410(d).²⁵ TERRACOM will certify and verify initial and continued consumer eligibility in accordance with 47 C.F.R. § 54.410, and will notify the applicant that the prepaid service must be personally activated by the subscriber and the subscriber must use their service every thirty (30) days. TERRACOM further confirms that it will not provide a consumer with an activated device and will not activate a Lifeline service unless or until it has confirmed that the consumer is a qualifying low-income household pursuant to 47 C.F.R. § 54.409, and completed the required eligibility determination and certification requirements of 47 C.F.R. §§ 54.410, 54.404-54.405. Processing of consumers' applications and determination of eligibility will be performed by the National Verifier.

²⁵ *FCC Wireline Competition Bureau Provides Guidance on Universal Forms for the Lifeline Program*, WC Docket No. 11-42, Public Notice, "Wireline Competition Bureau Provides Guidance on Universal Forms for the Lifeline Program," DA 18-161 (rel. Feb. 20, 2018). The standard application/certification forms are available on USAC's website (See USAC, Lifeline Forms, <http://www.usac.org/li/tools/forms/default.aspx>).

G. Prevention of Waste, Fraud and Abuse

The FCC has taken steps to further curb abuse in the Lifeline program by establishing the National Verifier, which transfers the responsibility of eligibility determination away from Lifeline providers. TERRACOM will rely on the National Verifier to determine initial and ongoing eligibility of South Dakota Lifeline subscribers. The National Verifier queries the National Lifeline Accountability Database (“NLAD”) for every enrollment to determine whether a prospective subscriber is currently receiving a Lifeline service from TERRACOM or any other ETC, and whether anyone else living at the prospective subscriber’s residential address is currently receiving Lifeline service. TERRACOM thus complies with the requirements of section 54.404 of the FCC’s rules. In addition, Company personnel emphasize the “one Lifeline service per household” restriction in their direct sales contacts with potential customers.

Consistent with federal regulations, the Company will not seek USF reimbursement for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service, and will de-enroll any subscriber that has not used the Company’s Lifeline service as set forth in 47 C.F.R. § 54.407(c)(2). An account will be considered active if the authorized subscriber establishes usage, as “usage” is defined by 47 C.F.R. § 54.407(c)(2), during the specified timeframe, currently a period of thirty (30) days, or during the notice period set forth in 47 C.F.R. § 54.405(e)(3), currently a period of fifteen (15) days. In accordance with 47 C.F.R. § 54.405(e)(3), TERRACOM will provide the subscriber advanced notice, using clear, easily understood language, that the subscriber’s failure to use the Lifeline service within the notice period will result in service termination for non-usage. Customers that have been deactivated may participate in the Company’s Lifeline service in the future by reapplying and re-establishing eligibility.

H. TERRACOM Will Comply With Reporting Requirements

TERRACOM will provide the Commission a copy of its annual certifications and Lifeline recertification results pursuant to 47 C.F.R. § 54.416 (i.e., FCC Form 555), as well as a copy of its annual report filed pursuant to 47 C.F.R. § 54.422 (i.e., FCC Form 481), and will comply with applicable Commission reporting requirements for Lifeline ETCs.

I. TERRACOM Will Comply With Regulations Imposed By The Commission

By this Petition, TERRACOM hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Petition. Upon Commission request, TERRACOM is prepared to answer questions or present additional testimony or other evidence about its services within the state. TERRACOM commits that 100% of federal universal service funds will flow through directly to Lifeline customers.

J. Waiver Requests

ARSD 20:10:32:43.01(2) requires ETCs to make modifications to network facilities to provide service within a reasonable period of time if the potential customer is within the applicant's service area but outside its existing network coverage and service can be provided at reasonable cost. TERRACOM is a wireless reseller that relies upon the networks of other service providers, and thus TERRACOM requests a waiver of ARSD 20:10:32:43.01(2) to the extent it would require the Company to engage in activities that are not feasible for a reseller, such as modifications or extension of networks or facilities.

TERRACOM further requests a waiver of ARSD 20:10:32:43.02, which requires that ETCs submit a two-year service quality improvement plan ("Plan"), as well as ARSD 20:10:32:54(1-2), which would require a new Plan and a progress report on the previously filed Plan. As set forth in the *Lifeline and Link Up Reform Order*, a common carrier seeking designation as a Lifeline-only

ETC is not required to submit a network improvement plan as part of its application for designation as an ETC.²⁶ This guideline has no application where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because TERRACOM seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline services to eligible customers, submission of a service quality improvement plan is not required.

VI. DESIGNATION OF TERRACOM AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all citizens, regardless of geographic location or income.²⁷ Designation of TERRACOM as an ETC in South Dakota will further that public interest. Whether because of financial constraints, poor credit history, or intermittent employment, many low-income consumers often lack the countless choices available to most consumers and thus have yet to reap the full benefits of the intensely competitive wireless market.

The instant request for ETC designation must be examined in light of the Act's goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—particularly low-income consumers—receive affordable and comparable telecommunications services. The FCC has in recent years expanded the Lifeline program to cover broadband services, noting that "Only half of all households in the lowest income tier subscribe to a broadband service and 43 percent say the

²⁶ See *Lifeline and Link Up Reform Order* at ¶ 386.

²⁷ *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.

biggest reason for not subscribing is the cost of the service,” and “Of the low income consumers who have subscribed to mobile broadband, over 40 percent have to cancel or suspend their service due to financial constraints.”²⁸ Given this context, designating TERRACOM as an ETC would significantly benefit low-income consumers eligible for Lifeline services in South Dakota—the intended beneficiaries of universal service.

A. Advantages of TERRACOM’s Service Offering

TERRACOM offers an easy to use, competitive, and highly affordable wireless telecommunications service, which benefits qualified consumers who either have no other service alternatives or who choose a wireless prepaid solution in lieu of more traditional service. The public interest benefits of TERRACOM’s wireless service include larger calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile service, and a generous amount of voice and broadband access included without cost (after application of Lifeline support), as well as free access to caller ID, call waiting, and Voicemail features, and access to 911 services regardless of the number of voice minutes remaining on the Lifeline consumer’s plan. These no cost to consumer services and low-cost minutes are an invaluable resource for cash-strapped consumers, and the prepaid nature of the service also provides an alternative for “unbanked” consumers. TERRACOM’s prepaid wireless service is likely to be an especially attractive option for low-income consumers because it alleviates customer concerns regarding hidden costs, varying monthly charges and long-term contract issues.

In today’s market, consumers, including qualified Lifeline customers, view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents wherever they may be, allows a person seeking employment greater

²⁸ See *Lifeline Modernization Order* ¶ 2.

ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers regardless of location. Mobile service often also serves as a key bridge in closing the homework gap for students who live in rural areas with limited access to broadband.

With the comprehensive strength and experience of TERRACOM's and Maxsip's management team, and their solid history as a Lifeline provider, TERRACOM is positioned to meet the needs of Lifeline customers and remains committed to careful stewardship of the Lifeline program. Without question, prepaid wireless services have become essential for low-income customers, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Providing TERRACOM with the authority necessary to offer discounted Lifeline service to those without wireless service—or most in danger of losing service altogether—undoubtedly promotes the public interest.

B. The Benefits of Competitive Choice

The FCC has acknowledged the benefits to consumers of being able to choose from among a variety of telecommunications service providers for more than three decades.²⁹ Increasing customer choice promotes competition and innovation, thus spurring other carriers to target low-income consumers with service offerings tailored to their needs, ultimately resulting in improved services to consumers. Designation of TERRACOM as an ETC will help ensure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.³⁰ Introducing TERRACOM into the market as an additional wireless ETC provider will afford low-

²⁹ See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

³⁰ See 47 U.S.C. § 254(b)(1).

income South Dakota residents a wider choice of providers and available services while creating a competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers. Increasing the competitive marketplace of providers has the potential to effectively increase the penetration rate and reduce the number of individuals not connected to the PSTN.

C. Impact on the Universal Service Fund

With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is exactly the same whether the support is given through a company such as TERRACOM or the Incumbent LEC operating in the same service area. The number of persons eligible for Lifeline support is the same regardless of the number of ETCs; thus, TERRACOM will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not already enrolled in another ETC's Lifeline program. By implementing the safeguards set forth in the *Lifeline and Link Up Reform Order* and utilizing the NLAD and National Verifier, the likelihood that TERRACOM's customers are not eligible or are receiving duplicative support either individually or within their household is greatly minimized. TERRACOM's ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to telecommunications service, and thus any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers.

VII. CONCLUSION

Based on the foregoing, designation of TERRACOM as an ETC in the State of South Dakota accords with the requirements of Section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, TERRACOM respectfully requests that the Commission promptly designate TERRACOM as an ETC in the State of South Dakota for the purpose of participating in the Lifeline program.

Respectfully Submitted,

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart, Esq.
Managing Attorney
Lance J.M. Steinhart, P.C.
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

*Attorneys for TERRACOM INC.
d/b/a Maxsip Tel*

August 4, 2023

CERTIFICATE OF SERVICE

In accordance with to ARSD 20:10:32:46, I hereby certify that, on August 4, 2023, a true and correct copy of the foregoing Petition for Eligible Telecommunications Carrier Designation was sent to all the following telecommunications companies serving as ETCs:

Ms. Kathryn E. Ford
Knology of the Black Hills, LLC
1241 O.G. Skinner Drive
West Point, GA 31833-1789

Mr. Steve Meyer
Brookings Municipal Telephone
P.O. Box 588
Brookings, SD 57006-0588

Mr. W. Tom Simmons
Midcontinent Communications
3901 N. Louise Avenue
Sioux Falls, SD 57107-0112

Ms. Jill Thornton
Long Lines Wireless, LLC
P.O. Box 67
Sergeant Bluff, IA 51054-0067

Mr. Mark D. Benton
Midstate Telecom, Inc.
P.O. Box 48
Kimball, SD 57355-0048

Ms. Elizabeth Kohler
RCC Minnesota, Inc.
302 Mountain View Dr., Ste. 200
Colchester, VT 05446-5824

Mr. Scott Bostrom
RC Communications Inc.
P.O. Box 196
New Effington, SD 57255-0196

Ms. Elizabeth Kohler
WWC License LLC
302 Mountain View Dr., Ste. 200
Colchester, VT 05446-5824

Mr. Jerry Heiberger
SSTelecom, Inc.
P.O. Box 920
Clear Lake, SD 57226-0920

CenturyLink, Inc.
100 CenturyTel Drive
Monroe, LA 57226-2041

Mr. James Groft
General Manager
Northern Valley Communications, LLC
PO Box 260
Groton, SD 57445-0320
jgroft@jamesvalley.com
(605) 397-2323 - voice
(605) 397-2350 – fax

Mr. James Groft
General Manager
James Valley Wireless, LLC
PO Box 260
Groton, SD 57445-0320
jgroft@jamesvalley.com

Don Snyders, General Manager
**Alliance Communications Cooperative,
Inc.**
P.O. Box 349
Garretson, SD 57030

Todd Hansen, General Manager
Beresford Municipal Telephone Co.
101 North 3rd Street
Beresford, SD 57004

Shane Ayres, Financial Officer
City of Faith Telephone Company
P.O. Box 368
Faith, SD 57626

Denny Law, General Manager
**Golden West Telecommunications
Cooperative, Inc.**
P.O. Box 411
Wall, SD 57790

James Groft, General Manager
James Valley Cooperative Telephone Co.
P.O. Box 260
Groton, SD 57445-0260

John Lass, Vice President and General
Manager
**Citizens Telecommunications Company of
Minnesota, Inc.**
2378 Wilshire Blvd.
Mound City, MN 55354

Steve Meyer, General Manager
**Citizens of Brookings Utilities, Telephone
Division d/b/a Swiftel Communications**
P.O. Box 588
Brookings, SD 57006

Robert J. Hoffman
Farmers Mutual Telephone Company
P.O. Box 368
Bellingham, MN 56212

Jerry Heiberger, General Manager
**Interstate Telecommunications
Cooperative, Inc.**
P.O. Box 920
Clear Lake, SD 57226

Tom Connors, Manager
Jefferson Telephone Company
P.O. Box 128
Jefferson, SD 57038-0128

Bruce Hanson, General Manager
**Fort Randall Telephone Company and
Mount Rushmore Telephone**
1700 Technology Drive, Suite 100
Willmar, MN 56201

Director of Legal Affairs
**Knology Community Telephone, Inc. fka
Prairie Wave Community Telephone, Inc.**
1241 O.G. Skinner Drive
West Point, GA 31833

Jeffrey J. Olson
Red River Rural Telephone Association
P.O. Box 136
Abercrombie, ND 58001-0136

Bryan Roth, General Manager
TrioTel Communications, Inc.
P.O. Box 630
Salem, SD 57058

Mary Jo Biegler, Controller
Valley Telephone Company
P.O. Box 277
100 Main Street
Underwood, MN 56586

Bonnie Krause, CEO/General Manager
West River Telecommunications Coop.
P.O. Box 467
Hazen, ND 58545

Mr. Jerry Heiberger
**InterstateTelecommunications
Cooperative, Inc. f/k/a SSTELECOM, Inc.**
P.O. Box 920
Clear Lake, SD 57226-0920

Mr. Todd D. Boyd
**Stockholm-Strandburg Telephone
Company**
413 3rd Ave. S
Clear Lake, SD 57226-0977

Rod Bowar, General Manager
Kennebec Telephone Company
P.O. Box 158
Kennebec, SD 57544

Emory Graffis
Northeast Nebraska Telephone Company
110 East Elk St.
Jackson, NE 68743

Ryan Thompson, General Manager
Santel Communications Cooperative
P.O. Box 67
Woonsocket, SD 57385

John Tormoehlen, General Manager
Valley Telecommunications Coop. Assn.
P.O. Box 7
Herreid, SD 57632

Jerry Reisenauer, General Manager
**West River Cooperative Telephone
Company**
P.O. Box 39
Bison, SD 57620-0039

Wayne Johnson
Qwest Corporation d/b/a Century Link QC
925 High St., 9 South of 9
Des Moines, IA 50309

Mr. James M. Gleason
**Clarity Telecom, LLC d/b/a Vast
Broadband**
104 E Center Street, Ste. 201
Sikeston, MO 63801

I further hereby certify that, on August 4, 2023, a true and correct copy of the foregoing Petition for Eligible Telecommunications Carrier Designation was sent to all Affected Tribal Governments and Tribal Regulatory Authorities:

Kevin Keckler, Chairman
Cheyenne River Sioux Tribe
PO Box 590
Eagle Butte, SD 57625-0590

Anthony Reider, President
Flandreau Santee Sioux Tribe
PO Box 283
Flandreau, SD 57028-0283

Michael Jandreau, Chairman
Lower Brule Sioux Tribe
PO Box 187
Lower Brule, SD 57548-0187

Cyril Scott, President
Rosebud Sioux Tribe
PO Box 430
Rosebud, SD 57570-0430

Robert Shepherd, Chairman
Sisseton-Wahpeton Oyate
PO Box 509
Agency Village, SD 57262-0509

Charles Murphy, Chairman
Standing Rock Sioux Tribe
PO Box D
Ft. Yates, ND 58538-0522

Bryan Brewer, President
Ogalala Sioux Tribe
PO Box 20720
Pine Ridge, SD 57770-2070

Dated August 4, 2023

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
Telephone: (770) 232-9200
Facsimile: (770) 232-9208
Email: lsteinhart@telecomcounsel.com

*Attorneys for TERRACOM INC.
d/b/a Maxsip Tel*