

True Wireless has pending ETC applications in Georgia, Idaho, Indiana, Kansas, Louisiana, Maine, Missouri, West Virginia, Wisconsin, and Wyoming. True Wireless has also sought designation as an ETC by the FCC, which would allow it to provide Lifeline service in Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, Virginia, and the District of Columbia.

A copy of the Company's Certificate of Formation is attached as Exhibit B. True Wireless's Certificate of Authority to do business in South Dakota is attached as Exhibit C. True Wireless's address is set forth below:

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II. TRUE WIRELESS MEETS THE STATUTORY AND REGULATORY REQUIREMENTS FOR ETC DESIGNATION

True Wireless meets or commits to meet all the requirements for designation as an ETC as established under federal law and rules of the Federal Communications Commission ("FCC") 47 U.S.C. § 214(e); 47 C.F.R. § 54.201 and state regulations. In particular, True Wireless:

- is a common carrier (*see* 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d));
- will offer the services supported by federal universal service support mechanisms as defined in 47 C.F.R. § 54.101(a) (*see also* 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1));
- will provide the supported services throughout its designated service area (ARSD 20:10:32:43.01; 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d));
- will advertise the availability of its universal service offerings and charges for such offerings using media of general distribution (47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2));
- will make available Lifeline service to qualifying low income consumers (47 C.F.R. § 54.405);
- has filed the necessary compliance plan with the FCC to receive forbearance from the “own facilities” requirement of 47 U.S.C. § 214(e)(1)(A);
- will remain functional in emergency situations (ARSD 20:10:32:43.03);
- will offer local usage plans comparable to those offered by ILECs in its designated service area (ARSD 20:10:32:43.05); and
- will be able to provide equal access under certain circumstances.

A. True Wireless Is a Common Carrier

True Wireless will provide CMRS throughout its requested Designated Service Area, and as a CMRS provider, True Wireless is regulated as a common carrier (47 C.F.R. § 20.9), subject to all applicable regulations, and therefore meets the ETC requirement of being a common carrier.

B. True Wireless Offers the Services Supported by Federal Universal Service Support Mechanisms

True Wireless will provide the services supported by federal Lifeline universal service support mechanism upon designation as an ETC, as defined in recently revised 47 C.F.R. § 54.101(a), which reads as follows:

Services designated for support. Voice telephony services shall be supported by federal universal support mechanisms. Eligible voice telephony service must

provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible telecommunications carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation for qualifying low-income consumers (as described in subpart E of this part).

True Wireless complies with the revised version of 47 C.F.R. § 54.101(a) and provides the services designated for support, as set forth below

- Voice Grade Access to the Public Switched Network: Voice grade access permits a telecommunications user to transmit and receive voice communications with a minimum bandwidth of 300 to 3,000 Hertz. True Wireless will meet this requirement through its provision of mobile voice communications service and interconnection to the public switched telephone network.
- Minutes of Use for Local Service at No Additional Charge. Local usage is an amount of minutes of use provided free of charge. True Wireless will meet this requirement by providing a nationwide local calling area, permitting customers to call throughout the United States without toll charges.
- Access to Emergency Services. Access to emergency services includes both access to 911 and E911 services to the extent the local government has implemented such services. True Wireless currently: (1) provides its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated, regardless of activation status and availability of minutes, and (2) provides its Lifeline subscribers with E911-compliant handsets and replaces, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services.

- Toll Limitation Service for Qualifying Low-Income Consumers. Toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control.² True Wireless will meet the requirement to provide toll limitation to Lifeline subscribers by offering service on a prepaid, or pay-as-you-go, basis, as well as toll blocking for international calls. As the FCC found in its grant of ETC designation to Virgin Mobile, “the prepaid nature of [a prepaid wireless carrier’s] service offering works as an effective toll control.”³ Moreover, True Wireless will provide traditional toll blocking for international calls to qualifying low income consumers at no additional charge. True Wireless also provides its users with the ability to monitor their minute usage and balance as an additional means of controlling their communications budget.

C. True Wireless Will Provide the Supported Services Throughout Its Designated Service Areas Upon Reasonable Request

True Wireless commits to provide the supported services throughout its Designated Service Area, consistent with all applicable requirements. To the extent a potential customer requests service within True Wireless’s Designated Service Area, but outside its anticipated network coverage, True Wireless will, in cooperation with its carrier vendor, follow the six-step process specified in 47 C.F.R. § 54.202(a)(1)(i). Specifically, True Wireless will determine if service can be provided with the cooperation of its vendor at reasonable cost to the requesting customer by: (1) modifying or replacing the requesting customer’s equipment; (2) deploying a roof-mounted antenna or other equipment; (3) adjusting the nearest cell tower; (4) adjusting network or customer facilities; (5) reselling services from another carrier’s facilities to provide

² 47 C.F.R. § 54.400(d).

³ *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, Order, 24 FCC Rcd. 3381, 3394 at ¶ 34 (FCC 2009).

service; or (6) employing, leasing, or constructing an additional cell site, cell extender, repeater, or other similar equipment.

D. True Wireless Will Advertise the Availability of Its Universal Service Offerings and Charges for Such Offerings Using Media of General Distribution

True Wireless commits to advertise the availability of, and charges for, the supported services using media of general distribution. This advertising will occur through some combination of media channels, such as television and radio, newspaper, magazine and other print advertisements, outdoor advertising, direct marketing, and the Internet. In addition, True Wireless will use appropriate media outlets to advertise its universal service offerings in a manner consistent with applicable requirements. True Wireless provides a sample Lifeline advertisement as Exhibit D.

E. True Wireless Will Make Available Lifeline Service to Qualifying Low-Income Consumers

Upon designation as an ETC, True Wireless will make available to qualified low income consumers a discounted service offering that meets all applicable Lifeline requirements. Consumers increasingly rely on their mobile phones for their communications needs and qualifying low income consumers are no exception. Low-income consumers would be the primary beneficiaries of True Wireless's Lifeline service offering. True Wireless plans to offer an attractive plan of 90 minutes of nationwide calling free after application of the federal Lifeline discount, which includes local, as well as long distance calling.

F. Satisfaction of Applicable Consumer Protection and Service Quality Standards

True Wireless will comply with all applicable state and federal consumer protection and service quality standards. If designated as an ETC, True Wireless will continue to provide service on a timely basis to requesting customers within the Designated Service Area. Further,

True Wireless will abide by the CTIA's Consumer Code for Wireless Service ("CTIA Code"). True Wireless has already adopted the CTIA Code and is committed to compliance with the CTIA Code throughout its service areas, including in those areas where it is seeking designation as an ETC.

G. Forbearance from the Facilities Requirement of Section 214(e)(1)(A)

In its recent *Lifeline Reform Order*, the FCC granted conditional forbearance for Lifeline ETCs, provided that these ETCs receive FCC approval of a compliance plan.⁴ True Wireless has filed the necessary compliance plan with the FCC to receive forbearance from the "own facilities" requirement of 47 U.S.C. § 214(e)(1)(A), and expects that plan to be approved within approximately the next 30 to 60 days.⁵

H. True Wireless Is Financially and Technically Capable of Providing Lifeline Service.

True Wireless has been providing service since mid-2010 and focuses on providing service to low income consumers. To date, the Company has been designated as an ETC in five states: Arkansas, Maryland, Oklahoma, Rhode Island and Texas. True Wireless is successfully providing Lifeline supported services in these states and has a steadily increasing customer base. True Wireless owns and operates its own switching facilities, back-office and operations support systems ("OSS") that are ideally suited to serve lower revenue subscribers. True Wireless has invested millions of dollars to evaluate, design, develop and integrate these systems.

⁴ *In Re Lifeline and Link Up Reform and Modernization, et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (FCC rel. Feb. 6, 2012) ("*2012 Lifeline Order*") at 368.

⁵ *In Re Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible to Receive Universal Service Support, et al.*, Compliance Plan of True Wireless, LLC, WC Dockets 11-42 and 09-197 (filed Mar. 29, 2012).

True Wireless is financially stable and fully capable of honoring its service obligations to customers and federal and state regulatory obligations. Although True Wireless derives the majority of its revenue from the sale of prepaid wireless services, True Wireless does not rely exclusively on USF disbursements to operate. For example, True Wireless derives additional revenue from the sale of wireless services with respect to certain of its wireless plans that are not fully covered by the Lifeline subsidy, the sale of wireless services to non-Lifeline customers, the sale of replenishment airtime minutes, and the sale of optional service packages (e.g., Internet/text services).

I. True Wireless Seeks Waiver of Requirement to Submit Two-Year Plan

The requirement of submitting network improvement and maintenance plans, as initially issued by the FCC and adopted by this Commission, relates only to those ETCs seeking high-cost support. As the FCC explained in its 2012 Lifeline Order and Further Notice of Proposed Rulemaking, “[g]iven that Lifeline-only ETCs are not receiving funds to improve or extend their networks, we see little purpose in requiring such plans as part of the ETC designation process.”⁶ The Commission has amended 47 CFR 54.202 to reflect this change.

ARSD 20:10:32:43.02 requires that an ETC applicant demonstrate:

- (1) How service quality, signal quality, coverage, or capacity will improve due to *the receipt of high-cost support*;
- (2) The projected start date and completion date for each improvement and the estimated amount of investment for *each project that is funded by high-cost support*; (emphasis added).

The high-cost portion of the federal Universal Service Fund is designed to promote the construction of infrastructure and facilities in areas where such endeavors are more expensive or

⁶ 2012 Lifeline Order at 386.

uneconomical compared to more typical geographical areas.⁷ The Lifeline program, on the other hand, provides support directly to consumers based on the consumer's economic means regardless of geography.⁸ Lifeline funding simply does not support network build-outs or maintenance. Instead, it reimburses the carrier for discounts provided directly to the consumer. These consumers may all potentially be located in areas with sufficient network facilities but the consumer will nevertheless qualify for the support based entirely on the consumer's personal financial means. Network improvement and maintenance is a critical part of True Wireless's operations, as well as those of its underlying carrier, but True Wireless believes that it is inappropriate to disclose the details of this business information, which is highly confidential and subject to internal decisions and change. Based on the foregoing, True Wireless believes that it should not be required to submit a two-year plan. True Wireless is entirely willing, however, to provide any further necessary information on this point should that be of assistance in your or the Commission's consideration of its application.

J. True Wireless Will Remain Functional in Emergency Situations

Under the Commission's rules (ARSD 20:10:32:43.03), an ETC applicant must demonstrate its ability to remain functional in emergency situations. Since True Wireless will provide services in part through the use of facilities obtained from a major carrier vendor for wireless spectrum and other related wireless services, True Wireless will provide to its customers

⁷ *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776 (FCC rel. May 7, 1997) ("First Report and Order") at ¶199 ("As the Joint Board recommended, we today establish that the level of support for service to a particular customer will ultimately be determined based upon the forward-looking economic cost of constructing and operating the network facilities and functions used to provide that service.")

⁸ First Report and Order at ¶319 ("Since 1985, the Commission, pursuant to its general authority under sections 1, 4(i), 201, and 205 of the Act and in cooperation with state regulators and local telephone companies, has administered two programs designed to increase subscribership by reducing charges to low-income consumers. The Commission's Lifeline program reduces qualifying consumers' monthly charges, and Link Up provides federal support to reduce eligible consumers' initial connection charges by up to one half.").

the same ability to remain functional in emergency situations as is currently provided by the vendor to its own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, re-routing of traffic around damaged facilities, and the capability to manage traffic spikes in the event of emergency situations.

K. True Wireless Offers a Comparable Local Usage Plan

Consistent with 47 C.F.R. § 54.202(a)(4) and ARSD 20:10:32:43.05, True Wireless will offer a local usage plan comparable to those of the incumbent local exchange carriers (“ILECs”) in its South Dakota service area. As described above, True Wireless’s offering provides nationwide calling that is not limited to a traditional local calling area. True Wireless will also offer a number of features to its customers, including caller ID, call waiting and voicemail. True Wireless’s plan and offerings therefore are comparable with those of the incumbent LECs.

L. True Wireless Certifies that It Will Be Able to Provide Equal Access Under Certain Circumstances

Pursuant to 47 C.F.R. § 54.202(a)(5) and ARSD 20:10:32:43.06, True Wireless acknowledges that it may be required to provide equal access within a designated service area if no other ETC is providing equal access in that area.

III. DESIGNATION OF TRUE WIRELESS AS AN ETC IS IN THE PUBLIC INTEREST

True Wireless meets all of the requirements for designation as an ETC by providing the supported services, committing to serve all consumers throughout its Designated Service Area, offering a Lifeline service consistent with all applicable requirements, advertising the availability of its universal service offerings, and furthering the goals of the universal service program. Moreover, and pursuant to ARSD 20:10:32:43.07, designation of True Wireless as an ETC is in

the public interest because consumers will benefit from competitive pricing and new services, such as True Wireless's Lifeline plan. As True Wireless expands its network in South Dakota, consumers will benefit from a high level of service quality and more service options.

Access to wireless services is no longer a luxury, but a necessity for many economically disadvantaged Americans. Low income consumers are mobile and transient, often balancing multiple jobs and moving far more frequently than consumers with higher incomes, making wireless telecommunications the only technology that truly suits their needs in most cases. Because low income consumers spend less time during the day at a fixed location, and even less time at a fixed location with a phone available for their use, access to wireless telecommunications is of crucial importance to low income consumers.

True Wireless fulfills a critical role in the marketplace by ensuring that these low income consumers, who cannot afford the services provided by other wireless providers, can still access these important services. True Wireless's designation as an ETC will result in low income consumers having greater access to wireless telecommunications services in South Dakota, thereby advancing the basic goal of preserving and advancing universal service.⁹ Indeed, True Wireless will pass through to its Lifeline eligible customers the entirety of the federal Lifeline discount. Designating True Wireless as an ETC will improve its ability to serve these customers, and thus will serve the public interest.

IV. CERTIFICATION FOR USE OF UNIVERSAL SERVICE FUNDS

True Wireless certifies that it will use federal low income universal service support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, in accordance with 47 U.S.C. § 254(e).

⁹ See 47 U.S.C. § 254(b).

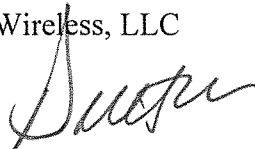
V. CONCLUSION

True Wireless respectfully requests designation as an ETC for the Designated Service Area for purposes of receiving federal Lifeline universal service support.

Dated this 8th day of June, 2012.

Respectfully submitted,

True Wireless, LLC

By:  _____

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