

Appendix A
Proposed Revisions to Draft Resolution T-17473

Revised Text: Pages 3 - 4

Due Diligence Review

An integral part of Communications Division (CD) staff's review of an ETC designation request is a due diligence review to determine if the carrier has engaged in behavior that may call into question its fitness to be granted ETC designation to serve California consumers. The due diligence review includes, but is not limited to, conducting independent research about a carrier's past operations to provide the Commission with information that may be pertinent in deciding whether or not to grant the ETC designation request. Typical research methods include performing Lexis/Nexis legal resource searches, internet searches, reviewing industry and trade publications, querying other governmental agencies, contacting the FCC and USAC, reviewing a company's history of operations, and contacting the Commission's Safety and Enforcement Division and the Consumer Affairs Branch.

In the course of its research, CD ~~found a significant issue with~~ discovered a letter written by the Yamamoto Caliboso law firm to the Hawaii Public Utilities Commission ("Hawaii PUC") containing allegations regarding Blue Jay's federal Lifeline operations in Hawaii and calling upon the Hawaii PUC to conduct an investigation.⁷ ~~During 2014, Blue Jay reportedly oversubscribed Lifeline residents ineligible to receive Hawaiian Home Lands/Tribal lands status and filed federal subsidy reimbursement requests with the USAC based on the inflated subscriptions. This letter raised concerns regarding the number of subscribers claimed by Blue Jay in 2014 as being eligible to receive Hawaiian Home Lands/Tribal lands Lifeline benefits. CD reviewed Blue Jay's USAC's federal Lifeline disbursements to Blue Jay in Hawaii from January to October 2014 show that and found that the carrier's reimbursement claims were six times higher than those claimed by the next highest Lifeline provider in that state.⁸ CD verified the this disbursement information with the Hawaii Public Utilities Commission as accurate.~~

On June 26, 2015, CD sent Blue Jay a Data Request seeking information regarding the concerns raised in the letter. On July 8, 2015, Blue Jay timely provided a response to the Data Request. In its response, Blue Jay explained that the issues raised primarily relate to Blue Jay's operations enrolling subscribers in Hawaii who had self-certified as residents of Hawaiian Home Lands to receive an enhanced Lifeline benefit, which is currently all

⁷ <http://www.slideshare.net/civilbeat/blue-jay-wireless-hawaii-letter>, source letter from Yamamoto Caliboso law firm.

⁸ <http://www.usac.org/li/tools/disbursements/default.aspx>. Narrow search results by choosing Study Area Code 629008, year 2014, all months, and state of Hawaii.

that is required by Section 54.410 the FCC's rules.⁹ Blue Jay also explained steps that the company voluntarily took to develop and implement a two-step verification process utilizing a geo-mapping tool and 30 day notice.

At this time, CD does not recommend that the Commission grant Blue Jay ETC designation or authority to offer California LifeLine service. The issue of potentially oversubscribing ineligible Hawaiian Home Lands residents is substantive and Hawaii Lifeline subscribers in the enhanced, Tribal Lifeline subsidy raises questions about Blue Jay's ability to administer the Lifeline program in compliance with federal and state rules and requirements. the efficacy of the FCC' self-certification rule and the unique circumstances of native Hawaiians and residency on Hawaiian Home Lands. CD acknowledges that the matter remains unresolved between Blue Jay Wireless, LLC, the Universal Service Administrative Company and/or the Federal Communications Commission. To the extent that this issue raises any questions about Blue Jay's ability to administer the Lifeline program in compliance with federal and state rules and requirements, CD does not believe that it has relevance to Blue Jay's ability to serve as a compliant ETC in California. Blue Jay has not requested designation in Tribal areas in California at this time and because California utilizes the California LifeLine Administrator to verify Tribal subsidy eligibility, CD does not believe that there will be any potential issues with Blue Jay's enrollments in the state. Therefore, CD recommends that the Commission grant Blue Jay ETC designation and authority to offer California LifeLine service.

Revised Findings and Conclusions: Pages 4-5

FINDINGS AND CONCLUSIONS

1. Blue Jay Wireless, LLC, with corporate offices at ~~5010 Addison Circle, Addison, TX 75001~~ 4240 International Parkway, Ste. 140, Carrollton, TX 75007, is a California reseller of commercial mobile radio service registered with the Commission under its authority U-4437-C granted on October 19, 2012.
2. On April 15, 2014, Blue Jay Wireless, LLC submitted Advice Letter 2 (AL 2) to the CPUC requesting Eligible Telecommunications Carrier (ETC) designation for the purposes of receiving federal Lifeline support and authorization to be a California LifeLine provider to offer discounted prepaid wireless telephone services to eligible households in California.
3. Blue Jay Wireless, LLC submitted AL Supplement 2A on February 10, 2015, AL Supplement 2B on April 30, 2015, and AL Supplement 2C on August 31, 2015.

⁹ 47 C.F.R. § 54.410.

4. Blue Jay Wireless, LLC meets the FCC's Eligible Telecommunications Carrier requirements.
5. Blue Jay Wireless, LLC commits to comply with all General Order 153 rules and with the California LifeLine Administrator's (Administrator) processes, and to cooperate with the California LifeLine team in the review and approval of its California LifeLine disclosures and marketing materials.
6. Blue Jay Wireless, LLC's California Unlimited Voice & Text, California Unlimited Voice & Text w/ 500 MB Data Plan, and California Voice & Text w/ 5 GB Data Plan meet federal ETC criteria for the public interest determination with the benefits of increased competitive choice, convenience, security with mobility, ability to purchase additional usage, and ability to send and receive text messages in a prepaid plan.
7. Blue Jay Wireless, LLC's California Unlimited Voice & Text, California Unlimited Voice & Text w/ 500 MB Data Plan, and California Voice & Text w/ 5 GB Data Plan meet California LifeLine Program requirements.
8. Communications Division found that Blue Jay Wireless, LLC significantly oversubscribed customers under Hawaiian Home Lands/Tribal lands status. As part of its due diligence review, Communications Division staff reviewed information raising concerns that, during 2014, Blue Jay Wireless, LLC may have subscribed customers in the federal enhanced Lifeline program whose self-certifications of residency on Hawaiian Home Lands could not be verified by the company. Staff sent a Data Request to Blue Jay Wireless, LLC regarding these concerns on June 26th, 2015. Blue Jay Wireless, LLC timely provided a response to this Data Request on July 8, 2015. Based on the information provided, Communications Division makes no findings regarding this matter and acknowledges that it The matter remains unresolved between Blue Jay Wireless, LLC, the Universal Service Administrative Company and/or the Federal Communications Commission.
9. Communications Division recommends the Commission deny approve Blue Jay Wireless, LLC's request for ETC designation as a provider of federal Lifeline and California LifeLine wireless services.
10. Communications Division recommends that Blue Jay Wireless, LLC be required to offer wireless service in California on a retail basis (non Lifeline) for a minimum of one (1) year under its wireless identification registration authority U 4437 C to establish a record of operations. Blue Jay Wireless, LLC may re-submit an advice letter to request ETC designation after one (1) year of retail (non Lifeline) wireless operation and the conclusion of the Hawaiian Home Lands/Tribal lands issue with the Universal Service Administrative Company and/or the Federal Communications Commission.

11. On October 5, 2015, the Commission emailed a draft of this resolution to the Eligible Telecommunications Carrier service list for public comments.

Revised Ordering Paragraphs: Page 5

THEREFORE, IT IS ORDERED that:

1. The Commission ~~denies~~ approves Blue Jay Wireless, LLC's (U-4437-C) Advice Letter 2 requesting Eligible Telecommunications Carrier designation to provide federal Lifeline and California LifeLine wireless service throughout California.
2. ~~Blue Jay Wireless, LLC may re-submit an advice letter to request Eligible Telecommunications Carrier designation when it:~~
 - ~~resolves with the Universal Service Administrative Company and/or the Federal Communications Commission the oversubscription of ineligible Hawaiian Home Lands/Tribal lands residents; and~~
 - ~~offers wireless service in California on a retail basis (non-Lifeline) for a minimum of one (1) year under its wireless identification registration authority U-4437-C.~~

Blue Jay Wireless, LLC shall be authorized to offer three California LifeLine wireless service plans:

- California Unlimited Voice & Text at no charge per month to the customer
 - California Unlimited Voice & Text w/ 500 MB Data Plan at \$15.00 per month
 - California Voice & Text w/ 5 GB Data Plan at \$25.00 per month
3. Blue Jay Wireless, LLC shall file a Tier 2 Advice Letter to request approval for any changes to the service areas approved in this Resolution and include a map(s) in Shapefile format of the proposed area.
 4. Blue Jay Wireless, LLC does not seek ETC designation or request authority to provide federal Lifeline on federally recognized Tribal lands. Any advice letter seeking such authority shall describe the specific Tribal lands to be served and include maps in Shapefile format of the proposed Tribal lands.

Helping Hands Hawai'i

October 26, 2015

California Public Utilities Commission
San Francisco Office (Headquarters)
505 Van Ness Avenue
San Francisco, CA 94102

To Whom It May Concern:

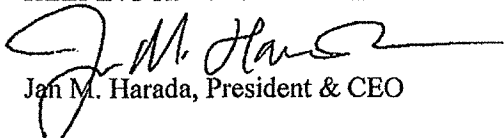
We are writing this letter in regards to the application of Blue Jay Wireless to serve as an eligible telecommunications carrier in the State of California. We wanted to share with you some of the very positive experiences we have had with the Blue Jay team here in Hawaii.

Helping Hands Hawaii provides health and human services supports to some of Hawaii's most vulnerable. In particular, we serve individuals, families, and seniors struggling with poverty, homelessness, mental illness, addiction, and language barriers. We serve this population through a range of services from case management/social supports, mental illness and addiction treatment, representative payee services, homeless re-housing and wrap-around services support, access to needed public benefits, interpreters in 20 languages, and homeless prevention work through emergency assistance and financial literacy/education. In many instances, in particular for those struggling with poverty or homelessness, lack of a consistent and reliable method of communication is often one of the major reasons why they have trouble accessing services, maintaining benefits, and keeping a roof over their heads. We began to work with Blue Jay when they approached us with an opportunity to participate in the Life Line program. Through our participation and interaction with Blue Jay, we wanted to share the following positive feedback and strengths that we have experienced:

- The Blue Jay team in Hawaii has been very responsive, open to working with a variety of clients presenting with different levels of need and understanding, clear with their expectations and willing to travel anywhere on the island of Oahu to help our consumers.
- They have been reliable and shown up to all appointments despite no shows from even some of our recently housed clients, changed appointment times, and last minute location changes for meetings.
- The main local representative is a social worker by trade, and with the company's support he has interacted with our clients and community in a very kind, compassionate, and balanced way, showing that he understands the challenges that the poor and homeless have to struggle with every day. He personally worked on a client who had some trouble with a duplicate entry in his system by talking with the Blue Jay corporate team, following up, and keeping us in the loop/communicating with us.
- The Blue Jay team on Oahu have been great at following through on the company's commitment to provide employment opportunities for some consumers/clients who struggling with homelessness and mental illness, understanding that gainful employment is a critical part of that consumer's/client's recovery.

Thank you for the opportunity to share.

Sincerely,
HELPING HANDS HAWAII


Jan M. Harada, President & CEO



Telecom Strategy
Development

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Roswell, Georgia 30075
770.594.3860
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October 26, 2015

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Draft Resolution T-17473 Denying Blue Jay Wireless, LLC's Advice Letter 2 Requesting Designation as an Eligible Telecommunications Carrier to Provide Federal Lifeline and California LifeLine Wireless service in California

To All Parties on the Service List for Draft Resolution T-17473:

I am writing you in support of Blue Jay Wireless, LLC's (Blue Jay's) Advice Letter 2 requesting designation as an eligible telecommunications carrier (ETC) to provide federal Lifeline and California LifeLine wireless service in California. Blue Jay's addition to the competitive landscape in California will be a great benefit to low-income consumers. I am the Co-Founder of CGM, LLC, which currently provides comprehensive technology and compliance solutions to Lifeline service providers. Founded in 1999 and based in Roswell, Georgia, we provide service to many of today's leading wireless Lifeline service providers, including many LifeLine providers in California. CGM's systems are currently involved in the enrollment of as many as 225,000 Lifeline subscribers, and the management of over 3 million Lifeline subscribers each month across 35 states. CGM interacts on a daily basis with the California Lifeline Administrator and ETCs in California. CGM also worked closely with USAC and the FCC to provide input to the design and implementation of the National Lifeline Accountability Database that rolled out early in 2014.

CGM has been working with Blue Jay on Lifeline compliance and technology solutions since the company's inception over three years ago. Blue Jay is a compliance-centric ETC with a top-to-bottom commitment to running industry best practices, which are better than the FCC guidelines require. CGM fully endorses all aspects of their Lifeline business. Blue Jay's compliance team consists of two Lifeline compliance experts formerly of the Universal Service Administrative Company, including a former Lifeline program manager and a former program analyst. Both are impeccable in their reputations, knowledge of the Lifeline program rules and



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commitment to compliance. Additionally, Blue Jay's General Counsel Melissa Slawson is a former staffer and legal advisor at the California Public Utilities Commission.

Blue Jay's regulatory team focuses every day on regulatory compliance, takes all reasonable precautions to avoid issues and addresses any issues that do arise swiftly and decisively. The Hawaiian Home Lands issue raised in the Draft Resolution is a perfect example. When Blue Jay was informed of a potential concern regarding the number of Lifeline subscribers that were self-certifying residency on Hawaiian Home Lands, the company immediately contacted us to begin working on a technology-based solution, which went well beyond the federal requirements to verify those self-certifications. We worked quickly with Blue Jay, and within a few weeks had designed, developed and implemented a sophisticated geo-mapping tool to verify Hawaiian Home Lands residency in real-time during Lifeline enrollments. The California Public Utilities Commission should not hesitate in approving Blue Jay's Advice Letter 2 to designate Blue Jay as a wireless Lifeline/LifeLine ETC in California.

Please don't hesitate call me if I may provide any additional assistance or explanation in this matter.

Respectfully submitted,

Chuck Campbell

Chuck Campbell
Co-Founder
CGM, LLC