

Exhibit C

Exhibit C
Blue Jay Response to Yamamoto Caliboso Law Firm Letter
November 25, 2014

From: **Lauren Moxley** <lmoxley@bluejaywireless.com>
Date: Tue, Nov 25, 2014 at 11:13 PM
Subject: Re: Blue Jay Wireless
To: Nathan Eagle <neagle@civilbeat.com>
Nathan,

I appreciate you providing us with the opportunity to respond more in length to the letter you provided and your specific questions. Below is our response.

Blue Jay Wireless appreciates the opportunity to briefly respond to your inquiry regarding the letter filed by the Yamamoto Caliboso law firm on behalf of an undisclosed client at the Public Utilities Commission of Hawaii (PUC) regarding Blue Jay's provision of federal government supported Lifeline service in Hawaii. Blue Jay focuses its business on compliance with federal and state Lifeline rules and protecting the value and integrity of the Lifeline program for low-income consumers. Blue Jay began enrolling Lifeline subscribers in Hawaii late last year and providing its enhanced 1,000 minute plan to eligible subscribers who certify to residing on the Hawaiian Home Lands, and its standard 250 minute plan to those that do not. As the Yamamoto letter confirms, Federal Communications Commission's (FCC) rules explicitly and exclusively rely on consumers' self-certification regarding residence on Tribal lands or Hawaiian Home Lands to determine eligibility for the federal enhanced Lifeline benefit.

When first rolling out its Hawaii Lifeline marketing and distribution efforts beginning in November 2013, Blue Jay found eligible low-income consumers in Hawaii to be largely unaware of availability and benefits of the Lifeline program. At the time, Blue Jay had estimates that there were nearly 140,000 Lifeline eligible households in Hawaii with an eligible consumer participation rate in the program of less than 5 percent (one of the lowest program participation rates in the nation). Since that time, Blue Jay has worked hard to increase awareness of the program in Hawaii and to make the service available to eligible customers for whom the service can prove to be an essential communications link to jobs, family, healthcare, emergency services and community. Also because of limited participation by eligible households, Blue Jay has developed focused marketing and enrollment efforts for Native Hawaiians residing on Hawaiian Home Lands. Because of these efforts, Blue Jay has been successful in providing Lifeline services to eligible customers including both Hawaiian Home Lands residents and low income customers in Hawaii. Although Blue Jay receives reimbursements from the Universal Service Administrative Company (USAC), the reimbursements are carried through to low-income consumers in the form of a standard 250 minute wireless service offering and an enhanced 1,000 minute wireless service offering for customers that reside on Hawaiian Home Lands. The enhanced benefit available to eligible consumers who reside on Hawaiian Home Lands is available to eligible consumers in other states who live on Tribal lands.

In May 2014, Blue Jay was contacted by Hawaiian PUC staff concerning the number of subscribers enrolled in the enhanced Lifeline program available exclusively to eligible subscribers who reside on Hawaiian Home Lands. Although Blue Jay had no reason to question the self-certifications of eligibility for the enhanced Lifeline program, we voluntarily developed a self-regulatory geo-mapping tool to verify certifications of residency on Hawaiian Home Lands. Blue Jay completed its initial development of the geo-mapping tool in June 2014 and began using it for new enrollments in Hawaii at that time. Blue Jay's Lifeline applications are taken from applicants by field representatives using an Internet-connected iPad which is connected to Blue Jay's corporate employee real-time review queue. A Blue Jay employee (that is not paid by commission) in the review queue checks the applicant's identification, proof of eligibility and certifications, among other things, and, for subscribers self-certifying residency on Hawaiian Home Lands, enters applicants' addresses into the geo-mapping tool to see if the residence on Hawaiian Home Lands can be verified. If the application of Blue Jay's geo-mapping tool indicates that the applicant's residency on Hawaiian Home Lands cannot be verified, the applicant is asked to provide proof of residency on Hawaiian Home Lands. If proof can be provided, the applicant will qualify for and receive enhanced Lifeline service. Otherwise, the applicant will qualify for and receive Blue Jay's standard 250 minute Lifeline offering.

In June and July, Blue Jay also began voluntarily applying the geo-mapping tool to the addresses of its existing base of Hawaiian Home Lands subscribers. For any subscribers whose address was not identified as a Hawaiian Home Lands address, beginning in July, Blue Jay sent out a series of text messages informing the subscribers that their plans would be changed to the standard Lifeline plan within 30 days unless the subscriber could provide proof of residency on Hawaiian Home Lands. For any subscribers that did not provide proof of residency on Hawaiian Home Lands, Blue Jay began transitioning them from the enhanced 1,000 minute plan to the standard 250 minute offering. This process resulted in more than 10,000 subscribers being transitioned to the standard Lifeline plan and a corresponding reduction in the benefits being drawn from USAC and passed through to these subscribers. While this change in claims and reduction in consumer benefits is publicly available information, the Yamamoto firm and its undisclosed client apparently elected not to share the information with the PUC or Civil Beat.

Finally, the Yamamoto letter also expresses concern regarding the means by which Blue Jay markets to potential eligible consumers. Blue Jay's advertising the 1,000 minute enhanced Lifeline plan along with its standard 250 minute plan in Hawaii is consistent with its statutory obligation as a Lifeline provider to advertise its services and plans and entirely consistent with the Advertising Plan that Blue Jay filed with the PUC. Moreover, Blue Jay uses a single enrollment form in Hawaii, because it is not a state where Tribal specific federal assistance programs trigger eligibility for the enhanced benefit.

Blue Jay considers itself to be at the forefront of compliance with the letter and spirit of the Lifeline rules and has participated in multiple voluntary self-regulatory initiatives, including its development of the geo-mapping Hawaiian Home Land residence verification tool discussed here and designed to ensure that eligible Native Hawaiians residing on Hawaiian Home Lands and other eligible low income consumers get the benefit to which they are entitled.

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