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June 11, 2015

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RE: Blue Jay Wireless, LLC, TC 14-019
Our File: 6673

Dear Commissioners:

At the May 26, 2015 Commission Meeting, Commissioners and advisors requested additional information from Blue Jay Wireless, LLC (herein "Blue Jay"). Responsive to that request, please accept for filing, the following information and attachments:

- 1) Commissioner Nelson Requested clarification on Exhibit B to the Application: Income eligibility is determined based on gross income.
- 2) Commission Counsel Rolayne Wiest requested a Form 555 for all states: See documents attached as Exhibit 1.
- 3) Commission Counsel Rolayne Wiest requested examples of ads for non-Lifeline services: The requested advertisements will be provided in a subsequent filing.
- 4) Commission Counsel Rolayne Wiest requested data to support Blue Jay's statement that non-Lifeline revenues increased over the last several years

[REDACTED] The non-Lifeline revenue increased by a factor of over 20 from 2013 to 2014.

In addition to the above requested information, based on the meeting discussion, Blue Jay supplements its filing as follows:

- 1) Blue Jay's answer to Data Request 1-3 lead to one of Staff's recommended conditions. However, after talking with PUC Staff further, it is apparent the following clarification is necessary: Blue Jay offers its 1,000 minute tribal plan at no charge and the unlimited talk and text tribal plan is offered for \$5.00.

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- 2) Proposed South Dakota advertising will be modified in response to Commissioner Nelson's concerns. Blue Jay understands the Commissioner's concern that the submitted advertising material did not include a message fully reflecting the intent of the program. As such, Blue Jay modified its advertising. Blue Jay is committed to providing an accurate and responsible message regarding the intent of the Lifeline program if given the opportunity to serve the low income population in South Dakota. We will submit the modified advertising to the Commission at a later time.
- 3) Since filing its South Dakota Application, Kentucky and Michigan approved the Blue Jay applications to serve. As such, Exhibit A to the Application is amended in the attached Exhibit 2.

As stated at the May 26, 2015 meeting, Blue Jay believes the wireless Lifeline product it can offer will serve the South Dakota public interest. The fact is that the Lifeline program provides an important benefit to low-income South Dakotans that allows them to apply for jobs (a phone number is essential for a resume or job application), manage shifts and childcare and keep in touch with health care providers.¹ The connectivity afforded by Lifeline allows other government and community benefits to be more effective by allowing the agencies that manage those benefits to keep in touch with recipients. Lifeline is important for employers that need to be able to reach their workforce, often on short notice to pick up shifts and cover for fellow employees. Yet, the Lifeline program remains underutilized, especially in South Dakota where the estimated participation rate is a mere 11 percent.

The importance of the Lifeline program is such that the Communications Act of 1934, as amended requires that ETCs advertise it using media of general distribution. In 2004, the FCC provided guidance to ETCs regarding outreach and advertising because of its concern and the Federal-State Joint Board's concern regarding the participation rate.² In the rulemaking process that led to the 2012 *Lifeline Reform Order*, that FCC and state concern regarding participation remained. The fact is that both the FCC and states have recognized the need for the Lifeline program to connect low-income households to jobs, employment opportunities, emergency services, healthcare providers, childcare and family. One important way to promote those

¹ See *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, ¶ 17 (Feb. 6, 2012) ("*Lifeline Reform Order*") ("Voice service allows consumers to connect with public safety and health care resources. As many commenters note, voice service is particularly important for low-income consumers, who often must juggle multiple jobs and interviews for new employment as well as keep in contact with social service agencies.").

² See *Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, FCC 04-87, ¶¶ 1-2 (2004) ("Only one-third of households currently eligible for Lifeline/Link-Up assistance actually subscribe to this program... To target low-income consumers more effectively, we adopt outreach guidelines for the Lifeline/Link-Up program.").

benefits is to allow Lifeline provider competitors into the market to make consumers aware of the benefits available through the Lifeline program.

Blue Jay appreciates the time Commissioners took at the May 26, 2015 meeting to hear from company representatives in an effort to learn more about the company. Blue Jay looks forward to further presentation and discussion with the Commission regarding the service it hopes to bring to the State of South Dakota.

Very truly yours,

MAY, ADAM, GERDES & THOMPSON LLP



KARA C. SEMMLER

KCS/sjs