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TC15-002

- 1-1. Pursuant to ARSD 20:10:32:43.05, provide some documentation or analysis showing that Boomerang offers a comparable usage plan to that of the incumbent LXC. Include data in your analysis.

RESPONSE: Boomerang, a prepaid wireless service, offers two Federal Lifeline plans to eligible subscribers and one Tribal Lifeline Plan to eligible subscribers who reside on Federally Recognized Tribal lands. These are the Boomerang Federal Lifeline plan offerings across the country: (1) 125 units that rollover where 1 minute and 1 text equals 1 unit, and monthly minutes do not expire for 60 days from when issued for the 125 unit plan, and those unexpired unused units are rolled over to the next month. (2) 250 units without rollover where 1 minute equals 1 unit and 1 text equals 1 unit. Unused minutes for the 250 minute plan do not roll over. And (3) a Tribal Lifeline plan that is 1000 free minutes, text or voice. All plans include 10mb of data per month. Units refer to talk and text domestic/long distance and local calls. enTouch Wireless will not deduct airtime minutes for calls by Lifeline customers, including participants in the Tribal Lifeline plan, with service addresses for Lifeline service in South Dakota, to enTouch Wireless' Customer Service (via 611) and calls from enTouch Wireless' Customer Service to such Lifeline customers to address billing, customer care and customer service issues.

Golden West Telecommunications, offering wireline service, is the incumbent Local Exchange Carrier for the Pine Ridge and Rosebud Tribal lands in South Dakota. Per the Golden West Telecommunications website (<http://www.goldenwest.com/Lifeline>), eligible subscribers for Lifeline receive a monthly credit of \$9.25 on the basic service portion of their telephone bill. Golden West Telecommunications' "Tribal Lifeline Assistance for Residents of Tribal Lands provides eligible subscribers with basic monthly telephone service at no charge." Both offerings provide "Lifeline subscribers may also receive blocking of long distance calls on their telephone line at no charge." For the purpose of Rule ARSD 20:10:32:43.05, which requests Boomerang to offer a comparable usage plan to that of the incumbent LXC. For this purpose, Boomerang focuses on the Lifeline tribal plan. See Attachment 1-1 for Lifeline Plan Comparison Chart.

Golden West provides unlimited local calling with an expanded local calling area when the customer is calling another Golden West customer within the same expanded calling area. (See asterisk on Attachment 1-1 for definition of Golden West expanded calling area.) Boomerang provides 1000 units of domestic national long distance calling regardless of the calling party's carrier. Though Golden West allows for unlimited calling, it is limited to a comparatively small calling area. Whereas Boomerang's plan provides 1000 units to make calls within Boomerang's 'local calling area' which is domestic long distance calling. Boomerang's Lifeline plan allows the tribal members to reach out beyond their immediate environment and expand their network, their resources and their opportunities beyond the limit of the Golden West local calling area. Based on this, Boomerang's Service and offering is superior in many respects.

- 1-2. On page 10 it states, "... , nor are there addition charges for exceeding their minutes." Explain what happens when a customer uses its full allotment of minutes prior to the end of the plan month already paid for. Are they still able to make calls or send texts regardless of unit availability? Are calls and texts blocked once their unit allotment runs out?

RESPONSE: An eligible subscriber receives 250 units per month (eligible subscriber residing on tribal lands receives 1000 units per month) for both local and domestic long distance calls. With the exception of 911 and 611 calls, the subscriber will not be able to make or receive calls or texts once they reach the 250 or 1000 unit maximum. However, if the subscriber wants to make or receive more calls and/or texts, they can purchase top-ups for additional units based on what they can afford and/or need. The result of this pre-pay model eliminates any bills with additional charges for usage that is beyond the subscriber's plan and will exceed their communication budget.

- 1-3. Pursuant to ARSD 20:10:32:43(4), provide a statement pertaining to that section of the rules.

RESPONSE: This particular data request calls for "A statement supporting the petition which specifies why the requested designation satisfies the requirements for eligible telecommunications designation and receiving federal universal service support under 47 C.F.R § 54.201." In support hereof, Boomerang affirmatively states as follows: Boomerang's Application includes the required statements on pages 7 – 13 thereof, under the heading Entouch Wireless Meets the Requirements for Designation as an ETC to Serve Designated Areas in South Dakota. Boomerang incorporates these statements by reference in response to this Data Request 1-3. In addition, Boomerang affirmatively states as follows: 47 C.F.R. § 54.201(b) requires that "A state commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (d) of this section as an eligible telecommunications carrier for a service area designated by the state commission." On pages 7-13 of its Application, Boomerang has included statements indicating that it meets the requirements of 47 C.F.R. § 54.201(d). Boomerang can and will, as required by subsection (d)(1) of 47 C.F.R. § 54.201 "Offer the services that are supported by federal universal service support mechanisms under subpart B of this part and section 254(c) of the Act, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier)." Numbered paragraphs 17 – 25 of Boomerang's Application are specifically devoted to discussion of Boomerang's ability and commitment to offering the supported services as set forth above and in the Application, as well as demonstrating the fact that Boomerang meets the facilities requirement by virtue of Blanket Forbearance granted by the FCC in connection with Boomerang's approved Compliance Plan (approved August 8, 2012). As noted in the Application, the FCC in its Lifeline Reform Order elected to forbear from applying the facilities requirement for carriers such as Boomerang receiving an approved Compliance Plan. Additionally, Boomerang's Application at numbered paragraphs 26-28 includes statements demonstrating Boomerang's ability and commitment to "Advertise the availability of such services and the charges therefore using media of general distribution" as required under subsection (d)(2) of 47 C.F.R. § 54.201. Finally, numbered paragraphs 12-16 of Boomerang's Application includes statements satisfying the requirement found in 47 C.F.R. § 54.201(h) that an applicant demonstrate that it is "financially and technically capable" of providing the supported Lifeline service as required thereunder.

1-4. Provide an income statement, balance sheet and cash flow statement for calendar year 2014 and year to date.

RESPONSE: CONFIDENTIAL See **CONFIDENTIAL** Attachment 1-4.

1-5. On page 2 of exhibit E-2 of the sample advertising the company shows a set of plans differentiating between texts and minutes and another set of plans that lumps minutes and texts into one group and has an unlimited unit option. Will all of these options, including those mentioned on page 21 of the application, be available to customers?

RESPONSE: enTouch Wireless currently has three federal Lifeline plans which are listed below. As indicated in the heading, units can be used in any combination of voice minutes or texts. So, 1 unit = 1 text = 1 voice minute.

<u>Plan Name</u>	<u>Talk/Text Units- 30 days</u>	<u>Data- 30 days</u>	<u>Rollover?</u>
125 unit plan	125 units	10 mb	Yes
250 unit plan	250 units	10 mb	No
1000 unit plan- TRIBAL	1000 units	10 mb	No

The UNLIMITED plan is offered only in Oklahoma and is a specific requirement of that state. To receive the Unlimited plan, there is an additional cost to eligible consumers for the plan.

In 2015, enTouch Wireless is updating our federal offering as shown below. This change is in response to the national consumer trend to use less voice and more text and data.

<u>Plan Name</u>	<u>Talk/Text Units- 30 days</u>	<u>Data- 30 days</u>	<u>Rollover?</u>
125 unit plan	ELIMINATING		
250 unit plan	250 units	100 mb	No
1000 unit plan- TRIBAL	1100 units	100 mb	No

The additional plans described on page 2 of exhibit E-2 are the top ups that are available to the eligible subscriber if they choose to supplement their Lifeline package with additional voice, text and/or data. Those same plans are available to non-Lifeline subscribers as a prepay option. These are further addressed in question 1-6.

1-6. Will plans be offered to non-Lifeline qualifying residents? If so provide the specifics of those plans including price.

RESPONSE: Yes. A consumer can purchase a phone and use our prepaid service at any time. Also, if a consumer has received the benefit and no longer qualifies they can seamlessly move to our prepaid, non-Lifeline service.

Plan Name	Talk/Text Units- 30 days	Data- 30 days	Rollover?
\$5 Airfair	0	100 mb	No
\$10 Airfair	0	500 mb	No
\$20 Airfair	1500	0	No
\$30 Airfair	Unlimited	0	No
\$50 Airfair	Unlimited	Unlimited	No
\$20 Get Ready	500/1000	20	No
\$30 Get Ready	1000/1200	30	No

As noted in question 1-5, these are the same plans that an eligible Lifeline subscriber may use to supplement their Lifeline package.

1-7. Are customers alerted when their balance of remaining monthly minutes is low or depleted?

RESPONSE: No. We do send monthly messaging to remind consumers how they can add balance to their phones. Consumers can dial 611 to reach customer service and attain their available balance.

When the voice balance is depleted, calls are routed to 611 where the consumer can receive assistance in topping up or finding a local retail store for topping up. 911 and 611 calls always go through independent of balance.

When the data balance is depleted, the consumer can still use the data function with WiFi connectivity (i.e. library, school, coffee shop). If they try to hit the Internet with no balance and no WiFi, they are messaged to call 611 to top up.

1-8. In accordance with paragraph 257 of the Lifeline Reform Order, Boomerang states in its Petition that it will deactivate and de-enroll a subscriber who does not use the service for 60 days. Approximately how many subscribers has Boomerang deactivated and de-enrolled under this rule? Has Boomerang found this method successful in preventing waste?

RESPONSE: Boomerang has found messaging and account management based on USAGE requirements to be very effective at preventing waste. We have de-enrolled 36,079 subscribers during 2013 and 2014 based on the 60 day non-usage rules. This process allows us to clearly communicate to the consumer when their benefit is at risk, what they need to do to cure, and when they do not cure that the benefit will terminate. The result is Lifeline subsidies distributed for a Lifeline benefit that is used by the subscriber.

1-9. Provide specific locations where Boomerang intends to market its Lifeline products.

RESPONSE: Boomerang specifically will work with Tribal governments to determine how to best serve their members. Historically, we have provided event marketing at tribal community centers, schools, and where available retail outlets. We also provide marketing materials that can be mailed to members and be included in tribal email communications.

As noted in our Rural ETC Application, the Oglala Sioux on the Pine Ridge tribal lands has asked Boomerang to be their Lifeline provider. Upon approval, Boomerang will respond to those residing on the Pine Ridge tribal lands and also reach out residents on the Rosebud, Lower Brule and Crow Creek tribal lands. This is consistent with the service area designation in this application TC15-002.

1-10. Have any conditions been placed on Boomerang's ETC designation in other states? If so, what are those conditions?

RESPONSE: Yes, Boomerang received a conditional approval as an ETC in Ohio. Ohio would review our performance at the end of the first year, and if they determined that we were not performing based on the standards they outlined, they would revoke our conditional ETC designation. Ohio did not express any concerns and Boomerang continues to operate in Ohio as an ETC. Also, the state of Washington granted Boomerang ETC designation conditioned on our meeting the numerated conditions, and directed Boomerang to submit compliance filings with regard to several of the conditions. Boomerang complied and submitted the compliance filings accordingly. Staff reviewed Boomerang's submittals and submitted letter to Commission recommending approval of Boomerang's compliance filing on January 15 and the Commission approved the compliance filing on January 16.

Though most states do not have conditional ETC designations, many states do require additional submittals and/or actions prior to distribution of the Lifeline benefit within the state. For example, Oklahoma and Arizona required Boomerang to file an informational tariff; Minnesota required that we complete the 911 verification testing performed by the Department of safety for our underlying carriers; Kansas and other states required us to submit updated copies of our marketing materials; Many states also require the ETC to meet the reporting requirements in order to maintain the ETC designation.

1-11. Does Boomerang plan to offer phone services to other, non-Lifeline eligible, customers?

RESPONSE: Yes. A consumer can purchase a phone and use our prepaid service at any time. Also, if a consumer has received the benefit and no longer qualifies they can seamlessly move to our prepaid, non-Lifeline service. See response to 1-6 above for more information.

1-12. How many complaints, if any, has Boomerang received from its customers since January 1, 2013? What was the nature of each complaint and how was each complaint resolved?

RESPONSE: Boomerang has had a total of [CONFIDENTIAL] complaints since we began distributing Lifeline in October 2012. See CONFIDENTIAL attachment 1-12 for a description of the complaints and how they were resolved.

1-13. Are all phones provided to Lifeline customers data plan compatible or are there some that cannot used with a data plan? Is there an upgrade fee to get a data plan compatible phone?

RESPONSE: All phones distributed by Boomerang are data plan compatible. There is not an upgrade fee.

1-14. In regards to data plans offered by Boomerang and data usage:

a. Are all data service provided by Boomerang provided to customers on a pre-paid basis?

RESPONSE: Yes

b. What is the smallest data package offered by Boomerang and what is the cost?

RESPONSE: 10 mb, which is available with every Lifeline offering, and it is Free.

c. How many Boomerang customers currently subscribe to a data plan? What is the percentage of data subscribers to total Customers?

RESPONSE: CONFIDENTIAL

d. How many Boomerang Lifeline customers currently subscribe to a data plan? What is the percentage of Lifeline data subscribers to total Lifeline Customers?

RESPONSE: CONFIDENTIAL

1-15. On a percentage basis, how many airtime minutes were used for sending or receiving a text versus making or receiving a voice call for all Boomerang Customers in 2014? For Boomerang Lifeline customers in 2014?

RESPONSE: CONFIDENTIAL

1-16. Of Boomerang's revenues, provide the percentage of the revenues generated by Tribal Lifeline, other Lifeline, and all other services.

RESPONSE: CONFIDENTIAL

1-17. Describe the training, in detail, that Boomerang employees and sales agents obtain prior to signing people up for phones and phone plans to prevent fraud. Will there be videos, classes, 1 on 1 training, tests, etc.?

RESPONSE: Boomerang managers provide 1-on-1 training for each person prior to them being able to represent the Lifeline program to consumers. This training includes:

- Lifeline Program Rules & Regulations
- Consumer Requirements- Eligibility & Documentation
- enTouch Wireless Requirements- How to run an event
- CPNI Training
- Systems Training

Upon completion, they must review and sign a Standards of Conduct Agreement. They cannot process an application prior to completing this training and the Standards of Conduct Agreement.

Based on audit findings, we will do follow up training on a daily or weekly basis. Monthly team training is also completed via phone calls.

- 1-18. Explain the steps when signing up a potential customer to ensure that there is no fraud taking place on behalf of the potential customer.

RESPONSE: In event marketing, we are able to review each individual's documentation prior to starting the application. They have to provide a government issued photo ID and the applicable eligibility documentation consistent with FCC rules. If the proper documents are not available, we do not proceed to the application process.

Systemically, we use real time database queries to confirm 1) the address is a real address; 2) the subscriber is not already receiving service from Boomerang (intra-company duplicate); 3) the consumer does not already have a Lifeline service with another provider; and 4) the third-party ID verification. An application will be aborted if the consumer cannot pass these requirements.

In the case of phone and paper application processes, we require the same documentation prior to processing the application as noted above. Thus all applications are processed through the same system checks as explained above.

- 1-19. Provide all fees and taxes that are charged to a customer each month.

RESPONSE: There are no fees charged to the customer. Boomerang pays any applicable fees, such as 911, for the subscriber. There is no bill. There is no contract.

- 1-20. Will the phones be capable of making international calls? If so, what will be the charges to the customer?

RESPONSE:

The customer cannot place international calls with their Lifeline benefit. However, through a third party partnership we have in place with BOSS ILD there is a cost effective, pre-paid product available. The consumer can use their enTouch provided phone and add a balance to the phone specifically for making international calls.

- 1-21. How many employees does Boomerang have?

RESPONSE: Boomerang has 20 full time employees.

1-22. How many employees, agents, and representatives does Boomerang plan to have based in South Dakota?

RESPONSE: Boomerang will work to hire people from the tribe to manage our local distribution efforts. We understand there will be unique labor requirements based on tribal law. These individuals will report to our Tribal Outreach Manager.

1-23. On page 11 of the compliance plan it states that Boomerang has an in-house Compliance Officer. Is this employee's pay based on any form of commission or incentives?

RESPONSE: No.

1-24. In regard to page 11 of the compliance plan, are any employees who handle the verification of Lifeline eligibility paid based on a commission or sales incentives?

RESPONSE: No.

1-25. In the compliance plan Boomerang talks about using the CGM database. Explain the CGM database.

RESPONSE: CGM is Boomerang's compliance partner. CGM provides Boomerang a real time application processing engine for the Lifeline program. This technology allows us to conduct neighborhood outreach events using wireless connectivity.

Prior to the National Lifeline Administrative Database (NLAD) rolling out, CGM provided both an intracompany duplicate check (to make sure we did not sign up the same person) and an intercompany duplicate check amongst a group of participating industry firms. The system also provides many real-time controls on the application process. Examples:

- If we are not APPROVED by a state for distribution in a zip code the system will not allow an application to be processed.
- If we do not have network COVERAGE in zip code the system will not allow an application to be processed.
- If the zip code does not include federally recognized lands (Boomerang characterizes as a TRIBAL zip code), the system will not allow us to provide tribal support for the consumer, even if they self-certify that they live on tribal lands.
- A Boomerang representative cannot process an application until their credentials have been set up and approved by a manager.
- An application can go through an AUDIT prior to distributing a phone.

Now, CGM is directly integrated with NLAD. The intercompany duplicates are identified through that system. NLAD also performs a Third Party ID Verification process.

1-26. Does the company use the National Lifeline Accountability Database as described in 47 CFR §54.404?

RESPONSE: Yes, Boomerang uses NLAD for all states unless they are exempt from NLAD. Currently, NLAD identifies intercompany duplicate subscribers and addresses and performs a Third-Party ID Verification process.

1-27. Provide information pursuant to 47 CFR §54.202(a)(5).

RESPONSE: See Attachment 1-27a for a description of Boomerang's proposed Lifeline plans description. See Attachment 1-27b for a copy of the current Terms of Service, that are available on the website at www.enTouchwireless.com.

1-28. Confirm the company filed the proper paperwork with Tribes and Tribal Commissions pursuant to 47 CFR §54.202(c).

RESPONSE: 47 CFR §54.202(c) is a requirement that applies to “[a] common carrier seeking designation as an eligible telecommunications carrier under section 214(e)(6) for any part of Tribal lands . . .” Boomerang’s application was made not pursuant to Section 214(e)(6) which applies only to common carriers “not subject to the jurisdiction of a State commission” who seek ETC designation before the Federal Communications Commission (referred to as the “Commission” under 47 CFR §54.202(c)). Rather, as noted in numbered paragraph 8 of its Application, Boomerang’s request is before the South Dakota Public Utilities Commission as a State commission having retained ETC designation jurisdiction pursuant to Section 214(e)(2) of the Act. Boomerang has previously served all other telecommunications companies serving as ETCs pursuant to the Certificate of Service dated January 26, 2015. To the extent the South Dakota Public Utilities Commission adopts or mandates a separate service requirement of the Application to Tribes as provided in Section 214(e)(6), Boomerang is ready, willing and able to make such service. Prior to initiating service in any tribal area, Boomerang’s customary practice in other States is discussed below.

Prior to initiating service in any tribal area, Boomerang’s customary practice in other States, once approved by the State, is to reach out to the tribe, introduce Boomerang Wireless LLC d/b/a enTouch Wireless (Boomerang or enTouch), describe the Lifeline program, and request permission to distribute Lifeline on their tribal lands. Boomerang prepares and usually provides an introduction notebook for the tribes, which contains:

- **Introductory Letter:** This letter is addressed to the tribe and introduces Boomerang Wireless LLC d/b/a enTouch Wireless;
- **Contact Page:** This lists enTouch Wireless contacts and contact information including the Tribal Outreach Manager who will be the primary contact for the tribe and will establish and maintain a relationship with the tribe;
- **Lifeline Program:** This is a brief description of the FCC Lifeline Benefit Program, and what Boomerang provides, how we typically run Lifeline events, and FCC general contacts so the tribes can learn more about the Lifeline program;
- **Marketing Materials:** Samples of the marketing materials that could be used;
- **Regulatory Approvals:** Contains a copy of Boomerang’s Compliance Plan (submitted July 26, 2012) and a copy of the FCC approval of the Compliance Plan (approved August

8, 2012). It also contains a copy of the applicable state ETC designation approval;

- **Notice to State Commission**: In some states, the state commission remains silent as to whether an ETC may approach the tribes within the state line boundaries. In these instances, Boomerang's policy is to provide notice to the commission when we reach out to the tribe (either prior to contemporaneously). This section provides a list of items included in our notice to the Commission.
 - **Notice Letter**: to the applicable commission that we are going to be reaching out to tribes within the state boundaries;
 - **Tribes within the enTouch Wireless Coverage Area**: A listing of the tribes within our coverage area;
 - **Tribal Coverage Area Listing**: a listing of the applicable zip codes;
 - **Tribal Coverage Maps**: A map of the coverage area zip codes;
 - **enTouch Lifeline Application**: Copy of the enTouch application, which includes a listing of the available Lifeline plans and the required attestations;

The Tribal Outreach Manager will work with the tribe in the manner that they dictate if they wish to proceed. This may include attending council meetings; completing documents, forms and submittals; obtaining permissions and licenses; etc as required by the tribe. Also, often Boomerang and the Tribe check the cell phone coverage at various locations on the tribal lands to verify that coverage is sufficient so the tribe and enTouch are comfortable that the services to be provided. With permission and coordination of the tribe, enTouch will begin distribution.

- 1-29. On page 20 of the compliance plan it states, "For example, if a customer has 45 days of non-usage, Boomerang can text them to remind them about the non-usage rules." Confirm that this text message does not count as usage for the customer thus restarting the 60 day clock. Will a mailing be sent to the customer's address as well?

RESPONSE: Texts, inbound or outbound, are not considered USAGE as outlined in the 60 day USAC requirements in 47 CFR 54.407(c)(2). The four actions that can cure non-usage are:

- (i) Completion of an outbound call;
- (ii) Purchase of minutes from the eligible telecommunications carrier to add to the subscriber's service plan;
- (iii) Answering an incoming call from a party other than the eligible telecommunications carrier or the eligible telecommunications carrier's agent or representative; or
- (iv) Responding to direct contact from the eligible communications carrier and confirming that he or she wants to continue receiving the Lifeline service.

Boomerang does not use inbound or outbound text to determine usage, nor does Boomerang typically send mailings unless required by the state.

1-30. On page 21 of the compliance plan it states, "...a Boomerang compliance officer will randomly check a representative sample of 3% to 10% of applications..." If it is found that fraud is taking place will the company increase the frequency or percentage of its random checks?

RESPONSE: Yes. Depending on the level of concern, the Compliance and Regulatory Officer may require up to 100% of applications of an individual or group of individuals to be audited. At any time the Officer at their discretion can dismiss an individual for non-compliance.

1-31. On pages 22-23 of the application it states, "Negotiations are underway for the addition of a nation GSM provider." Provide an update on those negotiations. If the provider signed a contract as an additional provider for Boomerang, provide the name of that provider.

RESPONSE: Boomerang has begun providing service on the T-Mobile network as of 3/13/15.

1-32. On page 23 of the compliance plan there is a table showing additional bundles available to Lifeline customers. Will customers under this application be offered these same options for additional minutes and texts?

RESPONSE: Yes, this is a reference to the top up plans discussed above. Please see response to 1-6 above for details.