
**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE FILING OF
TRUCONNECT COMMUNICATIONS,
INC.'S PETITION FOR DESIGNATION
AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER
IN THE STATE OF SOUTH DAKOTA
FOR THE LIMITED PURPOSE OF
PROVIDING LIFELINE SERVICE TO
QUALIFYING CUSTOMERS**

Docket No. TC24-004

**TRUCONNECT COMMUNICATIONS, INC.'S RESPONSE TO SOUTH
DAKOTA TELECOMMUNICATIONS ASSOCIATION'S COMMENTS**

TruConnect Communications, Inc. (TruConnect or Company) provides the following response to Comments filed by the South Dakota Telecommunications Association (SDTA) regarding TruConnect's Petition for Designation as an Eligible Telecommunications Carrier (ETC) in the State of South Dakota. As detailed in this response, SDTA offers no valid basis for the Commission to deny TruConnect's Petition. First, contrary to SDTA's assertion, TruConnect has clearly identified the requested ETC service area and committed to provide Lifeline service throughout that area. Second, designation of TruConnect as an ETC is in the public interest under federal and South Dakota law.

INTRODUCTION

TruConnect provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of facilities-based providers, T-Mobile US, Inc. (T-Mobile) and Verizon Wireless (Verizon) (collectively, Underlying Carriers) on a wholesale basis to offer nationwide service. The Company is designated as an ETC in 30

jurisdictions, and has extensive experience in providing affordable wireless Lifeline plans and high quality customer service to qualified low-income households. As demonstrated in the ETC Petition and additional information filed in this matter, TruConnect meets all statutory and regulatory requirements for designation as an ETC in the State of South Dakota, including the federal and state requirements that designation of an ETC be in the public interest.

SDTA does not dispute TruConnect’s qualifications to provide Lifeline service. Indeed, SDTA states that “[t]here may be a place in the low-income communications ecosystem for wireless prepaid Lifeline services of the type offered by TruConnect.”¹ The only basis that SDTA raises for the Commission to possibly deny TruConnect’s ETC Petition is its unsupported position that TruConnect “failed to adequately identify the requested service area and to demonstrate a commitment and ability to provide service throughout the requested ETC designation area.”² Notably, SDTA indicates that if the alleged deficiencies are cured, then it would not recommend that the Commission deny the ETC Petition.³ As described in this response, TruConnect’s ETC Petition is not deficient. SDTA’s position reflects a misunderstanding about the scope of TruConnect’s requested service area as set forth in the ETC Petition and additional relevant information in the record.

¹ SDTA Comments at 4.

² SDTA Comments at 16.

³ *See* SDTA Comments at 16 (referencing the ETC Petition as being “as submitted” and suggesting that if TruConnect “cures” the alleged deficiencies, then the Commission should consider collecting certain information before making a final decision).

SDTA disagrees with how TruConnect describes the state of Lifeline availability in rural South Dakota, as well as with how TruConnect portrays its Lifeline service plans. SDTA's views do not accurately describe TruConnect's positions, and are based on SDTA's preference for the wireline services offered by its rural local exchange carrier (LEC) members. Furthermore, a disagreement about the foregoing matters does not support denial of the ETC Petition.

In addition, SDTA raises various public interest concerns when a wireless carrier seeks designation as an ETC in areas served by its rural LEC members.⁴ While SDTA stresses that the Commission must make a determination regarding whether an ETC designation is in the public interest and shares its thoughts regarding certain aspects of a public interest analysis, SDTA does not offer a definitive conclusion that grant of TruConnect's ETC Petition would not be in the public interest. TruConnect's ETC Petition and Lifeline service area filing support a finding that its designation as an ETC advances the public interest.

As explained in greater detail below, SDTA's Comments fail to raise any issues that warrant denial of TruConnect's ETC Petition.

RESPONSE

I. TRUCONNECT ADEQUATELY IDENTIFIED ITS REQUESTED ETC SERVICE AREA IN ACCORDANCE WITH COMMISSION PRECEDENT AND DEMONSTRATED ITS COMMITMENT AND ABILITY TO PROVIDE SERVICE THROUGHOUT THE REQUESTED AREA

SDTA's assertion that TruConnect's ETC Petition is deficient regarding its requested service area and commitment to serve within that service area is belied by

⁴ See SDTA Comments at 5-6.

TruConnect’s statements throughout the record. TruConnect clearly stated in its ETC Petition that it was requesting “ETC designation that is statewide in scope to allow the Company to provide Lifeline service *wherever its underlying, facilities-based providers have wireless coverage.*”⁵ TruConnect attached its Underlying Carriers’ coverage maps and a list of zip codes within its coverage area.⁶ Contrary to SDTA’s belief, TruConnect’s requested service area is not the “entire state”⁷ -- it is all areas of the state where its Underlying Carriers have coverage.

TruConnect has clearly identified a service area in accordance with ARSD 20:10:32.43(3) (requiring “identification of the service area, including a detailed map, for which designation is sought”). TruConnect’s zip code coverage map, filed with the Commission on September 12, 2024, identifies all zip codes where TruConnect has coverage, including nine zip codes where TruConnect has limited coverage (57620, 57634, 57644, 57645, 57661, 57724, 57730, 57732, and 57759), as well as areas where it does not have coverage. Commission precedent supports the use of a zip code coverage map to describe the requested service area for ETC designation.⁸

Since filing the zip code coverage map, TruConnect has conducted additional analysis regarding its coverage in the zip codes identified as having limited coverage and

⁵ ETC Petition at 10 (emphasis added).

⁶ ETC Petition, Exhibit 3.

⁷ SDTA Comments at 14; *see also id.* at 12 (asserting that TruConnect’s requested service area is the “whole state of SD”).

⁸ *See In the Matter of the Petition of Assurance Wireless USA, L.P. for Designation as Eligible Telecommunications Carrier for the Purpose of Offering Lifeline Service to Qualifying Customers*, Order, Docket No. TC24-002 (May 15, 2024) (finding that Assurance had identified its service area, including a detailed map, for which it sought designation). The Commission cited to a zip code coverage map that Assurance Wireless USA, L.P. (Assurance) had filed in the docket.

determined that there is no significant coverage in four of the zip codes (57634, 57644, 57645, and 57734) and full coverage in five of the zip codes (57620, 57661, 57730, 57732, and 57759). Therefore, TruConnect clarifies that it is seeking ETC designation in all zip codes identified on the coverage map filed in this docket that are identified as having Tribal or Non-Tribal coverage, plus the five listed zip codes with full coverage that were previously identified as having limited coverage. TruConnect will file an updated coverage map that clarifies its requested service area.

SDTA's concerns about TruConnect's commitment to provide service throughout its requested service area due to limited coverage in certain areas⁹ should be alleviated by TruConnect removing the zip codes for which there is limited coverage from its requested service area.¹⁰ As required by ARSD 20:10:32.43.01, TruConnect commits to providing service throughout its proposed designated service area to all customers making a reasonable request for service. TruConnect will provide service on a timely basis to all requesting customers within its proposed designated area. Moreover, because TruConnect is limiting its requested service area to its Underlying Carriers' current coverage area, potential customers will not be within the proposed designated service area, but outside the existing network coverage area. Thus, SDTA's concern about

⁹ See SDTA Comments at 13.

¹⁰ TruConnect's removal of zip codes with limited coverage from its requested service area will also resolve Commission Staff's concerns. See Commission Staff Memorandum, filed October 31, 2024 (Staff Memo) ("If TruConnect does indeed remove from its requested service area any zip codes which have inadequate service coverage, this would alleviate much of Staff's concerns regarding potential customers experiencing poor service.").

TruConnect being able to “escape from the obligation to provide service by declaring a consumer’s request to cause ‘excessive or unreasonable costs’” is misplaced.¹¹

II. GRANT OF TRUCONNECT’S ETC PETITION WILL PROVIDE QUALIFIED LOW-INCOME SOUTH DAKOTA HOUSEHOLDS THE OPTION TO CHOOSE A HIGH QUALITY LIFELINE PLAN THAT EXCEEDS THE FEDERAL MINIMUM SERVICE STANDARDS FOR WIRELESS SERVICE

SDTA notes its disagreement with how TruConnect describes the availability of Lifeline in rural South Dakota, including an allegation that there are un- or under-served customers within SDTA member company service areas.¹² TruConnect is not suggesting that South Dakota consumers lack access to Lifeline service, but instead recognizes that eligible consumers in South Dakota may not be aware of or not taking advantage of the Lifeline program. According to Universal Service Administrative Company (USAC) program data, South Dakota is the state with the fifth lowest participation rate, based on the estimated number of households eligible for the Lifeline benefit.¹³ Specifically, in June 2024, only six percent (or 4,650) of the 80,142 eligible South Dakota households participated in Lifeline.

TruConnect’s intends to expand the South Dakota Lifeline participation rate and to provide consumers in South Dakota with an additional choice when selecting their Lifeline service provider. TruConnect plans to engage in multi-faceted outreach to the most vulnerable low-income households in South Dakota by advertising its Lifeline services through online search engines, social media, and in-person enrollment representatives.

¹¹ See SDTA Comments at 16.

¹² See SDTA Comments at 2-3.

¹³ See Lifeline Participation Rate, available at <https://www.usac.org/lifeline/resources/program-data/#Participation>.

For example, TruConnect plans to advertise its Lifeline service on Google and Bing search engines and various social media platforms, including Facebook, Instagram, X, TikTok, Snapchat, and LinkedIn.

Although SDTA states that there may be a place for TruConnect's wireless prepaid Lifeline service, it claims that TruConnect's service, which it incorrectly asserts to be structured to meet only the minimum federal Lifeline obligations, is not comparable or equal to fixed fiber broadband services. There is no requirement that a wireless carrier offer service with the same characteristics as a wireline carrier to be designated as an ETC. Indeed, the Federal Communications Commission (FCC) established separate Lifeline minimum service standards for fixed and mobile broadband.¹⁴ TruConnect's Lifeline service offering also exceeds the federal Lifeline minimum service standards by providing a standard plan that includes unlimited voice and text messaging with 4.5 GB of mobile broadband data¹⁵ provided at a speed of at least 4G¹⁶ along with international calling, all at no cost to the customer. Residents of Tribal lands will receive the same unlimited voice and text messaging service as that offered under the standard plan, but will receive

¹⁴ See 47 C.F.R. § 54.408(b).

¹⁵ Lifeline providers are entitled to \$9.25 in Lifeline support amounts for broadband service that meets the minimum service standards set forth in 47 C.F.R. § 54.408. See 47 C.F.R. § 54.403. Lifeline providers that offer mobile broadband service that meets the minimum service standards are not required to offer voice minutes. Although TruConnect's Lifeline mobile broadband service meets the minimum service standards, it has chosen to also offer unlimited voice and text messaging.

¹⁶ 4G speeds are subject to availability based customer location and other factors. The minimum service standard for mobile broadband speed is 3G. See 47 C.F.R. § 54.408(b)(2)(i).

10 GB of mobile data.¹⁷ An important distinction between wireline Lifeline services and TruConnect's wireless Lifeline service is that TruConnect's Lifeline service offering is free of charge to all qualified consumers while most wireline carriers offer a discounted price that requires Lifeline subscribers to make a monthly payment.

TruConnect does not, as SDTA alleges, overstate the benefits of its Lifeline service.¹⁸ TruConnect recognizes that provision of 4.5 G.B of data, standing alone, may not be sufficient to close the homework gap for a household. However, when the Lifeline benefit was coupled with the Affordable Connectivity Program (ACP) benefit, TruConnect's subscribers who are eligible for Lifeline and ACP received unlimited data. Unfortunately, funding for the ACP has been depleted and the program ended on June 1, 2024. As noted in TruConnect's ETC Petition, mobile broadband service can serve as a "key bridge in closing the homework gap" but may not necessarily be the exclusive solution for closing the homework gap for any particular household.¹⁹ To the extent a Lifeline subscriber determines that they need additional data in a given month, they have the option of purchasing data.

SDTA, as a representative of wireline carriers, claims that there are limitations associated with wireless Lifeline service. However, the fact that there are differences in the features of wireline versus wireless service has no bearing on whether TruConnect meets the requirements for designation as an ETC. Low-income consumers are entitled

¹⁷ Commission Staff describes TruConnect's Tribal Lifeline mobile broadband data allowance as 4.5 GB. TruConnect advises that Lifeline-qualifying residents of Tribal lands will receive 10 GB of data each month.

¹⁸ See SDTA Comments at 4-5.

¹⁹ ETC Petition at 22.

to choose the type of service for which they want to receive Lifeline benefits.

Nationwide, Lifeline-eligible consumers overwhelmingly opt to receive Lifeline service from wireless providers. According to the June 2024 Lifeline Disbursement Data, USAC received a total of 7,188,298 claims, with only five percent of those claims (360,0298 line counts) being associated with wireline providers.²⁰ Thus, contrary to the SDTA's assertion, wireline Lifeline service does not better meet the needs of most Lifeline-eligible households.²¹ Instead, USAC's data indicates that most households prefer Lifeline wireless service offerings.²²

III. TRUCONNECT SATISFIES THE FEDERAL AND SOUTH DAKOTA PUBLIC INTEREST REQUIREMENTS

Under federal and state laws governing ETC designations, the Commission must evaluate whether TruConnect's ETC Petition is in the public interest.²³ The Commission considers the following factors when determining whether designation of an ETC would serve the public interest: "the benefits of increased consumer choice, the impact of multiple designations on the universal service fund, the unique advantages and disadvantages of the applicant's service offering, commitments made regarding the quality of the telephone service provided by the applicant, and the applicant's ability to provide the supported services throughout the designated service area within a reasonable

²⁰ See <https://apps.usac.org/li/tools/disbursements/default.aspx>.

²¹ See SDTA Comments at 5.

²² TruConnect agrees with the SDTA that "[c]onsumers must be given the opportunity to cancel wireless service if the wireless service is not meeting his or her needs, without high pressure sales tactics and without penalties or fees." SDTA Comments at 14. TruConnect allows its subscribers to easily cancel their service without high pressure sales tactics or the imposition of penalties or fees.

²³ See 47 C.F.R. § 54.201; ARSD 20:10:32:42 and ARSD 20:10:32:43:07.

time frame.”²⁴ The Commission also considers “whether the designation of the applicant will have detrimental effects on the provisioning of universal service by the incumbent local exchange carrier.”²⁵ SDTA raises various concerns about the forgoing public interest factors, none of which offers a valid basis for a finding that designation of TruConnect as an ETC would not be in the public interest.

- **Benefits of increased consumer choice**

In its ETC Petition, TruConnect states that adding it “into the market as an additional wireless ETC provider will afford low-income South Dakota residents a wider choice of providers and available services while creating a competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers.”²⁶ There are only five wireless ETCs in South Dakota, and none of those ETCs appear to have had more than 140 customers as of the end of 2023.²⁷ The introduction of an additional wireless choice to the South Dakota Lifeline market will enable low-income consumers to have another service option while increasing competition among the ETCs in the state.

SDTA does not deny that TruConnect’s designation as an ETC would increase competition, but states that consumers will only benefit from increased choice if “they

²⁴ ARSD 20:10:32:43.07; *see also In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (March 17, 2005), ¶¶ 40-41, 44 (the FCC considers the benefits of increased consumer choice and the unique advantages and disadvantages of the competitor’s service offering when making a public determination regarding designation of an ETC).

²⁵ ARSD 20:10:32:43.07.

²⁶ ETC Petition at 23.

²⁷ *See* [LI05-Annual-Low-Income-Support-Claimed-by-State-and-Company-January-2021-through-3Q2024.xlsx](#), available at <https://www.usac.org/about/reports-orders/fcc-filings/#results>.

understand what they are choosing between.”²⁸ SDTA then provides a statement about the differences between mobile and landline service and questions whether TruConnect “intends to help consumers in making educated choices.”²⁹ TruConnect submits that consumers are fully capable of understanding the difference between wireless and landline services. In addition, TruConnect clearly discloses the Lifeline benefits available to qualifying low-income consumers.

SDTA’s further concern that TruConnect has not yet established partnerships with social service agencies, nonprofit organizations, or retailers in South Dakota to promote its Lifeline service is premature given that TruConnect has not yet been designated as an ETC. Nevertheless, TruConnect notes that it has well-established relationships with national retailers that will be leveraged in those retailers’ South Dakota outlets.³⁰ TruConnect also has significant experience in developing partnerships with state and local social service agencies and nonprofit organizations in numerous states and expects to successfully initiate such partnerships with South Dakota entities.

- **Impact on the Universal Service Fund and effect on ILECs’ provisioning of Universal Service**

SDTA states that its members participate in the FCC’s universal service programs, including Lifeline and Enhanced or Tribal Lifeline. However, SDTA does not assert that TruConnect’s designation as an ETC will have any impact on the federal Universal Service Fund or any detrimental impact on the provisioning of universal service by

²⁸ SDTA Comments at 7.

²⁹ *Id.*; *see also id.* at 8.

³⁰ Although TruConnect does not enroll Lifeline subscribers at retail store locations, Lifeline subscribers that want additional data may purchase prepaid data cards at retail locations.

ILECs. Notably, Commission Staff found in its Memo that “since disbursements have dropped significantly compared to 2013, it appears there are plenty of available Lifeline funds for more customers when comparing overall disbursement dollars from 2013 to 2023,”³¹ and that therefore, any SDTA member concerns about funding are lessened.³² Commission Staff also concluded that it “does not believe that designating TruConnect as an ETC in the CenturyLink territories as described in the Petition will have a detrimental impact on the ILEC given the fact that competition is already allowed within the CenturyLink areas and wireless ETCs already serve in CenturyLink areas.”³³ For the foregoing reasons, SDTA has not identified any valid concerns about these two public interest factors.

- **Unique advantages and disadvantages of the applicant’s service offering**

SDTA’s discussion of purported disadvantages of TruConnect’s wireless Lifeline service offering stem from SDTA’s preference for wireline service and not from any specific aspect of TruConnect’s service offering.³⁴ For example, SDTA notes that “TruConnect has the requisite FCC approval to operate as a reseller only” but “takes issue takes issue with the policies that allow it.”³⁵ SDTA’s disdain for resellers is

³¹ Staff Memo at 9.

³² Staff Memo at 13.

³³ *Id.*

³⁴ Commission Staff also points to the disadvantages of wireless service in comparison to wireline service, *See* Staff Memo at 12. Wireless and wireline services each have different features. The fact that the two technologies differ does not impact whether designation of a wireless carrier as an ETC is in the public interest. Lifeline eligible consumers should have the ability to choose the type of Lifeline service that best meets their needs.

³⁵ SDTA Comments at 10.

irrelevant to whether TruConnect meets the requirements for designation as an ETC. TruConnect further notes that its status as a reseller that has access to both T-Mobile's and Verizon's networks is an advantage in that it can place subscribers on the network that provides them with the best service.³⁶

SDTA also claims that a service that meets the minimum service standards is a disadvantage to South Dakota consumers.³⁷ As explained above, TruConnect's Lifeline service offering exceeds the FCC's minimum service standards. SDTA's comments appear to be based on its disagreement with the FCC's minimum service standards rather than on TruConnect's specific offering.³⁸ While SDTA may believe that the federal minimum service standards are inadequate, that does not change the fact that wireless carriers meeting those standards are entitled to Lifeline support.

Finally, SDTA's concerns about the TruConnect not having a physical location in South Dakota are unfounded. Customers will be able to reach TruConnect's customer service representatives via phone at (800) 430-0443 Monday through Saturday from 5:00 AM to 9:00 PM PST or by completing an online contact form at <https://support.truconnect.com/s/contactsupport>. TruConnect has a long history of providing excellent customer service to its customers throughout the country and has not received complaints from about difficulty in reaching the Company.

³⁶ Commission Staff notes that TruConnect would be first reseller designated as an ETC South Dakota's rural areas. TruConnect's ability to access two of the nation's three primary wireless networks to provide Lifeline service would be an advantage in serving the needs of rural consumers. See Staff Memo at 12.

³⁷ See SDTA Comments at 10.

³⁸ See SDTA Comments at 11-12.

- **Commitment to provide quality telephone service**

SDTA’s comments about the quality of TruConnect’s telephone service focus on the requested service areas for which TruConnect indicated that it had limited coverage and SDTA’s misunderstand that TruConnect’s requested service area is the “whole state of SD.”³⁹ As explained above, TruConnect’s requested service area is not the entire state of South Dakota. Rather, it is those parts of the state, defined by zip codes, where its Underlying Carriers have coverage. TruConnect is removing from its requested service area all zip codes where its Underlying Carriers’ coverage is limited. TruConnect further states that Commission Staff acknowledged that TruConnect has committed to provide quality services to its customers.⁴⁰

- **Ability to provide the supported services throughout the designated service area within a reasonable time frame**

This public interest factor is discussed in Section I of this response. As detailed above, TruConnect is able to provide Lifeline service to all qualified consumers located in TruConnect’s requested service area within a reasonable time frame.

IV. SDTA’S PROPOSED INFORMATION REQUESTS AND COMPLIANCE CONDITIONS ARE NOT NECESSARY

SDTA suggests that the Commission consider collecting information about Lifeline traffic prioritization on underlying provider networks, how traffic prioritization impacts Lifeline consumers’ service, and how consumers are informed about data speed limitations and the cost of additional data.⁴¹ There is no need for the Commission to

³⁹ See SDTA Comments at 12-13.

⁴⁰ See Staff Memo at 12.

⁴¹ SDTA Comments at 16.

collect this information before making a decision about TruConnect's ETC designation. Truconnect already has provided sufficient information about these issues in its ETC Petition, plus consumers can access TruConnect's Open Internet Statement to learn about network management practices.⁴² In addition, TruConnect advises consumers of top-up options so they can choose the amount of data that meets their needs.

SDTA also requests that the Commission include six compliance conditions if it grants TruConnect's request for designation as an ETC.⁴³ TruConnect objects to some of the proposed conditions as unnecessary and overreaching. First, TruConnect does not need to provide new customer with a notice that they may cancel service at any time with no penalties or fees (second proposed condition) because there are no such fees and TruConnect's terms and conditions permit cancellation at any time. Second, while TruConnect does not object to limiting its ETC designation service territory to zip codes within its coverage area or to providing a map of its service territory, it objects to this condition to the extent that a map based on something other than zip codes is required (fourth proposed condition).

Third, TruConnect objects to providing an annual report of all Lifeline consumer internal complaints and all retail, non-profit, local and/or state agency partners used by TruConnect to communicate with and enroll customers (sixth proposed condition).

TruConnect is not aware of any other ETC being required to submit an annual report, and

⁴² See ETC Petition, at 14 (noting that TruConnect's Underlying Carriers "provide the same functionality to TruConnect and its customers as they provide to themselves and their own customers"); Open Internet Statement, available at <https://www.truconnect.com/open-internet-statement>.

⁴³ See SDTA Comments at 17.

SDTA provides no justification for requiring TruConnect to file an annual report about customer complaints or marketing strategies.

CONCLUSION

For the reasons stated in TruConnect's ETC Petition, documents filed by TruConnect in this matter, as well as in this response, designation of TruConnect as an ETC in the State of South Dakota satisfies the federal and state requirements for designation as an ETC. TruConnect respectfully requests that the Commission promptly designate TruConnect as an ETC in the State of South Dakota for the purpose of participating in the Lifeline program.

Respectfully submitted,



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