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as an ETC in the State of South Dakota, including the requirements outlined in the FCC’s *Lifeline and Link Up Reform Order*,<sup>5</sup> *Lifeline Modernization Order*,<sup>6</sup> and *Fifth Report and Order*.<sup>7</sup> Furthermore, TruConnect is positioned to reach unserved and underserved Lifeline-eligible consumers. Rapid grant of TruConnect’s request, therefore, would advance the public interest because it would enable the Company to commence much needed Lifeline services to a wide array of low-income South Dakota residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Petition.

All correspondence, communications, pleadings, notices, orders, and decisions relating to this Petition should be addressed to:

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<sup>5</sup> *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 (rel. Feb. 6, 2012) (“*Lifeline and Link Up Reform Order*”).

<sup>6</sup> *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket No. 11-42, WC Docket No. 09-197, WC Docket No. 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2016) (“*Lifeline Modernization Order*”).

<sup>7</sup> *Bridging the Digital Divide for Low-Income Consumers, Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 17-287, WC Docket No. 11-42, WC Docket No. 09-197, Fifth Report and Order, Memorandum Opinion and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 19-111 (rel. Nov. 14, 2019) (“*Fifth Report and Order*”).

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## **II. COMPANY OVERVIEW**

TruConnect is a Delaware corporation with its principal office located at 1149 S. Hill Street, Suite H-400, Los Angeles, California 90015. TruConnect is authorized to do business in South Dakota. TruConnect Communications, Inc., formerly Telscape Communications, Inc., is a subsidiary of TSC Acquisition Corporation (“TSC”). TSC also owns Sage Telecom Communications, LLC d/b/a TruConnect (“Sage d/b/a TruConnect”), formerly known as Sage Telecom, Inc. before a corporate restructuring in 2012. The owners of TSC separately own TruConnect Mobile, LLC, which sells mobile hotspot devices and low-cost monthly data plans, as well as TruConnect Technologies, LLC, a mobile data analytics company that develops data intelligence products and services for wireless carriers, cable operators, and content providers.

TruConnect provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of facilities-based providers, T-Mobile USA, Inc. (“T-Mobile”) and Verizon Wireless (“Verizon”) (collectively, “Underlying Carriers”) on a wholesale basis to offer nationwide service. TruConnect is currently designated and operating as a wireless ETC in California, New Jersey, Massachusetts, Rhode Island, Vermont, Tennessee, Virginia, and the U.S. Virgin Islands. TruConnect is also authorized by the FCC and the Universal Service Administrative Company (“USAC”) to participate in the Affordable Connectivity Program (“ACP”) throughout the United States, including South Dakota.

TruConnect’s prepaid wireless services are affordable, easy to use, and attractive to low-income consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends

and family and for contacting prospective employers. TruConnect offers consumers simple and affordable prepaid calling plans, easy-to-use handsets, and high-quality customer service. Given its pricing and marketing strategy and the demographics of its customers in other states, TruConnect anticipates that many of its customers will be from low-income backgrounds who have not previously enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. TruConnect does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service.

By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or who were previously ignored by traditional carriers, TruConnect will expand the availability of wireless services to many more consumers, which is the principal reason for which Congress created the universal service program.

TruConnect's service offering will include: (1) local and long-distance calling; (2) access to the following custom calling features at no charge: (a) Caller ID; (b) Call Waiting; (c) Call Forwarding; (d) 3-Way Calling; and (e) Voicemail; (3) text messaging; (4) broadband access; and (5) the option for a consumer to "bring their own device". TruConnect may provide user-friendly handsets or hotspot devices. TruConnect's products and plans will be specially geared toward serving lower income communities, especially in rural areas that are predominantly unserved by other ETCs designated in the state, and its service models and pricing plans will reflect this mission. The Company will not require service contracts from its customers, and it will always ensure competitively low pricing for its services and products. TruConnect will manage all aspects of the customer experience, including setting service pricing, handset selection, marketing materials, and live customer service. The Company's prepaid, budget-friendly pricing will give many low-income consumers the option of having mobile phone

service and broadband access without the burden of hidden costs, varying monthly charges, or contractual commitments. Customers will be able to customize their TruConnect service to suit their needs with available bundles of minutes and broadband data to supplement their monthly plan.

TruConnect will affirmatively reach out to the low-income sector of the consumer base to offer attractive and affordable communications options. As such, TruConnect will contribute to the expansion of mobile wireless and broadband services for low-income consumers in South Dakota.

### **III. THE COMMISSION HAS JURISDICTION OVER DESIGNATION OF WIRELESS ETCs**

Section 214(e)(2) of the Act provides state public utility commissions with the “primary responsibility” for the designation of ETCs.<sup>8</sup> Although Section 332(c)(3)(A) of the Act prohibits states from regulating the entry of or the rates charged by any provider of commercial mobile service or any private mobile service, this prohibition does not allow states to deny wireless carriers ETC status.<sup>9</sup> Under the Act, a state public utility commission, like the Commission, with jurisdictional authority over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1).<sup>10</sup> The Commission has exercised this authority to designate wireless carriers as ETCs in the past.<sup>11</sup> As demonstrated in this Petition, TruConnect meets the requirements of Section 214(e)(1). TruConnect requests that the

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<sup>8</sup> 47 U.S.C. § 214(e)(2).

<sup>9</sup> See *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) (“*USF Order*”).

<sup>10</sup> See ARSD 20:10:32:42.

<sup>11</sup> See, e.g., *In the Matter of the Application of Boomerang Wireless dba en Touch Wireless for Designation as an Eligible Telecommunications Carrier*, Order, Docket No. TC13-035 (April 20, 2017).



Commission expeditiously process the instant Petition so that TruConnect can quickly begin expanding the availability of affordable Lifeline-supported wireless services to qualifying low-income customers in South Dakota.

TruConnect recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC's Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier's services. However, the FCC has granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation.<sup>12</sup> Section 10(e) of the Act (47 U.S.C. § 160(e)) provides: "[a] State commission may not continue to apply or enforce any provision of this chapter that the [Federal Communications] Commission has determined to forbear from applying under subsection (a) of this section." As such, the Commission is required by Section 10(e) to act in accordance with the FCC's grant of forbearance, and therefore, may not apply the facilities-based requirement to TruConnect. Therefore, the Commission has the authority under Section 214(e)(2) of the Act to grant TruConnect's request for designation as an ETC throughout the State of South Dakota.

#### **IV. TRUCONNECT SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC UNDER 47 C.F.R. § 54.201**

Section 254(e) of the Act provides that, "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support." Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to

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<sup>12</sup> See *Lifeline and Link Up Reform Order*, ¶ 368.

designate wireless ETCs.<sup>13</sup> Section 214(e)(1) of the Act and Section 54.201(d) of the FCC’s rules provide that applicants for ETC designation must be common carriers that shall, throughout the designated service area, offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services, except where the FCC has forbore from the “own facilities” requirement. Applicants also must commit to advertise the availability and rates of such services.<sup>14</sup> As detailed below, TruConnect satisfies each of the above-listed requirements as well as the requirements of ARSD 20:10:32:43.

**A. TruConnect Will Provide Service Consistent with the FCC’s Grant of Forbearance from Section 214’s Facilities Requirements**

Although Section 214 requires ETCs to provide services using their facilities, at least in part, the FCC has forbore from that requirement with respect to carriers such as TruConnect. In the *Lifeline and Link Up Reform Order*, the FCC granted forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>15</sup>

- (1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and
- (2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier’s service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary.

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<sup>13</sup> See *USF Order*, ¶ 145.

<sup>14</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

<sup>15</sup> See *Lifeline and Link Up Reform Order*, ¶¶ 368, 373, and 379.

In accordance with the *Lifeline and Link Up Reform Order*, TruConnect filed a Compliance Plan with the FCC, which the FCC approved on December 26, 2012,<sup>16</sup> a copy of which is attached hereto as Exhibit 2. TruConnect commits to providing Lifeline service in South Dakota in accordance with its FCC-approved Compliance Plan, as amended, and in compliance with applicable state and federal regulations, to the extent amendments thereto may supersede commitments made in the Compliance Plan.

**B. TruConnect Is a Common Carrier**

CMRS providers like TruConnect are treated as common carriers.<sup>17</sup>

**C. TruConnect Will Provide All Supported Services**

Through its Underlying Carriers, TruConnect is able to provide all of the supported services required by Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) as follows:

**1. Voice Telephony Service**

As set forth in 47 C.F.R. § 54.101(a)(1), eligible Voice Telephony Services must provide the following:

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<sup>16</sup> See *Wireline Competition Bureau Approves the Compliance Plans of Airvoice Wireless, Amerimex Communications, Blue Jay Wireless, Millennium 2000, Nexus Communications, Platinumtel Communications, Sage Telecom, Telrite and Telscape Communications*, WC Docket No. 09-197, WC Docket No. 11-42, Public Notice, DA 12-2063 (Dec. 26, 2012). On April 10, 2023, TruConnect filed a letter with the FCC to advise that it had updated certain practices to reflect current Lifeline rules. A copy of the letter is included in Exhibit 2.

<sup>17</sup> *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); see also *PCIA Petition for Forbearance for Broadband Personal Communications Services et al.*, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services *and resellers of such services.*") (emphasis added).

Voice Grade Access to the Public Switched Telephone Network. TruConnect provides voice grade access to the public switched telephone network (“PSTN”) through the purchase of wholesale CMRS services from T-Mobile and Verizon.

Local Usage At No Additional Charge. TruConnect offers rate plans that provide its customers with minutes of use for local service at no additional charge.<sup>18</sup>

Access to Emergency Services. TruConnect provides 911 and E911 access for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. As noted, calls to 911 emergency services will always be free and will be available regardless of service activation status or availability of minutes. TruConnect also complies with the FCC’s regulations governing the deployment and availability of E911 compatible handsets.

Toll Limitation. In its *Lifeline and Link Up Reform Order*, the FCC provided that toll limitation would no longer be deemed a supported service.<sup>19</sup> “ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls.”<sup>20</sup> Nonetheless, TruConnect’s offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. TruConnect’s service, moreover, is not offered on a distance-sensitive basis and local and domestic long-distance minutes are treated the same.

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<sup>18</sup> TruConnect’s plans also meet the Commission’s requirement that the applicant’s local usage plan be comparable to plans offered by ILECs within the proposed designated service areas. *See* ARSD 20:10:32:43.05.

<sup>19</sup> *See Lifeline and Link Up Reform Order*, ¶ 367.

<sup>20</sup> *See id.* ¶ 49.

## **2. Broadband Internet Access Services**

While no longer a required supported service under 47 C.F.R. § 54.101(a), TruConnect provides Broadband Internet access service (“BIAS”) to ensure its Lifeline customers receive full Lifeline support. The FCC has stated that BIAS consists of the ability for a user to receive “the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service.”<sup>21</sup> TruConnect provides BIAS to low-income consumers via resale of T-Mobile and Verizon’s services.

### **D. TruConnect Requests Designation Throughout Its Service Area**

TruConnect is not a rural telephone company as defined in Section 3(44) of the Act (47 U.S.C. § 153(44)). Accordingly, TruConnect is required to describe the geographic area(s) within which it requests designation as an ETC. TruConnect requests ETC designation that is statewide in scope to allow the Company to provide Lifeline service wherever its underlying, facilities-based providers have wireless coverage. TruConnect’s requested service area includes the eight federally recognized Tribal Lands located throughout the State of South Dakota.<sup>22</sup> The current zip code coverage footprint and a coverage map are attached hereto as Exhibit 3.<sup>23</sup> Pursuant to 47 C.F.R. § 54.202(a)(1)(i), TruConnect also commits to provide service throughout

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<sup>21</sup> See 47 C.F.R. § 8.1(b).

<sup>22</sup> TruConnect is providing a copy of this Petition to the affected Tribal governments and Tribal regulatory authorities.

<sup>23</sup> See ARSD 20:10:32:43(3) (requiring ETC petitioners to identify “the service area, including a detailed map, for which the designation is sought”).

its proposed service area on a timely basis to all customers making a reasonable request for service where underlying facilities are available.<sup>24</sup>

TruConnect understands that its service area overlaps with rural carriers in South Dakota but maintains that the public interest factors described below justify its designation in these carriers' service areas, especially because it seeks ETC designation solely to utilize USF funding to provide Lifeline service to qualified low-income consumers. TruConnect is not eligible for and does not seek Link-Up or high-cost support.

Therefore, designation of TruConnect as an ETC will cause no growth in the high-cost portions of the USF and will not erode high-cost support from any rural telephone company. In fact, the FCC has determined that “[d]esignation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies.”<sup>25</sup> While federal rules (47 U.S.C. §§ 160, 214(e)(5) and 47 C.F.R. § 54.207(b)) require that the service area of an ETC conform to the service area of any rural telephone company serving the same area (the “service area conformance” requirement), the FCC’s *Lifeline and Link Up Reform Memorandum Opinion and Order* (FCC 13-44 released April 15, 2013) authorized forbearance from the service area conformance requirements with respect to carriers seeking to provide Lifeline-only service.<sup>26</sup> In light of this forbearance, the

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<sup>24</sup> See ARSD 20:10:32:43.01. The network coverage of TruConnect’s underlying, facilities-based providers encompasses all areas within TruConnect’s proposed designated service area. Therefore, TruConnect will provide service within a reasonable period of time to all potential customers within its proposed designated service area.

<sup>25</sup> See *Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, Memorandum Opinion and Order, 16 FCC Rcd 48, 55 ¶ 7 (2000).

<sup>26</sup> See *Telecommunications Carriers Eligible for Support, Lifeline and Link Up Reform*, WC Docket No. 09-197, WC Docket No. 11-42, Memorandum Opinion and Order, FCC 13-44 (rel. Apr. 15, 2013).

Commission has the authority to designate ETCs such as TruConnect in rural areas without concern for the service area conformance requirement.<sup>27</sup>

**E. TruConnect Will Advertise the Availability of Supported Services**

TruConnect will advertise the availability and rates for the services described above using media of general distribution as required by 47 C.F.R. § 54.201(d)(2). TruConnect will comply with the FCC's rules regarding information to be included in marketing materials, including rule section 54.405(c). Specifically, TruConnect's marketing materials will state, in easily understood language, that: (i) the service is a Lifeline service; (ii) Lifeline is a government assistance program; (iii) the service may not be transferred to someone else; (iv) consumers must meet certain eligibility requirements before enrolling in the Lifeline program; (v) the Lifeline program permits only one Lifeline discount per household; (vi) documentation is necessary for enrollment; and (vii) TruConnect is the provider of the services. Moreover, the Lifeline application/certification form will state that Lifeline is a federal benefit and that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program. Additionally, TruConnect will disclose the company name under which it does business and the details of its Lifeline service offerings in any Lifeline-related marketing and advertising. Sample advertisements that will be used in South Dakota are attached hereto as Exhibit 4.

TruConnect will engage in advertising campaigns specifically targeted to reach those likely to qualify for Lifeline service, promoting the availability of cost-effective wireless services to this neglected consumer segment. TruConnect may also promote the availability of its Lifeline offering by distributing brochures at various state and local social service agencies and

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<sup>27</sup> See 47 C.F.R. § 54.207(c).

may partner with nonprofit assistance organizations to inform customers of the availability of its Lifeline service. In addition, TruConnect intends to utilize its network of retail partners (once established) to help promote the availability of its Lifeline plans, especially retail outlets that are frequented by low-income consumers. TruConnect will provide retail vendors with signage to be displayed where Company products are sold, and with printed materials describing the Company's Lifeline program.

**V. TRUCONNECT SATISFIES THE ADDITIONAL REQUIREMENTS FOR ETC DESIGNATION UNDER 47 C.F.R. § 54.202(a)**

TruConnect hereby provides the additional information and certifications required for carriers seeking ETC designation as set forth in 47 C.F.R. § 54.202(a).

**A. Service Commitment Throughout the Proposed Designated Service Area**

TruConnect will provide service in South Dakota by reselling service which it obtains from its Underlying Carriers. Both the T-Mobile and Verizon networks are operational and largely built out. Thus, TruConnect will be able to commence offering its Lifeline service to all locations served by T-Mobile and Verizon very soon after receiving approval from the Commission.

In accordance with 47 C.F.R. § 54.202(a)(1)(i), and by the certification attached in Exhibit 1, TruConnect commits to comply with the service requirements applicable to the low-income support that it receives, including the rules set forth in the FCC's *Fifth Report and Order*.<sup>28</sup> Pursuant to 47 C.F.R. § 54.202(a)(1)(ii), a common carrier seeking designation as a

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<sup>28</sup> TruConnect also certifies that it acknowledges that it may be required to provide equal access to long-distance carriers in the event no other ETC is providing equal access within the proposed designated service area, and it will be able to do so. *See* ARSD 20:10:32:43.06.



Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC.

**B. Ability to Remain Functional in Emergency Situations**

In accordance with 47 C.F.R. § 54.202(a)(2) and ARSD 20:10:32:43.03, TruConnect has the ability to remain functional in emergency situations. As discussed, TruConnect will utilize the extensive and well-established network and facilities of T-Mobile and Verizon to provide its Lifeline services. The Company understands that the networks of its Underlying Carriers have access to a reasonable amount of back-up power to ensure functionality without an external power source, can reroute traffic around damaged facilities, and are capable of managing traffic spikes resulting from emergency situations. Indeed, the Underlying Carriers have certified to the FCC that their networks function in emergency situations.<sup>29</sup> The Underlying Carriers provide the same functionality to TruConnect and its customers as they provide to themselves and their own customers.

**C. Commitment to Consumer Protection and Service Quality**

In accordance with 47 C.F.R. § 54.202(a)(3) and ARSD 20:10:32:43.04, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards, and wireless applicants may satisfy this requirement with a commitment to comply with the Cellular Telecommunications and Internet Association's ("CTIA") Consumer Code for Wireless Service. TruConnect hereby commits to comply with the CTIA Consumer Code for Wireless Service.

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<sup>29</sup> See, e.g., *Sprint Nextel Corporation Verified Filing in Compliance with 47 C.F.R. § 54.209*, CC Docket No. 96-45, at 6 (filed Sept. 30, 2011); *Telecommunications Carriers Eligible for Universal Service Support, Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier, et al.*, Order, 27 FCC Rcd 9495, ¶ 20 (rel. Aug. 16, 2012).

**D. TruConnect is Financially and Technically Capable**

In accordance with 47 C.F.R. § 54.202(a)(4), TruConnect is financially and technically capable of providing Lifeline-supported services. The Company has been offering telecommunications service since 1998 and began providing non-Lifeline wireless service in October 2012, and Lifeline-supported wireless service in May 2013. TruConnect, in combination with its affiliate Sage d/b/a TruConnect, already successfully provides wireless services nationwide, including Lifeline services in thirty-nine (39) jurisdictions. TruConnect has not been subject to ETC revocation proceedings. The Company has operated as a telecommunications carrier for twenty-five years and has never had to file for bankruptcy protection, and is supported by the resources of its parent, TSC. TruConnect does not, and does not intend to, offer exclusively Lifeline-supported services and is therefore not exclusively dependent on USAC for its revenue. The result of TruConnect's efforts is that it is fully capable of honoring all its service obligations to customers and regulatory obligations to state and federal regulators. Furthermore, the senior management of TruConnect has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.<sup>30</sup> TruConnect will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its Underlying Carriers.

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<sup>30</sup> See Exhibit 5 for key management bios.

### **E. Terms and Conditions of Proposed Lifeline Offering**

TruConnect can provide all services supported by the universal service program, as detailed in 47 C.F.R. § 54.101(a), throughout South Dakota. TruConnect intends to be a leader in the prepaid marketplace by offering consumers exceptional value, unlimited voice and competitive broadband usage. TruConnect commits that its Lifeline-supported voice services will meet or exceed the minimum service standards set forth in 47 C.F.R. § 54.408, including as such standards are updated going forward. TruConnect's Lifeline-supported broadband services will also meet the minimum service standards set forth in 47 C.F.R. § 54.408 for mobile broadband internet access services, including for service speed and data usage allowance, as such standards are updated going forward. To the extent TruConnect provides devices for use with Lifeline-supported broadband service, such devices will meet the equipment requirements set forth in 47 C.F.R. § 54.408(f), and TruConnect will not impose an additional or separate tethering charge for mobile data usage below the minimum standard.

Attached hereto as Exhibit 6 is a summary table of the Company's proposed Lifeline service offering, showing that Lifeline customers will receive unlimited voice minutes, unlimited text messages, and 4.5 gigabytes (GB) of data per month with full access to the T-Mobile and Verizon networks at a net cost of \$0.00 after application of Lifeline support.<sup>31</sup> Lifeline customers that also elect to receive ACP benefits from TruConnect will receive unlimited talk, unlimited text, and unlimited data after application of Lifeline and ACP support at a net cost of \$0.00. Customers will be able to purchase additional data as needed. All plans will include nationwide domestic long-distance at no extra per-minute charge and free international calling to

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<sup>31</sup> The current rate plan is based upon the current FCC minimum service standards ("MSS") and will change based on the future MSS.

Canada, Mexico, China, Vietnam, and South Korea. TruConnect will not assess any usage for access to its free customer services (611). Emergency (911) calls will be free, regardless of service activation or availability of minutes, and will not count against the customer's airtime. The Company's Lifeline offering will provide feature-rich mobile connectivity for qualifying subscribers without the burden of credit checks or service contracts. TruConnect's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

**F. TruConnect Will Comply with the Lifeline Certification and Verification Requirements**

Customers interested in obtaining information on the Lifeline program will be directed to a toll-free telephone number and to the Company's website, which will contain information regarding the Company's Lifeline service plans, including a description of the Lifeline program and eligibility criteria. Customers must then apply directly through the National Lifeline Eligibility Verifier ("National Verifier"), which they may do online or by submitting all required documentation to the National Verifier by mail. Customers may download a copy of the application form from the Internet (from the National Verifier's website) or request that a copy be mailed to them. TruConnect utilizes the standard Lifeline application forms as required by FCC rules, and thus complies with the disclosure and information collection requirements in 47 C.F.R. § 54.410(d).<sup>32</sup> TruConnect will comply with 47 C.F.R. § 54.410(b) through (g), to the extent such rules apply to the Company. The Company will notify the subscriber that they must

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<sup>32</sup> *Wireline Competition Bureau Provides Guidance on Universal Forms for the Lifeline Program*, WC Docket No. 11-42, Public Notice, DA 18-161 (rel. Feb. 20, 2018). The standard Lifeline Application and Recertification Form are available on USAC's website. See USAC, Lifeline Forms, <http://www.usac.org/li/tools/forms/default.aspx>.

use their service every thirty (30) days. TruConnect further confirms that it will not activate a Lifeline service unless or until it has received confirmation from the National Verifier that the consumer is a qualifying low-income household pursuant to 47 C.F.R. § 54.409, and the consumer has completed the required eligibility determination and certification requirements of 47 C.F.R. §§ 54.410, 54.404-54.405. Processing of consumers' applications and determination of eligibility will be performed by the National Verifier.

**G. Prevention of Waste, Fraud and Abuse**

The FCC has taken steps to further curb abuse in the Lifeline program by establishing the National Verifier, which transfers the responsibility of eligibility determination away from Lifeline providers. TruConnect will rely on the National Verifier to determine initial and ongoing eligibility of South Dakota Lifeline subscribers. The National Verifier queries the National Lifeline Accountability Database (“NLAD”) for every enrollment to determine whether a prospective subscriber is currently receiving a Lifeline service from TruConnect or any other ETC, and whether anyone else living at the prospective subscriber's residential address is currently receiving Lifeline service. TruConnect thus complies with the requirements of section 54.404 of the FCC's rules. In addition, Company personnel emphasize the “one Lifeline service per household” restriction in their direct sales contacts with potential customers.

Consistent with federal regulations, to the extent the Company offers a Lifeline service that does not require it to assess and collect a monthly fee from its subscribers, the Company will not seek USF reimbursement for a subscriber until they have activated the service, by a means specified by the Company in its terms and conditions, and will de-enroll any subscriber that has not used the Company's Lifeline service as set forth in 47 C.F.R. § 54.407(c)(2). An account will be considered active if the authorized subscriber establishes usage, as “usage” is defined by 47 C.F.R. § 54.407(c)(2), during the specified timeframe, currently a period of thirty (30) days, or

during the notice period set forth in 47 C.F.R. § 54.405(e)(3), currently a period of fifteen (15) days. In accordance with 47 C.F.R. § 54.405(e)(3), TruConnect will provide the subscriber advanced notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the notice period will result in service termination for non-usage. Customers that have been deactivated may participate in the Company's Lifeline service in the future by reapplying and re-establishing eligibility.

**H. TruConnect Will Comply with Annual Certification Requirements**

TruConnect will rely on the National Verifier for annual recertification of Lifeline eligibility in accordance with Section 54.410 of the FCC's Rules.

**I. TruConnect Will Comply With Reporting Requirements**

TruConnect will provide the Commission a copy of its annual certifications and Lifeline recertification results pursuant to 47 C.F.R. § 54.416 (i.e., FCC Form 555), as well as a copy of its annual report filed pursuant to 47 C.F.R. § 54.422 (i.e., FCC Form 481), and will comply with applicable Commission reporting requirements for Lifeline ETCs.

**J. TruConnect Will Comply With Regulations Imposed By The Commission**

By this Petition, TruConnect hereby asserts its willingness and ability to comply with the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Petition. Upon Commission request, TruConnect is prepared to answer questions or present additional testimony or other evidence about its services within the state. TruConnect commits that 100% of federal universal service funds will flow through directly to Lifeline customers.

## **VI. DESIGNATION OF TRUCONNECT AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST**

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is “to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies” to all citizens, regardless of geographic location or income.<sup>33</sup> Designation of TruConnect as an ETC in South Dakota will further that public interest.<sup>34</sup> Whether because of financial constraints, poor credit history, or intermittent employment, many low-income consumers often lack the countless choices available to most consumers and thus have yet to reap the full benefits of the intensely competitive wireless market.

The instant request for ETC designation must be examined in light of the Act’s goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers -- particularly low-income consumers -- receive affordable and comparable telecommunications services. The FCC has in recent years expanded the Lifeline program to cover broadband services, noting that “Only half of all households in the lowest income tier subscribe to a broadband service and 43 percent say the biggest reason for not subscribing is the cost of the service,” and “Of the low income consumers who have subscribed to mobile broadband, over 40 percent have to cancel or suspend their service due to financial constraints.”<sup>35</sup> Given this context, designating TruConnect as an ETC would significantly benefit low-income consumers eligible for Lifeline services in South Dakota -- the intended beneficiaries of universal service.

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<sup>33</sup> *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.

<sup>34</sup> *See* 47 U.S.C. § 214(e)(2); ARSD 20:10:32:43.07.

<sup>35</sup> *See Lifeline Modernization Order*, ¶ 2.

Additionally, the FCC and the South Dakota Public Utilities Commission have identified factors to be considered in determining whether designation of an additional ETC would serve the public interest. Those factors include: 1) the unique advantages of the applicant company's service offerings; 2) the benefits of increased competitive choice; and 3) the impact on the Universal Service Fund.<sup>36</sup> As described in the following paragraphs, TruConnect meets these public interest criteria.

**A. Advantages of TruConnect's Service Offering**

TruConnect offers a unique, easy to use, competitive, and highly affordable wireless telecommunications service, which benefits qualified consumers who either have no other service alternatives or who choose a wireless prepaid solution in lieu of more traditional service. The public interest benefits of TruConnect's wireless service include larger calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile service, and a unlimited amount of voice and generous amount of broadband access included without cost (after application of the Lifeline support), as well as free access to caller ID, call waiting, and Voicemail features, and access to 911 services regardless of the number of voice minutes remaining on the Lifeline consumer's plan. These no cost to consumer services are an invaluable resource for cash-strapped consumers, and the prepaid nature of the service also provides an alternative for "unbanked" consumers.

TruConnect's Lifeline offerings compare favorably with those of other competitive ETCs, and provide Lifeline customers with unlimited voice minutes, unlimited text messages, and a data allotment (meeting the voice and broadband minimum service standards), at no net cost to the customer after application of Lifeline support. TruConnect's Lifeline offering will be

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<sup>36</sup> See ARSD 20:10:32:43.07.



provided either over T-Mobile's 4G LTE network or the Verizon network. TruConnect's prepaid wireless service is likely to be an especially attractive option for low-income consumers because it alleviates customer concerns regarding hidden costs, varying monthly charges and long-term contract issues.

In today's market, consumers, including qualified Lifeline customers, view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents wherever they may be, allows a person seeking employment greater ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers regardless of location. Mobile service often also serves as a key bridge in closing the homework gap for students who live in rural areas with limited access to broadband.

With the comprehensive strength and experience of TruConnect's management team, the Company's proven technology-based business model, and TruConnect's solid history as a Lifeline provider, TruConnect is uniquely positioned to meet the needs of Lifeline customers. Utilizing the Company's innovative outreach and high integrity enrollment process, and TruConnect remains committed to careful stewardship of the Lifeline program. Without question, prepaid wireless services have become essential for low-income customers, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Providing TruConnect with the authority necessary to offer discounted Lifeline service to those without wireless service—or most in danger of losing service altogether—undoubtedly promotes the public interest.

## **B. The Benefits of Competitive Choice**

The FCC has acknowledged the benefits to consumers of being able to choose from among a variety of telecommunications service providers for more than three decades.<sup>37</sup> Increasing customer choice promotes competition and innovation, thus spurring other carriers to target low-income consumers with service offerings tailored to their needs, ultimately resulting in improved services to consumers. Designation of TruConnect as an ETC will help ensure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.<sup>38</sup> Introducing TruConnect 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. Increasing the competitive marketplace of providers has the potential to effectively increase the penetration rate and reduce the number of individuals not connected to the PSTN.

## **C. Impact on the Universal Service Fund**

With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is the same whether the support is given through a company such as TruConnect or the Incumbent LEC operating in the same service area. The number of persons eligible for Lifeline support is the same regardless of the number of ETCs; thus, TruConnect will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not already enrolled in another ETC’s Lifeline program. By implementing the safeguards set forth in the *Lifeline and Link Up Reform Order* and utilizing the

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<sup>37</sup> See, e.g., *Specialized Common Carrier Services*, 29 FCC 2d 870 (1971).

<sup>38</sup> See 47 U.S.C. § 254(b)(1).

NLAD and National Verifier, the likelihood that TruConnect's customers are not eligible or are receiving duplicative support either individually or within their household is greatly minimized. TruConnect's ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to telecommunications service, and thus any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers.

## **VII. CONCLUSION**

Based on the foregoing, designation of TruConnect as an ETC in the State of South Dakota satisfies the requirements of Section 214(e)(2) of the Act and the rules and regulations of the South Dakota Public Utilities Commission and is in the public interest.

WHEREFORE, 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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\* Admitted to the D.C. Bar under D.C. App. R. 46-A (Emergency Examination Waiver) and supervised by active D.C. Bar Members.