

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

Telrite Corporation d/b/a Life Wireless)
Application for Designation as an)
Eligible Telecommunications Carrier in) Docket No. _____
the State of South Dakota for the)
Limited Purpose of Providing Lifeline)
Service to Qualifying Customers)

**APPLICATION OF TELRITE CORPORATION D/B/A LIFE WIRELESS
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF SOUTH DAKOTA FOR THE LIMITED PURPOSE OF
PROVIDING LIFELINE SERVICE TO QUALIFYING CUSTOMERS**

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I. INTRODUCTION

Telrite Corporation d/b/a Life Wireless (“Telrite” or the “Company”), by its undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”),¹ sections 54.101 through 54.207 of the rules of the Federal Communications Commission (“FCC”),² and the rules and regulations of the South Dakota Public Utilities Commission (“Commission”), including sections 20:10:32:42 and 20:10:32:43 of the South Dakota Administrative Rules,³ hereby submits this Application for Designation as an Eligible Telecommunications Carrier (“ETC”) in the State of South Dakota. Telrite seeks ETC designation for the limited purpose of providing Lifeline service to qualifying South Dakota consumers. Telrite does not request ETC designation for the purpose of receiving support from any other federal Universal Service Fund (“USF”) programs.

¹ 47 U.S.C. § 214(e)(2).

² 47 C.F.R. §§ 54.101-54.207.

³ S.D. Admin. R. §§ 20:10:32:42, 20:10:32:43.

As demonstrated herein, and as certified in **Exhibit A** to this Application, Telrite meets all the statutory and regulatory requirements for designation as an ETC in the State of South Dakota, including the requirements for ETCs participating in the Lifeline program as outlined in the various FCC Lifeline Orders.⁴

Granting ETC status to Telrite will benefit the public interest by making its high quality services available to South Dakota's most vulnerable low income consumers. Telrite is an established provider of wireless telecommunications and has over 14 years' experience providing Lifeline service to low income consumers in other jurisdictions. Accordingly, Telrite respectfully requests that the Commission expeditiously grant this Application.

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

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⁴ See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*2012 Lifeline Reform Order*”); *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71 (rel. June 22, 2015) (“*2015 Lifeline Reform Order*”); *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. April 27, 2016) (“*2016 Lifeline Modernization Order*”); *Bridging the Digital Divide for Low-Income Consumers, Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support*, WC Docket Nos. 17-287, 11-42, 09-197, Order on Reconsideration, Memorandum Opinion and Order, FCC 17-155 (rel. Dec. 1, 2017) (“*2017 Lifeline Order*”).

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II. COMPANY OVERVIEW

Telrite is a Georgia corporation with its principal offices located at 4113 Monticello Street, Covington, Georgia 30014. Documentation of Telrite's authority to transact business in South Dakota as a foreign corporation is included as **Exhibit B**.

Telrite has operated as a provider of communications services in South Dakota since 2003 when it was approved as an interexchange carrier by the Commission in Docket TC03-159. Telrite has provided wireless service to low income subscribers in South Dakota under the Emergency Broadband Benefit program as well as the Affordable Connectivity Program and has provided wireless Lifeline service in other jurisdictions since 2010.⁵ Telrite operates as a reseller and uses the network of its underlying service provider, AT&T Mobility, to serve its subscribers. Telrite is currently designated as a wireless ETC in the following jurisdictions: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Puerto Rico, and the United States Virgin Islands.

⁵ Telrite filed for ETC designation with the Commission in 2013 in Docket TC13-022 but filed to withdraw that application without prejudice on May 9, 2017. The Commission issued an order granting withdrawal without prejudice on May 26, 2017.

As described herein, Telrite meets the requirements for ETC designation. Additionally, designation of Telrite as an ETC in South Dakota serves the public interest. Telrite therefore requests that the Commission designate it as an ETC throughout the State of South Dakota for the purposes of providing Lifeline service.

III. THE COMMISSION HAS THE AUTHORITY TO DESIGNATE WIRELESS ETCs FOR THE LIFELINE PROGRAM

Under Section 214(e)(2) of the Act, state public utility commissions have the primary responsibility for the designation of ETCs.⁶ Under the Act, a state public utility commission with jurisdiction over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1). As demonstrated in this Application, Telrite meets these requirements.

Section 214(e)(1)(A) of the Act provides that an ETC must provide services “using its own facilities or a combination of its own facilities and resale of another carrier’s services.”⁷ However, pursuant to the FCC’s *2012 Lifeline Reform Order*, resellers have been granted blanket forbearance from this facilities requirement in connection with limited ETC designation to participate in the Lifeline program, subject to conditions.⁸ The FCC conditioned blanket forbearance on the reseller’s compliance with certain ETC obligations, including providing 911 and E911 services regardless of activation status and minutes available, providing E911-compliant handsets, and replacing E911 non-compliant handsets at no charge to the Lifeline customer.⁹ In addition, the reseller must adhere to an FCC-approved compliance plan that includes specific information about

⁶ 47 U.S.C. § 214(e)(2). Section 214(e)(6) provides for FCC designation of ETCs, but only in the case of a common carrier “that is not subject to the jurisdiction of a State commission...” (emphasis added); see also S.D. Admin. R. § 20:10:32:42.

⁷ 47 U.S.C. § 214(e)(1)(A).

⁸ *2012 Lifeline Reform Order*, ¶ 368.

⁹ *Id.* at ¶ 373.

the measures that the reseller will take to implement the obligations established in the *2012 Lifeline Reform Order*.¹⁰ Telrite operates as a wireless reseller and commits to compliance with all of the conditions for ETC designation and forbearance from the facilities requirement.

Therefore, the Commission has full authority pursuant to federal and state laws to designate Telrite as an ETC to provide service in South Dakota under the federal Lifeline program.

IV. TELRITE SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC

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 this Commission, to designate common carriers as ETCs for federal universal service purposes. 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 offer all of the services throughout the designated service area 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.¹¹ Lastly, prior to designating a carrier as an ETC, the Commission must determine whether such designation is in the public interest.¹² Telrite satisfies all such requirements for ETC designation.¹³

¹⁰ *Id.* at ¶ 368.

¹¹ *See* 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

¹² 47 U.S.C. § 214(e)(6); 47 C.F.R. § 54.202(b); S.D. Admin. R. § 20:10:32:43.07.

¹³ *See* S.D. Admin. R. § 20:10:32:43(4).

A. Telrite Will Provide Service via Resale Consistent with the FCC's Forbearance of the Facilities Requirement

As discussed above in Section II, although Section 214 requires ETCs to provide services using their own facilities, at least in part, the FCC has granted forbearance from enforcement of the facilities requirement to carriers seeking Lifeline-only ETC designation. In the *2012 Lifeline 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:¹⁴

(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.

Telrite intends to provide service in South Dakota via resale of its underlying service provider, AT&T Mobility. In accordance with the forbearance requirements, Telrite submitted a Compliance Plan and the FCC approved it on December 26, 2012.¹⁵ A copy of the FCC-Approved Compliance Plan is included herewith as **Exhibit C**. Telrite seeks limited ETC designation to permit it to participate in the Lifeline program.

¹⁴ See *2012 Lifeline Reform Order* at ¶¶ 368, 373, and 379.

¹⁵ 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*, Public Notice, WC Docket No. 09-197, WC Docket No. 11-42, DA 12-2063 (2012).

B. Telrite Is a Common Carrier

The FCC consistently has held that providers of wireless services are to be treated as common carriers for regulatory purposes. In addition, Section 332(c)(1)(A) of the Act states that CMRS providers will be regulated as common carriers.¹⁶ Telrite provides mobile telecommunications services and, accordingly, is a common carrier.

C. Telrite Will Provide All Supported Services

Through its underlying provider, Telrite 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:

Voice Grade Access to the Public Switched Telephone Network. The FCC describes “voice grade access” as the ability for a user to make and receive telephone calls within a specified bandwidth.¹⁷ Telrite provides voice grade access via resale of its facilities-based underlying network operator, AT&T Mobility.

Local Usage At No Additional Charge. The FCC’s rules require a petitioner for ETC designation to demonstrate that its proposed local usage plan is comparable to one offered by the incumbent local exchange carrier (“ILEC”) in the same designated service area. The determination of comparability requires a case-by-case review, taking into account value-added capabilities and

¹⁶ 47 U.S.C. § 332(c)(1)(A).

¹⁷ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, First Report and Order, 12 FCC Rcd 8776, 8810-11 (1997).

services included within a service plan. If granted ETC designation, Telrite will provide a Lifeline service package in South Dakota as outlined in **Exhibit D**.¹⁸

Access to Emergency Services. Telrite provides 911 and E911 access for all of its customers to the extent that 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. Telrite also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.

Toll Limitation. In its *2012 Lifeline Reform Order*, the FCC provided that toll limitation would no longer be deemed a supported service.¹⁹ Nonetheless, Telrite's offerings do not require that its Lifeline subscribers control their domestic voice usage, as its service is offered to subscribers at no charge on a nationwide basis.

2. Broadband Internet Access Services

Broadband Internet Access Service ("BIAS") is a Lifeline supported service as of December 2, 2016. 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."²⁰ Telrite provides BIAS to low income consumers via resale of its underlying providers' mobile broadband networks.

¹⁸ See S.D. Admin. R. § 20:10:32:43.05.

¹⁹ *2012 Lifeline Reform Order*, ¶ 234.

²⁰ See 47 C.F.R. § 8.1(b).

D. Telrite Requests Designation Throughout Its Service Area

Sections 214(e)(2) and 214(e)(5) of the Act provide that ETC designations shall be made for a “service area,” defined as a geographic area established by the Commission. Telrite seeks designation to operate as an ETC throughout the State of South Dakota. The public interest factors described below justify Telrite’s designation statewide, particularly because it seeks ETC designation solely to utilize USF funding to provide Lifeline service to qualified low income consumers. Telrite requests ETC designation that is statewide in scope to allow it to provide Lifeline service wherever its underlying carrier has wireless coverage, including as that may change going forward. Telrite’s requested service area includes the federally recognized Tribal Lands in the State of South Dakota.²¹ A coverage map is included herewith as **Exhibit E**.

E. Telrite Will Advertise the Availability of Its Service and Charges in a Manner Reasonably Designed to Reach Lifeline-Eligible Consumers²²

Telrite intends to advertise its Lifeline services using media such as the Internet, social media, newspapers of general circulation, radio and television, as well as at its mobile enrollment events, as a means of reaching those consumers that are likely to qualify for Lifeline services. The Company will use these methods to advertise the availability of its services to Lifeline customers and will expand its advertising efforts as necessary to ensure that Lifeline-eligible customers are aware of the service offerings.²³ Telrite will ensure that all of its Lifeline advertising materials comply with Section 54.405(c) of the FCC’s rules.

²¹ Telrite is providing a copy of this Application to telecommunications companies serving as ETCs within the relevant service area, including those that serve federally recognized Tribal Lands in South Dakota, pursuant to S.D. Admin. R. § 20:10:32:46.

²² 47 C.F.R. § 54.405(b).

²³ See 47 C.F.R. § 54.405(b).

Specifically, Telrite’s advertising 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) that documentation is necessary for enrollment; and (vii) Telrite is the provider of the services. A sample of the Company’s current Lifeline advertising is provided as **Exhibit F**. Telrite’s advertising materials will be updated, as necessary, in the event any of the requirements change.

F. Telrite Satisfies the Additional Requirements for ETC Designation Under 47 C.F.R. § 54.202(a)

The FCC imposes additional requirements on a carrier requesting ETC designation in Section 54.202 of its rules. As demonstrated below, Telrite satisfies these additional obligations.

1. Service Commitment throughout the Proposed Designated Service Area

Telrite will provide service in South Dakota by reselling service, which it obtains from its underlying carrier, AT&T Mobility. As evidenced by the map in **Exhibit E**, this provider has an extensive network in South Dakota. The network is state of the art and ready to support service immediately. Thus, Telrite will be able to commence offering its Lifeline service to all locations served by AT&T Mobility very soon after receiving approval from the Commission.

Pursuant to 47 C.F.R. § 54.202(a)(1)(ii), a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its petition for designation as an ETC. As such, Telrite requests a waiver of S.D. Admin. R. § 20:10:32:43.02, which requires that ETCs submit a two-year service quality improvement plan (“Plan”), as well as S.D. Admin. R. § 20:10:32:54(1–2), which requires a new Plan and a progress

report on the previously filed Plan.²⁴ As set forth in the *2012 Lifeline Reform Order*, network improvement plans are not applicable to common carriers seeking designation as Lifeline-only ETCs.²⁵

2. Telrite Has the Ability to Remain Functional in Emergency Situations

As noted above, Telrite currently utilizes the network of its underlying provider, AT&T Mobility, to provide Telrite's mobile services. The Company believes this network is capable of managing traffic spikes that may occur during emergency situations and can reroute traffic in the event of damaged facilities.²⁶ Telrite also has reason to believe that this network operator has sufficient back-up power to ensure functionality if its external power supply is unavailable.²⁷

3. Telrite Will Satisfy Applicable Consumer Protection and Service Quality Standards

Section 54.202(a)(3) of the FCC's rules states that a wireless applicant's commitment to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service ("CTIA Consumer Code") will satisfy this consumer protection and service quality requirement. Telrite fully complies with applicable consumer protection requirements and commits to fully complying with the CTIA Consumer Code.²⁸ Telrite complies with the CTIA Consumer Code to ensure it offers its subscribers the highest level of protection and quality service. Telrite's pledge to provide quality service and voluntarily comply with this code evidences its commitment to satisfying all of the applicable consumer protection and service quality standards. For example, customers can call customer service by dialing 611 from their

²⁴ See S.D. Admin. R. § 20:10:32:56.

²⁵ See *2012 Lifeline Reform Order*, ¶ 386.

²⁶ See S.D. Admin. R. § 20:10:32:43.03.

²⁷ *Id.*

²⁸ See S.D. Admin. R. § 20:10:32:43.04.

Telrite handset and no minutes will be used or decremented for the call, or they can call 1-888-543-3620 from any phone.

4. Telrite Is Financially and Technically Capable

As part of the *2012 Lifeline Reform Order*, the FCC amended its rules to require a carrier seeking designation as a Lifeline-only ETC to demonstrate that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low income program rules.²⁹ Telrite fully satisfies these criteria. The Company has provided general communications services successfully for more than two decades and has access to sufficient funds to run its business. Significantly, Telrite's business is not solely dependent on reimbursements from the federal USF as Telrite generates non-Lifeline revenues from Telrite's affiliated companies, Pure Talk Holdings, LLC and Locus Telecommunications, LLC, which do business as PureTalk and h2o® Wireless. Both of these provide service in South Dakota. Attached as **Exhibit G** is a current list of the Company's officers and key management, along with biographical information for each, showing that the Company's management has the expertise necessary to provide the services detailed herein.

5. Telrite's Proposed Lifeline Offering

Telrite has the ability to provide all services supported by the universal service program throughout the State of South Dakota. Under its ETC designation, Telrite will meet or exceed the FCC's minimum service standards, as currently established as well as any future updates. Telrite proposes to initially offer the following Lifeline service package in South Dakota (as shown in **Exhibit D**) under its Life Wireless dba:

²⁹ See *2012 Lifeline Reform Order*, ¶ 387; see also 47 C.F.R. § 202(a)(4).

South Dakota Plan: Unlimited Nationwide Calling with no roaming charges and 4.5 GB of data are provided each month with unlimited texting and multimedia messaging service at no cost to the eligible subscriber. This plan includes a smartphone also provided at no cost to eligible subscribers. The plan also includes the following custom calling features: Caller ID, Call Waiting, Call Forwarding, 3-Way Calling; and Voicemail as well as Hotspot capability.

Life Wireless' subscribers can add to this plan any month they choose by selecting additional service, currently offered as follows: through their smart phones, from Life Wireless' Customer Service and on the www.lifewireless.com website. Data top ups are available in 2 GB increments at \$10.00 per 2 GB.

6. Telrite's Processes Comply with Lifeline Verification and Enrollment Processes, and the Company Is Committed to Preventing Waste, Fraud, and Abuse of the Lifeline Program

Section 54.410 of the FCC's rules requires ETCs to certify and verify a Lifeline customer's initial and continued eligibility. Telrite has processes in place to facilitate compliance with federal customer enrollment requirements through use of the National Verifier and the National Lifeline Accountability Database ("NLAD"), each of which is administered by Universal Service Administrative Company ("USAC"). Telrite is connected to both the National Verifier and the NLAD via application programming interfaces ("APIs"), allowing it to help applicants through the standard application form, eligibility verification, duplicate detection, identity verification and address verification, and related resolution processes included within USAC's systems and processes. Telrite thus complies with the disclosure, information collection and certification requirements set forth in Section 54.410(d) of the FCC's rules. For applicants verified as being eligible by USAC's National Verifier and NLAD, Telrite completes enrollment by transmitting the required information into NLAD as required by Section 54.404(b)(6), by informing the

customer of his or her need to use the service at least once every thirty (30) days as required by the *2012 Lifeline Reform Order*³⁰ and providing notice to subscribers after 30 days of non-usage that they must use the service within 15 days or their service will be terminated as required by Section 54.405(e)(3), and by requiring the customers to activate their Lifeline service as required by Section 54.407(c)(1) by placing a call.

Telrite has additional processes in place to guard against waste, fraud and abuse, and to ensure compliance with FCC rules designed to achieve that objective, including customer usage, cure period, and de-enrollment requirements set forth in Sections 54.407(c)(2) and 54.405(e)(3), general notice and de-enrollment requirements set forth in Section 54.405(e)(1), transmission of information to NLAD and recordkeeping requirements set forth in Sections 54.404(b)(6) and Section 54.417, annual certification and reporting requirements set forth in Sections 54.416 and 54.420, and reimbursement claims processes established by USAC consistent with Sections 54.403 and 54.407(a). Telrite also coordinates with USAC's National Verifier and NLAD systems to manage additional de-enrollments related to USAC-administered benefit transfers and annual recertification as required by Sections 54.303 and 54.405. If Telrite receives a request for de-enrollment from a subscriber, it will process the request within two business days in accordance with Section 54.405(e)(5). Consistent with Section 54.406(a), Telrite will require its enrollment representatives to register with USAC before providing information directly to the NLAD or National Verifier, and pursuant to Section 54.406(b), Telrite will not pay an enrollment representative or his or her direct supervisor based on the number of consumers who apply for or are enrolled in the Lifeline program with Telrite. Finally, Telrite has long been at the forefront of developing and deploying internal controls to guard against waste, fraud and abuse. It remains

³⁰ See *2012 Lifeline Reform Order*, ¶ 257.

committed to be a good steward of, and partner in, the Lifeline program through continued vigilance against waste, fraud and abuse.

V. THE PUBLIC INTEREST WILL BENEFIT FROM GRANTING ETC STATUS TO TELRITE

The overarching purpose of the Lifeline program is to ensure that low income consumers have access to and can afford essential voice and broadband communications services. The Lifeline program began with a focus upon the availability of voice services; however, as technology has expanded and broadband has become increasingly essential to everyday living, the Lifeline program has developed as well. Today, robust levels of broadband service must be offered to eligible subscribers, as a means of effectively bridging the “Digital Divide” that separates South Dakota residents on the basis of income. As regulators and policymakers have recognized since the establishment of the Lifeline program, meeting an evolving set of essential communications needs is overwhelmingly in the public interest. Designation of experienced ETCs such as Telrite will directly advance the goals of the Lifeline program in South Dakota.³¹

Advantages of Telrite’s Lifeline Services

Telrite’s experience and longevity as a provider of Lifeline services in many states demonstrate the Company’s commitment and ability to provide quality Lifeline services to eligible, low income consumers in compliance with program requirements. Authorizing Telrite as a Lifeline ETC in South Dakota will enable it to provide eligible low income consumers with access to high quality mobile voice, text and data services. This will increase those consumers’ choices in service providers and service options and make essential communications services more affordable and accessible. Importantly, it will also lead to additional competition within the

³¹ See S.D. Admin. R. § 20:10:32:43(6).

Lifeline market that should help improve the rate of program participation by eligible subscribers and spur other ETCs to improve their own Lifeline service offerings. Telrite’s combined use of online and in-person, real-time distribution methods rely upon Internet-enabled compliance checks that, while meeting (and often exceeding) Lifeline program requirements, have enabled the Company to bring Lifeline service to those eligible consumers that are not easily reached by carriers relying exclusively on one distribution method or another.

Mobile services are overwhelmingly preferred by Lifeline-eligible consumers who can often afford only a single connection, may frequently change residences or places of employment, may need the ability to communicate promptly and effectively with prospective employers, and also must manage households and family responsibilities as they do so. Some of these consumers may be homeless, with their Lifeline service being the only reliable contact point they have. For all these consumers, whatever their circumstances, Lifeline services also ensure that they always have the ability to contact 911 emergency services should the need arise. “Free” minutes, texts and data are an invaluable resource for cash-strapped consumers in these circumstances.

Telrite’s Lifeline service plan is an attractive option for low income consumers because the Company’s plans are highly competitive. Telrite’s proposed initial South Dakota Lifeline plan includes Unlimited Nationwide Calling with no roaming charges, unlimited texts, 4.5 GB of data, several of the most popular features and a smartphone, all free of charge with additional consumer-friendly options that enable subscribers to flexibly tailor their wireless services to their variable needs and budgets.

Benefits of Competitive Choice

The FCC recognized the interrelationship of ETC designations and competition over a decade ago, concluding that in non-rural areas, designation of multiple ETCs, following

demonstration of compliance with eligibility requirements, was so fundamentally beneficial as to warrant characterization as “consistent *per se* with the public interest.”³² Similarly, the correlation between increased market choice and lowering of costs, when dealing with competitive services, has been adopted as a “given” by telecommunications industry regulators across the country. In the Lifeline context, this equation takes on new importance, because the entry of additional providers increases competitive choice for lower-income customers who often are less desirable to providers focused on upscale consumer offerings.

Impact on the Universal Service Fund

In the past, the FCC also recognized that, in contrast to the historic designation of carriers to receive high cost funds, the designation of Lifeline ETCs should not have an adverse effect upon the health of the USF. The Lifeline benefit is provided to each eligible customer that enrolls and, as a result, the USF is unaffected by whether Telrite or another ETC serves that customer. Moreover, with strict compliance to the FCC’s rules concerning prevention of waste, fraud and abuse of the USF, there is greater certainty that no customers served by Telrite or other ETCs are ineligible or are receiving duplicative benefits.

There are still many – indeed the majority of – eligible consumers not receiving Lifeline benefits. The presence of more Lifeline ETCs, with increasingly sophisticated ways to reach previously unserved eligible consumers, will help to increase the overall numbers of consumers receiving Lifeline benefits. Ensuring the availability of critical communications to Americans in desperate need is precisely why the USF was established. Any increase in funding demands upon the USF will be directly proportionate to the escalated imperative for the USF to fulfill its function.

³² *Federal-State Joint Board on Universal Service Celco Partnership d/b/a Bell Atlantic Mobile (Petition for Designation as an Eligible Telecommunications Carrier)*, Memorandum, Opinion and Order, 16 FCC RCD. 39, at para. 14 (rel. Dec. 26, 2000).

VI. CONCLUSION

As demonstrated by the facts stated herein, and as verified in Exhibit A, Telrite meets all the statutory and regulatory requirements for designation as an ETC in the State of South Dakota. For the reasons outlined above, designation of Telrite as an ETC in the State of South Dakota fully satisfies the requirements of Section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, Telrite respectfully requests that the Commission promptly designate Telrite as an ETC throughout the State of South Dakota solely for purposes of participating in the Lifeline program to receive federal support and reimbursement for the provision of communications services on a wireless basis to qualified low income South Dakota consumers.

Respectfully submitted,



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