ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF T-MOBILE CENTRAL LLC AND POWERTEL/MEMPHIS, INC. PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER FOR PURPOSES OF LOW INCOME SUPPORT ONLY	CAUSE NO. 41052 ETC 61 APPROVED: AUG 15 2012

ORDER OF THE COMMISSION

Presiding Officers:
Larry S. Landis, Commissioner
Gregory R. Ellis, Administrative Law Judge

On December 1, 2011, T-Mobile Central LLC and PowerTel/Memphis, Inc. ("Petitioner" or "T-Mobile") filed its Verified Petition ("Petition") for Limited Designation as an Eligible Telecommunications Carrier ("ETC") for the Purpose of Low Income Support Only with the Indiana Utility Regulatory Commission ("Commission"). In its Petition, T-Mobile sought designation as an ETC pursuant to §214(e)(2)[1] of the Federal Communications Act of 1934, as amended ("Act") solely to provide wireless services supported by the Federal Universal Service Fund's ("USF") Lifeline program. Petitioner did not seek authority to provide services supported by the USF's high-cost program.

On December 1, 2011, Petitioner pre-filed its direct testimony and exhibits. On March 8, 2012, Petitioner filed the First Amendment to its Verified Petition, along with supplemental testimony and exhibits. The Indiana Office of the Utility Consumer Counselor ("OUCC") pre-filed the testimony of Senior Analyst Ronald L. Keen on April 10, 2012. T-Mobile did not file rebuttal testimony, but did submit responses to questions propounded by the Presiding Officers in a docket entry dated April 25, 2012.

Pursuant to notice duly published as required by law, proof of which was incorporated into the record by reference and placed in the official files of the Commission, a public hearing was held in this Cause on May 3, 2012 at 10:00 a.m. in Room 224, PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the hearing, T-Mobile and the OUCC appeared and participated. No members of the general public were present or sought to testify. The testimony and exhibits of the witnesses were admitted into evidence and the witnesses were made available for cross-examination.

The Commission, having examined all of the evidence of record, and being duly advised in the premises, now finds as follows:

1. <u>Notice and Jurisdiction</u>. Proper, legal, and timely notice of the hearing in this Cause was given and published by the Commission as provided for by law. The proofs of

[1] 47 U.S.C. § 214 (2012) (originally enacted as Act of June 19, 1934, ch. 652, Title VII, § 707, 48 Stat. 1105).

publication of the notice of the hearing have been incorporated into the record of this proceeding. Pursuant to the Act, 47 U.S.C. § 151 *et seq.*, and applicable Federal Communications Commission ("FCC") Rules, 47 C.F.R. §§ 54.201 and 54.203, the Commission is authorized to designate ETCs, thereby enabling those so designated to apply for federal universal service support under Section 254 of the Act and in accordance with the Commission orders of generic application in Cause Nos. 40785, 41052 and 42067. The Commission also has jurisdiction pursuant to Ind. Code § 8-1-2.6-13(d)(5)(B). The Commission therefore has jurisdiction over Petitioner and the subject matter of this Cause.

2. Petitioner's Characteristics. T-Mobile Central LLC and PowerTel/Memphis, Inc., wholly-owned subsidiaries of T-Mobile USA, Inc. and doing business as T-Mobile, are communications service providers which offer commercial mobile radio service ("CMRS") as acknowledged by the Commission in its certificate of territorial authority ("CTA") orders issued in Cause No. 41279, CC0105-1, CC0604-3, and CC0604-2. T-Mobile is a national facilities-based provider of wireless voice, messaging, and data services with principal offices located at 12920 SE 38th Street, Bellevue, WA 98006. Petitioner is also a common carrier as defined by 47 C.F.R. § 20.9 and a telecommunications carrier as defined by 47 U.S.C. § 153(44).

3. Requirements for ETC Designation. By our Order issued on November 5, 1997 in Cause No. 40785, the Commission adopted the FCC's original eligibility requirements for designation of ETCs within the State of Indiana. Accordingly, each Indiana ETC receiving federal universal service support is required by 47 C.F.R. § 54.101(b) to offer the universal services or functionalities set out in 47 C.F.R. § 54.101(a). We note that the FCC modified the list of supported services that must be offered by ETC designees in the *USF/ICC Transformation Order.*[2] We also note that after T-Mobile filed its Petition, the FCC issued its *Lifeline Reform Order,*[3] which is discussed in more detail below. In addition to offering the delineated universal services, to be eligible for designation as an ETC, applicants are required by 47 C.F.R. §§ 54.405 and 54.411 to offer qualifying low-income customers Lifeline programs. The Petition seeks only a limited designation and thus is presented for the limited purpose of participating in the USF's Lifeline program as a wireless carrier. If the Petition is approved, 47 C.F.R. § 54.201 (d)(2) and 47 C.F.R. § 54.405(b) will require Petitioner as an ETC receiving federal universal support for Lifeline to publicize the availability and cost of the supported services and the Lifeline programs using media of general distribution throughout the service areas for which the designation is requested. Pursuant to the Commission's November 5, 1997 Order in Cause No. 40785, carriers seeking ETC designation in Indiana are also required to file proposed tariffs, boundary maps and a list of wire centers or rural local exchange carrier study areas depicting the area(s) for which ETC designation is sought.

On March 17, 2005, the FCC released ETC eligibility guidelines mandating that future ETC designations would require a public interest analysis for applicants regardless of whether the proposed designation area is served by a rural or non-rural carrier. *Federal-State Joint Board on Universal Service*, 20 F.C.C.R. 6371 ¶42-43 (March 17, 2005) ("*2005 FCC ETC Order*"). The Commission adopted the FCC's new eligibility guidelines by its June 8, 2005 Order in

---

[2] *In the Matter of Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161, released November 18, 2011 ("*USF/ICC Transformation Order*").

[3] *Lifeline and Link Up Reform and Modernization, et al.* WC Docket No. 11-42, *et al.,* Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) ("*Lifeline Reform Order*").

Cause No. 41052 ETC 47. On November 10, 2010, this Commission issued the first "Lifeline only" ETC designation to Virgin Mobile in Cause No. 41052 ETC 55 (the "Virgin Mobile ETC Order"). Subsequently, we granted Lifeline only ETC designations to TracFone Wireless, Inc. in Cause No. 41052 ETC 54; to i-Wireless, LLC in Cause No. 41052 ETC 56; to TerraCom, Inc. in Cause No 41052 ETC 60; and to Telrite Corporation in Cause No. 41052 ETC 58. In each of these Orders, we imposed certain requirements and reporting obligations as a condition of the ETC designation.

On November 18, 2011 and February 3, 2012 respectively, the FCC adopted the *USF/ICC Transformation Order* and the *USF/ICC Clarification Order.*[4] Through these orders, the FCC revised the ETC designation eligibility requirements by: (1) revising the supported services found in 47 C.F.R. § 54.101(a) to be included in universal service offerings by eliminating the requirement to offer dual tone multi-frequency signaling, single party service, access to operator service, access to interexchange service, and directory assistance; (2) requiring carriers to certify compliance with the additional requirements applicable to the support received, consistent with 47 C.F.R. § 54.202(a)(1)(i); (3) eliminating the additional requirement of offering local usage and providing equal access found in 47 C.F.R. § 54.202 prior to its 2012 revision; and (4) eliminating the requirement that Lifeline only applicants submit a 5-year service improvement plan pursuant to 47 C.F.R. § 54.202.

On February 6, 2012, the FCC adopted the *Lifeline Reform Order*[5], which is designed to:

> ...substantially strengthen protections against waste, fraud, and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the program for broadband; and constrain the growth of the program in order to reduce the burden on all who contribute to the Universal Service Fund.

The *Lifeline Reform Order* changed the requirements pertaining to state ETC designations found in 47 C.F.R. § 54.201(h). In the Order the FCC concluded that "in order to ensure Lifeline-only ETCs, whether designated by the Commission [*FCC*] or the states, are financially and technically capable of providing Lifeline services, we now include an explicit requirement in 54.202 that a common carrier seeking to be designated as a Lifeline-only ETC demonstrate its technical and financial capacity to provide the supported service."[6] Among the relevant considerations for such a showing would be whether the applicant previously offered services to non-Lifeline consumers, how long it has been in business, whether the applicant intends to rely exclusively on USF disbursements to operate, whether the applicant receives or will receive revenue from other sources, and whether it has been subject to enforcement action or ETC revocation proceedings in any state.[7]

---

[4] *In the Matter of Connect America Fund, Order,* DA 12-147, released February 3, 2012 ("*USF/ICC Clarification Order*").
[5] See *Lifeline Reform Order* at para. 1.
[6] See *Lifeline Reform Order* at para. 388 and 47 C.F.R. § 54.201(h) and 47 C.F.R. § 54.202(a)(1)(ii)(4).
[7] See *Lifeline Reform Order* at para. 388.

The *Lifeline Reform Order* modified and added new requirements for ETC designation that apply to ETC applications filed with state commissions that specifically adopt the additional requirements. The requirement to demonstrate financial and technical capability was added in 47 C.F.R. § 54.202(a)(4). The requirement to offer a Lifeline plan comparable to the incumbent local exchange carrier ("ILEC") in the service areas for which it seeks designation was eliminated, but replaced with 47 C.F.R. § 54.202(a)(5) which now requires ETC applicants to explain the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan. Additionally, once designated by this Commission as a Lifeline ETC, the designee's Lifeline offerings must reflect a uniform $9.25 per month federal reimbursement of the Lifeline discount; include specific disclosures in advertising and outreach; include required processes for determining initial and ongoing eligibility; and comply with the reporting and compliance obligations set forth herein. In keeping with this Commission's past practice of adopting the FCC's ETC guidelines, we hereby adopt the guidelines and requirements set forth in the *Lifeline Reform Order* as well as the requirements of the *USF/ICC Transformation Order* and the *USF/ICC Clarification Order.*

4. <u>Evidence Presented</u>.

A. <u>Petitioner's Evidence</u>.

1. <u>*Gene DeJordy*</u>. T-Mobile offered direct and supplemental pre-filed testimony of Gene DeJordy. Mr. DeJordy established the FCC's requirements for Lifeline-only ETC designation, including the changes made as a result of the *Lifeline Reform Order* and the *USF/ICC Transformation Order.* Mr. DeJordy testified that T-Mobile has demonstrated that it meets all applicable requirements for Lifeline-only ETC designation. He demonstrated that T-Mobile is a common carrier and explained that, as a personal communications service ("PCS") provider and a CMRS provider licensed to provide common carrier PCS service in Indiana, T-Mobile is a common carrier as required by 47 C.F.R. § 54.201(d).

In his supplemental testimony, Mr. DeJordy explained that T-Mobile complies with the additional ETC designation requirements imposed in the *Lifeline Reform Order*. Specifically, Mr. DeJordy testified that in its Petition, T-Mobile established its technical and financial capability to provide Lifeline service as required in the *Lifeline Reform Order,* even though, at the time it submitted its Petition, there was no specific requirement to do so. Mr. DeJordy observed that in explaining this new requirement, the FCC stated: "Among the relevant considerations for such a showing would be whether the applicant previously offered services to non-Lifeline consumers, how long it has been in business, whether the applicant intends to rely exclusively on USF disbursements to operate, whether the applicant receives or will receive revenue from other sources, and whether it has been subject to enforcement action or ETC revocation proceedings in any state."[8] Mr. DeJordy noted that T-Mobile demonstrated in its Petition that it is a well-established, national facilities-based wireless telecommunications carrier reaching over 293 million Americans. He stated that T-Mobile, through its predecessors in interest, has been actively providing service in the state of Indiana to non-Lifeline consumers

[8] *Lifeline Reform Order* at ¶*388.*

since 1998[9] and does not rely exclusively on USF disbursements to operate. He testified that T-Mobile receives, and if designated as an ETC will continue to receive, revenue from several non-USF sources. Further, Mr. DeJordy indicated that T-Mobile is currently a Lifeline service provider in numerous states and has not been subject to ETC enforcement or revocation proceedings in any state. As such, Mr. DeJordy concluded that T-Mobile clearly demonstrated in its Petition, direct testimony, and supplemental testimony, that it has the financial and technical capability to provide Lifeline service in compliance with all applicable requirements consistent with 47 C.F.R. § 54.202(a)(4).

Mr. DeJordy stated that T-Mobile is a facilities-based CMRS provider with its own switching, network facilities, cell sites, transmit and receive radios, and spectrum in Indiana, as required by 47 C.F.R. § 201(d)(1). T-Mobile will not resell the services of another carrier. He indicated that T-Mobile is a full service facilities-based carrier. T-Mobile has an extensive facilities-based network in Indiana to serve consumers in its proposed ETC service area. Mr. DeJordy confirmed that T-Mobile will use its own facilities to serve consumers throughout its ETC service area, and will not rely on the facilities of another carrier in order to provide service in its proposed ETC service area. He noted that T-Mobile commits to providing Lifeline service, including all of the supported services, throughout its designated service area, consistent with all applicable requirements. Specifically, he noted that T-Mobile will serve all consumers within its ETC service area, taking steps under 47 C.F.R. § 54.202(a)(1) that can be reasonably undertaken by a Lifeline service provider.

Mr. DeJordy testified in T-Mobile's Supplemental Direct Testimony that the FCC revised the supported services found in 47 C.F.R. § 54.201(a) by eliminating certain services and functionalities. Mr. DeJordy testified that T-Mobile will provide all of the services and functionalities originally required by the FCC's rules and Commission regulations upon designation as an ETC in Indiana, including: voice grade access to the public switched telephone network, local usage capabilities, dual-tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange services, access to directory assistance services and access to toll limitation services. Mr. DeJordy testified that the changes do not impact T-Mobile's eligibility for designation as an ETC because they either eliminate prior requirements or clarify that certain prior requirements do not apply to Lifeline only applicants. T-Mobile asserted in its Petition and testimony that it will comply with the requirements applicable to the support that it will receive and will separately certify to this commitment, consistent with 47 C.F.R. § 54.202(a)(1)(i).

i. _Voice-grade access to the public switched telephone network:_ Mr. DeJordy explained that voice-grade access means the ability to transmit and receive voice communications within a bandwidth between 300 and 3,000 Hertz frequency range. He stated that T-Mobile meets this requirement by providing voice-grade access to the public switched telephone network. As a result of the company's interconnection arrangements with other telecommunications providers, all T-Mobile customers are able to transmit and

[9] T-Mobile began offering service in Indiana via Powertel/Kentucky in 1998 (IURC Cause No. 41279) and via Omnipoint Holdings in 2001 (IURC Cause No CC105-1). T-Mobile's CTAs were revised in 2006 in IURC Cause No. 49536 to reflect the current T-Mobile entities, Powertel/Memphis and T-Mobile Central.

receive calls on the public switched telephone network within the specified bandwidth.

ii. *Local Usage*: We note that Mr. DeJordy testified in his supplemental direct testimony that the FCC eliminated the additional requirement of offering local usage and providing equal access for designation as an ETC previously found at 47 C.F.R. § 54.202(a)(4) and (5) through the *USF/ICC Transformation Order* and the *USF/ICC Clarification Order*, but T-Mobile will continue to meet these requirements to the extent they remain applicable requirements in Indiana. Although the local usage and equal access requirements were removed from 47 C.F.R. §54.202, the Commission notes 47 C.F.R. §54.101(a) sets out that eligible voice telephony services must provide minutes of use for local service at no additional charge to end users. T-Mobile has stated in its Petition and testimony that it will comply with the requirements applicable to the support that it will receive and will separately certify to this commitment, consistent with 47 C.F.R. § 54.202(a)(1)(i).

Mr. DeJordy testified that in its initial Lifeline rate plan eligible for universal service support, T-Mobile will offer local usage with a predetermined amount of "free" minutes of use, including nationwide local calling. Consequently, T-Mobile's planned Lifeline service meets the applicable local usage requirement.

iii. *Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent*: Mr. DeJordy testified that DTMF, more commonly known as touch-tone, is a method of signaling that facilitates the transportation of call set-up and call detail information. He testified that T-Mobile uses the functional equivalent to DTMF, specifically out-of-band digital signaling and in-band multi-frequency ("MF") signaling, which the FCC concluded is the functional equivalent to DTMF in its *Universal Service Order*, Federal-State Joint Board on Universal Service, *Report and Order*, 12 FCC Rcd 8776 (1997) (*Universal Service Order).*

iv. *Single-party service or its functional equivalent*: Mr. DeJordy testified single-party service means only one party is served by a subscriber loop or access line. He testified that T-Mobile offers the equivalent of single-party service by providing a dedicated message path for the length of a user's particular transmission, which the FCC concluded is the functional equivalent to single party service in its *Universal Service Order*, Federal-State Joint Board on Universal Service, *Report and Order*, 12 FCC Rcd 8776 (1997) (*Universal Service Order).*

v. *Access to emergency services*: Mr. DeJordy testified the ability to reach a public safety agency by dialing 911 is a required service in any universal service offering and Phase II E911, which includes both automatic numbering information ("ANI") and automatic location information ("ALI") of the handset, is required if a 911 agency makes arrangements for the delivery of such information. Mr. DeJordy indicated that T-Mobile has worked with the Public Safety Answering Points ("PSAPs") in the counties where it has coverage and has implemented Phase I and Phase II E911 service in each such county based upon the request for service, and therefore meets the ETC requirement of providing access to emergency services. He stated that T-Mobile is actively involved with the 911-community through activities with national 911 organizations, including National Emergency Number Association ("NENA") and Association of the Public Safety Communications Officials

International ("APCO").

vi. *Access to operator services*: Access to operator services is defined as any automatic or live assistance to arrange for the billing and/or completion of a telephone call. Mr. DeJordy indicated that T-Mobile meets this requirement by providing all of its customers with access to operator services provided by the company or a third party. In particular, customers of T-Mobile can dial 0 to reach an operator, or 611 to reach customer support for assistance in completing a call.

vii. *Access to interexchange services*: Access to interexchange service is the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network. Mr. DeJordy testified that T-Mobile meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through interconnection arrangements T-Mobile has with other telecommunications carriers. He noted that T-Mobile customers are able to dial any local or long-distance telephone number in the United States, and are able to receive calls from any local or long-distance telephone number meeting the ETC requirement of access to interexchange services.

viii. *Access to directory assistance*. Mr. DeJordy testified the ability to place a call to directory assistance is a required service offering. He indicated that T-Mobile meets this requirement by providing all of its customers with access to directory assistance by dialing 411 or 555-1212.

ix. *Toll limitation for qualified low-income consumers*: In its Petition, T-Mobile explained toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control. T-Mobile indicated it will offer toll limitation to qualifying low-income consumers at no additional charge upon implementing its Lifeline service offering.

Mr. DeJordy explained in his prefiled direct testimony that an ETC must offer either toll control or toll blocking service to qualifying Lifeline customers at no charge. T-Mobile will provide toll blocking to qualified Lifeline customers, at no charge, as part of its Lifeline offerings. Lifeline customers, like most other T-Mobile customers, typically do not incur long distance charges for calls within the United States, so toll blocking is not necessary, but, to the extent any Lifeline offering now or in the future does not include toll calls for no extra charge, then qualifying Lifeline customers will have access to toll blocking at no charge. Mr. DeJordy also testified that T-Mobile will not seek reimbursement from the USF for the cost of providing toll limitation services to qualifying low-income consumers.

Mr. DeJordy testified that T-Mobile's requested ETC service area is its coverage area in Indiana, which includes the non-rural telephone company wire centers and rural telephone company study areas identified in its Petition. In response to questions issued in a docket entry from the Presiding Officers, T-Mobile clarified that T-Mobile's proposed ETC service area includes all non-rural ILEC wire centers and rural ILEC study areas within the state of Indiana where T-Mobile has wireless coverage, except for the CenturyLink study area. T-Mobile provided evidence that it currently has wireless coverage throughout a significant portion of Indiana and that it continues to build out its network facilities to cover unserved areas. T-Mobile stated that it seeks to provide Lifeline Service throughout the state of Indiana in all of the ILEC areas it identified in Exhibit A to its Verified Petition.

To the extent T-Mobile does not currently have wireless coverage within a portion of its proposed ETC service area, T-Mobile stated that it will consider requests for service consistent with its universal service obligations and, over time, will expand its coverage to serve consumers throughout its ETC service area. T-Mobile further clarified that it purposely excluded the CenturyLink study area from its ETC service area. T-Mobile explained that as a part of its four-step process in customer enrollment it checks to see if the customer's address is within T-Mobile's ETC designated service area.

T-Mobile also clarified that Illinois Bell Telephone Company and Michigan Bell Telephone Company each have wire centers that partially serve geographic areas within the state of Indiana. Consequently, because these wire centers partially serve Indiana, T-Mobile included the Indiana portion of these wire centers within its ETC service area. Finally, in response to the Presiding Officers' request that T-Mobile identify which areas are only partially served and explain why they are only partially served, T-Mobile stated that its wireless coverage in Indiana reflects, among other things, the coverage needs of consumers, which does not correlate with the ILEC wire center and study area boundaries.

As a result, T-Mobile's coverage area includes portions, but not necessarily all, of the geographic areas comprising ILEC wire centers and study areas. Nonetheless, T-Mobile included the entire rural ILEC study areas and non-rural ILEC wire centers within its ETC service area, consistent with 47 U.S.C. § 214(e)(5). T-Mobile noted that by including entire rural ILEC study areas and non-rural ILEC wire centers within its requested ETC service area, T-Mobile will be able to make available Lifeline service to more eligible low-income consumers and, as it builds out its coverage in Indiana consistent with its universal service obligations, Lifeline consumers will benefit from greater access to T-Mobile's services.

Mr. DeJordy testified that T-Mobile is able to remain functional in an emergency situation by employing back-up power to ensure a functioning network and network redundancy for re-routing traffic. Specifically, T-Mobile has fixed and portable back-up power generators located at various network locations that it can deploy in emergency situations. The majority of sites not equipped with fixed generators have battery back-up systems installed to maintain service in the event of a widespread power outage.

Mr. DeJordy that T-Mobile also has the ability to reroute traffic around damaged out-of-service facilities through the deployment of cell-on-wheels ("COWS"), redundant facilities, and dynamic rerouting of traffic over alternate facilities. In addition, T-Mobile has a network control center that monitors network traffic and anticipates traffic spikes and can (i) deploy network facilities to accommodate capacity needs; (ii) change call routing translations; and (iii) deploy COWS to temporarily meet traffic needs until more durable solutions, such as additional capacity and antenna towers, can be deployed.

Mr. DeJordy indicated that T-Mobile also maintains an extensive Business Continuity Program that consists of a number of professionals responsible for documenting and developing enterprise standards, processes, and policies for all business continuity planning and defines enterprise tools and methodologies. Mr. DeJordy noted that the resiliency of T-Mobile's network in maintaining or quickly restoring service has been demonstrated through numerous natural disasters over the years, including Hurricane Katrina.

Mr. DeJordy stated that T-Mobile is a strong supporter of and abides by the CTIA-The Wireless Association's® Consumer Code for Wireless Service ("Consumer Code"). He testified that T-Mobile has been a signatory of the Consumer Code since 2003 and commits to complying with the applicable consumer protection requirements.

Mr. DeJordy explained that T-Mobile provides its customers with calling plans that are comparable in value to those offered by the ILECs in its proposed ETC designated service area. T-Mobile's calling plans offer a number of benefits to customers, including the mobile nature of wireless service. In addition, T-Mobile's "local" calling area is broader than that of the ILECs. Mr. DeJordy stated that T-Mobile's calling plans also include a number of features for no additional charge, such as voicemail, caller ID, call waiting, and conference calling. T-Mobile's initial Lifeline offering, as explained in the Direct Testimony of Rhonda Thomas, includes all of the services and features of T-Mobile's other service offerings explained above, as well as unlimited night and weekend minutes, and unlimited mobile-to-mobile calling on the T-Mobile network. Mr. DeJordy concluded that T-Mobile's Lifeline service offering is comparable to the basic local service offerings of the ILEC in the requested ETC service area.

In his supplemental testimony, Mr. DeJordy testified that T-Mobile has explained the terms and conditions of voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan in accordance with 47 C.F.R. § 54.202(a)(5). Specifically, Mr. DeJordy noted that the terms and conditions of T-Mobile's service, including its Lifeline service, are publicly available at www.t-mobile.com. Additionally, in Section IV of its Petition and in the direct testimony of Rhonda Thomas, T-Mobile identified the rates, terms and conditions for its proposed Lifeline service offering, consistent with 47 C.F.R. § 54.202(a)(5).

Mr. DeJordy testified that the public interest would be greatly served by designating T-Mobile as an ETC for purposes of obtaining low-income support for Lifeline services. He noted that designation will result in benefits above and beyond the status quo of its existing operations in the ETC service area, including, but not limited to:

(1) T-Mobile's universal service commitment to make available Lifeline services to qualified low-income consumers that would not exist but for ETC designation.

(2) Low-income consumers having access to an alternative choice for their universal service communications needs, which is especially important because consumers depend on wireless communications for their basic and advanced communications needs, including when communicating for purposes of safety, emergency or health needs.

(3) T-Mobile's nationally recognized customer service quality will now be more widely available to consumers throughout its ETC service area.

(4) T-Mobile will be subject to service obligations applicable to Lifeline service providers.

(5) The designation of T-Mobile as an ETC will enhance competition and increase consumer choice.

(6) Designation of T-Mobile as an ETC will help to secure, and potentially enhance, the contributions T-Mobile makes to Indiana's economy. T-Mobile employs more than 200 Hoosiers at 29 company-owned Indiana retail locations, along with other points of dealer-owned distribution. By designating T-Mobile as an ETC in Indiana and adding to T-Mobile's subscribership, T-Mobile is likely to continue investing in Indiana's economy through its infrastructure and jobs.

2. *Rhonda Thomas.* T-Mobile also offered direct and supplemental testimony of Rhonda Thomas. Ms. Thomas testified that T-Mobile is currently designated as an ETC in Puerto Rico, North Carolina, Florida, Idaho, Louisiana, Minnesota, Washington, Hawaii, and Kentucky. Ms. Thomas stated that T-Mobile also has ETC applications pending in Arizona, Georgia, Oregon, Mississippi, Massachusetts, Ohio, and Pennsylvania. She noted that in each of the jurisdictions where T-Mobile has been granted ETC status, the state commission or the FCC determined that the public interest would be served by designating T-Mobile as an ETC in areas served by both non-rural and rural telephone companies.

Ms. Thomas testified that upon designation as an ETC, consistent with 47 C.F.R. § 54.405, T-Mobile will make available to qualified low-income consumers a discounted service offering that meets all applicable Lifeline requirements. T-Mobile's planned Lifeline service offering, which is subject to change, includes a low $9.99 per month Lifeline rate based upon a non-discounted rate of $19.99 per month (less the $10.00 Lifeline discount), 145 Whenever minutes®, 500 night minutes, and 500 weekend minutes per month, with a per minute overage rate of $0.05, and traditional wireless calling features including call waiting, conference calling, three-way calling, caller identification and voice mail.

Ms. Thomas stated that T-Mobile allows qualified subscribers of its Lifeline plan to purchase certain optional features such as handset insurance, text messaging, and others. T-Mobile offers these as 'pay-as-you-go' services so that customers are not purchasing packages that are not completely beneficial to them. Ms. Thomas testified that T-Mobile does not currently offer its Lifeline subscribers the option to purchase data related services, nor does T-Mobile currently offer its Lifeline subscribers the option to purchase a package of additional minutes to augment their service. She stated that if, in the future, T-Mobile makes any of these options available, it will provide notice to the Commission by way of an updated tariff.

In her supplemental testimony, Ms. Thomas confirmed that T-Mobile's planned Lifeline service offering has not changed based upon the *Lifeline Reform Order*. While the *Lifeline*

Reform Order did change the federal amount a carrier can be reimbursed for offering Lifeline service to $9.25 per month, she noted that T-Mobile remains committed to continuing to offer eligible low-income consumers a $10.00 per month Lifeline discount on applicable rate plans. Ms. Thomas stated that in the future, T-Mobile may revise the Lifeline discount to match the federal reimbursement amount of $9.25 per month, but will notify the Commission prior to making any such change. Ms. Thomas testified that in the *Lifeline Reform Order*, the FCC states that carriers may offer the Lifeline discount on all eligible rate plans, but is not required to do so. She indicated that in other states, T-Mobile currently offers the Lifeline discount on one of its lowest generally available rate plans, but is evaluating whether to extend Lifeline discounts on all eligible rate plans and will inform the Commission of any such changes.

Ms. Thomas testified that customers can dial #MIN# or #646# to determine how many minutes they have remaining in their usage buckets at any time, day or night. Additionally, as a result of recent announcements to change the Consumer Code, Ms. Thomas stated that T-Mobile is committed to maintaining its compliance with the current tenet, and soon to be added provisions which will address usage alerts for wireless consumers. Ms. Thomas stated that T-Mobile does not require that qualified consumers submit to a credit check to receive the Lifeline offerings she described. She noted that depending on their nature, T-Mobile may require a credit check if it offers other Lifeline plans in the future.

Ms. Thomas explained that T-Mobile will make available discounted service offerings only to qualified consumers identified as eligible to receive Lifeline service. Consumers who believe they may qualify for Lifeline service will be asked to apply directly to T-Mobile for Lifeline service, and T-Mobile will review the required documentation, consistent with the requirements of the *Lifeline Reform Order*, prior to making available Lifeline service to consumers.

Specifically, Ms. Thomas noted that the *Lifeline Reform Order* requires that carriers in states that do not maintain an accessible database of qualifying low-income consumers receive and review documentation demonstrating an individual's: (1) eligibility to participate in one of the programs that make a consumer eligible to receive Lifeline benefits; and/or (2) eligibility based on the appropriate income threshold.

Ms. Thomas noted that the *Lifeline Reform Order* establishes new service provisioning requirements, including, but not limited to, the following:

1. uniform federal eligibility criteria with states able to add to the federal criteria;
2. clarifying the one Lifeline service per household rule and defines household to be an economic unit;
3. establishing a national database for eligibility determination by the end of 2013 for the most common eligibility programs;
4. requiring ETCs to access state eligibility databases where available;
5. requiring ETCs to review documentation of eligibility for all Lifeline subscribers; and
6. establishing new customer certifications and consumer application requirements to ensure consumer compliance with all applicable rules.

She explained how T-Mobile's processes comply with these requirements:

1. T-Mobile will adjust its eligibility criteria in Indiana to match the federal eligibility criteria; and will add to it any other programs or income threshold that augment, but do not conflict with, the federal eligibility criteria.

2. T-Mobile will take necessary steps to (a) review its own records to ensure that Lifeline service is only received by one member per household based on the new definition of household; (b) participate in and share data with the anticipated national lifeline accountability database when developed to confirm that it is not providing Lifeline discounts to a household that is already receiving such discount and so that other carriers can determine if T-Mobile already provides Lifeline service to a given household; and (c) ensure that it collects and retains all necessary information and certifications related to administering the one per household rule.

3. T-Mobile will participate in and comply with the requirements of the anticipated national database for eligibility determination.

4. T-Mobile will access state eligibility databases where available. To the extent that Indiana establishes a carrier accessible database of low-income consumers who would qualify for Lifeline benefits, T-Mobile commits to taking steps to access any such database.

5. T-Mobile will request from a Lifeline applicant documentation demonstrating: (a) eligibility to participate in one of the programs that make consumers eligible to receive Lifeline benefits; and/or (b) eligibility based on the appropriate income threshold. T-Mobile will review such documentation for each Lifeline applicant as required.

6. T-Mobile will implement Lifeline application documentation and tools that include all acknowledgements, certifications and attestations required in Appendix C of the *Lifeline Reform Order*, as outlined therein or via guidance provided by the program administrator. T-Mobile commits to providing the Commission an advance copy of such updated materials demonstrating compliance.

In her supplemental testimony, Ms. Thomas also noted that the *Lifeline Reform Order* requires ETCs to annually verify the continued eligibility of all Lifeline customers consistent with applicable requirements. She stated that in Indiana, the *Lifeline Reform Order* does not require a change in process since Indiana already requires that ETCs annually verify the continued eligibility of all Lifeline customers. However, the *Lifeline Reform Order* additionally requires carriers to include specific certifications in its annual notice and certification form.

Ms. Thomas testified that T-Mobile commits to annually verify the continued eligibility of all of its Lifeline subscribers; and include in each certification request the required acknowledgements, certifications and attestations required in Appendix C of the *Lifeline Reform Order* as outlined therein or via guidance provided by the program administrator. T-Mobile commits to providing the Commission an advance copy of such updated materials demonstrating compliance.

Ms. Thomas testified that T-Mobile will advertise the availability of its Lifeline service in a manner reasonably designed to reach those likely to qualify. Specifically, T-Mobile will implement an advertising plan that will reach consumers using varying media and distribution methods, including that it will distribute literature describing its Lifeline service to locations where those likely to be eligible for the program(s) would encounter the information, such as hospitals, clinics, hospices, senior centers, welfare offices, and other locations. Ms. Thomas also provided an example of T-Mobile's Lifeline advertisements.

Ms. Thomas testified that T-Mobile's Lifeline offerings have many benefits for Indiana consumers. First, T-Mobile will make available its Lifeline service offering to all consumers throughout its ETC service area. Second, as T-Mobile expands its coverage, consumers will be able to obtain T-Mobile's service offerings in new coverage areas. Qualifying low-income consumers in those areas will receive the benefit of T-Mobile's Lifeline offerings where they did not previously. Third, in comparison to the other wireless Lifeline plans available to consumers in Indiana, T-Mobile's Lifeline Plan is competitive, offering consumers a total of 1,145 minutes for a monthly rate of $9.99 for qualifying consumers.

Ms. Thomas explained that T-Mobile does not currently offer Lifeline service via its prepaid platform. She testified that if T-Mobile, in the future, determines it will make available Lifeline service through a prepaid platform, it will determine what (if any) additional policies it should undertake to limit waste, fraud and abuse, and commits to comply with any conditions that the Commission has imposed on other similarly situated facilities-based carriers that offer a prepaid wireless Lifeline service.

Ms. Thomas testified that T-Mobile will comply with the requirements previously imposed by this Commission upon Lifeline ETCs as follows:

1. T-Mobile requests that it not be required to deactivate after a period of non-usage because this requirement has been routinely imposed on wireless carriers, both facilities and non-facilities-based, that offer a prepaid $0.00 monthly cost Lifeline service. Ms. Thomas explained that T-Mobile's Lifeline service plan is a postpaid offering, for which subscribers will be required to make monthly payments or will risk disconnection for non-payment (which would likely occur prior to 90 days after the payment became delinquent). She stated that T-Mobile's postpaid Lifeline service plan and its traditional disconnection policies sufficiently guard against the misapplication of the program that the Commission identified as a concern in the context of prepaid offerings, and therefore, T-Mobile believes that this condition is unnecessary. Ms. Thomas noted that because the bucket of minutes that customers receive under T-Mobile's Lifeline service plan are recurring and not cumulative, there would be no way to 'restore minutes accrued' as the condition indicates. Instead, T-Mobile customers who voluntarily or involuntarily have their service suspended are not charged for service during the suspension nor do they lose any availability to any minutes – service is restored with all available minutes based on the number of days remaining in the month.

2. T-Mobile can and will provide the Commission with quarterly reports showing the number of Lifeline customers that it enrolls each month and the number of deactivated

Lifeline customers each month. T-Mobile can and will provide the reasons for deactivation except that, as explained above, T-Mobile does not believe that its postpaid offering should be subject to tracking deactivations for non-usage.

3. T-Mobile can and will comply with the condition that it deal directly with the customer and require each customer to self-certify under penalty of perjury that they are the only member of a household receiving the Lifeline discount and that they do not receive the Lifeline discount for any other phone. T-Mobile will require Lifeline customers to provide copies of documentation demonstrating that they are eligible for Lifeline based upon participation in one of the qualifying low income programs or based upon income.

4. T-Mobile's understanding is that the condition to notify each Lifeline customer on an annual basis to confirm continued eligibility has been routinely imposed on wireless carriers, both facilities and non-facilities based, that offer a prepaid $0.00 monthly cost Lifeline service. Unlike some prepaid offerings, T-Mobile's Lifeline customers will not receive a free monthly allotment of minutes which are reimbursed in full by the USF regardless of activity. Rather, T-Mobile customers are billed each month; affirmatively make payments routinely to avoid service interruption; and T-Mobile only requests reimbursement for customers whose service is active (not suspended, awaiting replenishment, or cancelled for any reason) at the end of each month. T-Mobile agrees that an annual verification process is necessary to ensure that subscribers continue to be eligible to receive Lifeline discounts. However, based on how T-Mobile offers Lifeline service and that the condition to verify the continued eligibility of all subscribers was imposed with the intent of ensuring that consumers who continued to purchase prepaid airtime (above and beyond an otherwise free offering) at a discounted rate, T-Mobile requests that this condition not be imposed. T-Mobile requests that it be required to comply with the requirement as set forth in the Order in Cause No. 40785[10], which requires an annual verification of continued eligibility of a statistically valid and random sample of its Lifeline subscribership.

5. T-Mobile can and will comply with the condition that it seek Commission approval of its new Lifeline offering subject to the additional Indiana discount in the event the Indiana Lifeline Assistance Program becomes law.

6. Because T-Mobile either already has processes in place to comply with the above requirements and conditions, or has requested that certain conditions not be imposed upon T-Mobile, T-Mobile respectfully requests that it not be required to submit a compliance plan. However, in the event that the Commission disagrees, and asks T-Mobile to commit to any condition it does not already comply with and must develop processes to implement, T-Mobile can and will submit a compliance plan as necessary.

Finally, Ms. Thomas testified that T-Mobile complies with Indiana laws and policies regarding public interest funds for which the Commission has administrative oversight, including the public utility fee pursuant to Ind. Code ch. 8-1-6, the Indiana Telephone Relay Access

[10] In its Order issued on November 5, 1997 in Cause No. 40785, the Commission adopted the FCC's original eligibility requirements for designation of ETCs in Indiana.

Corporation for the Hearing and Speech Impaired ("InTRAC") fee pursuant to Ind. Code ch. 8-1-2.8, and the Indiana Universal Service Fund. She stated that T-Mobile will file its Lifeline Informational Tariff with the Commission upon designation as an ETC and prior to making its Lifeline service available to consumers and comply with all applicable reporting requirements, including filing a report with the Commission, and a report on funds received from the Universal Service Administrative Company ("USAC").

B. **OUCC's Evidence**. The OUCC presented direct testimony from its Senior Analyst, Ronald L. Keen. Mr. Keen presented a detailed analysis of the federal and state requirements regarding the designation of ETCs and explained how T-Mobile measured up to those requirements. Mr. Keen described the recent FCC *Lifeline Reform Order* and its impacts on T-Mobile's application, as well as impacts on previous Commission orders issued in other wireless pre-paid ETC dockets. Mr. Keen also described the general significant changes to the Lifeline Program. Mr. Keen testified that the OUCC is not satisfied with Indiana's take rate for Lifeline services, which was below 10% in 2010. He noted that designating T-Mobile as an Indiana Lifeline ETC should help to increase Indiana's Lifeline program take rate.

Mr. Keen testified that T-Mobile is a certificated carrier in Indiana and qualifies as a public utility under Indiana law. He stated that T-Mobile is well-positioned and prepared to offer Lifeline service to low income applicants in accordance with the one-per-household policy detailed in the *Lifeline Reform Order*. He noted that T-Mobile is financially and technically capable of providing the supported Lifeline service in accordance with the *Lifeline Reform Order*. Mr. Keen stated that T-Mobile has indicated the company will comply with all FCC rules and regulations with regard to certification and re-certification of Lifeline applicants and recipients.

Mr. Keen noted that if the Commission continues to implement the Indiana Low-Income Assistance Program ("ILAP") program, the OUCC believes T-Mobile would remain qualified to participate in it. He testified that the OUCC is not concerned about the ability of T-Mobile's customers to reach PSAPs in the event of an emergency because T-Mobile already provides access to PSAPs for all of its Indiana customers.

Mr. Keen stated that T-Mobile has indicated it will require new Lifeline customers to pay a $35.00 activation fee, but T-Mobile does not believe the fee will be a barrier to obtaining Lifeline service. Mr. Keen expressed his opinion that T-Mobile's collection of the $35.00 activation fee from the customer does not dovetail with any type of concern for the plight of the low income customer. He noted that for the low income customer, $35.00 may be a significant and important amount of money, and therefore recommended that T-Mobile reconsider its business approach for low income Lifeline-eligible customers.

Ultimately, Mr. Keen testified that T-Mobile's ETC designation is in the public interest. He noted that T-Mobile provides facilities-based wireless service in all areas of the state for which it seeks ETC designation, which is essentially the same coverage areas as Virgin Mobile, TracFone and other prepaid wireless resellers. He noted that while competitors may offer slightly different Lifeline packages, the granting of an ETC designation to T-Mobile will create competitive choice for low income consumers in the areas the company serves. Mr. Keen testified that as a carrier already invested in the state, T-Mobile will continue to expand and improve its network in its efforts to improve service quality and expand its customer base. He noted that this investment will help funnel economic benefits to the state through improved infrastructure and the creation of new direct and indirect jobs for Indiana residents. Mr. Keen noted that because T-Mobile is a facilities-based carrier, the designation of the company as a Competitive Eligible Telecommunications Carrier or C-ETC can potentially act as an additional incentive to continue to invest in new infrastructure in the state. Further, he indicated that since T-Mobile is a facilities-based provider, it has the ability to control its own future wireless infrastructure deployment, to expand its network footprint and improve network coverage, and to undertake other capital improvement projects to improve the quality and versatility of wireless service available in its designated service areas, making it an ideal candidate to serve as a Provider of Last Resort. Mr. Keen concluded that T-Mobile is well-positioned and prepared to provide Lifeline service to low income applicants through a variety of offerings in accordance with policy detailed in the FCC's *Lifeline Reform Order*.

The OUCC recommended that T-Mobile be required to submit the following information on an annual basis to the Commission:

1. Service Outages. Detailed information on any outage lasting at least 30 minutes, for any service area in which an ETC is designated for any facilities that it owns, operates, leases, or otherwise utilizes that potentially affects at least ten percent of the end users served in a designated service area, or that potentially affects a 911 special facility. Specifically, the OUCC recommends the company's annual ETC report include, at a minimum, the following information:

    (a) The date and time of onset of the outage;
    (b) A brief description of the outage and its resolution;
    (c) The particular services affected;
    (d) The geographic areas affected by the outage;
    (e) Steps taken to prevent a similar situation in the future; and
    (f) The number of customers affected.

2. Unfulfilled Service Requests. The number of requests for service from potential customers within its service areas which were unfulfilled during the past year. The OUCC recommends the company also detail how it attempted to provide service to those potential customers;

3. Complaints. The number of complaints per 1,000 handsets (or lines);

4. Emergency Functionality. Certification the company continues to remain capable of functioning in emergency situations;

5. Local Usage. Certification the company continues to offer a local usage plan comparable or superior to that offered by the ILEC in the relevant service areas; and

6. Equal Access. Certification the carrier acknowledges the Commission may require it to provide equal access to long distance carriers in the event no other ETC is providing equal access within the service area.[11]

In addition, Mr. Keen recommended the Commission require T-Mobile to supply the following:

1. Copy of Any Reports and/or Documentation Supplied to the FCC and/or USAC. T-Mobile should be required to provide the Commission with a copy of any and all reports, documentation, studies, etc., which it provides to the FCC and/or USAC;

2. Quarterly Reports on Program Participation. On a quarterly basis, T-Mobile should be required to file a report with the Commission detailing the number of Lifeline customers it enrolls each month, the number of deactivated Lifeline customers each month, and the reasons for deactivation (e.g., no usage for 60 consecutive days, annual verification unsuccessful, voluntary exit, etc.).

Finally, Mr. Keen recommended that T-Mobile be required to certify annually to the Commission its continued payment of applicable fees, including but not limited to, the public utility fee pursuant to Ind. Code ch. 8-1-6; the IUSF fee; the 911 fee pursuant to Ind. Code ch. 36-8-16.7; and any other fees applicable to the provision of wireless service in Indiana.

5. Commission Discussion and Findings. Universal Service Funds are provided in four areas: (1) funds to support service to high cost areas; (2) provision of discounted telecommunications and internet access to eligible schools and libraries (also known as the "E-Rate" program); (3) funds to assist low-income customers by provision of a monthly discount on telecommunications costs; and (4) provision of discounted service to rural health care providers. *In the Matter of Comprehensive Review of Universal Service Management, Administration and* Oversight, 20 FCC Rcd 11307, ¶ 5 (2005). T-Mobile seeks ETC designation in Indiana for the limited purpose of offering Lifeline service. Accordingly, T-Mobile's application does not address the other three USF programs. Based on the evidence in the record and the discussion below, we find that Petitioner meets the eligibility criteria for ETC designation as contained in Section 214(e)(1) and related FCC rules, and for the limited purpose of offering Lifeline service in Indiana, and satisfies the public interest analysis the Commission is required to perform under the *2005 FCC ETC Order*.

A. Common Carrier Status. The first requirement for ETC designation is status as a common carrier under federal law. A common carrier is generally defined by 47 U.S.C. § 153(11) as any person engaged as a common carrier on a for-hire basis in interstate telecommunications utilizing either wire or radio technology (except for radio broadcasters). As a provider of wireless telecommunications services, we find that T-Mobile is a "common carrier" for purposes of obtaining ETC designation under 47 U.S.C. § 214(e)(1).

B. Services Required to be Offered by an ETC. Although T-Mobile demonstrated its ability to offer all of the previously required ETC services and functionalities,

[11] 2005 FCC ETC Order at p. 69 (footnotes omitted); 47 C.F.R. § 54.209

the *USF/ICC Transformation Order* and the revisions to 47 C.F.R. § 54.101 that became effective in 2012 eliminated the requirements to offer dual tone multi-frequency signaling, single party service or its functional equivalent, access to operator service, access to interexchange service, and directory assistance. The services now designated for universal service fund support and referred to as voice telephony services are further discussed below.

The evidence confirms that upon designation as an ETC in Indiana, T-Mobile will provide all of the functionalities required of an ETC in the *Lifeline Reform Order* and pursuant to 47 C.F.R. §54.101(a) as follows:

i. *Voice-grade access to the public switched telephone network or its functional equivalent.* T-Mobile provided evidence that indicated T-Mobile customers are able to transmit and receive voice communications on the public switched telephone network within the specified bandwidth frequency of 300 and 3,000 Hertz. Pursuant to 47 C.F.R. § 54.101 (a), eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent. No evidence was presented that T-Mobile's customers would not be able to make and receive calls on the public switched telephone network in accordance with the federal rules. Accordingly, we find that T-Mobile satisfies this requirement.

ii. *Local usage.* Eligible voice telephony services must provide minutes of use for local service at no additional charge to end users as part of a universal service offering. As the record demonstrates, T-Mobile will offer users the ability to send and receive local phone calls wherever the company offers service. For a flat monthly rate T-Mobile Lifeline customers will receive a total of 1145 minutes per month which may be used for local phone calls. Mr. DeJordy noted that T-Mobile intends to offer Lifeline customers access to a variety of other features at no cost, including voice mail, caller I.D., call waiting services and call forwarding. Based on the evidence, we find that T-Mobile's offering satisfies this requirement.

iii. *Access to Emergency Services.* As part of a universal service offering and as required by 47 C.F.R. § 54.101(a), eligible voice telephony services must provide access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. T-Mobile provided evidence that it has worked with the Public Safety Answering Points in the counties where it has coverage and has implemented Phase I and Phase II E911 service in each such county, based upon the request for service. The evidence indicates that T-Mobile is actively involved with the 911-community through activities with national 911 organizations, including NENA and APCO. Based on the foregoing, we find that T-Mobile has satisfied this requirement.

iv. *Toll Limitation For Qualifying Low-Income Consumers.* Voice telephony services eligible for support by federal universal service support mechanisms must provide toll limitation services to qualifying low-income consumers. Toll limitation allows customers to either block the completion of outgoing long distance calls or specify a certain amount of toll usage to prevent them from incurring significant long distance charges and risking disconnection. T-Mobile's evidence indicated that Lifeline customers typically do not incur long distance charges for calls within the United States, but to the extent any Lifeline offering now or in the future does not include toll calls for no extra charge, then qualifying Lifeline customers will have access to toll blocking at no charge as part of its Lifeline offerings. Accordingly, we find that T-Mobile satisfies this requirement.

C. <u>Lifeline Service Offering Requirements</u>. 47 C.F.R. § 54.202(a)(5) requires common carriers seeking designation as an ETC to submit information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan. ETCs may provide summary information regarding such plans, such as a link to a public website outlining the terms and conditions of such plans to the extent the plans offered to Lifeline subscribers are generally available to the public. Ms. Thomas provided evidence that T-Mobile will offer a plan with 145 Whenever minutes®, 500 night minutes, and 500 weekend minutes per month, with a per minute overage rate of $0.05, and traditional wireless calling features including call waiting, conference calling, three-way calling, caller identification and voice mail. T-Mobile also provided a proposed informational tariff, and a copy of its terms and conditions that will be applicable to Lifeline plans in response to the Presiding Officers' April 25, 2012 Docket Entry. The evidence shows T-Mobile agrees to comply with all applicable Lifeline requirements upon designation as an ETC.

D. <u>Functionality in Emergency Situations</u>. FCC regulations require that applicants for ETC designation demonstrate their ability to remain functional in emergency situations. 47 C.F.R. § 54.202(a)(2). The evidence demonstrates that T-Mobile has fixed and portable back-up power generators located at various network locations that it can deploy in emergency situations. The majority of T-Mobile's sites not equipped with fixed generators have battery back-up systems installed to maintain service in the event of a widespread power outage. According to Mr. DeJordy, T-Mobile also has the ability to reroute traffic around damaged out-of-service facilities through the deployment of COWS, redundant facilities, and dynamic rerouting of traffic over alternate facilities. T-Mobile also has a network control center that monitors network traffic and anticipates traffic spikes and can (i) deploy network facilities to accommodate capacity needs; (ii) change call routing translations; and (iii) deploy COWS to temporarily meet traffic needs until more durable solutions, such as additional capacity and antenna towers, can be deployed. Based on the foregoing, we find that T-Mobile satisfactorily meets the requirement to remain functional in emergency situations.

E. <u>Advertising Requirements</u>. T-Mobile demonstrated that it will broadly advertise the availability and rates for its Lifeline services using a variety of media in conformance with state and federal regulations. T-Mobile will implement an advertising plan that will reach consumers using varying media and distribution methods, including the distribution of literature describing Lifeline services to locations where those likely to be eligible for the program(s) would encounter the information, such as hospitals, clinics, hospices, senior centers, welfare offices, and other locations. Ms. Thomas also provided an example of T-Mobile's Lifeline advertisements, and she confirmed that T-Mobile's advertising will include the disclosures specifically required by the *Lifeline Reform Order*. Based on the foregoing, we find that the evidence of record indicates that T-Mobile will comply with 47 U.S.C. § 214(e)(1)(B) and all applicable advertising requirements.

F. <u>Applicant's Designated ETC Service Areas.</u> The FCC's rules define a "service area" as a "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms." 47 C.F.R. § 54.207(a). T-Mobile is authorized to provide telecommunications service throughout the State of Indiana, but only intends to offer Lifeline service in certain areas which are depicted on the map and in the list of wire centers T-Mobile submitted. T-Mobile's proposed ETC service area includes all non-rural ILEC wire centers and rural ILEC study areas within the state of Indiana where T-Mobile has wireless coverage, except for the CenturyLink study area. Based upon the foregoing, we approve T-Mobile's proposed service area for Lifeline ETC purposes.

G. **Public Interest Considerations.** As noted above and in accordance with 47 C.F.R. § 54.202(b), the designation of T-Mobile as an ETC requires a public interest analysis. *2005 FCC ETC Order*, ¶¶42 and 43. In the absence of statutory strictures for evaluating the public interest, the FCC has recommended that ETC designations be analyzed "in a manner that is consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunication services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas." *2005 FCC ETC Order*, ¶40.

i. *Use of Lifeline Funding.* The record indicates that T-Mobile will use funds from the federal Lifeline program to provide supported services to Lifeline customers. T-Mobile has met its burden of proof for the Lifeline program. T-Mobile will be subject to federal recordkeeping and auditing requirements in 47 C.F.R. § 54.417 and 47 C.F.R. § 54.420 respectively. We find that T-Mobile's plans are consistent with current FCC regulations on the use of such funds.

ii. *Impact on the Universal Service Fund.* We have previously recognized that the FCC has undertaken various steps to address the explosive growth in high-cost universal support disbursements. *Perry-Spencer Communications, Inc.,* Cause No. 41052-ETC-53, 2008 Ind. PUC LEXIS 510, at *33 (IURC July 24, 2008). However, T-Mobile is not seeking access to funding from the federal USF to provide service to high-cost areas. Lifeline support is provided on a customer-specific basis, and only after a carrier has acquired and begun to serve an eligible customer does the carrier receive Lifeline support for that customer. By tying support to actual service of a customer, the Lifeline program ensures that universal service fund support only funds the carrier that serves the customer. However, we also recognize that costs for the low income portion of the universal service fund are increasing rapidly. While it is in the public interest that Lifeline eligible customers get connected to affordable telecommunications service, preventing misuse of the Lifeline program is necessary to control unproductive growth of the fund and increased USF surcharges for all Indiana telecommunications customers.

While T-Mobile is not proposing a prepaid Lifeline offering at this time, we have historically underscored our concern that prepaid wireless providers may be especially vulnerable to misapplication of the program due to the appeal of free phones and free minutes. We have previously imposed conditions on prepaid wireless Lifeline providers to ensure that a prepaid Lifeline offering does not unnecessarily increase USF expenditures. However, some of these conditions are now covered by similar or more stringent federal rules. Therefore, we find that in the event that T-Mobile offers a prepaid Lifeline plan it will be subject to the federal requirement to terminate service to inactive customers after 60 days of inactivity as described in

47 C.F.R. § 54.405(e)(3). In addition, T-Mobile will be subject to the updated certification and verification requirements found in 47 C.F.R § 54.410. Provided these requirements are satisfied, along with other conditions and safeguards promulgated in this Order and in FCC rules to deter waste, fraud and abuse, we find that T-Mobile's Lifeline only designation should not have an excessive impact on the universal service fund.

iii. Consumer Protection. One of the requirements established by the *2005 FCC ETC Order* and in 47 C.F.R. § 54.202(a)(3) was that, regardless of certification date, all ETCs must submit to the FCC, on an annual basis, certification that the ETC is complying with applicable service quality standards and consumer protection rules. Mr. DeJordy stated that T-Mobile is a strong supporter of and abides by the Consumer Code. He testified that T-Mobile has been a signatory of the Consumer Code since 2003 and commits to complying with the applicable consumer protection requirements.

iv. *Creamskimming.* The FCC identified creamskimming as an appropriate factor to consider in "areas where an ETC applicant seeks designation below the study area level of a rural company."[12] That type of analysis is unnecessary in this case since T-Mobile seeks ETC designation to serve entire rural ILEC areas in its Petition to the extent that T-Mobile is offering service in a particular rural ILEC area. See *2005 FCC ETC Order*.

v. *Increased Customer Choice.* Currently in Indiana all incumbent local exchange carriers are required to provide the Lifeline discount to eligible customers. In light of Indiana's low Lifeline take rate and the recent ETC relinquishments by other Indiana carriers, we agree with Mr. Keen's testimony that this offering brings increased competitive choice to the Lifeline eligible customers in Indiana and that this offering may reach a particular segment of Lifeline eligible customers that have not yet been reached. Based on the record, we find that T-Mobile's designation as an ETC will increase the level of customer choice and may promote competition by expanding the availability of wireless services.

vi. *Affordable Rates.* We must also consider whether designation as an ETC will "ensur[e] the availability of quality telecommunications services at just, reasonable, and affordable rates[.]" See *2005 FCC ETC Order*, ¶40. T-Mobile presented evidence that its Lifeline offering is priced at $9.99 per month based upon a non-discounted rate of $19.99 per month (less the $10.00 Lifeline discount), and includes 145 Whenever minutes®, 500 night minutes, and 500 weekend minutes per month with a per minute overage rate of $0.05. The Lifeline offering includes traditional wireless calling features including call waiting, conference calling, three-way calling, caller identification and voice mail.

We note that the OUCC expressed concerns over T-Mobile's $35.00 activation fee. Mr. Keen stated in his prefiled testimony at page 17, "T-Mobile's collection of the $35.00 activation fee from the customer does not dovetail with any type of concern for the plight of the low income customer." The Commission agrees that this may be a significant amount of money to a Lifeline–eligible customer. We also note that T-Mobile's Lifeline advertising materials do not disclose the activation fee and other details of the Lifeline Plan (Petitioner's Exhibit RT-1 of T-

---

[12] The specific reference to creamskimming in 47 C.F.R. § 54.202(c) (2007) was deleted in the 2012 revisions to 47 C.F.R. § 54.202 and replaced with a more general public interest standard. *See* 47 C.F.R. § 54.202(b).

Mobile's Direct Testimony). Of greater concern to the Commission are T-Mobile's early termination fees ("ETFs") and migration fees as detailed in T-Mobile's Terms and Conditions, which can be as high as $200.00. We note that the activation fees, ETFs and migration fees are not disclosed in T-Mobile's advertising to Lifeline customers and the fees are only noted in very small print in T-Mobile's general rate plans (*See* Appendix D of T-Mobile's Responses to Presiding Officers' April 25, 2012 Questions). T-Mobile states that a Lifeline customer will be released from the ETFs if they no longer qualify for Lifeline. However, customers that continue to qualify for Lifeline will still be bound by the ETFs.

Because this program was intended to give Lifeline eligible customers a hand-up towards improving their economic circumstances, it is essential that the activation fees, ETFs or any applicable migration fees associated with T-Mobile's Lifeline offering be fully disclosed to Lifeline customers before they commit to a contract with T-Mobile. We find that the significance of these fees warrants extra assurances that the Lifeline customer is fully informed beyond a simple statement that the fees will be disclosed at the point of sale as required by the Consumer Code. At the same time, we note that T-Mobile will be competing with other wireless Lifeline providers. Currently, no other carriers designated as Lifeline-only wireless ETCs in Indiana require a contract with ETFs to obtain Lifeline service. A key to an orderly, high-functioning market is an informed consumer. As long as there is full disclosure of the fees and competition for Lifeline eligible customers, the Commission finds that Lifeline customers will have several options should they find the potential costs associated with the ETFs too great for their financial means. Therefore, T-Mobile shall disclose on its website and include a statement on its Lifeline application clearly describing all activation fees, ETFs and migration fees associated with the Lifeline plan and/or contract, and require the Lifeline customer to initial this statement.

Accordingly, we find that the designation of T-Mobile as an ETC would serve the public interest by ensuring the availability of telecommunications services at just, reasonable and affordable rates. Therefore, T-Mobile should file tariffs consistent with the testimony filed herein and this Order prior to offering Lifeline services in Indiana.

vii. *Advantage & Disadvantages of the Offering*. The record reflects that T-Mobile's service offering provides a unique alternative to other wireless ETCs' Lifeline offerings and ILEC Lifeline plans. While T-Mobile's plan requires a contract unlike other wireless Lifeline providers approved thus far, it offers options that some prepaid wireless Lifeline plans do not, such as a lower per minute rate for overage minutes. In addition, T-Mobile has 29 company-owned retail locations in Indiana where Lifeline customers can receive assistance with T-Mobile products and services. Further, the T-Mobile plan offers customers mobility that the ILECs cannot offer at a monthly rate that is comparable to the ILEC's. Accordingly, we find that T-Mobile has satisfied this criterion of our public interest inquiry.

viii. *Facilities-Ownership*. T-Mobile is a facilities-based CMRS provider with its own switching, network facilities, cell sites, transmit and receive radios, and spectrum in Indiana, as required by 47 C.F.R. § 54.201(d)(1). T-Mobile will not be reselling the services of another carrier. T-Mobile is a full service facilities-based carrier and has an extensive facilities-based network in Indiana to serve consumers in its proposed ETC service area. T-Mobile will use its own facilities to serve consumers throughout its ETC service area and will not rely on the facilities of another carrier in order to provide service in its proposed ETC service area. Based on the foregoing, we conclude that T-Mobile meets the requirements of 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(d)(1) by using its own facilities to provide the supported services.

ix. Deployment of or Improvement to, Indiana Network Facilities. The record reflects that T-Mobile owns and operates a significant level of infrastructure in Indiana. T-Mobile stated that over time, it intends to expand its coverage to serve additional consumers throughout its ETC service area. Based on this evidence, we conclude that T-Mobile will likely maintain its Indiana facilities.

x. Commitment to Provide Service Upon Reasonable Request. T-Mobile provided evidence that it currently has wireless coverage throughout a significant portion of Indiana and that it continues to build out its network facilities to cover unserved areas. T-Mobile stated that to the extent that it does not currently have wireless coverage within a portion of its proposed ETC service area, it will consider requests for service consistent with its universal service obligations and, over time, will expand its coverage to serve consumers throughout its ETC service area. We find that T-Mobile's commitments satisfy the requirements of 47 C.F.R. §54.202(a)(1)(i).[13] Accordingly, we find T-Mobile has demonstrated its willingness and ability to provide service throughout its requested service area.

xi. Additional Public Interest Analysis. ETC designation confers both benefits and burdens upon the petitioning telecommunications service provider. Because the designation gives the provider the right to apply for federal universal service funds, it is essential that the provider comply with its obligations to contribute to public interest funds and not have a competitive advantage over other Indiana telecommunications carriers by avoiding such obligations. We find that it would not be competitively neutral to designate an ETC permitting it to collect public funds, yet not contribute its fair share to public interest funds from which its network and its customers benefit. T-Mobile has testified to its willingness to comply with Indiana laws and policies regarding public interest funds for which the Commission has administrative oversight, including the public utility fee pursuant to Ind. Code ch. 8-1-6, the InTRAC fee pursuant to Ind. Code ch. 8-1-2.8, and the IUSF pursuant to the Commission's Order in *Commission Investigation of Universal Service Reform,* Cause No. 42144, 2004 Ind. PUC LEXIS 61 (IURC March 17, 2004). Based on the foregoing public interest analysis, we conclude that designating T-Mobile as an ETC will promote the public interest and further the goals of the Act.

6. Regulatory Oversight. This Commission has recognized certain specific regulatory requirements that competitive wireless ETC applicants must satisfy in order to secure and maintain their ETC status in Indiana. *See e.g., Re Nextel,* Cause No 41052 ETC 43, 2004 Ind. PUC LEXIS 87, at *84 (IURC March 17, 2004). Such regulatory requirements stem from

---

[13] In the *USF/ICC Transformation Order*, the FCC revised the service provisioning requirements to eliminate the prior rule requiring a carrier to meet requests for service using a 6-step provisioning process, which this Commission also required of ETCs. *See Re Designation of Eligible Telecommunications Carriers,* Cause No. 41052 ETC 47 (IURC 3/17/2007) at 10-11. The FCC now requires carriers to certify that they will comply with the service requirements applicable to the support that they receive. T-Mobile has certified that it will comply with the service requirements applicable to Lifeline only providers.

the FCC's mandate that state commissions certify that federal USF support is being used "only for the provision, maintenance and upgrading of facilities and services for which the support is intended," consistent with 47 U.S.C. § 254(e). Absent such a certification, carriers will not receive such support. In order for this Commission to satisfy its ETC certification requirements to the FCC, this Commission requires ETC applicants to file a tariff with the Commission and track its USF expenditures. *See Commission Investigation of Universal Service Reform,* Cause No. 40785, 1997 Ind. PUC LEXIS 354 (IURC November 15, 1997). The record reflects T-Mobile's intention to comply with the Commission's Lifeline tariff filing requirement. Petitioner must also comply with USF tracking requirements this Commission previously established to ensure that funds received from USAC for Indiana are devoted to furthering universal service goals within T-Mobile's designated service area. Accordingly, we find that T-Mobile's terms and conditions of service should be incorporated into its Lifeline tariff for Indiana and filed with the Commission's Communications Division for review prior to T-Mobile making its universal service offering available to eligible consumers in Indiana.

In previous ETC designations of prepaid wireless Lifeline providers, the Commission imposed a condition that the ETC deal directly with the customer as an additional safeguard to prevent abuse of the Lifeline program. In its testimony, T-Mobile committed to comply with the condition that it deal directly with the customer. T-Mobile further agreed to require each customer to self-certify under penalty of perjury that they are the only member of a household receiving the Lifeline discount and that they do not receive the Lifeline discount for any other phone. T-Mobile indicated it will require Lifeline customers to provide documentation demonstrating that they are eligible for Lifeline service based upon participation in one of the qualifying low income programs or based upon income. We note that this condition imposed upon previously designated ETCs differs from a similar requirement in federal law. 47 C.F.R. § 54.410 requires an ETC to review documentation demonstrating eligibility, but must not retain copies of the documentation of a prospective subscriber's income-based eligibility for Lifeline services. We find that T-Mobile shall abide by the applicable regulations in 47 C.F.R. § 54.410 concerning certification and verification of customer eligibility.

7. **Prospective ETC Reporting Requirements.** Finally, we find that T-Mobile shall be required to meet the prospective reporting requirements consistent with new federal rules in 47 C.F.R §54.422 which include reporting: (1) the ETCs holding company and operating names, any affiliate relationships, and branding as well as universal service identifiers; (2) information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan; (3) detailed information on any outage in the prior calendar year; (4) number of complaints per 1000 handsets; (5) certification of compliance with applicable service quality standards; and (6) certification that the carrier is able to function in emergency situations.

We also agree with the OUCC that T-Mobile should report unfulfilled service requests (from prospective Lifeline customers) due to the fact T-Mobile states it will serve entire rural service territories even where coverage is limited. T-Mobile reasons this is justified because, as a facilities-based carrier, it is always expanding and improving coverage. T-Mobile must provide the number of requests for service from potential customers within its service areas which were unfulfilled during the past year and detail how it attempted to provide service to those potential customers.

T-Mobile's compliance filings should be filed under this Cause, due on January 31st of each year beginning in 2013, unless otherwise directed by the Commission.

8. **Conditions on T-Mobile's Designation as an ETC.** In accordance with the Commission's findings above, T-Mobile shall be subject to the following conditions:

(a) Consistent with 47 C.F.R. § 54.407, T-Mobile shall not receive universal service support for a subscriber to Lifeline service until the subscriber activates the service.

(b) To the extent applicable, T-Mobile shall deactivate a Lifeline account if the customer has no usage for sixty days (60) consecutive days. T-Mobile shall report annually the number of subscribers de-enrolled for non-usage under 47 C.F.R. § 54.405(e)(3). This de-enrollment information must be reported by month and must be submitted to the Commission at the time an eligible telecommunications carrier submits its annual certification report pursuant to 47 C.F.R. §54.416.

(c) T-Mobile shall offer Lifeline eligible customers a minimum of 145 Whenever minutes®, 500 night minutes, and 500 weekend minutes per month with a maximum per minute overage rate of $0.05 as provided in Ms. Thomas's testimony and accompanying exhibits. Prior to providing Lifeline service in Indiana, T-Mobile shall file a tariff of their proposed offering and notify the Commission in the form of a new tariff if any terms, conditions or allocation of free minutes change.

(d) T-Mobile shall provide full disclosure of its activation, Early Termination, and Migration fees at the point of sale and on its Lifeline application used in Indiana. T-Mobile shall submit its modified Lifeline application to the Commission for approval prior to offering Lifeline services.

(d) T-Mobile shall provide its Lifeline customers with 911 and enhanced 911 access regardless of activation status and availability of prepaid minutes as of the date it provides Lifeline services in Indiana.

(e) T-Mobile shall provide its Lifeline customers with E911 compliant handsets and replace, at no additional charge, noncompliant handsets of existing customers who obtain Lifeline supported services as of the date it provides Lifeline services in Indiana.

(f) T-Mobile shall establish safeguards to prevent its customers from receiving multiple Lifeline subsidies at the same address as required by 47 C.F.R. § 54.405 and abide by the *Lifeline Reform Order* and the *2011 Lifeline Duplicative*

Program Payments Order[14], which requires ETCs to explain to consumers in plain, easily comprehensible language that they are not permitted to receive more than one Lifeline subsidy.[15]

(h) T-Mobile provide the Commission with a copy of its annual Lifeline Verification survey results pursuant to 47 C.F.R. § 54.416 that it files with USAC by January 31st of each year.

(i) On a quarterly basis T-Mobile shall provide the number of Indiana Lifeline customers that it enrolled during the previous quarter, with the data listed separately for each month. In these quarterly reports, T-Mobile shall also report the number of deactivated Lifeline customers for each month in the previous quarter and the reasons for deactivation (e.g., no usage for 60 consecutive days, unsuccessful annual verification, or voluntary exit). Quarterly reports shall be filed with the Commission no later than 30 days after the end of each quarter. T-Mobile will continue to make such quarterly filings until otherwise instructed by the Commission.

(j) T-Mobile shall certify the eligibility of Lifeline customers pursuant to 47 C.F.R. § 54.410 requiring prospective Lifeline customers to demonstrate that they are eligible for Lifeline based upon participation in one of the qualifying low income programs or based upon income.

(k) Pursuant to 47 C.F.R. § 54.410, T-Mobile shall notify each Lifeline customer on an annual basis and request that they confirm their continued eligibility by requiring that the customer re-certify that they continue to be eligible for the discount based upon their income or participation in a qualifying low income program. Such verification will be required in order for the consumer to continue to purchase prepaid airtime at the discounted rate.

(l) In the event ILAP is fully implemented, T-Mobile shall seek Commission approval of its new Lifeline offering subject to the additional Indiana discount.

(m) T-Mobile shall contribute to the InTRAC fund on a monthly basis in an amount equal to the Commission approved InTRAC monthly surcharge (currently $0.03) multiplied by the number of active T-Mobile accounts during each month, consistent with the Commission's January 19, 2005 Order in Cause No. 39880 and Ind. Code ch. 8-1-2.8.

(n) T-Mobile shall pay applicable fees, such as the public utility fee, pursuant to Ind. Code ch. 8-1-6, the InTRAC fee pursuant to Ind. Code ch. 8-1-2.8, the IUSF fee

---

[14] *Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up*; WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, Order, FCC 11-97 (rel. June 21, 2011).

[15] *Lifeline and Link Up Reform and Modernization, Federal-State Joint Board on Universal Service, Lifeline and Link Up,* Report and Order, CC Docket No. 96-45, WC Docket Nos. 11-42, 03-109, 26 FCC Rcd 9022 at para. 9 (2011).

pursuant to the Commission's orders of generic application in Cause 42144, the 911 fee pursuant to Ind. Code ch. 36-8-16.7 and any other applicable fees.

We therefore find, based on the evidence presented, T-Mobile has met all of the ETC eligibility requirements and that the public interest supports granting ETC status to T-Mobile for the limited purpose of participation in the Lifeline program. We find that making T-Mobile's Lifeline service available to eligible customers will increase customer choice and will not adversely affect the USF. T-Mobile has demonstrated that it has the financial and technical capability to provide the Lifeline service in compliance with State and Federal law. It has also demonstrated the ability to satisfy the obligation to serve the designated service areas within a reasonable time frame. Finally, we note that the Commission has the statutory authority to investigate, as it deems necessary, T-Mobile's compliance with this Order and its eligibility for ETC designation. We further find that T-Mobile should be subject to the prospective reporting requirements and conditions set forth herein.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. T-Mobile's Petition for designation as an Eligible Telecommunications Carrier for the limited purpose of participation in the Universal Service Fund's Lifeline program, for the service areas identified in T-Mobile's evidence, shall be and hereby is granted.

2. T-Mobile's request for authority to apply for or receive universal service funds from the Lifeline program pursuant to 47 U.S.C. § 254 shall be and hereby is granted, subject to T-Mobile's compliance with the terms, conditions and reporting requirements of this Order and other applicable laws.

3. This Order shall be effective on and after the date of its approval.

ATTERHOLT, BENNETT, LANDIS, MAYS AND ZIEGNER CONCUR:

APPROVED: AUG 15 2012

I hereby certify that the above is a true and correct copy of the Order as approved.

Brenda A. Howe

Brenda A. Howe
Secretary to the Commission