#### 433070.136448/801925.1

#### **COMMONWEALTH OF KENTUCKY**

#### **BEFORE THE PUBLIC SERVICE COMMISSION**

#### In re the Matter of:

Petition of T-Mobile Central LLC and PowerTel/Memphis, Inc. for conditional designation as Eligible Telecommunications Carriers for the purpose of establishing eligibility to participate in the Mobility Fund Phase I Auction on September 27, 2012 at the Federal Communications Commission

CASE NO. 2012-

## PETITION FOR CONDITIONAL DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER FOR THE PURPOSE OF ESTABLISHING ELIGIBILITY TO PARTICIPATE IN THE MOBILITY FUND PHASE I AUCTION ON SEPTEMBER 27, 2012 AT THE FEDERAL COMMUNICATIONS COMMISSION AND **REQUEST FOR EXPEDITED CONSIDERATION**

)

T-Mobile Central LLC and PowerTel/Memphis, Inc., wholly-owned subsidiaries of T-Mobile USA, Inc. and doing business as T-Mobile (collectively, "T-Mobile" or "Company"), pursuant to 47 U.S.C. § 214(e)(2) and 47 C.F.R. § 54.1003, hereby submit this Petition to the Kentucky Public Service Commission ("Commission") for conditional designation as Eligible Telecommunications Carriers ("ETC") in areas outside T-Mobile's existing ETC Area<sup>1</sup>, for the purpose of establishing eligibility to participate in the Mobility Fund Phase I auction at the Federal Communications Commission ("FCC") that is scheduled to be held on September 27, 2012 ("Auction 901").<sup>2</sup> As explained in greater detail below, the FCC, in its USF/ICC

) ) ) ) APR 09 2012

RECEIVED

PUBLIC SERVICE COMMISSION

<sup>&</sup>lt;sup>1</sup>See Appendix to Order on Motion for Clarification, In Re Petition of T-Mobile Central LLC and Powertel/Memphis, Inc. for Designation as Eligible Telecommunications Carriers Pursuant to Section 214(E)(2) of the Communications Act of 1934, Case No. 2010-00050 (August 24, 2010).

<sup>&</sup>lt;sup>2</sup>Mobility Fund Phase I Auction Scheduled for September 27, 2012, Comment Sought on Competitive Bidding Procedures for Auction 901 and Certain Program Requirements, AU Docket No. 12-25, Public Notice, DA 12-121 (rel. Feb.2, 2012) ("Phase I Mobility Fund PN").

*Transformation Order*<sup>3</sup>, established for the first time a universal service support mechanism dedicated exclusively to mobile services – the Mobility Fund. Phase I of the Mobility Fund will provide up to \$300 million in one-time support to "immediately accelerate deployment of networks for mobile voice and broadband services in unserved areas."<sup>4</sup>

There are numerous unserved census block groups in Kentucky where carriers may bid to receive Mobility Fund support to build infrastructure over which to deliver 3G or better broadband and voice service.<sup>5</sup> However, to participate in Auction 901, a carrier must be designated as an ETC in all census blocks for which it desires to submit a bid. Furthermore, a carrier must be designated as an ETC at the time it files its short-form application for participation in the auction. Short-form applications for Auction 901 are expected to be due 90 days prior to the start of the auction, which would mean that short-form applications could be due on **June 29, 2012**. The deadline for short-form application deadline could be set for an earlier or later date than the typical 90 days prior to the start of an auction.

T-Mobile desires to participate in the FCC's Mobility Fund Phase I auction to bring voice and mobile broadband services to unserved areas in Kentucky, thereby giving Kentucky consumers increased access to basic and advanced telecommunications services. T-Mobile is a facilities-based telecommunications carrier with a substantial Kentucky presence that is seeking

<sup>&</sup>lt;sup>3</sup> Connect America Fund, WC Docket No. 10-90, A National Broadband Plan for Our Future, GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135, High-Cost Universal Service Support, WC Docket No. 05-337, Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Lifeline and Link-Up, WC Docket No. 03-109, Universal Service Reform – Mobility, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, rel. November 18, 2011 ("USF/ICC Transformation Order"). <sup>4</sup> Id. at paragraph 28.

<sup>&</sup>lt;sup>5</sup>See <u>http://wireless.fcc.gov/auctions/default.htm?job=auction\_summary&id=901</u>. See also Eligible Telecommunications Carrier Designation for Participation in Mobility Fund Phase I, WC Docket No. 09-197; WT Docket No. 10-208; AU Docket No. 12-25, Public Notice, DA 12-271 at para. 2 (rel. February 24, 2012) ("Phase I Mobility Fund Designation PN").

the additional approval necessary to be eligible to participate in the Mobility Fund Phase I auction for census blocks outside its existing ETC Area. T-Mobile seeks ETC designation for census blocks outside its existing ETC Area that is conditioned upon T-Mobile winning support from the Mobility Fund Phase I auction, which is permitted by the FCC Rule 54.1003, as adopted by the FCC's USF/ICC Transformation Order.<sup>6</sup> Such areas, will, by definition, include areas where T-Mobile does not currently provide 3G or 4G data services (and where voice and 2G data services may or may not be provided).

- Internation

T-Mobile meets all statutory and regulatory prerequisites for ETC designation and the public interest would be greatly served by granting this application, thereby enabling T-Mobile to bid in the FCC's Auction 901 and if successful, deploy mobile wireless infrastructure in order to provide mobile voice and broadband service to unserved areas of the state that would benefit consumers in rural Kentucky.

Due to the upcoming Auction 901 that is scheduled to occur on September 27, 2012, and the FCC's requirement that all carriers that wish to participate must be designated as ETCs at the time the auction short-form applications are filed with the FCC, T-Mobile requests expedited review and consideration of its Petition.

## I. BACKGROUND

#### A. Company Overview

T-Mobile is a national facilities-based provider of wireless voice, messaging, and data services capable of reaching over 293 million Americans. T-Mobile employs approximately 42,000 individuals nationwide and has had a long-standing presence in Kentucky, where it employs more than 175 individuals at approximately 20 Company-owned retail locations (along with other points of dealer-owned distribution). At the end of the fourth quarter of 2011, T-

<sup>&</sup>lt;sup>6</sup> See ICC/USF Transformation Order n. 665; 47 C.F.R. section 54.1003(a).

Mobile had approximately 33.2 million mobile customers nationwide. T-Mobile has deployed an advanced telecommunications network capable of serving consumers' basic and advanced communications needs.

#### **B. Previous ETC Designations**

T-Mobile's corporate affiliates have been designated as an ETC in ten jurisdictions – nine states and Puerto Rico.<sup>7</sup> In addition to Kentucky, T-Mobile has been designated in Florida, Georgia, Hawaii, Idaho, Louisiana, Minnesota, North Carolina, and Washington. T-Mobile also has nineteen pending requests for ETC designation in Alabama, Arizona, Connecticut, Delaware, District of Columbia, Indiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Tennessee, and Virginia.<sup>8</sup>

<sup>&</sup>lt;sup>7</sup>Order Granting Eligible Telecommunications Carrier Designation, In Re. Petition for designation as eligible telecommunications carrier by T-Mobile South LLC, Docket No. 090507-TP, Order No. PSC-IO-0475-PAA-TP (Florida Public Service Commission, July 28, 2010) (Florida ETC Order); Application of T-Mobile South LLC for designation as an Eligible Telecommunications Carrier pursuant to Section 214(e)(2) of the Communications Act of 1934, Docket No. 32967 (Ga. Pub. Serv. Comm'n, decided Feb. 10, 2012, adopted Nov 17, 2011 Decision and Order, In Re the Application of T-Mobile West Corporation For Designation as an Eligible Telecommunications Carrier in the State of Hawaii, Docket No. 2010-0119 (Hawaii Public Utilities Commission, March 14, 2011); Order, In Re the Application of T-Mobile West Corp. For Designation as an Eligible Telecommunications Carrier, Case No. TMW-T-10-01, Order No. 32319 (Idaho Public Utilities Commission, August 9, 2011) (Idaho ETC Order); Order, In Re Petition of T-Mobile Central LLC and Powertel/Memphis, Inc. for Designation as Eligible Telecommunications Carriers Pursuant to Section 214(E)(2) of the Communications Act of 1934, Case No. 2010-00050 (July 14, 2010) ("T-Mobile Designation Order"); Public Decision, T-Mobile Central, LLC, ex parte. In Re Application for Designation as an Eligible Telecommunications Carrier (ETC) for the purposes of receiving Universal Service Support for low income and rural service, S-31865 (Louisiana Public Service Commission, Minutes from Open Session, October 12, 2011 (corrected), Ex. 31, p. 7); Order Granting Petition for ETC Designation, Setting Conditions, and Requiring Compliance Filings, In Re T-Mobile Central LLC's Petition for Designation as an Eligible Telecommunications Carrier (ETC) in Minnesota, Docket No. P-6856/M-11-123 (Minnesota Public Utilities Commission, September 27, 2011); Order, High -Cost Universal Service Support; Federal-State Joint Commission on Universal Service, WC Docket No. 05-337, CC Docket No. 96-45, Order, 23 FCC Rcd 8834, 8837-50, ¶ 42 (2008) (Interim Cap Order); Order Granting Designation as an Eligible Telecommunications Carrier, In Re the Petition of T-Mobile West Corporation for Designation as an Eligible Telecommunications Carrier, Docket No. UT-101060 (Washington Utilities and Transportation Commission, October 14, 2010); Resolution and Order, Telecorp Communications, Inc., d/b/a AT&T Wireless, Case No. JRT-2003-SU-0003 (Puerto Rico Telecommunications Regulatory Commission, September 10, 2003). <sup>8</sup> A list of the status of these applications is attached as Exhibit "1".

# C. The Mobility Fund – Phase I Auction and Commission Authority to Designate ETCs

On November 18, 2011, the FCC adopted comprehensive reforms of the universal service and intercarrier compensation systems "to ensure that robust, affordable voice and broadband service, both fixed and mobile, are available to Americans throughout the nation."<sup>9</sup> The FCC recognized that "too many Americans today do not have access to modern networks that support broadband" and that [t]here are unserved areas in every state of the nation and its territories, and in many of these areas there is little reason to believe that Congress's desire to "ensure that all people of the United States have access to broadband capability' will be met any time soon with current policies."<sup>10</sup>

As part of the FCC's reform of the universal service program, the FCC created a Mobility Fund as part of the Connect America Fund, which is the first universal service mechanism dedicated to ensuring availability of mobile wireless networks for voice and broadband services. In Phase I of the Mobility Fund, the FCC stated that it will provide up to \$300 million in onetime support to accelerate the deployment of next generation 3G or better networks for mobile voice and broadband services in unserved areas. Mobility Fund Phase I support will be awarded through a nationwide reverse action, administered by the FCC, which will be held on September 27, 2012.<sup>11</sup> The FCC has published a preliminary list of census blocks that are potentially eligible for Mobility Fund Phase I support. The list includes census blocks that the FCC considers unserved today by mobile broadband services, based on a centroid analysis of whether there is service at the center of the census block.<sup>12</sup> T-Mobile seeks conditional designation as an ETC in all census blocks in Kentucky outside of its existing ETC Area that are designated as

<sup>&</sup>lt;sup>9</sup> USF/ICC Transformation Order at paragraph 1.

<sup>&</sup>lt;sup>10</sup> Id. at paragraph 4.

<sup>&</sup>lt;sup>11</sup> See Phase I Mobility Fund PN.

<sup>&</sup>lt;sup>12</sup> See http://wireless.fcc.gov/auctions/default.htm?job=auction\_summary&id=901.

eligible for bidding in the Mobility Fund Phase I auction. When the FCC released its preliminary list on February 10, 2012 it published an interactive map of the potentially eligible blocks on the list.<sup>13</sup> The FCC has not yet released a final list, but T-Mobile will provide the final list from the FCC once it is published.<sup>14</sup>

To participate in Auction 901, at the time it files its short-form application for participation in the auction, a carrier must be designated as an ETC for all census blocks for which it intends to submit a bid. The typical timeframe for submitting a short-form application in a spectrum auction is 90 days prior to the start of the auction. In this case, that would make a short-form application due by June 29, 2012. This would require, in turn, T-Mobile to be designated as an ETC for all census blocks for which it intends to submit a bid in a reasonable timeframe before that short-form application deadline.

In states such as Kentucky which retains jurisdiction for designating ETCs, it is the state commission that must grant the necessary ETC designation. The FCC stated that:

By statute, the states, along with the [FCC], are empowered to designate common carriers as ETCs. ETCs must satisfy various service obligations, consistent with the public interest. We decline to adopt new federal rules to govern the ETC designation process solely for purposes of designating entities to receive non-recurring support, as suggested by some commenters. In light of the roughly comparable amounts of time required for the Commission and states to process applications to be designated as an ETC . . . parties contemplating requesting new designations as ETCs for purposes of participating in the auction should act promptly to begin the process. The Commission will make every effort to process such applications in a timely fashion, and we urge the states to do the same.<sup>15</sup>

Therefore, the Commission has the authority necessary to designate T-Mobile as an ETC pursuant to this petition. 47 U.S.C. § 214(e) and 47 C.F.R. 54. 1003 provide the Commission

<sup>&</sup>lt;sup>13</sup> See http://wireless.fcc.gov/auctions/Auction 901 Attachment A Jan2012.htm.

The map can be found at http://www.fcc.gov/maps/mobility-fund-phase-1-potentially-eligible-areas.

<sup>&</sup>lt;sup>14</sup> Many parties, including T-Mobile, filed comments on March 16, challenging the FCC's determinations regarding the potential eligibility of specific census blocks for Mobility Fund Phase I support. Reply comments were filed on March 26. T-Mobile will provide the final list of eligible census blocks once it is released by the FCC.

<sup>&</sup>lt;sup>15</sup> USF/ICC Transformation Order at para. 390 (emphasis added).

with the authority to designate competitive carriers as ETCs, which the Commission previously exercised in the designation of wireless carriers as ETCs, including T-Mobile.<sup>16</sup> T-Mobile seeks ETC designation conditioned upon T-Mobile winning support from the Mobility Fund Phase I auction, which is permitted by the FCC's USF/ICC Transformation Order.<sup>17</sup> Therefore T-Mobile would ultimately be an ETC in the areas in which it won Mobility Phase I support.

T-Mobile satisfies all of the requirements for designation as an ETC, including: (i) common carrier status; (ii) offering all of the supported services; (iii) offering service throughout its designated ETC service area; (iv) advertising the availability of its universal service offerings; and (v) meeting all other requirements for designation as an ETC. Based on satisfying the ETC designation requirements, as already determined in the Commission's *T-Mobile Designation Order* and the FCC's encouragement to the states to process ETC applications in a timely fashion so that carriers can participate in Auction 901, the Commission should expeditiously and conditionally designate T-Mobile as an ETC in Kentucky before the anticipated June 29, 2012 FCC auction application date or such other auction application date as the FCC may designate.

## II. T-MOBILE MEETS THE STATUTORY AND REGULATORY PREREQUISITES FOR ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATIONS, AND THE COMMISSION CAN EXPEDITIOUSLY APPROVE T-MOBILE TO COMPETE FOR MOBILITY FUNDS.

## A. The *T-Mobile Designation Order* Generally Determined Eligibility of T-Mobile in Kentucky.

47 U.S.C. § 254(e) provides that "only an eligible telecommunications carrier designated under Section 214(e) shall be eligible to receive specific Federal universal service support." In the *T-Mobile Designation Order* the Commission necessarily concluded that T-Mobile met the requirements for designation as an ETC as established under federal law and FCC rules [47

<sup>&</sup>lt;sup>16</sup> See T-Mobile Designation Order at 2.

<sup>&</sup>lt;sup>17</sup> See ICC/USF Transformation Order, footnote 665; 47 C.F.R. section 54.1003(a).

U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d)] as applied by the Commission.<sup>18</sup> In particular, that T-Mobile:

- 1. is a common carrier;<sup>19</sup>
- 2. will offer the services supported by federal universal service support mechanisms;<sup>20</sup>
- 3. will use its own facilities to provide the supported services; $^{21}$
- 4. will provide the supported services throughout its designated service  $area;^{22}$
- 5. will advertise the availability of its universal service offerings and charges for such offerings using media of general distribution;<sup>23</sup>
- 6. will make Lifeline service available to qualifying low-income consumers;<sup>24</sup>

In the two years since the Commission made those determinations, T-Mobile has complied with each of the applicable requirements, and with the Commission's reporting requirements for ETCs.<sup>25</sup> By this Application T-Mobile demonstrates that it will meet the following additional application requirements:<sup>26</sup>

<sup>&</sup>lt;sup>18</sup> *T-Mobile Designation Order* at 3-5.

<sup>&</sup>lt;sup>19</sup> 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d).

<sup>&</sup>lt;sup>20</sup> 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. §§ 54.201(d)(1) and 54.405.

<sup>&</sup>lt;sup>21</sup> 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1).

<sup>&</sup>lt;sup>22</sup> 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d); 17.11.10.24A(13) NMAC.

<sup>&</sup>lt;sup>23</sup> 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2).

<sup>&</sup>lt;sup>24</sup> 47 C.F.R. § 54.405; see also In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 11-42, FCC 12-11, released February 6, 2012 ("Lifeline Reform Order"). The FCC adopted comprehensive reforms to the federal low-income program, including steps to limit fraud, waste and abuse within the program.

<sup>&</sup>lt;sup>25</sup> In 2010 T-Mobile filed its initial Annual High Cost Universal Certification in Administrative Case No. 381.

<sup>&</sup>lt;sup>26</sup> The USF/ICC Transformation Order eliminated comparable local usage and equal access from the definition of supported services. See USF/ICC Transformation Order para. 78, see also id. App. A at 536 (revising section 54.101(a) of the FCC's rules).

a) certify that it will comply with the service requirements applicable to the support that it receives;<sup>27</sup>

And the function of the second se

- b) submit a 5-year service improvement plan;<sup>28</sup>
- c) be able to remain functional in emergency situations;<sup>29</sup>
- d) satisfy consumer protection and service quality standards;<sup>30</sup>
- 7. will comply with all applicable reporting requirements; and
- 8. take steps to limit fraud, waste and abuse of the FUSF.<sup>31</sup>

#### B. T-Mobile Meets the Additional Requirements for Conditional Designation

As discussed above, the FCC has said states are "empowered" to consider the designation requests relating to the Mobility Fund and is calling on states that exercise authority over ETC designations to promptly consider applications related to participation in Auction 901. The Commission has already exercised such jurisdiction and thereby determined that T-Mobile satisfies all of the requirements for designation as an ETC, including: (i) common carrier status; (ii) offering all of the supported services; (iii) offering service using its own facilities throughout its designated ETC service area; (iv) advertising the availability of its universal service offerings; and (v) meeting all other requirements for designation as an ETC.

Based on T-Mobile satisfying the ETC designation requirements discussed below, and the FCC's encouragement to the states to process ETC applications in a timely fashion so that carriers can participate in Auction 901, the Commission should grant this supplemental petition expeditiously and conditionally designate T-Mobile as an ETC.

<sup>&</sup>lt;sup>27</sup> 47 C.F.R. § 54.202 (a)(1)(i).

<sup>&</sup>lt;sup>28</sup> 47 C.F.R. § 54.202 (a)(1)(ii).

<sup>&</sup>lt;sup>29</sup> 47 C.F.R. § 54,202(a)(2).

<sup>&</sup>lt;sup>30</sup> 47 C.F.R. § 54.202(a)(3).

<sup>&</sup>lt;sup>31</sup> See Lifeline Reform Order. T-Mobile will comply with all applicable Lifeline requirements and implement measures to prevent fraud, waste, and abuse.

## 1. Compliance with Applicable Service Requirements

T-Mobile is licensed by the FCC to provide CMRS in the Commonwealth of Kentucky in the following Major Trading Areas: #26 Louisville-Lexington-Evansville, #43 Nashville, #44 Knoxville, and #18 Cincinnati-Dayton <sup>32</sup> pursuant to Section 332 of the Act<sup>33</sup> and other applicable laws. As discussed in the *T-Mobile Designation Order*, T-Mobile committed to provide supported services throughout its current designated service area. Upon receipt of Mobility Fund support, T-Mobile will serve all consumers within its ETC service area, and certifies that it will comply with the service requirements applicable to the additional support that it receives, consistent with 47 C.F.R. § 54.202(a)(1)(i).

#### 2. Service Improvement Plan

T-Mobile will use universal service funding consistent with the applicable requirements for funding received under the Phase I Mobility Fund. The FCC has set forth several specific requirements for providers who are awarded Mobility Fund Phase I support. Mobile service providers are obligated to provide the supported services over a 3G or better network with specific data transmission speeds.<sup>34</sup> Recipients that provide the supported services over 3G networks will have two years from authorization of support to meet their requirements; those deploying 4G networks will have three years. At the end of the build-out periods, recipients must provide service over the areas in which they received support, over at least 75 percent of the total road miles in the identified census blocks.<sup>35</sup>

T-Mobile will use funding to construct facilities and provide service in the census blocks where it receives Mobility Fund Phase I funding. The FCC has not released the final list of

<sup>&</sup>lt;sup>32</sup> As defined by the Federal Communications Commission, based on the Rand McNally 1992 Commercial Atlas & Marketing Guide, 123rd Edition, at pages 38-39.

<sup>&</sup>lt;sup>33</sup> 47 U.S.C. § 332.

<sup>&</sup>lt;sup>34</sup> See FCC ICC/USF Transformation Order at paragraphs 360-362.

<sup>&</sup>lt;sup>35</sup> Id. at paragraph 365. The percentage build-out requirement is subject to change based on the FCC's final rules on the Mobility Phase I auction.

census blocks eligible for Mobility Fund Phase I support, but T-Mobile will provide the final list as a supplement to its application as soon as it is released by the FCC. For purposes of this Petition, T-Mobile's service improvement plan ("SIP") plan will be its application to the FCC for the Mobility Fund Phase I auction and the corresponding commitment to provide the supported services within two years over 3G network facilities or three years over 4G network facilities. Since T-Mobile's final build out will be subject to the amounts of any funding ultimately provided by the FCC, T-Mobile will prepare and file with the Commission a comprehensive SIP for any additional ETC service areas outside its existing ETC Area after the FCC awards funding through its reverse auction, along with the appropriate protective order.

## 3. Ability to Function in Emergency Situations

T-Mobile has the "ability to remain functional in emergency situations."<sup>36</sup> As demonstrated in its Emergency Operation Plan, T-Mobile has a reasonable amount of back-up power to ensure functionality without an external power source, is able to re-route traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. T-Mobile's Emergency Operation Plan is attached hereto as Exhibit 2. In the *T-Mobile Designation Order*, the Commission concluded that T-Mobile satisfies this requirement.

#### 4. Consumer Protection and Service Quality Standards

T-Mobile will satisfy applicable consumer protection and service quality standards in accordance with 47 C.F.R. § 54.202(a)(3). T-Mobile is a strong supporter of and abides by the CTIA-The Wireless Association's® Consumer Code for Wireless Service ("Consumer Code"). T-Mobile has been a signatory of the Consumer Code since 2003. Most recently, T-Mobile was certified as CTIA compliant with the Consumer Code as evidenced by the CTIA letter of

<sup>&</sup>lt;sup>36</sup> 47 C.F.R. § 54.202(a)(2).

certification dated October 7, 2011, attached hereto as Exhibit 3. In the *T-Mobile Designation Order*, the Commission concluded that T-Mobile satisfies this requirement.

## 5. Comparable Local Usage and Equal Access Acknowledgement

In the *T-Mobile Designation Order*, the Commission found that T-Mobile offers local usage plans comparable to those offered by the incumbent local exchange carriers and that T-Mobile may be required to provide equal access to interexchange services in the event that no other ETC is providing equal access within its ETC designation area.<sup>37</sup> In the *USF/ICC Transformation Order*, the FCC eliminated these as requirements for ETC designation, but T-Mobile remains committed to these principles and will provide such services if required.<sup>38</sup>

## C. T-Mobile Offers The Services Supported By Federal Universal Service Support Mechanisms

In the T-Mobile Designation Order, the Commission concluded that T-Mobile provides

the requisite services. T-Mobile continues to offer each of the four services currently supported

by federal universal service support mechanisms as set forth below.<sup>39</sup>

- 1. <u>Voice Grade Access To The Public Switched Telephone Network</u><sup>40</sup> -- T-Mobile meets this requirement through its provision of mobile voice communications service and interconnection to the public switched telephone network.
- Local Usage an amount of minutes of use provided free of charge to end users.<sup>41</sup> T-Mobile meets this requirement by providing an amount of local usage free of charge in each universal service rate plan.

<sup>40</sup> 47 C.F.R. § 54.101(a).

<sup>&</sup>lt;sup>37</sup> Id.

<sup>&</sup>lt;sup>38</sup> USF/ICC Transformation Order, at 536 (highlighting the revisions to § 54.202). In the USF/ICC Transformation Order, the FCC modified 47 C.F.R. § 54.202 to, among other things, eliminate: (1) the 6-step service provisioning process; (2) the requirement to offer local usage comparable to the ILEC; and (3) the requirement to make equal access available in certain situations.

<sup>&</sup>lt;sup>39</sup> In the USF/ICC Transformation Order, the FCC revised the supported services to eliminate the requirement to offer dual tone multi-frequency signaling, single party service, access to operator service, access to interexchange service, and directory assistance, but T-Mobile continues to provide these services and functionalities as part of its universal service offerings, including Lifeline service.

<sup>&</sup>lt;sup>41</sup> 47 C.F.R. § 54.101(a).

- 3. <u>Access To Emergency Services</u> access to emergency services includes both access to 911 and E911 services to the extent the local government has implemented such services.<sup>42</sup> T-Mobile meets this requirement by providing 911 service and meeting all requests for E911 service from local public service answering points ("PSAPs").
- 4. <u>Toll Limitation For Qualifying Low-Income Consumers</u> 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 [47 C.F.R. § 54.101(a)(9); 47 C.F.R. § 54.400(d)]. Upon implementing any Lifeline service offering that distinguishes between toll and non-toll calls, T-Mobile will offer toll limitation to qualifying low-income consumers at no additional charge. However, T-Mobile's typical service offerings do not distinguish between toll and non-toll calls and therefore toll limitation service is not applicable.<sup>43</sup>

#### D. T-Mobile is a Facilities-Based Wireless Telecommunications Carrier

T-Mobile is a facilities-based wireless telecommunications carrier with its own switching, transport, cell sites, and associated telecommunications facilities in Kentucky. The Company uses radio licenses issued by the FCC to provide CMRS and, upon receipt of Mobility Fund support, will use its own network facilities to provide service to consumers in its requested ETC Service Area. In the *T-Mobile Designation Order*, the Commission concluded that T-Mobile satisfies this requirement.<sup>44</sup>

## E. T-Mobile will Provide Service Throughout Its Designated Service Area

T-Mobile commits to continue to provide all of the supported services throughout its designated service area, consistent with all applicable requirements, upon receipt of Mobility Fund Phase I support. T-Mobile holds radio licenses from the FCC that serve the entire state of Kentucky.

<sup>&</sup>lt;sup>42</sup> 47 C.F.R. § 54.101(a).

<sup>&</sup>lt;sup>43</sup> In its *Lifeline Reform Order*, the FCC stated "[i]n this Order, we relieve ETCs of the obligation to offer TLS in the first instance if their Lifeline offering does not distinguish in the pricing of toll and non-toll calls, which may relieve many ETCs of the obligation to offer TLS." *Lifeline Reform Order* at ¶ 238. T-Mobile has not previously sought and has no plans in the future to seek reimbursement for any toll limitation services provided to Lifeline customers. <sup>44</sup> *T-Mobile Designation Order* at 4.

## F. T-Mobile Will Continue to Advertise the Availability of Its Universal Service Offerings and Charges for Such Offerings Using Media of General Distribution

and the second second second

As a current Kentucky ETC, T-Mobile is committed to advertise the availability of, and charges for, the supported services using media of general distribution,<sup>45</sup> and will undertake outreach initiatives to increase consumer awareness of T-Mobile's Lifeline service offering,<sup>46</sup> consistent with all applicable requirements. T-Mobile currently offers and advertises its wireless telecommunications services, including those offerings that include all of the supported services, using radio, television, billboards, print, internet, and targeted mailings, among others. In addition, T-Mobile maintains various retail stores and authorized agent locations throughout its current ETC designated service area. T-Mobile will use the appropriate media outlets to advertise its universal service offerings in a manner consistent with applicable requirements, and, for its Lifeline service offerings, it will undertake outreach initiatives designed to reach eligible low-income consumers and will include all required disclosures in its Lifeline advertising and outreach.<sup>47</sup> In the *T-Mobile Designation Order*, the Commission concluded that T-Mobile satisfies this requirement.<sup>48</sup>

## G. T-Mobile Will Make Available Lifeline Service To Qualifying Low-Income Consumers

Upon designation as an ETC and receipt of Mobility Funds, T-Mobile will make available to qualified low-income consumers in the expanded designated service area a discounted service offering that meets all applicable Lifeline requirements. As implemented in other areas in Kentucky where the Company has been designated as an ETC,<sup>49</sup> T-Mobile's

<sup>&</sup>lt;sup>45</sup> 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2).

<sup>&</sup>lt;sup>46</sup> 47 C.F.R. § 54.405(b) and (c).

<sup>&</sup>lt;sup>47</sup> 47 C.F.R. §§ 54.405(b) and (c).

<sup>&</sup>lt;sup>48</sup> T-Mobile Designation Order at 4-5.

<sup>&</sup>lt;sup>49</sup> T-Mobile or its affiliated companies have been granted ETC status to serve Puerto Rico and the state of North Carolina.

planned Lifeline service offering, which is subject to change, will include several plans eligible for the Lifeline discount, including plans with access to broadband services.

## III. DESIGNATING T-MOBILE AS AN ETC IS IN THE PUBLIC INTEREST

Currently, T-Mobile serves the mobile communications needs of Kentucky consumers, and, through its designation as an ETC and receipt of Mobility Fund support, T-Mobile will expand its business in Kentucky by making available to more rural and low-income consumers new service offerings that meet their basic and advanced communication needs. This is consistent with the Commission's conclusions in the *T-Mobile Designation Order*, where the Commission stated:

The Commission finds that T-Mobile's universal service offering will provide a variety of benefits to customers. For instance, T-Mobile has committed to provide customers access to telecommunications and data services when they do not have access to a wireline telephone. In addition, the mobility of T-Mobile's wireless service will provide benefits such as access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities. Moreover, T-Mobile states that it offers larger local calling areas than those of the Incumbent Local Exchange Carriers it competes against, which could result in fewer toll charges for T-Mobile's customers.<sup>50</sup>

In granting the additional conditional ETC designations requested in this Petition, the Commission will further advance the public interest by permitting T-Mobile to participate in Auction 901 and thereby, if it is the successful bidder, allow T-Mobile to bring enhanced service offerings and Broadband wireless and Lifeline services to unserved areas in the Commonwealth.

#### A. Public Interest Benefits

The Commission has examined five factors in considering whether it is in the public interest to grant a wireless carrier ETC designation for purposes of participating in the federal universal service fund: (1) whether granting ETC status to the petitioner in the designated area is

<sup>&</sup>lt;sup>50</sup> T-Mobile Designation Order at 6.

likely to result in more customer choice; (2) the impact of the designation of the petitioner on the size of the fund; (3) the unique advantages and disadvantages of the petitioner's service offering; (4) whether the petitioner will satisfy consumer protection and quality of service standards; and (5) the petitioner's willingness and ability to offer service throughout the designated service area within a reasonable time frame.<sup>51</sup>

and a second second

Consistent with Kentucky's standards, the public interest benefits to consumers in Kentucky related to this request will be significant. Granting T-Mobile ETC designation will allow T-Mobile to participate in the FCC's Auction 901 and bid to serve portions of Kentucky that currently do not have access to 3G or better mobile wireless services. Kentucky consumers will benefit if T-Mobile is successful in winning support from the FCC's Mobility Fund. This will lead to (i) customer choice for basic and advanced communications needs; (ii) new service offerings with competitive pricing, services, and features; and (iii) construction and operation of telecommunications facilities and services in unserved areas of the state to deploy 3G or better networks.

The benefits of competition are widely recognized and extend to all markets, as recognized by the FCC:

We note that an important goal of the Act is to open local telecommunications markets to competition. Designation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies. We agree with Western Wireless that competition will result not only in the deployment of new facilities and technologies, but will also provide an incentive to the incumbent rural telephone companies to improve their existing network to remain competitive, resulting in improved service to Wyoming consumers [consumers in the proposed ETC service area]. In addition, we find that the provision of competitive service will facilitate universal service to the benefit of consumers in Wyoming by

<sup>&</sup>lt;sup>51</sup> See T-Mobile Designation Order at 5-6.

creating incentives to ensure that quality services are available at "just, reasonable, and affordable rates."  $^{52}$ 

If T-Mobile is successful in obtaining Mobility Fund support, T-Mobile's designation as an ETC will result in consumers having greater access to wireless telecommunications services, thereby advancing the basic goal of preserving and advancing universal service. To accomplish this goal, Congress established a competitive universal service framework to expand the level of competition among carriers vying for the business of consumers based on price, service offerings, coverage, and service quality. T-Mobile offers consumers competitive service offerings and high-quality customer service, and through its expanded entry into the universal service market, consumers will now have greater access to all of these benefits. The wireless service that T-Mobile offers will provide customers with an affordable alternative to traditional telecommunications service.

The wireless consumer in Kentucky has taken advantage of heavy market penetration. According to the Centers for Disease Control, 31.5% of adults in Kentucky were living in wireless-only households in June of 2010.<sup>53</sup> And prices for wireless services continue to fall dramatically. Text messaging prices declined from \$0.011 per message in 2008 to \$0.009 in 2009.<sup>54</sup> Average smartphone prices net of carrier subsidies decreased from \$220 in 4Q06 to \$120 in 4Q09, with average prices for all handsets after discounts falling from \$85 in 4Q06 to \$50 in 4Q09.<sup>55</sup> Although average monthly data traffic per subscriber grew 78% between 2008

<sup>&</sup>lt;sup>52</sup>In the Matter of the Federal-State Joint Commission on Universal Service, Western Wireless Corp. Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, CC Docket No. 96-45, Memorandum Opinion and Order, DA 00-2896, ¶ 17 (released December 26, 2000).

<sup>&</sup>lt;sup>53</sup> See Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, January – June 2010. U.S. Centers for Disease Control and Prevention, Division of Health Interview Statistics, National Center for Health Statistics. Table 1 (May 12, 2011), available at http://www.cdc.gov/nchs/data/nhsr/nhsr039.pdf

<sup>&</sup>lt;sup>54</sup> Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services, 2011 FCC LEXIS 2636, ¶ 193 (2011) (FCC Report).

<sup>&</sup>lt;sup>55</sup> Id. at 9855, ¶ 334.

and 2009, wireless data service ARPU rose only 22% in that period.<sup>56</sup> Indeed, as the most recent data from the U.S. Bureau of Labor Statistics' Wireless Price Index shows, as of July 2011 the price of wireless service has fallen some 40% since December 1997.<sup>57</sup> Despite continuing economic difficulties, incremental capital investment increased from \$20.2 billion in 2008 to \$20.4 billion in 2009. Wireless accounts for more than 30% of all telecommunications investment, nearly a quarter of all information and communications technology investment, and two percent of total investment in the U.S. economy.<sup>58</sup>

T-Mobile's designation will not impact the federal universal service fund, since the FCC has set aside up to \$300 million for the Mobility Fund Phase I auction.

Granting T-Mobile conditional ETC designation will allow T-Mobile to participate in the FCC's Auction 901 on September 27, 2012, and thus to bid to serve portions of Kentucky that currently do not have access to 3G or better mobile wireless services. Conditionally designating T-Mobile as an ETC for census blocks outside its existing ETC Area where T-Mobile does not currently provide 3G or 4G data services (and where voice and 2G data services may or may not be provided at all), will also help to secure, and potentially enhance, the contributions T-Mobile makes to Kentucky's economy. Upon the issuance of the FCC's decision regarding T-Mobile's request for Mobility Fund Phase I funding for Kentucky, T-Mobile will timely notify this Commission of the FCC's funding decision for T-Mobile in Kentucky and provide such other information as may then be necessary or required.

<sup>&</sup>lt;sup>56</sup> Id. at 9780 ¶ 186, 9789 ¶ 203.

<sup>&</sup>lt;sup>57</sup> See Bureau of Labor Statistics Consumer Price Index – All Urban Consumers, Series ID CUUR0000SEED03, available at http://data.bls.gov/pdq/querytool.jsp?survey=cu.

<sup>&</sup>lt;sup>58</sup> Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services, 2011 FCC LEXIS 2636, (2011) (FCC Report).

## IV. REQUEST FOR EXPEDITED CONSIDERATION

As stated above, Auction 901 is scheduled to start on September 27, 2012. Short-form applications for Auction 901 are expected to be due 90 days prior to the start of the auction, which would mean that short-form applications could be due on **June 29, 2012**.<sup>59</sup> Since the FCC requires all carriers that wish to participate in the auction be designated or conditionally designated as ETCs at the time the short-form applications are filed with the FCC, T-Mobile respectfully requests expedited consideration of this Petition. As discussed *supra*, in formulating the Mobility Fund Phase I eligibility requirements, the FCC has urged state commissions that designate ETCs to timely act upon requests, such as this one, that will enable carriers to timely participate in Auction 901.<sup>60</sup>

While T-Mobile's request for conditional ETC authority and for such authority to be considered and granted on an expedited basis may be unprecedented, the opportunity presented by the FCC to this Commission is equally unprecedented – federal funding to provide mobile voice and broadband services to consumers living in the *unserved* rural areas of Kentucky that are eligible for such support. T-Mobile is committed to pursuing this support on behalf of Kentucky consumers, and working with this Commission to demonstrate T-Mobile's compliance with the applicable requirements, but T-Mobile needs for this Commission to resolve this conditional ETC designation application in time for T-Mobile to participate in the bidding for Mobility Fund Phase I support in Auction 901. Since short-form applications to participate in Auction 901 may be due on June 29, 2012 or earlier, T-Mobile respectfully requests that the Commission consider this Petition and issue an order on or before June 19, 2011.

<sup>&</sup>lt;sup>59</sup> The deadline for short-form applications for Auction 901 has not been set by the FCC, and it is possible that the short-form application deadline could be set for an earlier or later date than the typical 90 days prior to the start of an auction.

<sup>&</sup>lt;sup>60</sup> USF/ICC Transformation Order, FCC 11-161, ¶ 390.

## V. CONCLUSION

WHEREFORE, for the reasons stated above, T-Mobile respectfully requests that the Commission expeditiously(i) designate T-Mobile as an ETC before the anticipated June 29, 2012 FCC auction application date or such other auction application date as the FCC may designate for eligibility for federal universal service funding conditioned upon T-Mobile winning support from the Mobility Fund Phase I auction, such that T-Mobile shall be deemed an ETC outside its existing ETC Area only in the areas in which it is awarded Mobility Fund Phase I support; (ii) send the appropriate notice of the Order designating T-Mobile as an ETC for census blocks outside its existing ETC Area to the FCC and the Universal Service Administrative Company; and (iii) order such other relief as may be appropriate.

Respectfully Submitted,

By:

Michele K. Thomas (Admission to be obtained under SCR 3.030) Principal Corporate Counsel—State Regulatory T-Mobile USA, Inc. 4 Sylvan Way Parsippany, NJ 07054 973-451-8399 Kendrick R. Riggs Douglas F. Brent STOLL KEENON OGDEN PLLC 2000 PNC Plaza 500 West Jefferson Street Louisville, Kentucky 40202-2828 502-568-5734 Attorneys For T-Mobile Central LLC and PowerTel/Memphis, Inc.

## **COMMONWEALTH OF KENTUCKY**

## **BEFORE THE PUBLIC SERVICE COMMISSION**

)

)

)

)

)

)

#### In re the Matter of:

Petition of T-Mobile Central LLC and PowerTel/Memphis, Inc. for designation as Eligible Telecommunications Carriers for the purpose of establishing eligibility to participate in the Mobility Fund Phase I Auction on September 27, 2012 at the Federal Communications Commission

CASE NO. 2012-

## PETITION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

## EXHIBITS

- Exhibit 1 List of Status of Pending ETC Applications
- Exhibit 2 Emergency Operations Plan and Business Continuity Plan
- Exhibit 3 CTIA- The Wireless Association's® Consumer Code for Wireless Service

## **T-Mobile's Pending ETC Petitions**

Docket No. / Proceeding	Filing date
	I
WC Docket No. 09-197 (FCC)	January 24, 2012
Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
Carrier	October 26, 2011
Docket No. T-20822A-11-0394	
Application of T-Mobile West Corp. Petition for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, 47 U.S.C.	
§ 214(e)(2)	January 24, 2012
WC Docket No. 09-197 (FCC)	Junuary 2., 20-2
Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
Carrier	January 24, 2012
WC Docket No. 09-197 (FCC)	-
Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
Carrier	January 24, 2012
WC Docket No. 09-197 (FCC)	•
Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
Carrier	December 21, 201
Case No. 41052-ETC-61	
T-Mobile Central LLC, Powertel/Memphis, Inc. Petition for Limited Designation as an Eligible	
Telecommunications Carrier for Purposes of Low meenie support only	April 2, 2012
Docket No. (not yet assigned)	
In the Matter of the Application of T-Mobile Northeast LLC for Limited Designation as an Eligible Telecommunications Carrier For Purpose of Low Income Support Only	
	<ul> <li>WC Docket No. 09-197 (FCC)</li> <li>Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier</li> <li>Docket No. T-20822A-11-0394</li> <li>Application of T-Mobile West Corp. Petition for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(e)(2)</li> <li>WC Docket No. 09-197 (FCC)</li> <li>Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier</li> <li>WC Docket No. 09-197 (FCC)</li> <li>Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier</li> <li>WC Docket No. 09-197 (FCC)</li> <li>Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier</li> <li>WC Docket No. 09-197 (FCC)</li> <li>Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier</li> <li>WC Docket No. 09-197 (FCC)</li> <li>Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier</li> <li>WC Docket No. 09-197 (FCC)</li> <li>Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier</li> <li>Case No. 41052-ETC-61</li> <li>T-Mobile Central LLC, Powertel/Memphis, Inc. Petition for Limited Designation as an Eligible Telecommunications Carrier for Purposes of Low Income Support Only</li> <li>Docket No. (not yet assigned)</li> <li>La the Matter of the Application of T-Mobile Northeast LLC for Limited Designation as an Eligible</li> </ul>

	Docket No. 12-4	March 7, 2012
Massachusetts		
	T-Mobile Northeast, LLC, Petition for Limited Designation as an Eligible Telecommunications	
	Carrier for Purposes of Lifeline Support Only	<b>D</b> 1 0010
Michigan	Case No. U-16942	February 1, 2012
viicingan		
	The Application of T-Mobile Central LLC for Limited Designation as an Eligible	
	Telecommunications Carrier for the Purpose of Low Income Support Only	December 21, 2010
Mississippi	Docket No. 2010-UA-431	December 21, 2010
(High Cost	the second s	
Application)	Petition of T-Mobile South LLC for Designation as an Eligible Telecommunications Carrier for	
	Purpose of Receiving Federal Universal Service Support	December 22, 2011
Missouri	Case No. FA-2012-0195	
	T-Mobile Central LLC, Petition for Limited Designation as an Eligible Telecommunications	
	Carrier for Purposes of Low Income Support Only	
	WC Docket No. 09-197 (FCC)	January 24, 2012
New Hampshire		
	Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
	Carrier	March 12, 2012
New Jersey	Docket No. TO12030233	March 12, 2012
	In the Matter of the Application of T-Mobile Northeast LLC for Limited Designation as an Eligible	
	Telecommunications Carrier for Purposes of Lifeline Support Only	
NT X7. 1-	WC Docket No. 09-197 (FCC)	January 24, 2012
New York		
	Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
	Carrier	

Ohio	Case No. 11-5726-TP-UNC	November 10, 2011
Onio		
	In the Matter of the Application of T-Mobile Central LLC, Petition for Designation as a Low- income Competitive Eligible Telecommunications Carrier	
	Case No. 11-5727-TP-UNC	November 10, 2011
	In the Matter of the Application of VoiceStream Pittsburgh, Limited Partnership d/b/a T-Mobile Petition for Designation as a Low-Income Competitive Eligible Telecommunications Carrier	
Oregon	Docket No. UM 1511	December 8, 2010
(High Cost Application)	T Mobile West Corn's Application for Designation as an Eligible Telecommunications Carrier	
	and Request for Supplemental Certification on Use of Funds	December 1, 2011
Pennsylvania	Docket No. P-2011-2275748	
	T-Mobile Northeast LLC, T-Mobile Central LLC, & VoiceStream Pittsburgh LP (T-Mobile) Petition for Limited Designation as an Eligible Telecommunications Carrier for Purposes of Low	
	Income Support Only	January 24, 2012
Tennessee	WC Docket No. 09-197 (FCC)	
	Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
	Carrier	January 24, 2012
Virginia	WC Docket No. 09-197 (FCC)	
	Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications	
	Carrier	

·

÷

.

## **EMERGENCY OPERATIONS PLAN**

T-Mobile is able to function in emergency situations as set forth in Section 54.201(a)(2), which includes "a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."<sup>1</sup> In particular, T-Mobile has the following capabilities to remain functional in emergency situations:

- Availability of fixed and portable back-up power generators at various network locations throughout T-Mobile's network that can be deployed in emergency situations.
- Ability to reroute traffic around damaged or out-of-service facilities through the deployment of cell-on-wheels ("COWs"), redundant facilities, and dynamic rerouting of traffic over alternate facilities.
- A network control center that monitors network traffic and anticipates traffic spikes, and can then (i) deploy network facilities to accommodate capacity needs, (ii) change call routing translations, and (iii) deploy COWs to temporarily meet traffic needs until longer-term solutions, such as additional capacity and antenna towers can be deployed.
- 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.

<sup>1</sup> 47 C.F.R. § 54.202(a)(2).

## T-Mobile USA Business Continuity Program Summary

T-Mobile USA, Inc. ("T-Mobile") is committed to safeguarding the interests of our customers, employees and stakeholders in the event of an emergency or significant business disruption. As a result T-Mobile has and maintains an enterprise-wide Business Continuity Program designed to provide effective responses to a wide variety of disruptive events. T-Mobile's Business Continuity Program is centralized in its design and decentralized in its implementation, promoting active involvement in the program by all lines of business in all locations.

Primary components of the T-Mobile Business Continuity Program include:

- Enterprise Business Continuity Project Initiation and Oversight
- Risk Evaluation and Controls
- Business Impact Assessment and Analysis
- Business Continuity and Disaster Recovery Strategic Direction
- Crisis Response, Emergency Response, and Operations
- Business Continuity Plan Development, Maintenance, and Exercising
- Awareness and Training Programs
- Public Relations and Crisis Response and Resumption Coordination
- Coordination with External Agencies

A team of certified Business Continuity professionals is responsible for documenting and developing enterprise standards, processes, and policies for all business continuity and disaster recovery needs throughout T-Mobile. This group supports the line of business continuity planning and defines enterprise tools and methodologies. This level of consistency across the lines of business enhances T-Mobile's overall planning and resumption efforts.

T-Mobile also maintains backup and alternate power sources at mission critical locations, and has information processing and telecommunications back-up sites that provide redundancy that is important to protecting key business information and services. Business Continuity Plans are housed in a centralized online repository, accessible to employees in office and remotely through a web browser. Additionally, hard copies of plans are available at multiple sites throughout the enterprise.

The T-Mobile USA Business Continuity Program is designed and maintained to proactively mitigate the risk of threats to T-Mobile's customers, employees, and stakeholders. As such the program is revised and updated as needed to address potential and emerging hazards.

For more information on the T-Mobile Business Continuity Program, please send inquiries to: <u>business.continuity@t-mobile.com</u>

Expanding the Wireless Frontier



Steve Largent President/CEO

October 7, 2011

Ms. Kelsey Joyce Director of Legal Affairs Marketing T-Mobile USA, Inc. 12920 SE 38th Street Bellevue, WA 98006

Dear Kelsey:

Congratulations! This letter is to notify you that T-Mobile USA ("T-Mobile") has completed the recertification process for the CTIA Consumer Code for Wireless Service ("Voluntary Consumer Code") for the period January 1, 2011 - December 31, 2011, and is deemed compliant with the principles, disclosures and practices set forth in the Voluntary Consumer Code, Accordingly, T-Mobile is authorized to use and display the CTIA Seal of Wireless Quality/Consumer Information, subject to the terms and conditions set forth in the attached License Agreement.

Please ensure that the relevant employees of T-Mobile review the License Agreement before using the Seal. Use of the Seal constitutes acceptance of these terms and conditions. Upon request, we will provide two specimens (color and black/white) of the Seal for T-Mobile's use on its website or collateral materials. If you should have any questions concerning the recertification process or use of the Seal, please contact Andrea Williams, CTIA's Vice President of Law and Assistant General Counsel, at (202) 736-3215 or awilliams@ctia.org.

CTIA commends T-Mobile for its ongoing leadership and participation in the CTIA Voluntary Consumer Code, and we look forward to continuing to work with T-Mobile on this important industry initiative.

Congritter lations!

Sincerely.

Stell Largent Steve Largent

Attachment

Philipp Humm cc: Dave Miller

