

221 E. Fourth St. P.O. Box 2301 Cincinnati, Ohio 45201-2301



APR 15 2014

PUBLIC SERVICE COMMISSION

Mr. Jeff R. Derouen Executive Director Commonwealth of Kentucky Public Service Commission 211 Sower Boulevard Post Office Box 615 Frankfort, KY 40602-0615

April 15, 2014

# Re: Petition of Cincinnati Bell Wireless, LLC for Relinquishment of Eligible Telecommunications Carrier Designation

Dear Mr. Derouen:

Enclosed please find an original and ten copies of a Petition of Cincinnati Bell Wireless, LLC for Relinquishment of Eligible Telecommunications Carrier Designation.

Please date stamp and return a copy of this letter to me in the enclosed, self-addressed, stamped envelope. If you have any questions regarding this matter please contact Bob Wilhelm at 513-397-6858 or by e-mail at bob.wilhelm@cinbell.com.

Sincerely,

Patricia & Prysich

Patricia L. Rupich

Enclosure

RFCEIVED

#### COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

Petition of Cincinnati Bell Wireless, LLC for Relinquishment of Eligible Telecommunications Carrier Designation

CASE NO. \_\_\_\_\_

#### PETITION OF CINCINNATI BELL WIRELESS, LLC FOR RELINQUISHMENT OF ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

Pursuant to § 214(e)(4) of the Communications Act of 1934, as amended ("the Act"), 47 U.S.C. § 214(e)(4), and 47 CFR § 54.205, Cincinnati Bell Wireless, LLC ("CBW") hereby petitions the Commission for authorization to relinquish its designation as a non-rural eligible telecommunications carrier ("ETC") in the Commonwealth of Kentucky. On April 25, 2011 this Commission granted CBW's designation as an ETC for the limited purpose of providing Lifeline service in those non-rural wire centers where Cincinnati Bell Telephone Company LLC is the ILEC.<sup>1</sup> Upon approval of its ETC status, CBW began offering several discount service plans in accordance with the Lifeline rules established by this Commission and the Federal Communications Commission ("FCC"). However, CBW now wishes to relinquish its ETC designation and cease providing Lifeline service effective July 1, 2014.

This Petition describes CBW's current Lifeline program and presents CBW's plan for transitioning its existing Lifeline customers to alternative services. Consumers will not be harmed if CBW no longer offers Lifeline service because there are numerous other Lifeline providers in the area. Therefore, CBW requests that the Commission expeditiously grant this Petition to enable CBW to begin the transition of its existing Lifeline base as soon as possible.

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<sup>&</sup>lt;sup>1</sup> In the Matter of the Petition of Cincinnati Bell Wireless, LLC for Designation as a Non-Rural Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service to Qualified Households, Case No. 2011-00059, Order (April 25, 2011).

#### I. INTRODUCTION

CBW is a wholly owned subsidiary of Cincinnati Bell Inc., an Ohio corporation with headquarters in Cincinnati, Ohio. CBW is a facilities-based wireless provider that holds Broadband PCS, AWS and 700 MHz services licenses covering the greater Cincinnati and Dayton metropolitan areas as well as several counties in northern Kentucky and portions of Indiana. CBW offers both postpaid and prepaid wireless plans. It currently serves approximately 53,000 subscribers in Kentucky, of which about ten percent subscribe to one of CBW's Lifeline plans that are marketed under the prepaid brand name of i-wireless.

In this Petition, CBW seeks authorization to relinquish its ETC designation and cease providing Lifeline service in its Kentucky service area. Section 214(e)(4) of the Act specifies that "[a] State commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier." The FCC's rules expound upon § 214(e)(4) by directing the state commission to ensure that there is at least one remaining ETC serving customers in the area served by the relinquishing carrier before permitting a designated ETC to cease providing universal service in the area.<sup>2</sup> CBW herein demonstrates that its existing Lifeline subscribers have numerous other options for obtaining Lifeline discounted service. In addition, CBW describes its proposed transition plan for its Lifeline subscribers, including the notices that will be sent to each subscriber.

### II. ALTERNATIVE LIFELINE PROVIDERS

Under § 214(e)(4) of the Act, a State commission shall permit a carrier to relinquish its ETC designation in any area served by more than one ETC. Customers in CBW's serving area have numerous other options for obtaining Lifeline service. First, all customers have the option

<sup>&</sup>lt;sup>2</sup> 47 CFR § 54.205(b).

of obtaining telephone service from the incumbent local exchange carrier that serves their area, Cincinnati Bell Telephone Company LLC.<sup>3</sup> In addition, there are many wireless Lifeline providers that compete with CBW. The Universal Service Administrative Company's website<sup>4</sup> shows a number of wireless Kentucky ETCs. The Commission has certified a number of these carriers as ETCs in CBW's serving area. Specifically, CBW has identified at least seven wireless carriers that the Commission has certified as Lifeline ETCs and which indicate on their websites that they provide wireless service in CBW's Kentucky service area.<sup>5</sup> Therefore, every CBW Lifeline subscriber has at least one alternative for obtaining Lifeline subsidized service.

#### III. TRANSITION OF CBW'S EXISTING LIFELINE SUBSCRIBERS

#### A. CBW'S Lifeline Subscriber Base

As of March 31, 2014, CBW had approximately 5,300 Kentucky Lifeline subscribers.

CBW Lifeline subscribers can choose from several different Lifeline plans. The Connect Plan is free to Lifeline subscribers and provides each subscriber 250 minutes of airtime on the first day of each month. If Connect Plan subscribers exhaust their 250 free minutes they can purchase additional airtime for ten cents per minute. The other Lifeline plans correspond to standard i-

<sup>&</sup>lt;sup>3</sup> There is no need to establish a time within which the remaining ETCs may purchase or construct facilities pursuant to 47 CFR § 54.205(b), as Cincinnati Bell Telephone Company LLC is fully operational in each wire center served by CBW.

<sup>&</sup>lt;sup>4</sup> <u>http://www.lifelinesupport.org/ls/</u>, (last accessed April 1, 2014).

<sup>&</sup>lt;sup>5</sup> Other wireless providers certified as ETCs in CBW's Kentucky service area include at least: American Broadband (Case No. 2013-00175, Nov. 5, 2013); Budget Prepay (Case No. 2011-00169, Dec. 8, 2011); Boomerang Wireless (Case No. 2012-00422, Jan. 22, 2013); Cricket Communications (Case No. 2011-00382, Dec. 21, 2011); Telrite d/b/a Life Wireless (Case No. 2013-00031, June 28, 2013); Global Connection Inc. of America d/b/a Stand Up Wireless (Case No. 2013-00051, Aug. 7, 2013); and T-Mobile (Case No. 2010-00050, Aug 24, 2010).

wireless prepaid plans, but provide a \$12.75 per month discount off of the standard rate. The majority of CBW's Lifeline base subscribes to one of the fee-based Lifeline plans.

#### B. Proposed Transition Plan

CBW proposes to stop accepting new Lifeline customers upon filing of this Petition and to notify all existing customers on that date that CBW plans to exit the Lifeline program. Upon Commission approval of this Petition, CBW will send another notice to its Lifeline customers informing them that CBW will cease providing Lifeline service effective July 1, 2014 and provide details regarding the impact of this change on their service. CBW submits that this 75day transition period will be sufficient for existing subscribers to switch to alternative Lifeline providers or to select alternative CBW non-Lifeline plans that meet their needs.

CBW's Lifeline enrollment process requires that customers enroll in-person at a CBW retail store or an authorized distributor outlet. CBW currently advertises its participation in the Lifeline program via social service agencies, in-store signage, and radio advertisements. Concurrent with the filing of this petition, CBW will no longer accept new Lifeline applications and will cease all Lifeline advertising since it makes little sense to try to attract new Lifeline subscribers at the same time that it is planning to exit the Lifeline program. In addition, CBW will no longer permit subscribers to change to other CBW Lifeline plans.

From the date of this filing until July 1, 2014, CBW will work with existing Lifeline subscribers to transfer them to standard Cincinnati Bell i-wireless plans that meet their needs or to assist with the transfer of their Lifeline enrollment to another Lifeline provider. Existing Lifeline subscribers who do not contact CBW during the transition to select a standard i-wireless plan or do not transfer their Lifeline enrollment to another Lifeline provider will be moved to the comparable i-wireless non-Lifeline rate plan on July 1, 2014. Thus, for example, Connect Plan

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subscribers will be moved to the Simply 10 Plan under which all calls are ten cents per minute and they can replenish their account for as little as \$5. All subscribers under fee-based plans will be moved to the corresponding non-Lifeline plan. For example, Lifeline Unlimited Talk and Text subscribers will be moved to the standard Unlimited Talk and Text plan. Each of the feebased non-Lifeline plans are \$12.75 more than the corresponding Lifeline plan; however, CBW will offer the fee-based Lifeline subscribers a promotional discount that keeps their rate the same as their Lifeline rate until at least October 1, 2014, unless the subscriber switches to another rate plan prior to that date. If the subscriber makes any rate plan change they will no longer be eligible for the discounted promotional rate.

Subscribers who choose to obtain service through another Lifeline provider can generally switch by contacting the new provider without providing notice to CBW. The benefit transfer is facilitated by the National Lifeline Accountability Database ("NLAD") process and the subscriber need not contact CBW directly unless they have been enrolled in Lifeline for less than 60 days. The NLAD process will not allow a transfer of benefits between providers within the first 60 days; therefore, CBW Lifeline subscribers who have been enrolled for less than 60 days must contact CBW to cancel their Lifeline enrollment before signing up for Lifeline with another carrier. As explained below, CBW will apprise customers of the process to follow when switching to another Lifeline provider.

#### C. Lifeline Customer Notice

On the date this Petition is filed, CBW will notify all existing Lifeline subscribers that it plans to exit the Lifeline program effective July 1, 2014. This notice will be sent via a free SMS text message and a letter sent via U.S. mail. The full copy for these messages is provided in Attachment A. The text message will briefly announce the discontinuance of Lifeline service

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effective July 1, 2014 and direct subscribers to look for the letter containing more details. This initial notification letter will provide the following information. First, it will inform subscribers that they must select a new Lifeline provider by July 1, 2014 or they will be switched to the standard CBW plan that corresponds to their Lifeline plan on that date. However, fee-based (*i.e.*, non-Connect Plan) Lifeline subscribers who choose to stay with CBW will be grandfathered at their existing Lifeline rate until at least October 1, 2014 unless they change to another rate plan, in which case the regular rates for the selected plan will apply. Second, the letter will apprise the subscribers that effective immediately CBW will no longer permit Lifeline subscribers to switch to other CBW Lifeline rate plans. Third, the letter will provide direction on what subscribers need to do to switch to another Lifeline provider and will direct them to the USAC website where they can find a list of alternative Lifeline providers in the state. Finally, the letter will provide a contact number for CBW customer service should subscribers have any questions.

A second set of notices will be sent to Lifeline subscribers when the Commission approves this request. Once again, a free SMS text message will be sent to all CBW Lifeline subscribers informing them that CBW will cease providing Lifeline service effective July 1, 2014 and that they will be changed to the comparable CBW non-Lifeline plan on that date unless they take action to transfer Lifeline service to another provider. Another letter will also be mailed to all CBW Lifeline subscribers reiterating that CBW will cease providing Lifeline service effective July 1, 2014, that transfers among CBW Lifeline plans are no longer permitted, what happens if they decide to remain with CBW after July 1, and what they need to do if they want to switch to another Lifeline service provider. This letter will also provide CBW's customer service number.

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#### D. Cincinnati Bell Website

Effective immediately CBW will update the Lifeline section of its website to apprise current and prospective customers that it plans to withdraw from the Lifeline program effective July 1, 2014. It will remove the current information regarding the CBW Lifeline enrollment process and replace it with the same information that will be contained in the letters that will be sent to subscribers. In addition, the website will include a frequently asked questions section to assist customers evaluating their options and to help them if they decide to switch providers.

#### V. CONCLUSION

As demonstrated above, there are many other service providers offering Lifeline service in CBW's serving area. Therefore, CBW is entitled to relinquish its designation as an ETC. Additionally, CBW will implement its plan for transitioning its existing Lifeline customers to alternative services. As a result, consumers will not be harmed if CBW ceases to provide Lifeline discounted service. Accordingly, CBW respectfully requests that the Commission expeditiously grant this Petition for relinquishment of eligible telecommunications carrier designation so that CBW can facilitate the transfer of its Lifeline subscribers to alternative plans or providers prior to July 1, 2014.

Respectfully submitted,

Douglas E. Hart (KBA #93980) 441 Vine Street, Suite 4192 Cincinnati, Ohio 45202 (513) 621-6709 (513) 621-6981 fax <u>dhart@douglasehart.com</u>

Attorney for Cincinnati Bell Wireless, LLC

April 15, 2014

# Attachment A

# **TEXT MESSAGE FOR CONNECT PLAN CUSTOMERS**

### (To be sent April 15, 2014 and upon approval of CBW's Petition)

Part 1 of 5: Attention Lifeline customer: Effective on July 1, 2014 Cincinnati Bell i-wireless is discontinuing its Lifeline discounted service.

Part 2 of 5: Your plan will change to the Simply 10 pay-per-use plan unless you choose another i-wireless plan or another service provider before July 1, 2014.

Part 3 of 5: A list of Lifeline service providers can be found at http://www.lifelinesupport.org/ls/.

Part 4 of 5: For a list of standard i-wireless plans visit <u>http://iontheweb.com/</u> or visit an i-wireless store.

Part 5 of 5: You will receive a letter with additional information regarding this change to your Lifeline service & you may also call 513-421-1122

# **TEXT MESSAGE FOR MONTHLY SERVICE FEE CUSTOMERS**

# (To be sent April 15, 2014 and upon approval of CBW's Petition)

Part 1 of 6; Attention Lifeline customer: Effective July 1, 2014 Cincinnati Bell i-wireless is discontinuing its Lifeline discounted service.

Part 2 of 6: You will be able to continue your existing service at your current price as a promotion until at least October 1, 2014 or,

Part 3 of 6: you may choose a standard i-wireless plan or change your provider.

Part 4 of 6: A list of Lifeline service providers can be found at http://www.lifelinesupport.org/ls/.

Par 5 of 6: For a list of standard i-wireless plans visit <u>http://iontheweb.com/</u> or visit an i-wireless store.

Part 6 of 6: You will receive a letter with additional information regarding this change to your Lifeline service & you may also call 513-421-1122

#### **LETTER FOR CONNECT PLAN CUSTOMERS**

#### (To be mailed April 15, 2014 and upon approval of CBW's Petition)

<Date>

RE: Discontinuance of Lifeline Service

Dear Cincinnati Bell Wireless Lifeline Customer:

This notice is to inform you that Cincinnati Bell Wireless plans to stop offering Lifeline discounted service effective July 1, 2014. Effective immediately, you will not be permitted to select other Cincinnati Bell i-wireless Lifeline plans. However you can remain on your existing i-wireless service plan Lifeline rate plan until that date. You can continue to purchase standard non-Lifeline Cincinnati Bell i-wireless service, however you cannot receive Lifeline discounted service from Cincinnati Bell i-wireless as of July 1, 2014.

Unless you contact us to change to a different standard non-Lifeline rate plan or discontinue service before July 1, 2014, your current Lifeline account will be automatically converted to the standard non-Lifeline Simply 10 pay-per-use rate plan, effective on that date. The Simply 10 plan features 10¢ per minute calls and 20¢ per text message sent or received. You do not need to contact us if you would like to remain on the Simply 10 plan, but you must have a balance on your account in order to place calls beginning July 1, 2014.

You may change to a standard Cincinnati Bell i-wireless rate plan at any time, but once you change plans you may not return to your current plan. For more information regarding available plans, please visit <u>http://iontheweb.com/</u>, stop by any i-wireless store, or call #TXT from your wireless phone.

If you wish to continue receiving Lifeline discounted service you will need to contact another Lifeline service provider in your area. Lifeline assistance is available from your traditional landline service provider and various wireless providers. A listing of Lifeline service providers is available by visiting <u>http://www.lifelinesupport.org/ls/</u> and selecting "Companies in My State."

If you decide to change providers and you have had Lifeline service with Cincinnati Bell i-wireless for more than 60 days, you should contact the new provider directly; you do not need to contact Cincinnati Bell i-wireless. However, if you have had Lifeline service with Cincinnati Bell i-wireless for less than 60 days, Cincinnati Bell must update your records before a new carrier can process your Lifeline application. Therefore, if you decide to change providers and have been with i-wireless for less than 60 days, please contact Cincinnati Bell at 1-888-248-1642 prior to contacting your new provider so that your benefit can be changed without delay.

Cincinnati Bell i-wireless values your business and apologizes for any inconvenience this decision may cause. If you have any questions regarding this notice, please contact us at 1-888-248-1642.

Sincerely, Michael Vanderwoude SVP/GM Wireless Markets

#### LETTER FOR MONTHLY SERVICE FEE CUSTOMERS

#### (To be mailed April 15, 2014 and upon approval of CBW's Petition)

<Date>

RE: Discontinuance of Lifeline Service

Dear Cincinnati Bell Wireless Lifeline Customer:

This notice is to inform you that Cincinnati Bell Wireless plans to stop offering Lifeline discounted service effective July 1, 2014. Effective immediately you will not be permitted to select other Cincinnati Bell i-wireless Lifeline plans. However you can remain on your existing i-wireless service plan, as a non-Lifeline customer, at your current price until at least October 1, 2014. Although you can continue to purchase standard Cincinnati Bell i-wireless service, you cannot receive Lifeline discounted service from Cincinnati Bell i-wireless as of July 1, 2014. In order to receive Lifeline discounted service you may choose another Lifeline service provider.,

If you would like to remain a Cincinnati Bell i-wireless non-Lifeline customer we will continue to honor your current plan's price until at least October 1, 2014, unless you change your rate plan before that date. You do not need to contact Cincinnati Bell i-wireless to take advantage of this promotional pricing; you will be automatically converted to this plan on July 1, 2014. Prior to the end of this promotional period (October 1, 2014) Cincinnati Bell will notify you of the new price that will apply to your plan.

You may change to a standard Cincinnati Bell i-wireless rate plan at any time; however, if you do so before the end of the promotional period, you will lose any promotional discounts. Once you change plans, you may not return to your current plan. For more information regarding available plans, please visit <u>http://iontheweb.com/</u>, stop by any i-wireless store, or call #TXT from your wireless phone.

If you wish to continue receiving Lifeline discounted service you will need to contact another Lifeline service provider in your area. Lifeline assistance is available from your traditional landline service provider and various wireless providers. A listing of Lifeline service providers is available by visiting <u>http://www.lifelinesupport.org/ls/</u> and selecting "Companies in My State."

If you decide to change providers and you have had Lifeline service with Cincinnati Bell i-wireless for more than 60 days, you should contact the new provider directly; you do not need to contact Cincinnati Bell i-wireless. However, if you have had Lifeline service with Cincinnati Bell i-wireless for less than 60 days, Cincinnati Bell must update your records before a new carrier can process your Lifeline application. Therefore, if you decide to change providers, and have had i-wireless Lifeline for less than 60 days please contact Cincinnati Bell at 1-888-248-1642 prior to contacting your new provider so that your benefit can be changed without delay.

If you have questions or concerns regarding this notice you may contact the Public Utilities Commission of Ohio at 1-800-686-7826.

Cincinnati Bell i-wireless values your business and apologizes for any inconvenience this decision may cause. If you have any questions regarding this notice, please contact us at 1-888-248-1642.

Sincerely, Michael Vanderwoude SVP/GM Wireless Markets