## COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

# PETITION OF IM TELECOM, LLC DBA INFINITI MOBILE FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE COMMONWEALTH OF KENTUCKY

CASE NO. 2016-00276

# ORDER

On July 29, 2016, IM Telecom, LLC d/b/a Infiniti Mobile (Infiniti Mobile), a reseller of Commercial Mobile Radio Service, also known as a Mobile Virtual Network Operator, filed an application under 47 U.S.C. § 214(e)(2) seeking designation as an Eligible Telecommunications Carrier (ETC). Infiniti Mobile requests ETC designation in the service area of its underlying carriers, Sprint Spectrum L.P. (Sprint), Verizon Wireless (Verizon), and T-Mobile USA, Inc. (T-Mobile), including both rural and non-rural exchanges of the incumbent carriers.<sup>1</sup> Infiniti Mobile seeks to receive federal and state low-income Universal Service Fund (USF) support for wireless services.<sup>2</sup> Infiniti Mobile seeks ETC designation only for the purpose of participation in the Lifeline program. Infiniti Mobile does not seek high-cost support.

The application states that: (1) Infiniti Mobile meets all the requirements for designation as an ETC to serve the designated areas in the state of Kentucky;<sup>3</sup> (2) Infiniti

<sup>&</sup>lt;sup>1</sup> Application. p. 3; Infiniti Mobile's Response to the Commission Staff's First Request for Information (Response to Staff's First Request), Item 11.

<sup>&</sup>lt;sup>2</sup> Application at footnote 3.

<sup>&</sup>lt;sup>3</sup> *Id.* at pp. 9–14.

Mobile requests designation in the underlying carrier's licensed service areas in Kentucky;<sup>4</sup> (3) in accordance with 47 U.S.C. § 214(e)(2), Infiniti Mobile seeks to be designated as an ETC solely to provide Lifeline service to qualifying customers in Kentucky;<sup>5</sup> and (4) designation of Infiniti Mobile as an ETC for the designated areas served in Kentucky will serve the public interest.<sup>6</sup>

Infiniti Mobile intends to direct consumers to a toll-free number or the company website for enrollment information and applications.<sup>7</sup> Consumers may either download the enrollment form from Infiniti Mobile's website or may call a toll-free number and request that a form be mailed to them.<sup>8</sup> Consumers will be required to sign up by completing and remitting an application complete with supporting documentation. Infiniti Mobile may also enroll consumers at authorized retail locations and other venues in person.<sup>9</sup> Company personnel will verify the customer's eligibility by using databases and reviewing documentation.<sup>10</sup> Infiniti Mobile will require that prospective customers complete the Lifeline Application and certify that they meet eligibility criteria to participate in Lifeline.<sup>11</sup>

The Commission requires that the Kentucky Universal Service support and the

<sup>7</sup> Id. at p. 6.

<sup>&</sup>lt;sup>4</sup> *Id.* at pp. 14–15.

<sup>&</sup>lt;sup>5</sup> *Id.* at p. 1.

<sup>&</sup>lt;sup>6</sup> Id. at pp. 18–22.

<sup>&</sup>lt;sup>8</sup> *Id.* at p. 6.

<sup>&</sup>lt;sup>9</sup> Response to Staff's First Request, Item 6.

<sup>&</sup>lt;sup>10</sup> Id.

<sup>&</sup>lt;sup>11</sup> Application at p. 6.

Kentucky Telecommunications Relay Service and Telecommunications Access Program support be collected from service providers for each of their wireless customers. Infiniti Mobile states that it will register with the Kentucky 911 Services Board for the purpose of reporting and remitting the statewide wireless 911 fee for wireless carriers.<sup>12</sup> Infiniti Mobile states it will not provide toll-limitation services since its calling plans do not charge any fees for toll calls.<sup>13</sup>

#### DISCUSSION

Pursuant to 47 U.S.C. § 254(e), "only an eligible telecommunications carrier designated under 47 U.S.C. § 214(e) shall be eligible to receive specific federal universal service support." Pursuant to 47 U.S.C. § 214(e)(1)(A) and (B), a common carrier designated as an ETC must offer the services supported by the federal universal service support mechanisms, using either its own facilities or a combination of its own facilities and resale of another carrier's services throughout its designated service area, and it must advertise the availability and charges for those services. Pursuant to 47 U.S.C. § 214(e)(2), state commissions bear the primary responsibility for performing ETC designations. Under the same section, the Commission may, with respect to an area served by a rural telephone company, and shall, in all other cases, designate more than one common carrier as an ETC for a designated service area, consistent with the public interest, convenience, and necessity as long as the requesting carrier meets the requirements of 47 U.S.C. § 214(e)(1). Also, before designating an additional ETC for an area served by a rural telephone company, the Commission must determine that the designation is in the public interest.

<sup>&</sup>lt;sup>12</sup> Staff's First request at Response 6.

<sup>13</sup> Id. at 12.

# REQUIREMENTS FOR ETC DESIGNATION BY THE FEDERAL COMMUNICATIONS COMMISSION (FCC)

In 1997, the FCC issued a Public Notice setting forth the procedures a carrier must use when requesting designation as an ETC from the FCC.<sup>14</sup> The Commission likewise collects similar information pursuant to that Notice. A carrier seeking ETC designation must file a petition providing the following: (1) a certification that the petitioner offers all services designated for support by the Commission pursuant to 47 U.S.C. § 254(c); (2) certification that the petitioner offers the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's services;<sup>15</sup> (3) a description of how the petitioner advertises the availability of the supported services and the charges, therefore, using media of general distribution; and (4) if the petitioner is not a rural telephone company, a detailed description of the geographic service area for which it requests designation as an ETC from the Commission.<sup>16</sup>

In addition, the FCC's rules require that in order to be designated as an ETC, a petitioner must: (1) certify that it will comply with the service requirements applicable to the support that it receives; (2) demonstrate its ability to remain functional in emergency situations; (3) demonstrate that it will satisfy applicable consumer-protection and service-

<sup>16</sup> 47 U.S.C § 214(e)(6).

<sup>&</sup>lt;sup>14</sup> Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act, Public Notice, 12 FCC Rcd 22947, 22948 (1997) (Section 214(e)(6) Public Notice).

<sup>&</sup>lt;sup>15</sup> Lifeline Reform Order, FCC 12-11 at ¶ 368 (adopting a blanket forbearance of the facilities requirement of 47 U.S.C § 214(e)(1)(A) for non-facilities based carriers that seek limited ETC designation to participate in the Lifeline program) ("Lifeline Reform Order"). *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42; *Lifeline and Link Up*, WC Docket No. 03-109; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 12-23; *Report and Order and Further Notice of Proposed Rulemaking*, Adopted: January 31, 2012; Released: February 6, 2012.

quality standards; (4) demonstrate that it is financially and technically capable of providing the Lifeline service; and (5) submit information describing the terms and conditions of any voice telephony 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.<sup>17</sup>

Prior to designating an ETC pursuant to 47 U.S.C. § 214(e)(6), the Commission must determine whether such designation is in the public interest.<sup>18</sup> In determining the public interest, the Commission historically has considered the benefits of increased consumer choice and the unique advantages and disadvantages of the petitioner's service offering.

The federal universal service Lifeline program is designed to reduce the monthly cost of telecommunications service for qualifying consumers. The Lifeline program reimburses ETCs for providing qualifying low-income consumers with discounts of \$9.25 off the monthly cost of their telephone service.<sup>19</sup> The Kentucky Lifeline program provides additional reimbursement to ETCs for providing eligible consumers with discounts of up to an additional \$3.50 off the monthly cost of their telephone service.<sup>20</sup> As described below, Infiniti Mobile has provided the Commission with the information required for designation as an ETC in the service area at issue. We find that the public interest supports such designation, subject to Infiniti Mobile's compliance with the representations

<sup>17 47</sup> C.F.R. § 54.202(a).

<sup>&</sup>lt;sup>18</sup> 47 U.S.C. § 214(e)(6); and 47 C.F.R. § 54.202(b).

<sup>19 47</sup> C.F.R. § 54.403(a)(1).

<sup>&</sup>lt;sup>20</sup> Administrative Case No. 360, *An Inquiry into Universal Service and Funding Issues* (Ky. PSC May 22, 1998), at 37, determining Kentucky USF support of \$3.50 per line per month.

and commitments made by Infiniti Mobile in its application and the FCC's rules. Infiniti Mobile must also comply with the conditions set forth in its compliance plan.<sup>21</sup>

# OFFERING THE SERVICES DESIGNATED FOR SUPPORT

Petitioners for ETC designation must certify that they offer all services designated for support by the Commission pursuant to 47 U.S.C § 254(c).<sup>22</sup> Infiniti Mobile has demonstrated through the required certifications and related filings that it now offers or will offer upon designation as a limited ETC, the voice telephony services supported by the Lifeline program. Infiniti Mobile certifies that it now provides, or will provide throughout its designated service area, the services and functionalities enumerated in 47 C.F.R. § 54.101(a) throughout the licensed service areas of its underlying carriers.<sup>23</sup>

# OFFERING THE SUPPORTED SERVICES USING A CARRIER'S OWN FACILITIES

Generally, petitioners for ETC designation must certify that they will offer the supported services using either their own facilities or a combination of their own facilities

<sup>21</sup> Application at Ex. 4.

<sup>22</sup> See 47 U.S.C. § 214(e)(1)(A), § 214(e)(6) Public Notice, 12 FCC Rcd at 22948, paragraph 2.

<sup>&</sup>lt;sup>23</sup> Specifically, Infiniti Mobile certifies that it provides voice telephony services supported by federal universal service support mechanisms, as set forth in 47 C.F.R. § 54.101, which includes: (1) voice-grade access to the public switched telephone network; (2) local usage; (3) access to emergency services; and (4) Lifeline service plans that do not distinguish between toll and non-toll calls in the pricing of service. *See* application at pp. 12-14. In the *Lifeline Reform Order*, the FCC adopted rules that provide that toll-limitation service is no longer necessary for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of service. *See Lifeline Reform Order* at paragraph 49.

and the resale of another carrier's services.<sup>24</sup> In its *Lifeline Reform Order*,<sup>25</sup> the FCC decided to forbear, on its own motion, from applying the facilities requirement of 47 U.S.C. § 214(e)(1)(A) to any telecommunications carrier that seeks limited ETC designation to participate in the Lifeline program, conditioned on the ETC's compliance with certain 911 requirements and the ETC's filing with and approval by the FCC of a compliance plan describing the ETC's adherence to certain protections prescribed by the FCC. Infiniti Mobile opted to pursue forbearance. On August 8, 2012, the FCC approved Infiniti Mobile's Compliance Plan ('Compliance Plan).<sup>26</sup> A copy of the approved Compliance Plan was included with the application as Exhibit 3.

Infiniti Mobile, in its provision of wireless services, will offer resold services which Infiniti Mobile will obtain from its underlying wireless providers Sprint, Verizon, and T-Mobile. The service area footprint of its underlying carrier allows Infiniti Mobile to provide coverage throughout many markets where eligible consumers need service. Through its service arrangements, Infiniti Mobile has shown it is able to offer all of the services and functionalities supported by the universal-service program, as detailed in 47 C.F.R. § 54.101(a), throughout its service area.

# ADVERTISING SUPPORTED SERVICES

Petitioners for ETC designation must advertise the availability of the supported services and the charges thereof using media of general distribution and provide a description of

<sup>&</sup>lt;sup>24</sup> 47 U.S.C. § 214(e)(6) Public Notice, 12 FCC Rcd at 22949; See also 47 U.S.C. § 214(e)(1)(A); Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (TracFone Forbearance Order).

<sup>&</sup>lt;sup>25</sup> See generally Lifeline Reform Order.

<sup>&</sup>lt;sup>26</sup> Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11–42 et al., Public Notice, DA 12-1286 (August 8, 2012).

how they will do so.<sup>27</sup> Infiniti Mobile has committed to advertising the availability of the supported services using media of general distribution.<sup>28</sup> In addition, Infiniti Mobile has committed to advertising and promoting the availability of Lifeline services in a manner reasonably designed to reach those likely to qualify for Lifeline.<sup>29</sup> To increase accountability within the program and to target support where it is needed most, the FCC has adopted rules requiring ETCs to explain in their marketing materials that Lifeline service is a government benefit, that the individual must be eligible to receive the benefit, and that the consumer may receive no more than one benefit at a time from the program.<sup>30</sup> Infiniti Mobile has demonstrated its commitment to comply with these FCC rules regarding the marketing of Lifeline service.<sup>31</sup>

## DESIGNATED SERVICE AREAS

Petitioners for ETC designation must provide a detailed description of the geographic service area for which they seek designation.<sup>32</sup> In its application, Infiniti Mobile seeks designation as a limited ETC, eligible only for Lifeline support, in the rural and non-rural exchanges of the incumbent local exchange carrier of its underlying carriers, Sprint, Verizon, and T-Mobile.<sup>33</sup> In its Response to Staff's First Request, Item 11, Infiniti Mobile stated it understood that the Commission had historically limited designations to non-rural

- <sup>31</sup> Application at pp. 12–14.
- <sup>32</sup> Section 214(e)(6), Public Notice, 12 FCC Rcd at 22949, paragraph 5.
- <sup>33</sup> Application at p. 16 and Exhibit 7.

<sup>&</sup>lt;sup>27</sup> 47 U.S.C. § 214(e)(1)(B); § 214(e)(6) Public Notice, 12 FCC Rcd at 22949, paragraph 4.

<sup>&</sup>lt;sup>28</sup> Application at pp. 12–14.

<sup>&</sup>lt;sup>29</sup> Id.

<sup>&</sup>lt;sup>30</sup> Lifeline Reform Order at paragraphs 274-77; 47 C.F.R. § 54.405.

areas. It also stated to the extent the Commission supported the designation expansion to rural areas Infiniti Mobile would be willing to provide service in those areas subject to sufficient coverage of its underlying carriers.<sup>34</sup> The Commission supports such expansion of the coverage area. However, in response to the Commission Staffs' Second Request for Information (Staff's Second Request), Item 6, Infiniti Mobile states that it has no intention to expand its coverage to rural areas.

#### COMPLIANCE WITH APPLICABLE SERVICE REQUIREMENTS

Petitioners for ETC designation must certify that they will comply with all service requirements applicable to the support they receive.<sup>35</sup> The Commission finds that Infiniti Mobile has demonstrated its commitment to comply with the FCC's Lifeline rules, and specifically to comply with the rules regarding consumer enrollment and certification of eligibility.<sup>36</sup> The Commission also finds that Infiniti Mobile's sample Lifeline certification forms used for consumer enrollment, and attached as exhibits to its application, satisfy the FCC's rules.<sup>37</sup>

#### ABILITY TO REMAIN FUNCTIONAL IN EMERGENCY SITUATIONS

Petitioners for ETC designation must demonstrate their ability to remain functional in emergency situations.<sup>38</sup> Infiniti Mobile provides service to its customers through other carriers; therefore, it is able to provide to its customers the same ability to remain

38 47 C.F.R. § 54.202(a)(2).

<sup>&</sup>lt;sup>34</sup> Staff's First Request, Response to Item 11.

<sup>35 47</sup> C.F.R. § 54.202(a)(1)(i).

<sup>&</sup>lt;sup>36</sup> Application at p. 15.

<sup>&</sup>lt;sup>37</sup> Application Ex. 3; 47 C.F.R. § 54.410 (setting forth the Commission rules on subscriber eligibility determination and certification); and *Lifeline Reform Order* at Appendix C (setting forth certification requirements for Lifeline subscribers).

functional in emergency situations as is currently provided by its underlying wireless providers to their respective customers. Such service includes access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. The Commission finds that Infiniti Mobile has demonstrated its ability to remain functional in emergency situations.<sup>39</sup>

## SATISFACTION OF APPLICABLE CONSUMER PROTECTION AND SERVICE-QUALITY STANDARDS

Petitioners for ETC designation must demonstrate that they will satisfy applicable consumer-protection and service-quality standards.<sup>40</sup> Infiniti Mobile has committed to providing applicable consumer-protection and service-quality standards, including compliance with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service.<sup>41</sup>

The Commission finds that Infiniti Mobile's commitments provide sufficient consumer protection and service quality to consumers.

#### FINANCIAL AND TECHNICAL CAPABILITY

Petitioners for ETC designation must demonstrate that they are financially and technically capable of providing Lifeline-supported services.<sup>42</sup> Infiniti Mobile states that it has been providing services since 2012 for Lifeline and non-Lifeline customers and is therefore not dependent alone on universal service revenues.<sup>43</sup> Infiniti Mobile is only

- <sup>42</sup> 47 C.F.R. § 54.202(a)(4); See also Lifeline Reform Order at paragraph 387.
- <sup>43</sup> Application at p. 17.

<sup>&</sup>lt;sup>39</sup> Application at pp. 15.

<sup>40 47</sup> C.F.R. § 54.202(a)(3).

<sup>&</sup>lt;sup>41</sup> Application at p.16; See also 47 C.F.R. § 54.202(a)(3).

providing service in the state of Oklahoma. Infiniti Mobile has pending applications for ETC Designation in 12 states and with the FCC. Infiniti Mobile has been designated as an ETC in Vermont, Maryland, and Georgia since filing its application in this proceeding.<sup>44</sup>

The FCC, in evaluating whether a company has the financial and technical capabilities to be compliant with 47 C.F.R. § 54.202(a)(4), considers: a carrier's prior offering of service to non-lifeline customers; the length of time the carrier has been in business; whether the carrier relies exclusively on Lifeline reimbursement to operate; whether the carrier receives revenue from other sources; and whether the carrier has been subject to enforcement action or ETC revocation proceeding in any state. Based on the foregoing, the Commission finds that Infiniti Mobile is financially and technically capable of providing Lifeline-supported services.

## INFORMATION REGARDING THE TERMS AND CONDITIONS OF LIFELINE PLANS

Petitioners for ETC designation must submit information regarding the terms and conditions of any voice telephony plans they offer to Lifeline subscribers.<sup>45</sup> Infiniti Mobile plans to offer a single Lifeline plan in Kentucky. The Lifeline plan will include a free phone and 750 minutes of nationwide coverage calling and 1,700 text messages per month.<sup>46</sup> Customers can purchase additional minutes or text messages at the rate of \$5.00 per 100 units or 100mb of data for \$5.00.<sup>47</sup> Calls to 911 emergency services and customer service are free, regardless of service activation or availability of minutes.<sup>48</sup>

47 Id.

<sup>&</sup>lt;sup>44</sup> Id. at Item 3 and Response to Staff's Second Request Item 6.

<sup>45 47</sup> C.F.R. § 54.202(a)(5).

<sup>&</sup>lt;sup>46</sup> Response to Staff's Second Request, Item 1.

<sup>&</sup>lt;sup>48</sup> Application at 5.

The FCC's Third Report and Order, Further Report and Order, and Order on Reconsideration Adopted March 31, 2016,<sup>49</sup> set forth minimum thresholds for Lifeline carriers offering voice service. The FCC determined that mobile carriers offering voice-only service should provide 1,000 minutes per month.<sup>50</sup> However, the FCC did adopt a transition period beginning with an initial minimum of 500 minutes increasing to 1,000 minutes on December 1, 2018.<sup>51</sup> Beginning December 2, 2016, mobile voice carriers must offer at least 500 minutes per month to voice subscribers. Additionally, the FCC ordered that mobile Lifeline providers must offer 500 MB of data per month beginning December 2, 2016.<sup>52</sup> Because the December 1, 2018 deadline has passed for the provision of increased monthly minutes for voice service, Infiniti Mobile should be required to file updated information to prove that it still meets the standards to be designated as an ETC. Based on the foregoing, the Commission finds that, upon a satisfactory showing that it meets the minimum minute requirements for the provision of Lifeline voice service, Infiniti Mobile will satisfy 47 C.F.R. § 54.408.

#### PUBLIC INTEREST ANALYSIS

Prior to designating an ETC, the Commission must determine whether such designation is in the public interest.<sup>53</sup> Assuming that Infiniti Mobile's plans satisfy the

52 Id. paragraph 93.

<sup>&</sup>lt;sup>49</sup> In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, WC Docket No. 11-42, WC Docket No. 00-197, WC Docket No. 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2106) (Third Report and Order).

<sup>&</sup>lt;sup>50</sup> *Id.* paragraph 100.

<sup>51</sup> Id. paragraph 102.

<sup>53</sup> See 47 U.S.C. § 214(e)(6) and 47 C.F.R. § 54.202(b).

current FCC requirements, we find that Infiniti Mobile offers Lifeline plans that will provide a variety of benefits to Lifeline-eligible consumers, including increased consumer choice, high-quality service offerings, and mobility. New entrants in the Lifeline service market should incent existing ETCs to offer better service and terms to their subscribers.

Infiniti Mobile will provide competitive wireless services throughout its service area in Kentucky. Infiniti Mobile is a reseller of wireless service, and it will offer all of the services and functionalities detailed in 47 C.F.R. § 54.101(a), ensuring that Infiniti Mobile can provide services to customers throughout the service area.<sup>54</sup>

The Commission recognizes that the designation of Infiniti Mobile as an ETC also creates competitive pressure for other wireline and wireless providers that are designated as ETCs within the proposed service areas. In order to remain competitive in low-income markets, all providers will have greater incentive to improve coverage and customer service, increase service offerings, and lower prices. Consistent with federal law, the designation benefits consumers by allowing Infiniti Mobile to offer the services designated for support at rates that are "just, reasonable, and affordable."<sup>55</sup> Infiniti Mobile plans to offer affordable wireline telecommunications service to qualified low-income consumers at a prepaid flat rate so that consumers may manage their telecommunications costs, and they will have the ability to control long-distance costs with prepaid plans as well.<sup>56</sup>

In order to promote public safety and safeguard against waste, fraud, and abuse in the Lifeline program, the Commission finds it necessary to require Infiniti Mobile to

<sup>&</sup>lt;sup>54</sup> Application at 4 and 16.

<sup>55 47</sup> U.S.C. § 254(b)(1).

<sup>&</sup>lt;sup>56</sup> Application at 18.

comply with certain conditions. The designation of Infiniti Mobile as a limited ETC is conditioned on Infiniti Mobile's compliance with: (1) the representations and commitments made by Infiniti Mobile in its ETC application and its Compliance Plan; and (2) the FCC rules, including those adopted by the FCC in the Lifeline Reform Order and the Third Report and Order, Further Report and Order, and Order on Reconsideration Adopted March 31, 2016.<sup>57</sup>

Subject to the above-stated conditions, the Commission finds that designating Infiniti Mobile as an ETC eligible only to receive Lifeline support is in the public interest.

## REGULATORY OVERSIGHT

Under 47 U.S.C. § 254(e), petitioners are required to use the specific universalservice support they receive "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."<sup>58</sup> An ETC receiving Lifeline support uses that support as intended when it reduces the price of its telecommunications services by the amount of the support for the eligible consumer.<sup>59</sup>

As previously noted, Infiniti Mobile has an FCC-approved compliance plan that currently governs its provision of Lifeline service.<sup>60</sup> In providing Lifeline services pursuant to the conditional ETC designation granted herein, Infiniti Mobile must comply with the

<sup>&</sup>lt;sup>57</sup> See generally Lifeline Reform Order and In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, WC Docket No. 11-42, WC Docket No. 00-197, WC Docket No. 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2106).

<sup>&</sup>lt;sup>58</sup> 47 U.S.C. § 254(e). We note that because petitioners are not eligible to receive federal universal service high-cost support, they are not required to file reports and certifications pursuant to 47 C.F.R § 54.313.

<sup>&</sup>lt;sup>59</sup> See TracFone Forbearance Order, 20 FCC Rcd at 15105-06, paragraph 26.

<sup>&</sup>lt;sup>60</sup> Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11-42 et al., Public Notice, DA 12-828 (December 26, 2012).

measures described in its existing compliance plan and in its application, as well as the FCC's rules.

Finally, we note that the Commission or the FCC may institute an inquiry on its own motion to examine the petitioner's records and documentation to ensure that the petitioner is using the universal-service support it receives for the purpose intended.<sup>61</sup> The petitioner is required to provide such records and documentation to the Commission, the FCC, or Universal Service Administration Company (USAC) upon request. We further emphasize that, if the petitioner fails to fulfill the requirements of the Act, the FCC's rules, or the terms of this Order after it begins receiving universal-service support, the Commission may exercise its authority to revoke such petitioner's ETC designation.<sup>62</sup> The FCC also may assess forfeitures for violations of FCC rules and orders.<sup>63</sup>

#### ANNUAL CERTIFICATION AND VERIFICATION

Each year Infiniti Mobile will require all Lifeline subscribers to recertify their head of household status, certify that only one Lifeline discount is received at their household, and document their continued program eligibility for Lifeline in accordance with the annual Lifeline Certification and Verification for USAC that is due annually.<sup>64</sup> The Commission finds that Infiniti Mobile's plan to meet the annual certification and verification requirements is in accordance with the FCC's requirements.<sup>65</sup>

<sup>61 47</sup> U.S.C. §§ 220, 403.

<sup>&</sup>lt;sup>62</sup> See Federal-State Joint Board on Universal Service; Western Wireline Corp. Petition for Preemption of an Order of the South Dakota Public Utilities Commission, CC Docket No. 96-45, Declaratory Ruling, 15 FCC Rcd 15168, 15174, paragraph 15 (2000); See also 47 U.S.C. § 254(e).

<sup>63</sup> See 47 U.S.C. § 503(b).

<sup>64</sup> Case No. 2012-00146, Lifeline Reform (Ky. PSC May 1, 2012).

<sup>65</sup> Application at 15–17.

The Commission, having reviewed the evidence of record and having been otherwise sufficiently advised, HEREBY ORDERS that:

1. The designation of Infiniti Mobile as a limited ETC is conditioned on Infiniti Mobile's compliance with: (1) the representations and commitments made by Infiniti Mobile in its ETC application and its Compliance Plan; and (2) the FCC rules, including those adopted by the FCC in the Lifeline Reform Order.

 Infiniti Mobile is designated as a limited ETC for the purpose of offering Lifeline service only in the underlying carrier's non-rural licensed service area in Kentucky.

3. During the current certification period, Infiniti Mobile shall be eligible to receive federal USF and state support for Lifeline.

4. Infiniti Mobile shall advertise the availability of and charges for these services using media of general distribution.

 Infiniti Mobile shall comply with the FCC's annual certification process for Lifeline customers.

Infiniti Mobile is a utility under the definitions contained in KRS 278.010(3) and shall include revenue generated from the sale of intrastate wireless service, including Lifeline revenues, in its reports filed pursuant to KRS 278.140.

7. A copy of this Order shall be served upon the FCC and the USAC.

8. Within 30 days of the date of this Order, Infiniti Mobile shall file proof with the Commission showing that it meets the minimum minute requirements for the provision of Lifeline voice service.

9. Any documents filed in the future pursuant to ordering paragraph 8 shall reference this case number and shall be retained in the post-case correspondence file.

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10. This case is closed and removed from the Commission's docket.

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By the Commission

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	JUN 06 2019	
	KENTUCKY PUBLIC SERVICE COMMISSION	

ATTEST:

Mure R. Punson **Executive Director** 

Case No. 2016-00276

\*Honorable Matthew R Malone Attorney at Law Hurt, Deckard & May The Equus Building 127 West Main Street Lexington, KENTUCKY 40507

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