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PLLC

2000 PNC PLAZA 500 WEST JEFFERSON STREET LOUISVILLE, KY 40202-2828 MAIN: (502) 333-6000 FAX: (502) 333-6099 www.skofirm.com DOUGLAS F. BRENT DIRECT DIAL: 502-568-5734 DIRECT FAX: 502-333-6099 douglas.brent@skofirm.com

April 13, 2011

Jeffrey DeRouen Executive Director Kentucky Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, KY 40601

# RE: In the Matter of: Application of Easy Telephone Service Company d/b/a Easy Wireless For Designation as an Eligible Telecommunications Carrier on a Wireless Basis (Low Income Only)

Dear Mr. DeRouen:

Enclosed please find an original and ten copies of Easy Telephone Service Company's ("Easy Wireless") Petition for Designation as an Eligible Telecommunications Carrier.

Please place your file stamp on the extra copy and return to me via the enclosed selfaddressed, postage paid envelope.

If you have any questions concerning this filing, please do not hesitate to contact me. Thank you very much for your attention to this matter.

Sincerely yours,

Douglas F. Brent

DFB: jms Enclosure

#### **COMMONWEALTH OF KENTUCKY**

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

IN THE MATTER OF THE)APPLICATION OF EASY TELEPHONE)SERVICE COMPANY D/B/A EASY)WIRELESS FOR DESIGNATION AS AN)ELIGIBLE TELECOMMUNICATIONS)CARRIER ON A WIRELESS BASIS)(LOW INCOME ONLY))

RECEIVED

Case No. 2011-00

PUBLIC SERVICE COMMISSION

APR 1 5 2011

# APPLICATION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER ON A WIRELESS BASIS

COMES NOW Easy Telephone Services Company d/b/a Easy Wireless ("Easy Wireless" or the Company") and, pursuant to the Federal Communications Act of 1934, as amended (the "1996 Act"), 47 U.S.C. § 214(e) and Federal Communications Commission ("FCC") rules related to Universal Service, 47 C.F.R. §§ 54.101 through 54.207 (the "FCC Rules"), hereby requests that the Kentucky Public Service Commission (the "Commission") designate Easy Wireless as an Eligible Telecommunications Carrier ("ETC") throughout the area defined by any overlap' between its wireless coverage area and the exchanges of any Kentucky incumbent local exchange carrier, (the "Service Area") for the purpose of receiving federal universal service support for wireless services. ETC status will enable Easy Wireless to compete in the business of providing Lifeline service and Link-Up benefits to hundreds of thousands of Kentucky

<sup>&</sup>lt;sup>1</sup> In its *Tracfone* decision the Commission found that a wireless reseller seeking ETC status can satisfy the requirement to identify its service area by identifying its underlying carrier and providing other information that explains the extent of its service territory. Order, Case No. 2009-00100 (Nov. 24, 2010). Upon satisfying the Commission's identification requirements Tracfone was designated an ETC "in Kentucky" for the limited purpose of offering Lifeline and Link Up Service. Easy Wireless currently provides service using Sprint as its underlying carrier.

customers eligible for this federal program. In further support of its Application, Easy Wireless states as follows:

Easy Wireless is a Florida corporation with its principal offices located at 2303
SE 17<sup>th</sup> Street, Suite 102, Ocala Florida 34471. Easy Wireless is qualified to do business in the Commonwealth of Kentucky.

2. Easy Wireless is a utility and has registered with the Commission as a provider of non-basic services. As a registered utility Easy Wireless will be subject to regulatory assessments as set forth in KRS 278.130, 278.140, and 278.150.

3. Correspondence or communications pertaining to this Application should be directed to Easy Wireless' representatives:

Douglas F. Brent STOLL KEENON OGDEN PLLC 2000 PNC Plaza 500 West Jefferson Street Louisville, Kentucky 40202 Telephone: (502) 568-5734 Facsimile: (502) 568-0934 Douglas.brent@skofirm.com

And

Stanley Q. Smith WATKINS LUDLAM WINTER & STENNIS, P.A. 190 E. Capitol Street, Suite 800 (39201) P. O. Box 427 Jackson, Mississippi 39205-0427 Telephone: (601) 949-4863 Facsimile: (601) 949-4804 stansmith@watkinsludlam.com

4. Questions concerning the ongoing operations of Easy Wireless following

certification should be directed to:

Joseph A. Fernandez Easy Telephone Services Company 2303 SE 17<sup>th</sup> Street, Suite 102 Ocala, Florida 34471 Telephone: (352) 433-2116 Email: jsf@htcoffl.com

5. As a result of the work and cooperation of federal and state regulators, the FCC has adopted a number of cost recovery policies and mechanisms designed to promote and maintain universal service (the "Universal Service Fund" or "USF"). The Universal Service Fund was established, in part, to provide support to qualifying low-income communications end-users such as those serviced by Easy Wireless. Mechanisms were also established in an effort to moderate the amount of costs to be recovered through basic, recurring charges to low-income users, thereby assisting efforts to maintain reasonable basic rate levels. The Lifeline and Link-Up service offered by Easy Wireless provide important benefits that are especially needed by low-income Kentucky residents in this time of economic downturn. As the Commission is aware, since the recession began, 5.1 million jobs have been lost nationally, with nearly two-thirds (3.1 million) of the decrease occurring in the last 5 months.<sup>2</sup> By August of 2010, the number of unemployed persons in America totaled 14.9 million, and the unemployment rate rose to 9.6 percent.<sup>3</sup> As of July, 2010 Kentucky's unemployment rate was reported to be 9.9 percent<sup>4</sup>, which has a significant impact on many residents of the state.

6. Although several carriers are eligible to provide Lifeline service in Kentucky, the market remains underserved, perhaps because many eligible customers do not understand this important federal benefit. It was for this reason that Kentucky Governor Steve Beshear

<sup>&</sup>lt;sup>2</sup> Source United States Department of Labor Bureau of Labor Statistics.

 $<sup>^3</sup>$  Id.

<sup>&</sup>lt;sup>4</sup> *Id*.

proclaimed September 13-19, 2010 as Lifeline Awareness Week to focus attention on the program. PSC Chairman Armstrong supported this effort and stated "The Lifeline and Link-Up programs are one of the best ways for eligible households to reduce their monthly costs for essential utility services" while noting that Kentuckians participate at a lower rate than in many neighboring states, suggesting that "there are many eligible Kentuckians who do not participate in the program."

One reason for reduced participation is that many eligible customers would prefer a wireless phone due to the unique benefit of mobility it provides. The availability of a mobile telephone may be critical to the efforts of the unemployed to find work. Without a regular paycheck, wireless telephone service is a luxury beyond the means of many of those persons. Designating Easy Wireless as an ETC will serve the public interest by increasing participation of qualified consumers in the Lifeline and Link-Up programs, fulfilling the Governor's objective by contributing to an overall increase in the number of Kentucky residents receiving Lifeline and Link-Up and an increase to the amount of federal USF dollars benefiting Kentucky residents.

7. Since January 1, 1998, a competitive local exchange carrier qualifies to receive the universal service support set forth above only if it has been designated by a state regulatory agency as an ETC. The Universal Service Fund therefore represents significant additional resources which could greatly benefit the consumers and businesses of the State of Kentucky upon the designation of Easy Wireless as an ETC.

8. Easy Wireless requests that the Commission, by order, designate the company as an ETC throughout its Service Area. As described below, Easy Wireless seeks ETC status on a

wireless basis beginning as soon as possible in 2010 upon approval by the Commission. Easy Wireless is not seeking ETC designation on a wireline basis.

9. Pursuant to this Application, Easy Wireless requests ETC status solely for the purpose of providing the services supported by, and participating in the Low Income Programs of, the Universal Service Fund. Easy Wireless does not request ETC status for the purpose of participating in any High Cost programs of the Universal Service Fund. Such action is entirely consistent with both the 1996 Act and the public interest of the State of Kentucky.

10. ETC designation will enhance Easy Wireless' ability to provide service to low income consumers within the Service Area, and since this Application is solely for the purpose of receiving low income universal service support, Easy Wireless' new wireless offering will supplement and not detract from the provision of supported services in such area. Easy Wireless will provide the supported services using a combination of its own facilities and resale of other carriers' services while advertising the availability of those services using media of general distribution. Under Easy Wireless' proposed Low Income wireless offering, each eligible wireless customer will receive a handset at no cost to the subscriber.

11. Consistent with the requirements of the 1996 Act, 47 U.S.C. § 214 (e) (6) and Sections 54.101 through 54.207 of the FCC Rules, Easy Wireless, in its provision of wireless services, will rely on a combination of resold wireless services and Company-owned facilities, thus allowing Easy Wireless to meet the FCC's test that requires an ETC to provide services, at least in part, through a "combination of its own facilities and resale of another carrier's

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services".<sup>5</sup> Easy Wireless owns and operates a Class 5 central office switch in Boca Raton, Florida<sup>6</sup> and Easy Wireless' wireless directory assistance traffic for Kentucky customers will be switched through that facility. That arrangement allows Easy Wireless to select from alternative wholesale providers of directory assistance services and route traffic economically. As a result, Easy Wireless is able to offer directory assistance to prepaid customers at with no expense other than for regular minutes of use.

12. Easy Wireless obtains wholesale services of commercial mobile radio service ("CMRS") providers. Through these arrangements, Easy Wireless is able to offer all of the services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC Rules<sup>7</sup>, throughout its Service Area.

13. Easy Wireless' Florida-based facilities are co-located with other carriers' facilities and provide Easy Wireless the ability to route directory assistance services, which are among the supported services.<sup>8</sup>

14. Currently, there is no state or federal definition or requirement as to the number of, or the amount of, the supported services that an ETC must offer via its "own facilities." The ETC must provide some portion of the supported facilities through the use of the same, which Easy Wireless does. Therefore, Easy Wireless is able to meet the federal requirement that an ETC must offer the supported services at least in part through the use of its own facilities.

<sup>&</sup>lt;sup>5</sup> See 47 U.S.C. § 214(e)(1)(A).

<sup>&</sup>lt;sup>6</sup> Easy Wireless provides wireline service in South Florida and has collocated end-office equipment in four (4) AT&T central offices in that area.

<sup>&</sup>lt;sup>7</sup> See 47 C.F.R. § 54.101(a).

<sup>&</sup>lt;sup>8</sup> See 47 C.F.R. § 54.101(a)(7).

Additionally, Federal law does not require any particular level of facilities. The FCC stated in its Universal Service Order, 12 FCC Rcd 8853, FCC 97-157 ("USF Order"), at para. 169 that:

We adopt the Joint Board's analysis and conclusion that a carrier need not offer universal service wholly over its own facilities in order to be designated as eligible because the statute allows an eligible carrier to offer the supported services through a combination of its own facilities and resale. Although the Joint Board did not reach this issue, we find that the statute does not dictate that a carrier use a specific level of its "own facilities" in providing the services designated for universal service support given that the statute provides only that a carrier may use a "combination of its own facilities and resale" and does not qualify the term "own facilities" with respect to the amount of facilities a carrier must use. For the same reasons, we find that the statute does not require a carrier to use its own facilities to provide each of the designated services but, instead, permits a carrier to use its own facilities to provide at least one of the supported services.

15. In affirming its own decisions, the FCC chose to continue to define the term "own facilities" as "*any physical components* of the telecommunications network that are used in the transmission of the services that are designated for support"<sup>9</sup> (emphasis added). The 1996 Act's definition of "network element" matches that of the FCC and defines a "network element" as "a facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service.<sup>11</sup>

<sup>&</sup>lt;sup>9</sup> See 47 C.F.R. § 54.101; 47 C.F.R. § 54.201(e).

<sup>&</sup>lt;sup>10</sup> See 47 U.S.C. § 153(29).

<sup>&</sup>lt;sup>11</sup> Only ILEC network elements can be designated as "unbundled" under 47 U.S.C. § 251(c)(3) using the criteria in 47 U.S.C. § 251(d)(2), but all facility-based carriers, including nondominant wireline and wireless carriers also have "network elements."

Designation of Easy Wireless as an ETC on a wireless basis is in the public 16. interest of the Commonwealth of Kentucky and its low-income telecommunications end-users. Under the 1996 Act, "[u]pon request and consistent with the public interest, convenience and necessity"<sup>12</sup> the Commission shall "designate more than one common carrier as an eligible telecommunications carrier for a service area designated"<sup>13</sup> by the Commission. In doing so, the Commission "shall find that the designation is in the public interest."<sup>14</sup> The FCC Rules require that an ETC application demonstrate that designation would be consistent with the public interest, convenience and necessity, and that prior to designating an ETC pursuant to section 214(e)(6), the Commission "shall consider the benefits of increased consumer choice, and the unique advantages...of the applicant's service offering."<sup>15</sup> Pursuant to this requirement, Easy Wireless provides the following information which clearly demonstrates that Easy Wireless' designation as an ETC on a wireless basis is consistent with the public interest, convenience and necessity, providing consumers with increased competitive choice through the offering of a unique service. Easy Wireless affirms that its ETC designation meets these FCC criteria as described below.

(a) Increased Competitive Choice. The FCC has determined that while designation of competitive ETCs promotes and benefits consumers by increasing customer choice, designation must include "an affirmative determination that such designation is in the public interest regardless of whether the applicant seeks designation in an area served by a rural

<sup>&</sup>lt;sup>12</sup> 47 C.F.R. § 54.201(c).

<sup>&</sup>lt;sup>13</sup> Id.

<sup>&</sup>lt;sup>14</sup> Id.

<sup>&</sup>lt;sup>15</sup> 47 C.F.R. § 54.202(c).

or non-rural carrier.<sup>16</sup> Easy Wireless is seeking ETC designation on a wireless basis which will provide an additional valuable alternative to the existing telecommunications services currently available in these areas and will promote competition and facilitate the provision of advanced communications services to low-income residents of Kentucky.

Easy Wireless believes that there are significant areas within its proposed ETC service area in which its target market, low income citizens, are underserved by wireless telephone facilities. Easy Wireless naturally assumes the responsibility to convince those citizens of the relative value of its services compared to the services of other ETCs, including wireline providers. As noted above, the mobility of Easy Wireless' prepaid wireless service will assist low income consumers who often must drive significant distances to places of employment, stores, schools, and other critical community locations, and it will provide timely access to emergency services as and when needed. Accordingly, it is an influential characteristic of the proposed offering.

Other public interest benefits of inclusion of the Company's wireless service include larger local calling areas (as compared to traditional wireline carriers), the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage in the event that included usage has been exhausted, 9-1-1 service and, where available, E-9-1-1 service in accordance with current FCC requirements.

The inclusion of toll calling as a part of Easy Wireless' wireless offering, along with the fact that service is provided without a monthly recurring charge, will allow consumers to avoid

<sup>&</sup>lt;sup>16</sup> See Federal-State Joint Board on Universal Service. 20 FCC Rcd 6371, ¶ 42 (2005)

the risk of becoming burdened with large and unexpected charges for toll calling and unexpected overage charges.

Designation of the Company as an ETC on a wireless basis will also provide other carriers serving the same area an incentive to improve their existing networks and service offerings in order to remain competitive, which will result in improved consumer services and will also benefit consumers by allowing Easy Wireless to offer the services designated for support at rates that are "just, reasonable, and affordable."<sup>17</sup>

As provided by the 1996 Act, the availability of basic telecommunications services to low-income consumers is critical to the provision of public health, safety, and other services. In addition, the FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the resulting variety of telecommunications services they provide.<sup>18</sup> This is of particular interest in cases where wireless providers, such as Easy Wireless, seek to provide services as alternatives to those of the traditional carriers. In the *Highland Cellular*<sup>19</sup> case, the FCC recognized and affirmed that some households may not have access to the public switched network as provided by the incumbent local exchange carrier. The wireless service offered by Easy Wireless will provide these consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home.

<sup>&</sup>lt;sup>17</sup> See 47 U.S.C. § 254(b)(1).

<sup>&</sup>lt;sup>18</sup> See e.g., Specialized Common Carrier Services, 29 FCC 2d 870 (1971).

<sup>&</sup>lt;sup>19</sup> Federal-State Joint Bd. on Universal Serv., Highland Cellular, Inc., Memorandum Opinion and Order, 19 F.C.C.R. 6422 (2004).

Added together, Easy Wireless expects these additional competitive advantages to create an atmosphere that will cause many qualified consumers, at their option, to select the Company's low income wireless Lifeline and Link-Up service in lieu of the more traditional wireline or wireless services.

(b) The Unique Advantages of Easy Wireless Service Offerings. Easy Wireless will offer a unique, easy to use, competitive and highly affordable wireless telecommunications service, which it will make available to qualified consumers who either have no other service alternatives or who choose a wireless prepaid solution in lieu of more traditional services.

Easy Wireless will announce and advertise telecommunications services as an ETC where it provides service in its Service Area and will publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services. Accordingly, more low-income Kentucky residents will be made aware of the opportunities afforded to them under the Lifeline and Link-Up programs and will be able to take advantage of those opportunities by subscribing to Easy Wireless' service. A sample of Easy Wireless' planned advertising is included in **Exhibit "A."** 

Easy Wireless will provide universal service as an ETC in all of its Service Area and is willing to accept carrier of last resort obligations throughout the universal service areas in which Easy Wireless is designated as an ETC by the Commission. (c) Easy Wireless Lifeline Plan. Lifeline is a component of one of four separate federal universal service fund mechanisms<sup>20</sup> known as the "low-income support mechanism"<sup>21</sup> and is defined in 47 C.F.R. § 54.401 as "a retail local service offering" "available only to qualified low-income consumers" "for which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support amount" "that includes the services or functionalities enumerated in § 54.401(a)(1) through (a)(9)", which the Company will use to "[m]ake available Lifeline service...to qualifying low-income consumers."<sup>22</sup> Under the Company's wireless Lifeline plan, Easy Wireless will provide qualified Lifeline customers who reside in the State of Kentucky with 100 minutes of free anytime local and long distance minutes each month and will use all low-income universal service support to allow the Company to provide the service with no monthly recurring charge, thus ensuring that the consumer receives 100% of all universal service Fund necessary to provide the free minutes of airtime above.

The wireless plan will also include a free handset and the following Custom Calling features:

- (1) Caller ID;
- (2) Call Waiting;
- (3) Call Forwarding;
- (4) 3-Way Calling
- (5) Voicemail.

<sup>&</sup>lt;sup>20</sup> 47 C.F.R. § 54.8(a)(1); *See* "Definitions" at second sentence.

<sup>&</sup>lt;sup>21</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at first sentence.

<sup>&</sup>lt;sup>22</sup> 47 C.F.R. §§ 54.401(a), 54.401(a)(1), 54 401 (a)(2), 54.401(a)(3), 54.405(a).

Wireless handsets will be delivered at no charge to qualifying customers, service will be activated, and the requisite number of minutes will be added upon certification of the customer for Lifeline and Link-Up.

In the event that all airtime has been used, Lifeline customers will have the capability of purchasing additional airtime replenishment cards in \$10, \$20, and \$30 denominations. Airtime replenishment will be made available by calling 855-467-3411. This optional airtime can be added at the following rates:

Minutes	Price	
50	\$6.75	
75	\$10.13	
100	\$13.50	
300	\$40.50	

*(d)* Easy Wireless' Link-Up Plan. Like Lifeline, Link-Up is also a component of one of four separate federal universal service fund mechanisms<sup>23</sup> known as the "low-income support mechanism",<sup>24</sup> and is defined in 47 C.F.R. § 54.411 as an "assistance program for qualifying low-income consumers, *which an eligible telecommunications carrier* 

<sup>&</sup>lt;sup>23</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at second sentence.

<sup>&</sup>lt;sup>24</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at first sentence.

shall offer as part of its obligations set forth in §§ 54.101(a)(9) and 54.101(b)"<sup>25</sup> (emphasis added). Assistance is in the form of a "reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection" and "shall be half of the customary charge or \$30.00, whichever is less."<sup>26</sup> Consistent with FCC requirements, Easy Wireless will use Link-Up support to reduce the company's "customary charge for commencing service" by "half of the customary charge...,"<sup>27</sup> which will result in a reduction of the Company's wireless activation charge by \$30.00.

Qualifying subscribers will have the option of deferring the reduced activation charge over a twelve-month period with no interest, thus allowing subscribers to obtain service without being required to pay any up-front fees to activate service with Easy Wireless. As such, there is no up-front connection charge applicable to qualifying Easy Wireless Lifeline customers.

(e) Designation of Easy Wireless as an ETC Will Benefit Low Income Consumers in the State of Kentucky. Under the FCC Rules, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards<sup>28</sup>; Easy Wireless will satisfy all such standards. As part of its certification requirements for providing local exchange services, Easy Wireless must abide by the service quality and

<sup>&</sup>lt;sup>25</sup> 47 C.F.R. § 54.411(a). The plain reading of this definition is that an ETC is obligated to provide this discount to qualifying low-income consumers. In addition, 47 C.F.R. § 54.413(a) stipulates that carriers that provide Link-Up discounts, "may receive universal service support reimbursement for the revenue they forgo in reducing their customary charge for commencing telecommunications service..." 47 C.F.R. § 54.101(a)(9) is the specific obligation to offer Toll Limitation for qualifying low-income consumers while 47 C.F.R. § 54.101(b) is the requirement that an "eligible telecommunications carrier must offer each of the" services designated for support "in order to receive federal universal service support". As a part of its application, Easy Wireless has demonstrated that it has the capability to and will offer all of the supported services specified in 47 C.F.R. § 54(a)(1) – (9).

<sup>&</sup>lt;sup>26</sup> 47 C.F.R. § 54.411(a)(1).

<sup>&</sup>lt;sup>27</sup> Id.

<sup>&</sup>lt;sup>28</sup> 47 C.F.R. § 54.202(a)(3), 62 Fed. Reg. 15,978 at Para 28.

consumer protection rules. In addition, Easy Wireless commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC's USF Order.<sup>29</sup> Easy Wireless in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards.

Under the FCC Rules, an ETC applicant must demonstrate its ability to remain functional in emergency situations.<sup>30</sup> Easy Wireless provides service to its customers through a combination of the use of facilities obtained from other carriers, upon which it relies for redundant power, in conjunction with redundant power available at its Boca Raton facilities location. These arrangements allow Easy Wireless to provide to its customers the same ability to remain functional in emergency situations as currently provided by the carriers to their own customers, including 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.

(f) Designation of Easy Wireless on a Wireless Basis Will Impose a Negligible Impact on the USF. Easy Wireless reiterates that it is applying for ETC designation solely for the purpose to provide Lifeline and Link-Up discounts to qualified low-income consumers and to seek reimbursement for the same and will not seek or accept High Cost support. Under the FCC Rules, an ETC applicant must submit a five-year plan that describes with specificity the proposed improvements or upgrades to the applicant's network on a wirecenter-by-wire-center basis throughout its proposed Service Area. The only circumstance

<sup>&</sup>lt;sup>29</sup> USF Order at Para 4.

<sup>&</sup>lt;sup>30</sup> 47 C.F.R. § 54.202(a)(2); USF Order at Para 25.

warranting deviation from this requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because Easy Wireless seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers, submission of a Five-Year Network Improvement Plan is not required at this time. Since Lifeline support is designed to reduce the monthly cost of telecommunication services for eligible consumers, is distributed on a per-customer basis, and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low-income users, which is clearly in the public interest. In addition, designation of the Company as an ETC will not pose any adverse effect in the growth in the high cost portions of the USF, nor will it create or contribute to an erosion of high cost funding from any rural or non-rural telephone company.

The FCC reaffirmed this position when it stated that "the potential growth of the fund associated with high-cost support distributed to competitive ETCs" is not relevant to carriers seeking support associated with the low-income program.<sup>31</sup>

The FCC also recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that "any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible

<sup>&</sup>lt;sup>31</sup> Petition of TracFone Wireless, Inc. for Forbearance from 47 U.C.S § 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) at ¶ 17.

participation in the Lifeline and Link-Up programs, furthering the statutory goal of providing access to low-income consumers."<sup>32</sup>

It is also vital to recognize that in the case of Lifeline and Link-Up support, an ETC receives USF support *only* for the customers it obtains. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the "capturing" ETC provides Lifeline discounts and as a result, only the "capturing" ETC receives support reimbursement. And as noted above, an ETC like Easy Wireless assumes the business risk of persuading customers to use its service instead of an alternative provider.

In addition, all providers are required to contribute a portion of the interstate revenues received from their customers to the Universal Service Fund. In accordance with current federal regulations, Easy Wireless will make contributions based on that portion of its revenue that is determined to be interstate.

(g) Easy Wireless Has Internal Controls in Place to Prevent Subscribers from Receiving More Than One Lifeline Discount. Consistent with federal requirements, Easy Wireless requires customers to self-certify at the time of service activation and annually thereafter that they: 1) are the head of household; 2) participate in one of the state-approved means tested programs; 3) will be receiving Lifeline-supported services only from Easy Wireless; 4) do not currently receive Lifeline support; and 5) will notify Easy Wireless in the event that they no longer participate in the qualifying program. Verification of continued eligibility is accomplished by Easy Wireless annual certification/verification process, in strict compliance with state and federal guidelines.

<sup>&</sup>lt;sup>32</sup> TracFone Forbearance Order, at ¶ 17.

17. In order to be designated as an ETC, the FCC Rules require that carriers must publicize and offer the list of services supported by the federal universal service mechanisms. As demonstrated below, Easy Wireless satisfies these requirements and should be granted ETC status. Under federal rules, the ETC must offer the following services:

- a) Voice grade access to the public switched network;
- b) Access to free-of-charge "local usage" defined as an amount of minutes of use of exchange service;
- c) Dual tone multi-frequency signaling or its functional equivalent;
- d) Single-party service or its functional equivalent;
- e) Access to emergency services;
- f) Access to operator services;
- g) Access to interexchange services;
- h) Access to directory assistance; and
- i) Toll limitations services for qualifying low-income customers.

18. As described above, qualified ETCs must offer these services either using their own facilities or a combination of their own facilities and the resale of services of another facilities-based carrier. Further, ETCs must advertise the availability of, and the prevailing prices for, the universal services throughout the area in which they have been designated an ETC. Easy Wireless will comply with each of these requirements regarding service provisions and advertisement, and Easy Wireless will utilize all universal service support for the provision, maintenance, and upgrading of the supported services.

19. Attached hereto as **Exhibit "B"** is information regarding the handsets issued by Easy Wireless to its customers.

#### CONCLUSION

Having demonstrated that Easy Wireless satisfies the conditions necessary for designation as an ETC in Kentucky, and having shown that the public and universal service interests of the telecommunications consumers of Kentucky will be properly served, Easy Wireless respectfully requests that the Commission designate Easy Telephone Service Company, d/b/a Easy Wireless, as an ETC for the provision of low income support on a wireless basis throughout Easy Wireless' Service Area.

Respectfully submitted,

EASY TELEPHONE SERVICES COMPANY D/B/A/EASY WIRELESS By: Douglas F. Brent STOLL KEENON OĞDEN PLLC 2000 PNC Plaza 500 West Jefferson Street Louisville, Kentucky 40202 Telephone: (502) 568-5734 Facsimile: (502) 568-0934 Douglas.brent@skofirm.com Stanley Q. Smith (admission to be obtained) WATKINS LUDLAM WINTER & STENNIS, PA 190 E. Capitol Street, Suite 800 Jackson, Mississippi 39201 Telephone: (601) 949-4900 Facsimile: (601) 949-4804 stansmith@watkinsludlam.com

# **EXHIBITS**

- Exhibit A Wireless Marketing Materials and Enrollment Form
- Exhibit B Information Regarding Handsets



For Office Use Only

Customer Account Number

# Wireless Lifeline and Link-Up Self-Certification Form

Please Print Clearly (Red Indicates Required Fields)

Name:			
Address:	Apt#		
City:	State:	Zip Code:	
Current Home Number ( )		•	
Contact Phone Number ( )			
o New Service			
o Conversion			
New Phone Number:	ES	SN:	
I hereby certify that I participate in the	ne following public assistar	nce program(s):	
o Medicaid			
o Food Stamps (SNAP)			
o Supplemental Security Income (S	SI)		
o National School Lunch Program (f	ree program only)		
o Federal Public Housing (HUD/Sec	tion 8)		

o Temporary Assistance to Needy Families (TANF)

o Low Income Home Energy Assistance Plan (LIHEAP)

# If you are not the recipient of any of the above public assistance programs, please state your relationship to the household member receiving assistance:

I certify that I am a current recipient of the above programs(s) and will notify my wireless telephone company when I am no longer participating in any of the above-designated program(s). I give permission to the duly authorized official(s) administering the above programs to provide to my cellular carrier my participation status in any of the above program(s). I give this permission on the condition that the information on this form and any information about my participation in the above programs provided by officials be maintained by the company as confidential customer account information. I acknowledge that under Kentucky law (KRS 194A.505) it is illegal to make false statements or to misrepresent facts to receive benefits under any assistance program.

# Χ.

# **Applicant's Signature Date**

X I authorize Easy Wireless, Inc. to be my cellular carrier and agree to terminate any pre-existing lifeline service in lieu of the Linkup/Lifeline discounts provided through Easy Wireless.

\_\_\_\_ I certify that I have received the link-up discount at this residence from another carrier and I am not eligible for the discount at this time.

Easy Wireless, Inc. PO Box 831717 Ocala FL. 34483 Customer Service: 866-476-0235 · Fax: 877-512-0042

## Sample Advertising



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# **EXHIBIT "B"**

## **Information Regarding Easy Wireless Handsets**

Easy Telephone Wireless customers will receive a new or refurbished Kyocera KX1 or similar model. Customers will also have the option to purchase a higher end model if they choose do to so. Each phone comes with a one-year warranty from the original equipment manufacturer. Should a customer require replacement they will be able to call a our toll free help line and receive assistance.

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	L'ALGORING MOLA	Easy Wireless		10.000	Carry K.
0.000	Kyocera KX1	UTStarcom 7025	LG 160	LG 260	Sanyo Katana L
CHUGES	Amps 850 CDMA 850/1900	Amps 850 CDMA 850/1900	CDMA 850/1900	CDMA 850/1900	CDMA 850/1900
	3.4 oz (96g)	3.2 oz (91g)	2.86 oz (81g)	4.13 oz (117g)	3.4 oz (96g)
	94" (88x44x23.9m	(88x48x20.3mm )	78" (90x47x19.8m	(109x51x17.8m m)	(94x48x17.8m m)
Parn Factor	Clam Shell Stub Antenna	Clam Shell Stub/Extendabl e Antenna	Clam Shell Internal Antenna	Bar with slide- out lext keyboard Internal Antenna	Clam Shell Internal Antenna
Bathery	max (210 minutes) Standby: 180 hours max (7.5 days) Lilon	max (210 minutes) Standby: 255 hours max (10.6 days) 950 mAh Lilon	max (210 minutes) Standby: 170 hours max (7.1 days) 740 mAh Lilon	Talk: 4.5 hours max (270 minutes) Standby: ? 950 mAh LiPolymer	Talk: 4.8 hours max (288 minutes) Standby: ? 840 mAh Lilon
Disoley	Type: LCD (Color STN) Resolution: 128x128 Pixels Colors: 65,536 (16-bit)	Type: LCD (Color STN) Resolution: 128x128 Pixels Colors: 65,536 (16-bit)	Type: LCD (Color TFT/TFD) Resolution: 128x160 Pixels 1.8" diagonal Colors: 262,144 (18-bit)	Type: LCD (Color TFT/TFD) Resolution: 176x220 Pixels 2" diagonal Colors: 262,144 (18-bit)	Type: LCD (Color TFT/TFD) Resolution: 128x160 Pixels 2" diagonal Colors: 65,536 (16-bit)
	OVFKWC-KX1	O6Y-CDM7025	BEJLX160	BEJLX260	AEZSCP-3800
Hearing Aid Competitie	Rating: M3 (mostly compatible)	Rating: M3 (mostly compatible)	Rating: M4 (very compatible)	Rating: M3, T3 (mostly tele- coil compatible)	Rating: M4, T4 (very tele-coil compatible)
an program Stip period	English, Spanish,	English, Spanish	English, Spanish	English, Spanish	English, Spanish
Munices (1999)	11610	81-	Bluetooth,	Divetant um	Diverse it in
	USB	No	USB		Bluetooth, USB
	Yes	No	Yes	Yes	Yes
	Technology:	hin	Technology:	Technology:	Technology:
WAP AWED Browner	1xRTT Supports WAP 2.0	<u>No</u>	1xRTT Yes	1xRTT Browser Software: Infraware Polaris 5.01	1xRTT Browser Software: Access NetFront 3.4
	Yes	No	No	Yes	Yes
en e	Yes	Yes	Yes	Yes	Yes
a second second second	Yes	Yes	Yes	Yes	Yes

#### **VERIFICATION**

# STATE OF FLORIDA

#### COUNTY OF MARION

PERSONALLY came and appeared before me, the undersigned party in and for the jurisdiction aforesaid, the within named Joseph Fernandez who after being duly sworn by me stated under oath as follows: that I am President of Easy Telephone Service Company ("Easy Wireless"): that I executed the foregoing pleading for and on behalf of Easy Wireless: that I am authorized to execute and file said pleading: and that the matters and things set forth in said pleading are true and correct to the best of my knowledge, information and belief.

Joseph Fernandez, President

SWORN TO AND SUBSCRIBED before me on this the <u>12<sup>th</sup></u> day of <u>April</u>, 2011.

NOTARY PUBLIC

My Commission Expires:

CHELLE C INMAN MISSION # DD814353 ES August 13, 2012 MICHELLE C INMAN MY COMMISSION # DD814353 EXPIRES August 13, 2012 (407) 383-0153 FinndaNotaryService.com

(407) 398-015