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December 9, 2010

RECEIVED

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

DEC 09 2011

PUBLIC SERVICE COMMISSION

#### *RE:* The Petition of QLink Wireless, LLC. for Designation As an Eligible Telecommunications Carrier in the Commonwealth of Kentucky

Dear Mr. DeRouen:

Enclosed please find the original and ten copies of QLink Wireless, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky.

Please indicate receipt of this filing by placing your file stamp on the extra copy and returning to me via our runner.

Sincerely yours,

Douglas F. Brent

c: Lance Steinhart

DFB: jms Enclosures

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#### COMMONWEALTH OF KENTUCKY

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

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RECEIVED

PUBLIC SERVICE COMMISSION

#### IN THE MATTER OF:

PETITION OF Q LINK WIRELESS LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE COMMONWEALTH OF KENTUCKY (LOW INCOME ONLY)

Case No.

#### PETITION OF Q LINK WIRELESS LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE COMMONWEALTH OF KENTUCKY

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December 9, 2011

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#### **COMMONWEALTH OF KENTUCKY**

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#### I. INTRODUCTION

Q Link Wireless LLC ("Q Link" or the "Company"), by its undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act"),<sup>1</sup> Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission ("FCC"),<sup>2</sup> and the rules and regulations of the Kentucky Public Service Commission (the "Commission"), hereby submits this Petition for Designation as an Eligible Telecommunications Carrier ("ETC") in the Commonwealth of Kentucky. Q Link seeks ETC designation throughout the area defined by any overlap<sup>3</sup> between its wireless coverage area and the exchanges of any

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 214(e)(2)

<sup>&</sup>lt;sup>2</sup> 47 C.F.R. §§ 54.101-54.207.

<sup>&</sup>lt;sup>3</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. Q Link Wireless currently provides service using Sprint as its underlying carrier.

Kentucky incumbent local exchange carrier, (the "Service Area") solely to provide Lifeline and Link-Up service to qualifying Kentucky consumers; it will not seek access to funds from the federal or Kentucky Universal Service Funds ("USF") for the purpose of providing service to high cost areas.<sup>4</sup> As demonstrated herein, and as certified in Exhibit 1 to this Petition, Q Link meets all the statutory and regulatory requirements for designation as an ETC in the Commonwealth of Kentucky. Rapid grant of Q Link 's request, moreover, would advance the public interest because it would enable the Company to commence much needed Lifeline and Link-Up services to low-income Kentucky residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Petition for ETC designation.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Petition should be addressed to:

Lance J.M. Steinhart Lance J.M. Steinhart, P.C. Attorney for Q Link Wireless LLC 1725 Windward Concourse, Suite 150 Alpharetta, Georgia 30005 (770) 232-9200 (Phone) (770) 232-9208 (Fax) With a copy to Q Link 's local counsel:

Douglas F. Brent STOLL KEENON OGDEN PLLC 2000 PNC Plaza 500 West Jefferson Street Louisville, KY 40202 (502) 333 6000 (Phone) (502) 333-6099 (Fax)

<sup>&</sup>lt;sup>4</sup> Given that Q Link only seeks support from the low-income program and does not seek any high-cost support, ETC certification requirements for the high-cost program are not applicable to the Company. Q Link currently has applications for ETC designation pending with Georgia, Maryland and Mississippi; no such petitions have been denied.

#### II. BACKGROUND

#### A. Company Overview

Q Link is a Delaware Limited Liability Company.<sup>5</sup> Its principal office is located at 499 Sheridan Street, Suite 300, Dania, Florida 33004. Q Link is a provider of commercial mobile radio service ("CMRS") throughout the United States and notified the Commission of its intention to provide service in Kentucky on November 4, 2011.<sup>6</sup> Q Link provides prepaid wireless telecommunications services to consumers by using the Sprint Nextel ("Sprint") network on a wholesale basis to offer nationwide service. In addition to using Company-owned facilities to provide service, Q Link obtains from Sprint the network infrastructure and wireless transmission facilities to allow the Company to operate as a Mobile Virtual Network Operator ("MVNO").

Q Link 's prepaid wireless services that are affordable and easy to use are attractive to lowincome and lower-volume consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. Q Link offers consumers a variety of simple and affordable prepaid calling plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of other, similar MVNOs' customers, Q Link anticipates that many of its customers will be from low-income backgrounds and will not previously have enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. Q Link does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service.

<sup>&</sup>lt;sup>5</sup> Q Link was organized in the State of Delaware on August 25, 2011.

<sup>&</sup>lt;sup>6</sup> Q Link is also registered with the Kentucky CMRS Board for the purpose of E911 surcharge remittance and reporting; *see* 202 KAR 6:080.

By providing affordable wireless plans and quality customer service to low income consumers ignored by traditional carriers, Q Link will expand the availability of wireless services to many more consumers, which is the principal reason that Congress created the universal service program.

#### **B.** Proposed Universal Service Offering

Q Link has the ability to provide all services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)), throughout Kentucky. Q Link will provide Lifeline and Link-Up service to qualifying customers requesting this service throughout Kentucky pursuant to the universal service program and in accordance with 47 C.F.R. § 54.202(a)(1). Q Link intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice usage at all price points.

i. Lifeline Offering. The Company's Lifeline service offering will provide customers with the same features and functionalities enjoyed by all other Q Link prepaid customers, with one notable exception: prepaid Lifeline services will be free of charge. As Exhibit 2 demonstrates, the Company's Lifeline service will provide customers with one of the following three (3) Lifeline Plans:

a. <u>Plan 1: 68 Monthly Minutes</u>. Under Plan 1, eligible customers enjoy 68 anytime minutes that rollover and free international long distance.<sup>7</sup> Text messaging is at the rate of one-third of one minute (3 texts = 1 minute).

<sup>&</sup>lt;sup>7</sup> Under Plan 1 there is no additional charge for international long distance to countries designated at <u>www.qlinkwireless.com</u>.

- b. <u>Plan 2: 125 Monthly Minutes</u>. Under Plan 2, eligible customers enjoy 125 anytime minutes that rollover. Text messaging is at the rate of one minute (1 text = 1 minute).
- c. <u>Plan 3: 250 Monthly Minutes</u>. Under Plan 3, eligible customers enjoy 250 anytime minutes. Minutes do not rollover. Text messaging is at the rate of one minute (1 text = 1 minute).

Customers have the capability of purchasing additional bundles of minutes in denominations as low as \$9.99, \$19.99, \$29.99, and \$59.99.<sup>8</sup> Airtime replenishment cards will be made available at retail outlets frequented by low-income customers throughout the Company's Service Area. In addition to free voice services, all of Q Link's Lifeline plans will include a free handset and the following Custom Calling features: Caller ID, Call Waiting, and Voicemail. Customers may use their minutes to place domestic long distance calls at no additional charge. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes. Calls to Q Link customer service are also free.

Q Link will also offer Lifeline customers the option of applying a discount towards the Company's lowest retail rate plan in lieu of receiving the free minutes. Customers can change their plan on their monthly plan date, without penalty, should they determine that another plan better meets their needs. Q Link does not impose burdensome credit checks, long-term service contracts, or roaming charges.

ii. Link-Up Offering. Link-Up 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,

<sup>8</sup> \$9.99 = 50 minutes, 19.99 = 120 minutes, 29.99 = 200 minutes, and 59.99 = 450 minutes.

whichever is less".<sup>9</sup> Consistent with FCC requirements, Q Link will use Link-Up support to reduce the Company's \$60.00 standard wireless activation charge by \$30.00. Qualifying subscribers may request a deferred payment schedule for the remaining activation charge, thus allowing subscribers to obtain service without being required to pay any fees to activate service with Q Link . As such, there is no up-front connection charge applicable to Q Link Lifeline and Link-Up customers.

Attached hereto as Exhibit 2 is a summary table of the Company's proposed Lifeline and Link-up service offerings. Customers may use their minutes to place domestic long distance calls at no additional charge. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes. As Exhibit 2 demonstrates, the Company's Lifeline and Link-up offerings will not only allow feature-rich mobile connectivity for qualifying subscribers at no cost to the subscriber, but also will bring a variety of rate plans into the reach of eligible customers—plans that are comparable in minutes and features to those available to post-paid wireless subscribers—but at low Lifeline rates and without a the burden of credit checks or service contracts. Q Link 's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

#### C. Plan Enrollment

Customers interested in obtaining information on the Lifeline and Link-Up programs will be directed to a toll-free telephone number and to the Company's website, which will contain information regarding the Company's Lifeline and Link-Up service plans, including a detailed description of the programs and state-specific eligibility criteria. Customers may then request

<sup>&</sup>lt;sup>9</sup> 47 C.F.R. § 54.411(a)(1).

that an enrollment form be mailed to them, or they can download a form from the Internet. Applicants must complete the enrollment form, which will include a place where applicants must attest and certify under penalty of perjury that they satisfy the requisite eligibility criteria. In addition, each applicant is required to certify under penalty of perjury, at the time of application and annually thereafter, that they are head of their household and receive Lifeline-supported service only from Q Link . If not applying in person, the applicant must return the signed enrollment form and all supporting documentation to the address provided by Q Link . Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under the Company's supervision by managers experienced in the administration of the Lifeline and Link-Up programs.

#### D. Prevention of Waste, Fraud and Abuse

Q Link recognizes the importance of safeguarding the USF. Therefore, the Company has implemented the following 60-day non-usage policy in an effort to avoid waste, fraud, and abuse of the program. If no usage appears on a Q Link Lifeline customer's account during any continuous 60-day period, the Company will promptly notify the customer that the customer is no longer eligible for Q Link Lifeline service, subject to a 30-day grace period. During the 30day grace period, the customer's account will remain active, but Q Link will engage in outreach efforts to determine whether the customer desires to remain on the Company's Lifeline service. If the customer's account does not show any customer-specific activity during the grace period, Q Link will promptly deactivate Lifeline services and cease to seek reimbursement from the USF for that customer. Customers that have been deactivated may participate in the Company's Lifeline service in the future by reapplying and re-establishing eligibility.

#### E. The Commission Has Jurisdiction to Designate Wireless ETCs.

Section 214(e)(2) of the Act provides state public utility commissions with the "primary responsibility" for the designation of ETCs.<sup>10</sup> Although Section 332(c)(3)(A) of the Act prohibits states from regulating the entry of or the rates charged by any provider of commercial mobile service or any private mobile service, this prohibition does not allow states to deny wireless carriers ETC status.<sup>11</sup> Therefore, the Commission has the authority to designate Q Link as an ETC. Under the Act, a state public utility commission with jurisdictional authority over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1). Q Link recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC's Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier's services. As discussed in Section III.A below, Q Link has the capability to provide some of the supported services using its own facilities, and will thus fulfill the requirement that it provide service using a combination of its own facilities and resale of another carrier's services. Therefore, the Commission has the authority to act under Section 214(e)(2) of the Act and to grant Q Link's request for designation as an ETC throughout the Commonwealth of Kentucky.

#### III. Q LINK SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC

Section 254(e) of the Act provides that "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service

<sup>&</sup>lt;sup>10</sup> 47 U.S.C. § 214(e)(2).

<sup>&</sup>lt;sup>11</sup> See Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) ("USF Order").

support." Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to designate wireless ETCs.<sup>12</sup> Section 214(e)(1) of the Act and Section 54.201(d) of the FCC's rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier's services. Applicants also must commit to advertise the availability and rates of such services.<sup>13</sup> As detailed below, Q Link satisfies each of the above-listed requirements.

#### A. Q Link Will Provide Service Through Resale And Its Own Facilities

Q Link , in its provision of wireless services, will rely on a combination of resold services which the Company will obtain from underlying wireless providers that currently operate their own networks, as well as Company-owned facilities, thus allowing Q Link 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 services".<sup>14</sup> Q Link 's facilities provide the Company the ability to route operator services, interexchange services and directory assistance services, which are among the supported services.

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." 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:

<sup>&</sup>lt;sup>12</sup> See USF Order, 8858-59, ¶ 145.

<sup>&</sup>lt;sup>13</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

<sup>&</sup>lt;sup>14</sup> See 47 U.S.C. § 214(e)(1)(A).

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 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.

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>15</sup> (emphasis added). The Communications 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>16</sup> All facilities-based carriers have and use network elements.<sup>17</sup> The Kentucky Commission has since concurred in this reasoning. The Commission recently ruled that when a carrier relies on a combination of resold wireless service and

<sup>&</sup>lt;sup>15</sup> See 47 C.F.R. § 54.101; 47 C.F.R. § 54.201(e).

<sup>&</sup>lt;sup>16</sup> See 47 U.S.C. § 153(29).

<sup>&</sup>lt;sup>17</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."

company-owned facilities to provide a supported service, it can satisfy the requirement of 47 U.S.C.  $\S 214(e)(1)(A)$ .<sup>18</sup>

#### B. Q Link Is a Common Carrier

CMRS providers like Q Link are treated as common carriers for regulatory purposes.<sup>19</sup>

#### C. Q Link Will Provide All Required Services and Functionalities

Q Link offers, or will offer upon designation as an ETC in Kentucky, all of the services and functionalities required by Section 54.101(a)(1)-(9) and Section 54.202(a) of the FCC's Rules (47 C.F.R. § 54.101(a) and 47 C.F.R. § 54.202(a)) including the following:

#### 1. Voice Grade Access to the Public Switched Telephone Network

Q Link provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from Sprint. Bandwidth for this voice-grade access is at minimum between 300 and 3,000 MHz as required by FCC rules.<sup>20</sup>

#### 2. Local Usage

As part of the voice grade access to the PSTN, an ETC must provide local calling services to its customers. The FCC has determined that a carrier satisfies the local usage requirements when it offers customers rate plans containing varying amounts of local usage.<sup>21</sup>

<sup>&</sup>lt;sup>18</sup> Easy Telephone Service Co., Case No. 2011-00137 (November 29, 2011)

<sup>&</sup>lt;sup>19</sup> Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); see also PCIA Petition for Forbearance for Broadband PCS, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the Second Report and Order] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services and resellers of such services.") (emphasis added).

<sup>&</sup>lt;sup>20</sup> See 47 U.S.C. § 54.101(a)(1).

<sup>&</sup>lt;sup>21</sup> See e.g., Farmers Cellular, Inc., CC Docket No. 96-45, Memorandum Opinion and Order, 18 FCC Rcd 3848, 3852 ¶ 9 (2003); Pine Belt Cellular, Inc. and Pine Belt PCS, Inc., CC Docket No. 96-45, Memorandum Opinion and Order, 17 FCC Rcd 9589, 9593 ¶ 10 (2002); Western Wireless Corp., Petition for Designation as an Eligible

The Company offers a variety of rate plans that provide its customers with local usage capabilities included within the flat per minute or per month rate.

#### 3. Dual Tone Multi-Frequency Signaling or its Functional Equivalent

Q Link provides dual tone multi-frequency ("DTMF") signaling to expedite the transmission of call set up and call detail information throughout the network. All wireless handsets offered for sale by the Company are DTMF-capable.

#### 4. Single-Party Service or its Functional Equivalent

"Single-party service" means that only one party will be served by a subscriber loop or access line during a telephone transmission. Q Link provides single party service to its customers for the duration of each telephone call, and does not provide multi-party (or "partyline") services.

#### 5. Access to 911 and E911 Emergency Service

Q Link provides 911 and E911 access for all of its customers. Q Link also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.

#### 6. Access to Operator Services

Q Link offers all of its customers access to operator services, in accordance with the FCC's requirements.

#### 7. Access to Interexchange Service

Q Link 's service provides its customers with the ability to make interexchange, or long distance, telephone calls. In fact, interexchange calls are included in the Company's service with no additional charge.

Telecommunications Carrier in the State of Wyoming, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48, 52 ¶ 10 (2000).

#### 8. Access to Directory Assistance

All Q Link customers are able to reach directory assistance services from their wireless handsets.

#### 9. Toll Limitation for Qualified Low-Income Customers

Toll limitation allows customers to block the completion of outgoing long distance calls to prevent them from incurring significant long distance charges and risking disconnection. As described above, Q Link provides its wireless service on a prepaid, or pay-as-you-go, basis. Q Link's service, moreover, is not offered on a distance-sensitive basis and minutes are not charged separately for local or domestic long distance services. Customers also must specifically authorize access for international services, for which additional charges may apply. As the FCC found in its grant of ETC designation to Virgin Mobile USA, L.P., "the prepaid nature of [a prepaid wireless service provider's] service offering works as an effective toll control."<sup>22</sup>

#### D. Q Link Will Advertise the Availability of Supported Services

Q Link will broadly advertise the availability and rates for the services described above using media of general distribution as required by Section 54.201(d)(2) of the FCC's regulations.<sup>23</sup> The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline and Link-up services, using many mediums for outreach including Internet, radio, television, and newspapers. The Company will engage in advertising campaigns specifically targeted to reach those likely to qualify for Lifeline and Link-Up services, promoting the availability of cost-effective wireless services to this formerly neglected consumer

<sup>&</sup>lt;sup>22</sup> See Federal-State Joint Board on Universal Service; In the Matter of Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petitions for Designation as an Eligible Telecommunications Carrier in the States of New York, North Carolina, Pennsylvania, Tennessee and Virginia, Order, FCC 09-18 (rel. March 5, 2009)("Virgin Mobile Order"), 24 FCC Rcd at 3394 ¶ 34.

<sup>&</sup>lt;sup>23</sup> See 47 C.F.R. § 54.201.

segment. Q Link will also promote the availability of its Lifeline and Link-up offerings by distributing brochures at various state and local social service agencies, and intends to partner with nonprofit assistance organizations in order to inform customers of the availability of its Lifeline and Link-Up services.

In addition, Q Link will utilize its network of retail partners to help promote the availability of its Lifeline and Link-Up plans, especially those retail outlets that are frequented by low income consumers. Q Link will provide retail vendors with signage to be displayed where Company products are sold, and with printed materials describing the Company's Lifeline and Link-Up programs.<sup>24</sup> The Company expects to be able to inform consumers of the availability of Lifeline and Link-Up service in a manner that will result in significantly higher participation by qualified consumers than has been the case in the past.

As Governor Beshear and the Commission emphasized when proclaiming September 12-18, 2011 as "Lifeline Awareness Week", statistics suggest there are many eligible customers who are not yet aware of the programs. As of December 31, 2010, fewer than 20% of consumers eligible for Lifeline Services in the State of Kentucky were being provided such services.<sup>25</sup> Q Link believes that its advertising and outreach efforts detailed above will result in increased participation in the Lifeline program.

#### E. Q Link Requests Designation Throughout Its Service Area in Kentucky

Q Link is not a rural telephone company as defined in Section 153(37) of the Act (47 U.S.C. § 153(37)). Accordingly, the Company is required to describe the geographic area(s)

<sup>&</sup>lt;sup>24</sup> See attached Exhibit 4 for sample advertisements.

<sup>&</sup>lt;sup>25</sup> See attached Exhibit 5, 2010 Lifeline Participation Rates by State, which was obtained from USAC, an independent not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the FCC. USAC administers USF programs for high cost companies serving rural areas, low-income consumers, rural health care providers, and schools and libraries.

within which it requests designation as an ETC. Q Link requests ETC designation throughout the exchanges of the non-rural and rural telephone companies that correspond to the wireless licenses of Sprint.

#### F. Service Commitment Throughout the Proposed Designated Service Area

Q Link provides service in Kentucky through a combination of its own facilities and by reselling service that it obtains from its underlying facilities-based provider. The provider's network is operational and largely built out. Thus, Q Link will be able to commence offering its Lifeline and Link-Up service to all locations served by its underlying carrier very soon after receiving approval from the Commission. Therefore, the Company will be able to provide Lifeline and Link-Up service to all qualified customers on a timely basis or within a reasonable period of time in accordance with 47 C.F.R. § 54.202(a)(1). Q Link further commits to provide service throughout its proposed ETC-designated Service Area to all customers making a reasonable request for service, as required in 47 C.F.R. § 54.202(a)(1)(i).

#### G. Inapplicability of Five-Year Network Improvement Plan

Under FCC guidelines, an ETC applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-bywire center basis throughout its proposed designated Service Area. This guideline has no application where an applicant is requesting no "high cost" USF support, but only "low income" USF support. Because Q Link 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. Since Lifeline support is designed to reduce the monthly cost of telecommunications services for eligible customers, is distributed on a per-household basis and is directly reflected in the price that the eligible customer pays. Thus, 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.

#### H. Ability to Remain Functional in Emergency Situations

In accordance with 47 CFR §54.202(a)(2), Q Link has the ability to remain functional in emergency situations. Through its agreement with its underlying carrier, Q Link provides to its customers the same ability to remain functional in emergency situations as currently provided by the wireless licensee to its own retail customers, including access to a reasonable amount of back-up power rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. Q Link does not own or operate any cell sites or microwave hubs, and facilities owned by the Company are collocated on a Tier 1 carrier's switching center, which is capable of remaining fully functional with both generator and battery back-up.

#### I. Commitment to Consumer Protection and Service Quality

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.<sup>26</sup> The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. Specifically, Q Link commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service.

#### J. Local Usage Requirement

An applicant for ETC designation must demonstrate that it offers a local usage plan that

<sup>&</sup>lt;sup>26</sup> See 47 C.F.R. § 54.202(a)(3).

is "comparable" to the plan offered by the ILEC in the relevant service territory.<sup>27</sup> In analyzing whether an ETC applicant's plan is comparable to the underlying ILEC's, the FCC reviews all aspects of the plan on a case-by-case basis, including the nature of the supported service, the size of the local calling area, the inclusion of additional services (e.g., caller I.D., etc.) and the amount of local usage.<sup>28</sup>

Similar to ILEC Lifeline offerings, Q Link customers will have the option to apply the Lifeline discount to the Company's retail rate plans and will have the option for unlimited local calling. Not only will the Company's offering be comparable to the underlying ILEC plans, but it also will exceed them in several respects. Q Link will offer customers a certain amount of service free of charge. In contrast to the ILEC plans, which contain relatively small local calling areas, Q Link customers can use these free minutes to place calls statewide (or even nationwide) because Q Link does not constrict customers' use by imposing a local calling area requirement. Q Link will also provide Lifeline customers with E911 capabilities and access to voice mail, caller I.D., and call waiting services at no cost. The very nature of the wireless phone, i.e. mobility, has a tremendous benefit to many consumers, a benefit to which a monetary value cannot be easily assigned.

#### K. Equal Access Requirement

The FCC's Rules also require an applicant for ETC status to provide a certification that it acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area (47 C.F.R § 54.202(a)).

<sup>&</sup>lt;sup>27</sup> 47 C.F.R. § 54.202(a)(4).

<sup>&</sup>lt;sup>28</sup> See Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371, 6385 (2005).

Q Link acknowledges that it may be required to provide equal access to long distance carriers within its designated Service Area, and will abide by such a requirement.

#### L. Q Link Will Comply with Certification and Verification Requirements

Section 54.416 of the FCC's Rules requires ETCs to certify a consumer's qualification for Link-Up, and Section 54.410 of the FCC's Rules requires ETCs to certify and verify a Lifeline customer's initial and continued eligibility. Q Link will certify and verify consumer eligibility in accordance with the FCC's requirements and with applicable Commission rules.

#### M. Q Link Will Comply With All Regulations Imposed By The Commission

By this Petition, Q Link hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Petition. Upon Commission request, Q Link is prepared to answer questions or present additional testimony or other evidence about its services within the state. The Company will remit all applicable surcharges on behalf of its Kentucky customers, including the statewide wireless 911 fee and the Kentucky Universal Service Fund, Kentucky Telecommunications Relay Service and the Kentucky Telecommunications Access Program surcharges. Q Link 's account is current with the Universal Service Administrative Company in regards to universal service funds and that the eligible telecommunications service designation is reviewed annually by state commissions.

## IV. DESIGNATION OF Q LINK AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all

citizens, regardless of geographic location or income.<sup>29</sup> There is no question that designation of Q Link as an ETC in Kentucky will further the public interest by providing Kentucky consumers, especially low-income consumers, with lower prices and higher quality services. Many eligible customers in Kentucky have yet to reap the full benefits of the intensely competitive wireless market. Whether because of financial constraints, poor credit history or intermittent employment, these consumers often lack the countless choices available to most consumers.

The instant request for ETC designation must be examined in light of the Act's goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—particularly low-income consumers receive affordable and comparable telecommunications services. Given this context, designating Q Link as an ETC would significantly benefit low-income consumers eligible for Lifeline and Link-Up services in the Commonwealth of Kentucky—the intended beneficiaries of universal service.

The public interest benefits of the Company's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage at flexible and affordable amounts in the event that included usage has been exhausted, 911 service and, where available, E911 service in accordance with current FCC requirements. The Company's Lifeline customers will receive the same high-quality wireless services and exceptional customer service provided to all Company customers. Q Link's Lifeline rate plans will not only allow feature-

<sup>&</sup>lt;sup>29</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

rich mobile connectivity for qualifying subscribers at no cost to the subscriber, but also will bring a variety of rate plans into the reach of Lifeline customers that are comparable in minutes and features to those available to post-paid wireless subscribers – but at low Lifeline rates and without the burden of credit checks or contracts.

Q Link 's Lifeline and Link-Up programs will provide low-income Kentucky residents with the convenience and security offered by wireless services—even if their financial position deteriorates. According to the U.S. Department of Labor Bureau, Kentucky's unemployment rate was 9.6% as of October 2011. The economic circumstances indicate that low-income individuals, now more than ever, can greatly benefit from the advantages offered by the Company's Lifeline and Link-Up service, thus allowing those adversely impacted by the failing economy or job loss to have access to a free wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members.

It is also a commonly accepted fact that in today's market all consumers, including qualified Lifeline and Link-Up customers, view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location. Providing Q Link with the authority necessary to offer discounted Lifeline and Link-up services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

Moreover, grant of Q Link 's Petition will serve the public interest in increasing the number of ETCs in Kentucky. By granting ETC status to Q Link, the Commission will enable Q Link to increase the number of Kentucky residents receiving Lifeline and Link-Up support, thereby increasing the amount of USF money flowing into Kentucky. In sum, ETC designation in the Commonwealth of Kentucky would enable Q Link to provide all of the public benefits cited by the FCC in its analysis in the *Virgin Mobile Order*. Namely, Q Link would provide "increased consumer choice, high-quality service offerings, and mobility,"<sup>30</sup> as well as the safety and security of effective 911 and E911 services.<sup>31</sup>

#### A. The Benefits of Competitive Choice

The benefits to consumers of being able to choose from among a variety of telecommunications service providers have been acknowledged by the FCC for more than three decades.<sup>32</sup> Designation of Q Link as an ETC will promote competition and innovation, and spur other carriers to target low-income consumers with service offerings tailored to their needs and to improve their existing networks to remain competitive, resulting in improved services to consumers. Designation of Q Link as an ETC will help assure that quality services are available at "just, reasonable, and affordable rates" as envisioned in the Act.<sup>33</sup> Introducing Q Link into the market as an additional wireless ETC provider will afford low income Kentucky residents a wider choice of providers and available services while creating a competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers. Increasing the competitive marketplace of providers has the potential to effectively increase the penetration rate and reduce the number of individuals not connected to the PSTN.

#### **B.** Impact on the Universal Service Fund

Q Link 's request for designation as an ETC solely for purposes of participating in the

<sup>&</sup>lt;sup>30</sup> See Virgin Mobile Order, 24 FCC Rcd at 3395 ¶ 38.

<sup>&</sup>lt;sup>31</sup> See Id. at 3391 ¶ 23.

<sup>&</sup>lt;sup>32</sup> See, e.g., Specialized Common Carrier Services, 29 FCC Rcd 870 (1971).

<sup>&</sup>lt;sup>33</sup> See 47 U.S.C. § 254(b)(1).

low-income programs of the USF would not unduly burden the USF or otherwise reduce the amount of funding available to other ETCs. According to the Joint-Board's most recent monitoring report, Lifeline funding totaled approximately \$974 million in 2009 while high-cost program expenditures amounted to approximately \$4.3 billion-more than four times the amount of Lifeline funding.<sup>34</sup> With Lifeline and Link-Up, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is the same whether the support is through Q Link or another carrier in the same service area. Q Link will only increase the amount of USF Lifeline funding when it matters most: in situations where it serves eligible Lifeline customers not previously enrolled in another ETC's Lifeline program. Significantly, the Company's designation as an ETC will not increase the number of persons eligible for Lifeline support. Q Link 's ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress, Kentucky's Governor, and the Commission to provide all individuals with affordable access to telecommunications service, and thus any incremental increases in Lifeline and Link-Up expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to lowincome consumers.

#### V. ANTI-DRUG ABUSE CERTIFICATION

Q Link certifies that no party to this Petition is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

<sup>&</sup>lt;sup>34</sup> See Universal Service Monitoring Report, CC Docket 98-202, Tables 2.2 and 3.1 (2010).

#### VI. CONCLUSION

Based on the foregoing, designation of Q Link as an ETC in the Commonwealth of Kentucky accords with the requirements of Section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, Q Link respectfully requests that the Commission promptly designate Q Link as an ETC in the Commonwealth of Kentucky.

Respectfully submitted this 9th day of December, 2011.

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and

By:

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Attorneys for Q Link Wireless LLC

#### TABLE OF EXHIBITS

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#### **EXHIBIT 1**

#### Certification of Issa Asad, Managing Member of Quadrant Holdings Group LLC, Managing Member of Q Link Wireless LLC

State of Florida)County of Broward)

#### Certification

Personally appeared before the undersigned, an officer duly authorized to administer oaths, Issa Asad, who first being duly sworn, deposes and states that he is the Managing Member of Q LINK WIRELESS LLC, Applicant in this application, and has read the same and knows the contents thereof, and confirms that the statements made herein are true to the best of his knowledge and belief.

Dated: 10/24 /11

Issa Asad, Managing Member

Subscribed and sworn to before me this $\frac{24}{2}$ day of $\underline{\circ c + b} \in \underline{\circ}$	2011.
DESRA EMRLICH MY COMMISSION # DD931941 Cotary Sealles October 11, 2013	
(407) 398-0153 FloridaiNotoryServica.com (Signature of person authorized to admin	nister oath)

My Commission Expires: \_\_\_\_\_\_\_ Contraber 11, 2013

#### EXHIBIT 2

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Proposed Lifeline and Link-Up Offering

#### Plan 1: 68 Monthly Minutes Plan\*

68 anytime minutes per month (texts are one-third of one minute, i.e. 3 texts = 1 minute) Net cost to Lifeline customer: **\$0 (free)** 

\*This package includes:

- Free handset
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free Voicemail, Caller-ID, and Call Waiting
- 68 anytime minutes (unused minutes rollover)
- Free Domestic Long Distance
- Free International Long Distance to countries designated at <u>www.qlinkwireless.com</u> (listed below)

#### Plan 2: 125 Monthly Minutes Plan\*

125 anytime minutes per month (texts are one minute, i.e. 1 text = 1 minute) Net cost to Lifeline customer: **\$0 (free)** 

\*This package includes:

- Free handset
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free Voicemail, Caller-ID, and Call Waiting
- 125 anytime minutes (unused minutes rollover)
- Free Domestic Long Distance

#### Plan 3: 250 Monthly Minutes Plan\*

250 anytime minutes per month (texts are one minute, i.e. 1 text = 1 minute) Net cost to Lifeline customer: **\$0 (free)** 

\*This package includes:

- Free handset
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free Voicemail, Caller-ID, and Call Waiting
- 250 anytime minutes (unused minutes *do not* rollover)
- Free Domestic Long Distance

#### **International Long Distance**

#### Free International Calling Destinations on the 68 Monthly Minutes Plan

(Certain special or off-network locations may be excluded from the Free International Long Distance. Calls to cellular phones are not included unless the word "Cellular" is specifically listed next to the country name. Numbers in parentheses () indicate the Country Code.)

Albania-Tirana (355) Andorra (376) Argentina (54) Australia (61) Austria (43) Bahamas-Cellular (1) Bahamas (1) Bangladesh-Cellular (880) Bangladesh-Chittagong (880) Bangladesh-Dhaka (880) Bangladesh-Sylhet (880) Belgium (32) Bermuda-Cellular (1) Bermuda (1) Bolivia-La Paz (591) Bolivia-Santa Cruz (591) Brazil (55) Brunei-Cellular (673) Brunei (673) Bulgaria (359) Canada-Cellular (1) Canada (1) Chile (56) China-Cellular (86) China (86) Columbia-Cellular (57) Columbia (57) Costa Rica (506) Croatia (585) Cyprus-Cellular (357) Cyprus (357) Czech Republic (420) Denmark (45) Dominican Republic (1) Estonia (372) Finland (358) France (33) French Antilles (594) French Guiana-Cellular (594)

French Guiana (594) Georgia (995) Germany (49) Gibraltar (350) Greece (30) Guadeloupe (590) Guatemala-Telgua (502) Hong Kong-Cellular (852) Hong Kong (852) Hungary (36) Iceland (354) India-Cellular (91) India (91)Indonesia-Cellular (62) Indonesia-Jakarta (62) Indonesia-Surabaya (62) Iraq-Baghdad (964) Ireland (353) Israel (972) Italy (39)Japan (81) Jordan (962) Kazakhstan (7) Kenva-Nairobi (254) Lithuania (370) Luxembourg-Cellular (352)Luxembourg (352) Macao-Cellular (853) Macao (853) Malaysia-Cellular (60) Malaysia (60) Malta (356) Mexico (52) Monaco(377)Netherlands (31) New Zealand (64) Norway (47) Panama (507) Paraguay (595) Peru (51)

Poland (48) Portugal (351) Romania (40) Russia-Cellular (7) Russia (7) San Marino-Cellular (378) San Marino (378) Saudi Arabia-Riyadh (966) Singapore-Cellular (65) Singapore (65) Slovakia (421) Slovenia (386) South Korea-Cellular (82) South Korea (82) Spain (34)Sweden (46) Switzerland (41) Taiwan-Cellular (886) Taiwan (866) Thailand (66) Turkey (90) United Kingdom (44) Uzbekistan (7) Venezuela (58) Vietnam-Ho Chi Minh City (84) Zambia (260)

#### **EXHIBIT 3**

**Description of Facilities** 

### **Q Link Wireless Network Schematic**



# Free Cell Phone GOVERNMENT PROGRAM SEE IF YOU QUALIFY

QLink Wireless provides FREE cell phone service and FREE Monthly Minutes through a Government based program to qualifying families and individuals. Pay Nothing! No Contracts, No Credit Checks, No Fees.

# Get Started Mow!

# GET YOUR FREE CELL PHONE NOW!





Free Minutes Every Month! Pay Nothing for Local & Long Distance Calls, Texting and More!

### The FREE Cell Phone & Minutes Program!



#### No Contracts



No Fees





### The FREE Cell Phone & Minutes Program!





### Pay Nothing! • No Contracts • No Credit Checks • No Fees



**Pav Nothing** 

for Local & Long

Distance Calls, Texting and More! You may qualify if you participate in programs like Food Stamps and Medicaid. For additional eligibility programs see reverse side application.

To get your phone faster visit the website below



QlinkWireless.com/FreeCellPhone

# FREECELL PHONE GOVERNMENT PROGRAM

## GET YOUR FREE CELL PHONE NOW!

QLink Wireless provides FREE cell phone service and FREE Monthly Minutes through a Government based program to qualifying families and individuals. Pay Nothing! No Contracts, No Credit Checks, No Fees.

# SEE IF YOU QUALIFY!

Olini, Wireless III.C 355-011NIGS (355-754-6545) support Collini wireles

#### **EXHIBIT 5**

2010 Lifeline Participation Rates by State and FCC News Release



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**2010 Lifeline Participation Rates by State** 





Federal Communications Commission 445 12<sup>th</sup> Street, S.W. Washington, D. C. 20554

News Media Information 202 / 418-0500 Internet: http://www.fcc.gov TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC. 615 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE: September 14, 2009 NEWS MEDIA CONTACT: Rosemary Kimball (202) 418-0511 Email: rosemary.kimball@fcc.gov

#### FCC SUPPORTS "NATIONAL LIFELINE AND LINK UP TELEPHONE DISCOUNT AWARENESS WEEK" - SEPTEMBER 14 – 20, 2009

WASHINGTON, DC -- Today, the Federal Communications Commission (FCC) joined the effort to call attention to the "National Lifeline and Link Up Telephone Discount Awareness Week," which takes place September 14 – 20, 2009. Various state and local agencies throughout the country will be participating with outreach activities and events. The "Lifeline" and "Link Up" programs provide financial assistance to low-income consumers in connecting a residential phone line and paying their monthly bill. The programs have been active for years and are administered by the FCC and state public utility commissions, but at least half of eligible consumers nationwide do not take advantage of this assistance.

"Lifeline" involves discounts on monthly charges for a primary residential telephone line, including wireless service. "Link Up" involves a discount on the cost of initiating the primary telephone service for a residence, including the activation of a wireless phone that serves as the primary residential telephone. The discounts are available throughout the country, including an enhanced discount on Tribal lands. In general, consumers at or below 135% of the federal poverty guidelines, or who participate in one or more of a number of other assistance programs, are eligible for Lifeline and Link Up.

To help call attention to the availability of these programs, the FCC joins the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Utility Consumer Advocates (NASUCA), and urges government agencies and non-profit organizations to help disseminate information on Lifeline and Link Up to their constituents. More information about the programs and how to apply is available at <u>www.lifeline.gov</u> or <a href="http://www.usac.org/li/low-income/apply-for-support.aspx">http://www.usac.org/li/low-income/apply-for-support.aspx</a>.

-- FCC ---