PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered: July 28, 2011



CASE NO. 11-0520-C-PC

CONEXIONS, LLC,
doing business as CONEXION WIRELESS,
Petition for consent and approval
to be designated as an eligible
telecommunications carrier.

RECOMMENDED DECISION

On April 13, 2011, Conexions, LLC, dba Conexion Wireless (Conexions), filed a petition with the Public Service Commission seeking designation as an Eligible Telecommunications Carrier (ETC) on a wireless basis for the purpose of receiving Federal Universal Service Funds for providing wireless service to low-income customers.

On May 24, 2011, the Commission referred the matter requiring a decision on or before November 9, 2011.

On July 19, 2011, Staff recommended granting the designation to Conexions for the purpose of participating in the Lifeline and Link-Up America program and not the high-cost programs. Staff made the recommendation contingent on Conexions' certification of its acceptance of carrier of last resort obligations and providing equal access to long distance carriers. Staff also recommended that Conexions be required to file appropriate tariffs.

DISCUSSION

Conexions' petition for designation as an ETC on a wireless basis should be approved for the purpose of participating in the Lifeline and Link-Up programs contingent upon Conexions providing the proper certification concerning its carrier of last resort obligations. Conexions should be required to file proper tariffs.

FINDINGS OF FACT

- 1. Conexions petitioned the Commission for designation as an ETC on a wireless basis for the purpose of providing Lifeline and Link-Up service to qualifying low-income customers throughout West Virginia. (See application).
- 2. Staff recommended that the Commission designation Conexions as an ETC on a wireless basis for the provision of Lifeline and Link-Up service contingent upon Conexions certifying its willingness to accept the obliqations of a carrier of last resort including providing equal



access to all long distance carriers. (See Staff recommendation filed on July 19, 2011).

- 3. Conexions will offer each eligible customer a minimum of sixty-eight (68) free minutes, per month, which may be used for local or long distance service. Conexions will provide a free handset and additional minutes priced at five (5) cents per minute. Customers will have the option to supplement their free minutes by purchasing additional monthly service plans, and unused minutes will carry over to the following month. Conexions will provide Lifeline customers access to Voice Mail, Caller ID and Call Waiting services, at no extra charge. Conexions only charges for customer care calls under its 125-minute plan option; otherwise customer care calls are at no cost. (See application).
- 4. Conexions intends to offer its phones and refill minutes at small local stores in neighborhoods where Lifeline eligible customers reside. Conexions has existing relationships with over 20,000 such retailers. (See application).
- 5. Conexions will require applicants to complete an enrollment form where they must attest and certify under penalty of perjury that they satisfy the eligibility criteria and authorize the West Virginia Department of Health and Human Resources to release to Conexions any information necessary to confirm customer eligibility. (See application).
- 6. Processing of consumer applications will be performed under Conexions' supervision by managers experienced in the administration of the Lifeline program. (See application).
- 7. Conexions will provide the services, at least in part, with its own facilities, and with resale from other carriers' services. (See application).
- 8. Designation of Conexions as an ETC will further competition for wireless Lifeline services and offer Lifeline-eligible customers an additional choice of providers for accessing telecommunication services. (See application; Staff memo filed July 19, 2011).
- 9. Conexions owns facilities through a parent corporation, which will enable it to provide directory assistance and operator services to Conexions' customers. All calls from Conexion customers to 0, 611, or 411, will be routed to a Conexions facility. (See application).
- 10. Conexions' handsets will provide Lifeline customers with 911 and E911, regardless of activation status or availability of prepaid minutes. Conexions will provide E911 compliant headsets and replace any noncompliant headsets of existing customers. (See application).
- 11. Conexions will establish safeguards to prevent customers from receiving multiple Lifelines subsidies and will require customers to self-certify at service activation and annually that he or she is the head of the household and receives Lifeline support service from only one carrier. (See application).

- 12. Conexions will provide State Public Commissions with data that will enable the states to track whether some customers are enrolled in more than one Lifeline program. Conexions will make available state-specific customer data, including name and address for the purpose of permitting a State Commission to determine whether an existing customer receives Lifeline service from more than one carrier. (See application).
- 13. Conexions will promptly investigate any reports from the Commission that one of its customers already receives Lifeline services from another carrier and immediately deactivate a customer's Lifeline service, if Conexions' investigation concludes that the customer receives multiple Lifeline services in violation of the Commission's regulations. (See application).
- 14. Conexions will implement a nonusage policy whereby it will identify Lifeline customers who have not used the service for sixty (60) days and cease to claim Lifeline reimbursements for such customers, if they do not use the service within a 30-day grace period, following the initial 60-day nonusage period. (See application).
- 15. Conexions is a provider of Commercial Mobile Radio Service (CMRS) and, as a CMRS, is treated as a common carrier for regulatory purposes by the FCC. (See application; Staff filing of July 19, 2011).
- 16. Conexions will offer in West Virginia voice-grade access to the public-switched telephone network through the purchase of wholesale CMRS services from Sprint/Verizon. It will also provide local call usage, dual tone multi-frequency signaling or its functional equivalent, single party service, access to 911 and E911 service, access to operator service, access to interexchange service and access to directory assistance. As a prepaid pay-as-you-go system, it essentially operates with toll limitations. Conexions will advertise its services in West Virginia media targeted to reach low-income customers. (See application).
- 17. Conexions requested designation as an ETC throughout the service territory covered by Verizon West Virginia Inc., or its successor. (See application).
- 18. Through agreements with Sprint/Verizon, Conexions will be able to remain functional in emergency situations, including having access to reasonable amounts of backup power, rerouting of traffic around damaged facilities, and the capacity to manage traffic spikes. (See application).
- 19. Conexions commits to comply with the Cellular Telecommunications and Internet Associations consumer code for wireless service and represents that its service will have to be of the same quality and reliability as that of its underlying carriers. (See application).
- 20. Conexions will provide customers with usage based on a flat per minute or per month rate without a credit check or term contract requirement. Conexions will offer customers a certain amount of free service which can be used for local and long distance service which makes

the provision comparable to plans offered by the ILEC. (See application).

21. Conexions certifies that 100% of the Federal Universal Service Funds it receives will flow through directly to its Lifeline customers. (See application).

CONCLUSIONS OF LAW

- 1. Conexions has demonstrated that it is a common carrier capable of offering and advertising all of the service offerings set forth in Section 214(e) of the Telecommunications Act of 1996, as amended, for eligible telecommunications carriers through the designed service areas, using either its own facilities or a combination of its own facilities and the resale of another carrier's services, for the sole purpose of providing Lifeline and Link-Up services on a wireless basis to all qualifying customers who request such services in West Virginia.
- 2. Conexions should be designated as an ETC to provide Lifeline and Link-Up services to all qualifying customers who request such services in West Virginia. The ETC status does not apply to high-cost USF reimbursement. The designation should be contingent upon Conexions certifying its willingness to accept carrier of last resort obligations and to provide equal access to long distance carriers.
- 3. It is reasonable to require the Executive Secretary to provide the Federal Communications Commission and the Universal Service Administration Company a certified copy of this Order, designating Conexions as an ETC to provide Lifeline and Link-Up services to all qualifying customers that request such service in West Virginia on a wireless basis, but requiring that Conexions not seek access to funds from the Federal Universal Service Fund for the purposes of providing services to high-cost localities.
- 4. It is reasonable to require that Conexions publish notice of the granting of its petition for designation as an ETC solely to provide Lifeline and Link-Up services to all qualifying customers that request such service in West Virginia as a Class I Legal Advertisement once in qualified newspapers, published and of general circulation in each of the 19 cities designated for statewide legal publications.
- 5. It is reasonable to require Conexions to file an appropriate tariff.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by Conexions, LLC, dba Conexion Wireless, on April 13, 2011, under Section 214(e)(2), of the Telecommunications Act of 1996, as amended, seeking designation as an eligible telecommunications carrier for the sole purpose of providing wireless Lifeline and Link-Up service to qualifying low-income West Virginia customers, be, and hereby is, approved, provided that Conexions provides all of the services outlined in its application. The approval is contingent upon Conexions certifying that it is willing to accept carrier of last resort obligations and also will provide equal access to long distance providers. The ETC designation does not authorize

Conexions to seek high-cost fund support from the Universal Service Fund.

IT IS FURTHER ORDERED that the Executive Secretary provide the Federal Communications Commission and the Universal Service Administration Company a certified copy of this Order designating Conexions, LLC, dba Conexion Wireless, as an eligible telecommunications carrier, solely for the purpose of providing Lifeline and Link-Up services to all qualifying customers who request such service in West Virginia. Conexions will not seek access to funds from the Federal Universal Service Fund for the purpose of providing service to high-cost localities.

IT IS FURTHER ORDERED that Conexions, LLC, dba Conexion Wireless, publish the Notice of ETC Status, attached as Appendix A, as a Class I Legal Advertisement one time each in qualified newspapers, published and of general circulation in each of the 19 cities designated for statewide legal publications. Conexions shall provide the Commission appropriate affidavits upon publication.

IT IS FURTHER ORDERED that Conexions, LLC, dba Conexion Wireless file a proper tariff with the Commission's Tariff Office within thirty days of the date this order becomes final.

IT IS FURTHER ORDERED that the matter be removed from the open docket.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.

Keith A. George Administrative Law Judge

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CONEXIONS, LLC, DBA CONEXION WIRELESS CASE NO. 11-0520-C-PC

NOTICE OF ETC STATUS

On April 3, 2011, Conexions, LLC, dba Conexion Wireless, a public telephone utility, filed a petition with the Public Service Commission, pursuant to Section 214(e)(2), of the Telecommunications Act 1996, as amended, seeking designation as an Eliqible Telecommunications Carrier (ETC) throughout West Virginia for the purpose of receiving Federal Universal Funds support for providing wireless Lifeline and Link-Up American Services. Conexions meets all the necessary qualifications to be designated an ETC under the Act solely to provide services supported and participating in the low-income programs of the USF. Conexions' offer includes providing handsets at no costs to subscribers. Conexions' proposal would benefit wireless customers by increasing customers' competitive choices.

According to the Commission's guidelines, the carrier seeking ETC status must advertise, on a quarterly basis, in media targeted to the general residential market throughout the carrier's service areas and substantially similar to the media in which the serving incumbent local exchange carrier advertises its service in the particular service area.

Also, a carrier seeking ETC status must offer the services required by Section 214(e)(2). These services include: voice-grade access to the public switched telephone network; local usage; dual tone multi-frequency signaling and/or its functional equivalent; single party service and/or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; and toll limitation for qualifying low-income subscribers. Conexions is capable of providing all of these required service offerings and it is currently offering them in its service territory. By Recommended Decision entered July 28, 2011, Conexions' petition was granted. Conexions will provide these services under the name Conexion Wireless.

This notice is being provided in accordance with the Commission's requirements and is not for the purpose of seeking public comment or protest.

CONEXIONS, LLC, DBA CONEXION WIRELESS