

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of TruConnect)
Communications, Inc. Application for De-) Docket No. 24-TCCZ-659-ETC
signation as an Eligible Telecommunications)
Carrier.)

NOTICE OF FILING STAFF REPORT AND RECOMMENDATION

COMES NOW the staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission,” respectively) and for its Notice of Filing Staff Report and Recommendation states as follows:

Staff hereby files the attached Report and Recommendation dated June 16, 2025, providing Staff’s analysis and recommendation regarding the application of TruConnect Communications, Inc., for designation as an Eligible Telecommunications Carrier (“ETC”). The Staff Report and Recommendation is based upon its review and investigation. It recommends the Application be conditionally approved.

WHEREFORE, Staff presents its Report and Recommendation for the record and further determination by way of approval in a Commission order.

Respectfully Submitted,

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REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Drennan Dolsky, Telecommunications Analyst
Steve Garrett, Deputy Chief of Telecommunications
Janet Buchanan, Deputy Director of Utilities
Justin Grady, Director of Utilities

DATE: June 16, 2025

SUBJECT: Docket No. 24-TCCZ-659-ETC
In the Matter of the Application of TruConnect Communications, Inc. Application
for Designation as an Eligible Telecommunications Carrier.

EXECUTIVE SUMMARY:

On April 4, 2024, TruConnect Communications, Inc. (“TruConnect”) filed an Application with the Kansas Corporation Commission (“Commission”) for Eligible Telecommunications Carrier (ETC) designation in order to receive federal and state Lifeline support using the underlying wireless networks of facilities-based providers, T-Mobile USA, Inc. (“T-Mobile”) and Verizon Wireless (“Verizon”) in service areas for which these two underlying networks provide service in the State of Kansas.

Staff has conducted a review of the company’s Application and issued several data requests to gather additional information necessary for evaluation of TruConnect’s request. Based on a review of information provided by TruConnect, Staff concludes that the company meets the applicable requirements to be designated as an ETC for receipt of federal and state Lifeline support for those areas set out in Exhibit 3 of the Application. Staff recommends the Commission grant TruConnect’s Application and require quarterly reporting from TruConnect as discussed further in the analysis section below.

BACKGROUND:

On April 4, 2024, TruConnect Communications, Inc. filed an Application seeking ETC designation solely to provide Lifeline service to qualifying Kansas customers. TruConnect is a Delaware corporation with its principal office located at 1149 S. Hill Street, Suite H-400, Los Angeles,

California 90015. TruConnect is in an “Active and Good Standing” status with the Kansas Secretary of State Office.¹

Lifeline service is among the services supported through the Federal Universal Service Fund (FUSF) and the Kansas Universal Service Fund (KUSF), which were established through the Federal and Kansas Telecommunications Acts respectively. The Lifeline program assists low-income consumers by providing a discount on their monthly local telephone charges so that telephone service is more affordable.

To be eligible to receive support from the FUSF and KUSF, a carrier is required to be designated an ETC. A state commission may designate a carrier as an ETC in accordance with 47 U.S.C. § 214(e)(1), which requires:

A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3), or (6) shall be eligible to receive universal service support in accordance with section 254 of this title and shall, throughout the service area for which the designation is received:

- (A) offer the services that are supported by Federal universal service support mechanisms under section 254(c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
- (B) advertise the availability of such services and the charges therefore using media of general distribution.

The Commission derives its authority to designate ETCs pursuant to 47 U.S.C. § 214(e)(2), which requires:

A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.

Additionally, Kansas law (K.S.A. 66-2008(b)), adopts the federal standards contained in 47 U.S.C. § 214(e)1. Specifically, K.S.A. 66-2008(b) states:

Pursuant to the federal act, distributions from the KUSF shall be made in a competitively neutral manner to qualified telecommunications public utilities,

¹ Kansas Secretary of State, TruConnect, <https://www.sos.ks.gov/eforms/BusinessEntity/Search.aspx>, Last viewed June 12, 2025.

telecommunications carriers and wireless telecommunications providers, that are deemed eligible both under subsection (e)(1) of section 214 of the federal act and by the commission.

The Federal Communications Commission (FCC) has set forth the services which are to be supported by the FUSF in rural, insular and high-cost areas. These services are found in 47 C.F.R. §54.101, which states:

(a) Services designated for support. Voice Telephony services and broadband services shall be supported by federal universal service support mechanisms.

(1) Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charges to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E of this part.

(2) Eligible broadband Internet access services must provide the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service.²

Finally, an ETC is also subject to the requirements of the following FCC rules set out in 47 C.F.R. §§ 54.201, 54.202, 54.203, 54.205, 54.207, 54.408, and 54.410.³

- 54.201 - Definition of eligible telecommunications carriers, generally.
- 54.202 - Additional requirements for Commission designation of eligible telecommunications carriers.
- 54.203 - Designation of eligible telecommunications carriers for unserved areas.
- 54.205 - Relinquishment of universal service.
- 54.207 - Service Areas.
- 54.408 - Minimum service standards.
- 54.410 - Subscriber eligibility determination and certification.

ANALYSIS:

To review TruConnect's Application, Staff issued five data requests (DRs) to the company. TruConnect responded to the first four DRs on November 22, 2024. The company then sent supplemental responses for three of the DRs on December 6, 2024. On, January 24, 2025, Staff issued its fifth DR to the company and TruConnect provided a response on February 27, 2025. Within these DRs, Staff requested various information such as an organizational chart and corporate

² 47 C.F.R. § 54.101.

³ Part 54 – Universal Service Subpart C – Carriers Eligible for Universal Service Support

registration, audit findings, audited financial statements, minutes of annual meetings, information on any legal cases or complaints involving non-payment by TruConnect, a listing of application approvals, denials, or pending status in other states, a map, and Kansas-specific information similar to that provided in TruConnect's FCC Compliance Plan.

Additional Company Information

In its Application and in response to Staff's questions concerning the company's corporate structure, TruConnect indicates it is a subsidiary of TSC Acquisition Corporation (TSC) and that TSC also owns Sage d/b/a TruConnect. The Commission recently approved an ETC application for Sage d/b/a TruConnect.⁴ While evaluating both the Sage d/b/a TruConnect and the TruConnect Applications, Staff determined that TruConnect's requested ETC service area designation will overlap with Sage d/b/a TruConnect's designated service area. In response to an inquiry by Staff regarding why TruConnect and Sage d/b/a TruConnect would need to have the same designated service areas, TruConnect stated the following:

As noted in TruConnect's ETC application, Sage d/b/a TruConnect and TruConnect are both owned by TSC Acquisition Corporation (TSC). Sage d/b/a TruConnect and TruConnect each have a Lifeline compliance plan approved by the FCC. However, Sage d/b/a TruConnect and TruConnect have focused on different ETC designation footprints. To date, both Sage d/b/a TruConnect and TruConnect have used the "TruConnect" brand to market their Lifeline service offers.

The pending TruConnect ETC application is part of a broader multi-state effort to establish as broad as possible ETC designation footprint for TruConnect. At the completion of the broader multi-state effort, TSC will work in coordination with the FCC to determine a reasonable plan to transition the Sage d/b/a TruConnect subscribers from the Sage d/b/a TruConnect SAC to the TruConnect SAC. TSC will determine at a later date how it will utilize the Sage d/b/a TruConnect ETC designation. Regardless, granting TruConnect's ETC Petition will serve the public interest as it will provide low-income consumers with more competitive choices.⁵

Given this information from the company, Staff views the Sage d/b/a TruConnect and TruConnect dockets as interconnected. As indicated in Staff's Report and Recommendation in Docket No. 24-SAGT-326-ETC (326 Docket), Staff is concerned that post-transfer of Sage d/b/a TruConnect's customers to TruConnect, Sage d/b/a TruConnect will no longer be offering services in its designated service area, which will create a need to cease or transfer its ETC designation. Since the timing of the customer transfers and TSC's determination of how it will utilize Sage d/b/a TruConnect's ETC designation is unknown, Staff recommends the same quarterly reporting requirements be applied to TruConnect as ordered by the Commission for Sage d/b/a TruConnect in the 326 Docket. This will ensure that Staff can monitor the progress of TSC's plans and make recommendations for any proactive actions by the Commission that may be necessary in the future. The reporting requirements approved by the Commission's order in the 326 Docket are as follows:

⁴ See Docket No. 24-SAGT-326-ETC.

⁵ January 14, 2025, email attached from TruConnect's legal counsel to Staff.

1. TruConnect and Sage d/b/a TruConnect are to submit a report in the instant docket on a quarterly basis providing an update on:
 - a. Status of transferring Sage d/b/a TruConnect's customers to Truconnect.
 - b. Confirmation Sage d/b/a TruConnect and TruConnect are following the guidelines set forth by USAC.
 - c. Status of Sage d/b/a TruConnect's ETC designation post-transfer of Sage d/b/a TruConnect's customers to TruConnect including an estimated date of when a decision will be made by TSC.⁶

Federal and State ETC Requirements

The statutes of the Federal Act mentioned earlier herein, 47 U.S.C. § 214(e)(1) and 47 U.S.C. § 214(e)(2), provide information on how a carrier can be designated as an ETC. Congress empowered the states to designate a common carrier as an ETC. The Commission must evaluate TruConnect's ability to meet the criteria set out in 47 U.S.C. § Section 214(e)(2). TruConnect requests ETC designation in several rural service areas therefore, the Commission is required to make a public interest determination with regard to the service areas and Staff will provide a public interest recommendation.

In order to be designated as an ETC, a company must be a "common carrier" as defined in 47 U.S.C. § 153(11):

The term "common carrier" or "carrier" means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this chapter; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.

TruConnect states that it meets this requirement by offering all services supported by universal service, either using its own facilities or a combination of its own facilities and the resale of another carrier's services, except where the FCC has forborne from the "own facilities" requirement.⁷ TruConnect offers local exchange service including the basic phone line and various features to choose from, such as Caller ID, Call Waiting, Voicemail features, and access to 911 services regardless of the number of voice minutes remaining on the Lifeline consumer's plan.⁸ Staff's review of the current Application has determined that TruConnect meets the federal definition of common carrier.

⁶ *Order Granting Amended Application to Expand Designation as an Eligible Telecommunications Carrier*, Docket No. 14-SAGT-326-ETC, April 29, 2025, ordering paragraph F.

⁷ See Application, ¶ VI

⁸ See *Id.*, at ¶ VI A.

Services or Functionalities

The FCC identifies the services or functionalities that shall be supported by the federal universal service support mechanisms, pursuant to 47 U.S.C. § 254 (c). The supported services are codified in 47 C.F.R. § 54.101(a), which reads as follows:

Voice Telephony services shall be supported by federal universal service support mechanisms. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E of this part.

With regard to the local usage component, the Commission determined in its October 2, 2006, Order in Docket No. 06-GIMT-446-GIT (October 2nd Order) that it would follow the FCC's guidance and evaluate local usage by considering the comparability of a competitive ETC's offering on a case-by-case basis "by evaluating the total service package, including the local calling scope, included features, and usage that might otherwise be considered long distance." The Commission further stated that it would consider whether an ETC applicant offers unlimited calling to government, social service, health facilities, educational institutions and emergency numbers when considering comparability.⁹

In its Application, TruConnect describes how it meets the aforementioned federal criteria for being designated an ETC. TruConnect provided the following explanations of how it proposes to provide Voice Telephony services either by using its own facilities or a combination of its own facilities and the resale of another carrier's services:

Voice-grade Access to the Public Switched Telephone Network – TruConnect will provide voice grade access to the public switched telephone network ("PTSN") through the purchase of wholesale CMRS services from T-Mobile and Verizon.¹⁰

Local usage – TruConnect offers rate plans that provide its customers with minutes of use for local service at no additional charge.¹¹

Access to emergency services – TruConnect provides 911 and E911 access for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. The services will be free and available regardless of activation status or minute availability. TruConnect will also all the deployment and availability of E911 compatible handsets.¹²

⁹ *Order Adopting Requirements for Designation of Eligible Telecommunications Carriers*, Docket No. 06-GIMT-446-GIT, October 2, 2006, ¶¶ 7-8, p. 4-5.

¹⁰ See Application, ¶ IV, C, 1.

¹¹ See *Id.*

¹² See *Id.*

Toll limitations for qualifying low-income consumers – TruConnect’s offerings allow Lifeline subscribers to control their usage whether they prefer prepaid or pay-as-you-go. The Company treats local and domestic long-distance minutes the same.¹³

TruConnect indicates that its service does not distinguish between toll and non-toll calls in the pricing of its services. As a result, the company states that toll limitation services do not need to be offered for any Lifeline service offered by TruConnect.¹⁴

TruConnect’s proposed voice calling plans include unlimited local calling. As a result, Staff contends TruConnect’s local usage offering is comparable to the local usage offered by the incumbent providers. Staff is satisfied that the company has demonstrated an ability to provide the service or functionalities supported by the universal service support systems and that its local usage component is comparable to that of the incumbent providers. Concerning toll limitation services, 47 C.F.R. § 54.401(a)(2) Lifeline indicates:

Toll limitation service does not need to be offered for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of the service. If an eligible telecommunications carrier charges Lifeline subscribers a fee for toll calls that is in addition to the per month or per billing cycle price of the subscribers' Lifeline service, the carrier must offer toll limitation service at no charge to its subscribers as part of its Lifeline service offering.

Thus, TruConnect does not need to offer toll limitation service in order to be designated as an ETC for the purpose of receiving Lifeline support.

In its Application, TruConnect states that “. . . Lifeline customers will receive unlimited voice minutes, unlimited text messages, and 4.5 gigabytes (GB) of data per month with full access to the T-Mobile and Verizon networks at a net cost of \$0.00 after application of Lifeline support.”¹⁵ The company indicates that this plan is based on the FCC’s current service requirements and is subject to change if those standards are revised.

The following table, found on the website of the Universal Service Administrative Company (USAC), outlines the current Lifeline service type options, and the federal Lifeline support amount associated with them.¹⁶ Currently, Lifeline support offered through the KUSF is \$7.77 for voice service.

¹³ *Id.*


¹⁴ *Id.*

¹⁵ Application, ¶ V, E.

¹⁶ <https://www.usac.org/lifeline/rules-and-requirements/minimum-service-standards/>.

Federal Lifeline Support Amounts

| Service Type | Description | Lifeline Support Amount |
|-----------------------------|---|-------------------------|
| Voice * | Subscriber is provided a Voice only service that meets the minimum service standards. | \$5.25 |
| Broadband | Subscriber is provided a Broadband only service that meets the minimum service standards. | \$9.25 |
| Bundled Voice * | Subscriber is provided a Voice and Broadband service that meets the Voice minimum service standards only. | \$5.25 |
| Bundled Broadband | Subscriber is provided a Voice and Broadband service that meets the Broadband minimum service standards only. | \$9.25 |
| Bundled Voice and Broadband | Subscriber is provided a Voice and Broadband service that meets both the Voice and Broadband minimum service standards. | \$9.25 |

*On [July 30, 2024](#)  the Wireline Competition Bureau (WCB), paused the phase-out of Lifeline support for voice-only services for an additional year. As such, the basic Lifeline support of \$5.25 remains available to eligible consumers who subscribe to voice-only service until at least December 1, 2025.

Service Areas

Section 214(e)(5) of the Federal Act defines “service area” as:

The term “service area” means a geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, “service area” means such company’s “study area” unless and until the [Federal Communications] Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.

“Service areas” or “operating areas” are defined by the state act in K.S.A. 66-1,187(k). K.S.A. 66-1,187(k) provides that,

- (1) In the case of a rural telephone company, operating area or service area means such company’s study area or areas as approved by the federal communications commission.
- (2) In the case of a local exchange carrier, other than a rural telephone company, operating area or service area means such carrier’s local exchange service area or areas as approved by the commission.

Specifically for Lifeline, K.S.A. 66-2006(c) states:

To generate and facilitate participation in the lifeline service program, provide choice for Kansas consumers, and allow collection of federal lifeline program

reimbursements, **the KCC shall approve a wireline (non-CMRS) facilities-based telephone service provider's application** for eligible telecommunications carrier, hereinafter referred to as the ETC, designation in a non-rural service area for the purpose of receiving low-income federal universal service fund support for participation in the lifeline service program, **for the area equal to the applicant provider's own service area**, provided the applicant provider meets all other ETC eligibility requirements. The commission, however, may condition that such designation remains consistent with the guidelines of the federal program. (emphasis added)

On April 15, 2013, the FCC released an Order¹⁷ granting forbearance from the requirements of Section 47 U.S.C. § 214(e)(5) of the Act and 47 C.F.R. § 54.207(b) that the service area of an ETC conform to the service area of any rural telephone company serving the same area. The forbearance Order is limited to a carrier's designation as a Lifeline-Only ETC and applies to any ETC that has been designated as Lifeline-Only or any existing ETC seeking a limited designation to participate in the Lifeline-Only program.

Forbearance in these limited circumstances merely removes the requirement to conform to the service area of any rural telephone company serving the same area for previously designated ETCs receiving Lifeline-Only support and carriers with pending or future ETC designation requests for Lifeline-Only support. The Commission may now designate Lifeline-Only ETCs in a "*portion*" of a rural service area without redefinition of that rural service area. However, the Commission is still required to consider the public interest, convenience and necessity of designating carriers as a competitive ETC in a rural area already served by a rural telephone company.¹⁸

TruConnect seeks ETC designation for Lifeline support within the State of Kansas listed in Exhibit 3 of the Application.¹⁹ Staff issued DR 5 to TruConnect requesting a map of the proposed designation areas that were filed in the Application. Upon review of the map provided by TruConnect, Staff confirmed the map is an accurate representation of the proposed service areas in this Application. Staff has attached the map as well as DR 5 as Exhibit 3. Staff is satisfied with the provided detail to support the requested areas for ETC designation.

Advertising

Eligibility for Federal universal service support is addressed by Section 214(e) of the Federal Act. Section 214(e) (1) of the Federal Act states as follows:

- (1) ELIGIBLE TELECOMMUNICATIONS CARRIERS – A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received – (A) offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by

¹⁷ *Telecommunications Carriers Eligible for Support, Lifeline and Link Up Reform, Virgin Mobile USA, L.P., et al Petitions for Forbearance*, FCC 13-44 Order, April 15, 2013.

¹⁸ 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201(c).

¹⁹ Application, ¶ IV, D.

another eligible telecommunications carrier); and (B) advertise the availability of such services and the charges therefore using media of general distribution.

TruConnect states it will satisfy the federal Lifeline promotional requirements set forth in 47 C.F.R. §§ 54.201(d)(2) and 54.405(c). The company provided sample advertisements in Exhibit 4 of the Application.

In the October 2nd Order, the Commission established a requirement for competitive ETCs to develop “. . . meaningful language so that consumers will understand what they can expect from an ETC. . . .”²⁰ In addition, the Commission determined that all competitive ETCs shall include contact information for the Commission’s Office of Public Affairs and Consumer Protection (PACP) in its advertisements to make sure that customers know where to turn with questions and complaints.²¹

Accordingly, Staff provided TruConnect with suggested language to use in its advertising for the Kansas ETC areas. The language is as follows:

For unresolved questions or complaints, you may contact the state commission in your state. The contact information is:

Customers may contact the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection with any concerns, at address 1500 SW Arrowhead Road, Topeka, KS 66604, through email: kcc.public.affairs@ks.gov or call toll-free 1-(800)-662-0027 or in Topeka (785)-271-3140. Hearing or speech impaired TTY Kansas Relay Center 1-(800)-766-3777.

Staff is satisfied that TruConnect will meet the advertising requirements²² and requests that TruConnect file an example of the revised advertisement in the instant docket.

Public Interest

The FCC, in its *Virginia Cellular Order*, made findings regarding determination of the public interest.²³ In this Order, the FCC determined that the “. . .value of increased competition, by itself, is not sufficient to satisfy the public interest test in rural areas.”²⁴ The FCC indicated it would consider the following in evaluating the public interest:

- the benefits of increased competition;
- the impact of multiple designations on the universal service fund;
- the unique advantages and disadvantages of the applicant’s service offering;
- any commitments made regarding quality of service; and

²⁰ *Order Adopting Requirements for Designation of Eligible Telecommunications Carriers*, Docket No. 06-GIMT-446-GIT, dated October 2, 2006, ¶ 12

²¹ *Id.*, ¶ 13

²² *Id.*, ¶ 77b.

²³ *See In the Matter of Federal State Joint Board on Universal Service: Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia*, Released: January 22, 2004 (“*Virginia Cellular Order*”), FCC Docket No. DA 03-338.

²⁴ *Id.*, ¶ 4.

- the applicant's ability to provide the supported services throughout the designated service area within a reasonable amount of time.²⁵

While the FCC's decision is not binding on this Commission, the Commission found in its ALLTEL²⁶ and RCC Minnesota²⁷ Orders that examination of the additional factors enumerated in the FCC's Order is reasonable. TruConnect provided the following explanation in its Application to support a finding that it would be in the public interest for the company to be designated as an ETC for Lifeline support:

Advantages of TruConnect's Service Offering – TruConnect offers a unique, easy to use, competitive, and highly affordable wireless telecommunications service, which benefits qualified consumers who either have no other service alternatives or who choose a wireless prepaid solution in lieu of more traditional service. The public interest benefits of TruConnect's wireless service include larger calling areas, the convenience and security afforded by mobile service, and an unlimited amount of voice and generous amount of broadband access included without cost, as well as free access to caller ID, call waiting, and Voicemail features, and access to 911 services regardless of the number of voice minutes remaining on the Lifeline consumer's plan. TruConnect's Lifeline offerings provide customers with unlimited voice minutes, unlimited text messages, and a data allotment, at no net cost to the customer after application of Lifeline support. TruConnect's Lifeline offering will be provided either over T-Mobile's 4G LTE network or the Verizon network. TruConnect's prepaid wireless service is likely to be an especially attractive option for low-income consumers because it alleviates customer concerns regarding hidden costs, varying monthly charges and long-term contract issues. . . . Mobile service allows children to reach their parents wherever they may be, allows a person seeking employment greater ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers regardless of location. Mobile service often also serves as a key bridge in closing the homework gap for students who live in rural areas with limited access to broadband. . . . [P]repaid wireless services have become essential for low-income customers, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents.²⁸ . . .

The Benefits of Competitive Choice – . . . Designation of TruConnect as an ETC will help ensure that quality services are available at "just, reasonable, and affordable rates" as envisioned in [47 U.S.C. § 254(b)(1)]. Introducing TruConnect into the market as an additional wireless ETC provider will afford low-income Kansas residents a wider choice of providers and available services while creating a competitive marketplace as ETCs compete for a finite number of Lifeline-eligible

²⁵ *Id.*

²⁶ *Order Granting ETC Designation and Addressing Additional Issues*, Docket No. 04-ALKT-283-ETC, dated Sept. 24, 2004, ¶ 28.

²⁷ *Order No. 14: Granting ETC Designation and Addressing Additional Issues.*, Docket No. 04-RCCT-338-ETC, dated Sept. 9, 2004, ¶ 26.

²⁸ *Id.*, ¶ IV, A.

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.²⁹

Impact on the Universal Service Fund- With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is the same whether the support is given through a company such as TruConnect or the Incumbent LEC operating in the same service area. The number of persons eligible for Lifeline support is the same regardless of the number of ETCs; thus, TruConnect will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not already enrolled in another ETC's Lifeline program.³⁰

TruConnect also commits to comply with service quality standards developed by the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service.³¹ As addressed earlier, the company will provide service throughout the requested service areas. After reviewing TruConnect's Application, Staff contends that the company has demonstrated that it is in the public interest to designate its ETC in the requested service areas for the purpose of participating in the federal and state Lifeline program.

Consumer Eligibility and Enrollment

In the FCC's *Lifeline Reform Order*, the FCC comprehensively reformed and began the modernization of the federal Lifeline program.³² Pursuant to the Order and 47 C.F.R. 54.410(d), ETCs in all states were required to update their Lifeline Certification forms by June 1, 2012, to include specific information in clear, easily understood language and participants are required to make initial and annual certifications. The information required to be disclosed includes that Lifeline is a Federal benefit and that Lifeline can only be received for one line per household.

Staff's review of TruConnect's website link to the Lifeline Certification Form and determined the form is clear in its indication that consumers may receive only one Lifeline benefit per household.³³ Staff is satisfied that the form complies with Federal rules that prohibit subscribers from receiving more than one Lifeline service per household.³⁴

Technically and Financially Capable

The FCC, in its *Lifeline Reform Order*, amended 47 C.F.R. §54.202, which governs ETC designation by states to require a carrier seeking designation as a Lifeline-only ETC to demonstrate

²⁹ *Id.*, ¶ IV, B.

³⁰ *Id.*, ¶ IV, C.

³¹ *Id.*, ¶ V, C.

³² See *In the Matter of Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*; WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23; Report and Order and Further Notice of Proposed Rulemaking; Rel. Feb. 6, 2012, ("*Lifeline Reform Order*").

³³ <https://www.truconnect.com/program/about-lifeline>.

³⁴ 47 C.F.R. § 54.405(c)

that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules. The FCC stated that among the relevant considerations for such a showing are:

- a) Whether the Applicant previously offered services to non-Lifeline consumers.
- b) How long the Company has been in business.
- c) Whether the Applicant intends to rely exclusively on USF disbursements to operate.
- d) Whether the Applicant receives or will receive revenue from other sources.
- e) Whether the Company has been subject to enforcement action or an ETC revocation proceeding in any state.

The Commission requested comments in its March 27, 2012, Order in Docket No. 10-GIMT-658-GIT on what additional information should be provided by Lifeline-only ETCs to demonstrate their technical and financial capacity in Kansas. After reviewing the Comments filed, the Commission determined in its June 21, 2012, Order that:

Lifeline-only ETC applicants are hereby required to file Kansas-specific information regarding technical and financial capacity similar to the information provided in the carrier's FCC Compliance Plan when filing for Lifeline-only ETC status in Kansas.³⁵

Concerning its technical and financial capabilities TruConnect states:

The Company has been offering telecommunications service since 1998 and began providing non-Lifeline wireless service in October 2012, and Lifeline-supported wireless service in May 2013. TruConnect. . . provides wireless services nationwide, including Lifeline services in thirty-nine (39) jurisdictions. TruConnect has not been subject to ETC revocation proceedings. The Company. . . has never had to file for bankruptcy protection, and is supported by the resources of its parent, TSC. TruConnect does not, and does not intend to, offer exclusively Lifeline-supported services and is therefore not exclusively dependent on USAC for its revenue. The result of TruConnect's efforts is that it is fully capable of honoring all its service obligations to customers and regulatory obligations to state and federal regulators.³⁶

TruConnect has not been subject to enforcement action or ETC revocation in any state. TruConnect commits that 100% of federal Universal Service Funds will flow through directly to Lifeline customers.³⁷

³⁵ *Order Requiring Eligible Telecommunications Carriers to Comply with New Lifeline Requirements and Requesting Comments*, Docket No. 10-GIMT-658-GIT, June 21, 2012, ordering paragraph A.

³⁶ See Application, ¶ V, D.

³⁷ See *Id.*, ¶ V, J.

After review of the Application and responses to DRs, Staff is satisfied that TruConnect meets the FCC's rules pursuant to 47 C.F.R. § 54.201 and 54.202 as being financially and technically capable to offer Lifeline-only support in its requested service areas.

Ability to Remain Functional in an Emergency

The Commission determined in its October 2nd Order that, as part of its public interest evaluation, the Commission will require an ETC Applicant to demonstrate that it has sufficient back-up power to remain functional without external power in emergency situations, is able to reroute traffic around damaged facilities, and can manage emergency traffic spikes.³⁸

TruConnect's Application states it will remain functional during emergencies as required by 47 C.F.R. § 54.202(a)(2). TruConnect will "[U]tilize the extensive and well-established network and facilities of T-Mobile and Verizon to provide its Lifeline services."³⁹ The company states that it believes these networks have access to a reasonable amount of back-up power to ensure functionality without an external power source. Additionally, these carriers are able to reroute traffic around damaged facilities and manage any potential traffic spikes that may occur as a result of an emergency at the same functionality as TruConnect. TruConnect also notes that T-Mobile and Verizon have certified to the FCC that their networks function in emergency situations.⁴⁰

Staff is satisfied that TruConnect will be able to properly respond to emergency situations and remain functional during emergencies as required by 47 C.F.R. § 54.202(a)(2).

Benefit Transfers

The Universal Service Administrative Company (USAC) database defines a benefit transfer as when one service provider transfers a subscriber's Lifeline program benefit from another service provider. The benefit transfer must be at the request of the subscriber. The subscriber's new service provider initiates the transaction in the National Lifeline Accountability Database (NLAD) on the subscriber's behalf. Prior to initiating a benefit transfer in NLAD, the service provider must obtain the consent of the subscriber and obtain proper documentation of consent.⁴¹

Staff reminds TruConnect to follow the guidelines set in place by USAC when transferring the subscriber's service to TruConnect. Furthermore, Staff requests TruConnect to file quarterly updates regarding their progress on the benefit transfers in the instant docket.

RECOMMENDATION:

Based on its review of TruConnect's Application and responses to Staff DRs 1-5, Staff recommends the Commission grant TruConnect's request to seek its Lifeline ETC designation in the T-Mobile and Verizon service areas on a wholesale basis detailed in Exhibit 3 and further supported by TruConnect's response in DR 5 requesting additional mapping information. Staff is satisfied that

³⁸ The FCC also revised its rules in 47 C.F.R. 54.202(a)(2) to require an ETC to demonstrate it has the ability to remain functional in an emergency.

³⁹ See Application, ¶ V, B.

⁴⁰ See Application, ¶ V, B.

⁴¹ <https://www.usac.org/lifeline/national-lifeline-accountability-database-nlad/benefit-transfers/>.

TruConnect has demonstrated its ability to meet the federal and state requirements for being designated as a Lifeline-only ETC in the proposed areas.

Staff contends that TruConnect has demonstrated that it is in the public interest to expand its ETC designation in the requested service area for the purpose of participating in the federal and state Lifeline program.

TruConnect should be reminded that federal and state Lifeline funds must be used for their intended purpose, and TruConnect must pass the entire Lifeline credit through to the consumer.

Additionally, TruConnect should be aware that it is required to abide by Lifeline-only ETC requirements adopted by this Commission, including annual ETC recertification requirements, and TruConnect will be required to follow these to continue to receive state and federal support.

Staff further recommends the Commission issue an Order with the same reporting requirements as approved for Sage d/b/a TruConnect which are:

1. Granting TruConnect's request for a Lifeline-only ETC in the area identified in Exhibit 3.
2. TruConnect and Sage d/b/a TruConnect are to submit a report in the instant docket on a quarterly basis providing an update on:
 - a. Status of transferring Sage d/b/a TruConnect's customers to Truconnect.
 - b. Confirmation Sage d/b/a TruConnect and TruConnect are following the guidelines set forth by USAC.
 - c. Status of Sage d/b/a TruConnect's ETC designation post-transfer of Sage d/b/a TruConnect's customers to TruConnect including an estimated date of when a decision will be made by TSC.
3. Recommending TruConnect to file a revised advertisement including the Public Affairs and Consumer Protection contact information in the instant docket.

CERTIFICATE OF SERVICE

24-TCCZ-659-ETC

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's R&R was served via electronic service this 18th day of June, 2025, to the following:

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