

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

Before Commissioners: Mark Sievers, Chairman
 Thomas E. Wright

In the Matter of the Application of i-wireless, LLC)
for Designation as an Eligible Telecommunications) Docket No. 12-IWRZ-848-ETC
Carrier in the State of Kansas.)

ORDER GRANTING ELIGIBLE TELECOMMUNICATIONS CARRIER STATUS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

1. On May 29, 2012, i-wireless, LLC (i-wireless) filed an Application requesting designation as an Eligible Telecommunications Carrier (ETC) for low-income Lifeline-Only support purposes in the State of Kansas. i-wireless seeks designation to provide Lifeline service to qualifying consumers in specific Southwestern Bell Telephone Company d/b/a AT&T Kansas (AT&T Kansas) wire centers and specific Rural Local Exchange Carrier (RLEC) exchanges specifically identified in paragraph 6 below. i-wireless also requests redefinition of the service areas to the exchange level for several Local Exchange Carriers (LECs), also identified in paragraph 6 below.

2. In order for a carrier to receive low-income Lifeline wireless ETC designation from the Commission, the requesting carrier must make showings required under federal law. Pursuant to 47 U.S.C. §214(e)(1)-(2), §254(c), and 47 C.F.R. §54.101(a), the carrier must make the following showings:

- a. The carrier will offer the services supported by federal universal service support mechanisms under 47 U.S.C. §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 another ETC) throughout the service area for which designation is received.¹

- b. The carrier will advertise the availability of such service and the charges therefor using media of general distribution.
- c. Designation would be consistent with the public interest, convenience, and necessity.²

- 3. Pursuant to Federal Communications Commission (FCC) orders, Commission

Orders, and Kansas law, the carrier requesting low-income Lifeline wireless ETC designation must also show:

- a. Lifeline customers will be able to apply the Lifeline discount to any calling plan offered by the carrier.³
- b. The carrier will use the Kansas Lifeline Credit Application to enroll eligible Customers in the Lifeline Program or their own credit form which must contain all the data found in the Kansas Lifeline Credit Application.⁴
- c. The carrier is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules.⁵
- d. The carrier has received approval of its Compliance Plan with the FCC (if Applicable).
- e. The carrier undertakes efforts to eliminate waste, fraud, and abuse in the Lifeline Program.
- f. The carrier, in its advertising, will use "meaningful language so that consumers will understand what they can expect from an ETC", and include contact

¹ 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.

² See Docket No. 04-RCCT-338-ETC, Order No. 14 Order Granting ETC Designation and Addressing Additional Issues, issued September 30, 2004, ¶29.

³ See Docket No. 06-GIMT-446-GIT, Order Adopting Requirements for Designation of Eligible Telecommunications Carriers, issued October 2, 2006.

⁴ *Id.* Order issued March 27, 2012, ordering ¶B. See also Docket No. 00-GIMT-910-GIT, Order issued January 21, 2003, ordering ¶A.

⁵ *Idem.* Order issued June 21, 2012, ordering ¶A; Also see 47 C.F.R. §54.201 and §54.202.

information for the Commission's Office of Public Affairs and Consumer Protection (PACP), the Kansas Corporation Commission, and the Kansas Relay Center for the hearing or speech impaired.

- g. The carrier 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.⁶
- h. The carrier is properly registered with the Kansas Secretary of State's office.
- i. The carrier will provide service throughout its designated service area to all customers making a reasonable request for service.
- j. The carrier will comply with all applicable federal and state laws, rules, regulations, and orders. The carrier will inform the Commission of any changes in service made to comply with updated laws, rules, regulations, and orders.

4. On August 29, 2012, the Commission Staff (Staff) submitted its Report and Recommendation dated August 22, 2012, recommending approval of i-wireless' Application. Staff's Report and Recommendation reflects a very thorough examination of i-wireless' Application and accompanying Exhibits and presents a detailed analysis of all aspects of the Application. A summary of Staff's findings follows in this Order. For a detailed account of Staff's examination of i-wireless' Application and evidentiary showings, reference is made to the Report and Recommendation.

5. Staff's findings include the following: (i) i-wireless offers the services and functionalities supported by the federal universal service support mechanisms in the requested service areas, (ii) i-wireless will properly advertise its services with meaningful language and include required contact information, (iii) i-wireless is technically and financially capable of providing Lifeline service and the company's Kansas Lifeline Credit Application meets the Kansas Lifeline program parameters, (iv) i-wireless' Compliance Plan has been approved by the Federal Communications Commission (FCC) and i-wireless has demonstrated its efforts to

⁶ See Docket No. 06-GIMT-446-GIT, Order Adopting Requirements for Designation of Eligible Telecommunications Carriers, issued October 2, 2006, ¶34.

eliminate waste, fraud, and abuse in the Lifeline Program, (v) i-wireless is a foreign limited liability company, properly registered with the Kansas Secretary of State's office and whose status with that office is *active and in good standing*, (vi) i-wireless 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, and (vii) designation of i-wireless as an ETC would be consistent with the public interest, convenience, and necessity.

6. Concluding its analysis, Staff recommends approval of i-wireless' request for designation as an ETC for Federal Universal Service Fund (FUSF) low-income Lifeline-Only purposes in the following exchanges:

- (a). Specific AT&T Kansas exchanges, including the Kansas City, Topeka, and Wichita areas; and
- (b). Specific exchanges served by Blue Valley Tele-communications (Blue Valley), Sunflower/Bluestem Telephone Company (Bluestem/Sunflower), Craw-Kan Telephone Cooperative (Craw-Kan), Cunningham Telephone Co. (Cunningham), Golden Belt Telephone Association (Golden Belt), Haviland Telephone Company (Haviland), Home Telephone Company (Home), J.B.N. Telephone Company (J.B.N.), KanOkla Telephone Association (KanOkla), LaHarpe Telephone Company (LaHarpe), Madison Telephone (Madison), MoKan Dial (Mo-Kan), Moundridge Telephone Company (Moundridge), Peoples Telecommunications (Peoples), Rainbow Telecommunications Association (Rainbow), S&A Telephone Company (S&A), Southern Kansas Telephone (Southern Kansas), Totah Communications (Totah), Tri-County Telephone Association (Tri-County), Twin Valley Telephone (Twin Valley), United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink), Wamego Telecommunication Company (Wamego), Wheat State Telephone (Wheat State) Wilson Telephone Company (Wilson), and Zenda Telephone Company (Zenda). (Reference, Attachment 1 to Staff's Report and Recommendation for complete list of exchanges).

Staff further recommends approval of i-wireless' request for redefinition of the service areas to the exchange level for the following LECs: Cunningham, LaHarpe, Mo-Kan, Moundridge, Peoples, Rainbow, S&A, Wamego, and Zenda for ETC designation for the purpose of FUSF low-income support. Staff notes that should the Commission approve i-wireless' request for

redefinition of the foregoing rural service areas to the exchange level, i-wireless will need to seek and receive concurrence from the Federal Communications Commission (FCC) prior to receiving any FUSF low-income support for such areas. Staff further adds that i-wireless should be advised of the following:

- (i). That support received must be used for its intended purpose each year and the company must comply with other certification requirements developed by the Commission in Docket No. 05-GIMT-112-GIT and in any future proceedings.
- (ii). That any future decisions made by the Commission resulting from the October 2, 2006 Order, issued in Docket No. 06-GIMT-446-GIT, and any future decisions made by the Commission regarding additional ETC requirements, may impact the company and i-wireless may be required to follow these requirements in order to continue receiving support.

7. The Commission adopts Staff's analysis and recommendations of August 22, 2012, as stated in its Report and Recommendation, which is attached hereto and made a part hereof, and finds that i-wireless' Application is reasonable, in the public interest, and should be granted. The Commission further finds that i-wireless should be designated as an ETC for FUSF low-income Lifeline-Only support purposes in the exchanges identified in items (a) and (b) of paragraph 6 above. The Commission also finds that i-wireless' request for redefinition of the service areas to the exchange level for LECs Cunningham, LaHarpe, Mo-Kan, Moundridge, Peoples, Rainbow, S&A, Wamego, and Zenda should be approved, however, FCC approval is required prior to receiving FUSF low-income support for such areas.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. i-wireless, LLC's Application filed May 29, 2012 is hereby granted and i-wireless is hereby designated an Eligible Telecommunications Carrier (ETC) for Federal Universal Services Fund (FUSF) low-income Lifeline-Only support purposes in the exchanges identified under items (a) and (b) of paragraph 6 above. i-wireless is further advised that its operations and service in the future may be affected by the conditions set forth in items (i) and (ii) of paragraph 6 above.

B. i-wireless' request for redefinition of the service areas to the exchange level for LECs Cunningham, LaHarpe, Mo-Kan, Moundridge, Peoples, Rainbow, S&A, Wamego, and Zenda is hereby approved. Additionally, i-wireless will need to seek and receive concurrence from the FCC prior to receiving FUSF low-income support for such areas.


C. The parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2011 Supp. 77-529.

D. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order, or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Wright, Comm.

Dated: SEP 06 2012


ORDER MAILED SEP 06 2012
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oan

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Mark Sievers, Chairman
Thomas E. Wright, Commissioner

Sam Brownback, Governor

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

STATE CORPORATION
COMMISSION

AUG 23 2012

TO: Chairman Mark Sievers
Commissioner Thomas E. Wright

PATRICE PETERSEN-KLEIN
EXECUTIVE DIRECTOR

FROM: Hal Baumhardt

DATE: August 22, 2012

DATE SUBMITTED TO EXECUTIVE DIRECTOR: 8/23/12

DATE SUBMITTED TO LEGAL: 8-24-12

DATE SUBMITTED TO COMMISSIONERS: 8-29-12

SUBJECT: Docket No. 12-IWRZ-848-ETC

In the Matter of the Application of i-wireless, LLC for Designation as an Eligible
Telecommunications Carrier in the State of Kansas

EXECUTIVE SUMMARY:

i-wireless, LLC (i-wireless) has filed an Application for designation as an Eligible Telecommunications Carrier (ETC) in the state of Kansas. i-wireless is a provider of Commercial Mobile Radio Service (CMRS) throughout the United States. i-wireless provides prepaid wireless telecommunications services to consumers using the Sprint Spectrum, L.P. (Sprint) network on a wholesale basis.

i-wireless seeks ETC designation to provide Lifeline service to qualifying consumers in specific Southwestern Bell Telephone Company d/b/a AT&T Kansas (AT&T Kansas) wire centers and specific Rural Local Exchange Carrier (RLEC) exchanges. Staff recommends approval of i-wireless' request for designation as a wireless Lifeline-Only ETC for Federal Universal Service Fund (FUSF) purposes in the requested service areas.

BACKGROUND:

On May 29, 2012, i-wireless filed an Application requesting designation as an ETC for the purpose of receiving low-income FUSF support within the state of Kansas. i-wireless' Application indicates it is not seeking to receive high-cost support, only Lifeline support. In this initial Application, i-wireless requests ETC designation in specific exchanges that are served by Blue Valley Tele-communications (Blue Valley), Sunflower/Bluestem Telephone Company (Bluestem), Craw-Kan Telephone Cooperative (Craw-Kan), Cunningham Telephone Co.

(Cunningham), Golden Belt Telephone Association (Golden Belt), Haviland Telephone Company (Haviland), Home Telephone Company (Home), J.B.N. Telephone Company (J.B.N.), KanOkla Telephone Association (KanOkla), LaHarpe Telephone Company (LaHarpe), Madison Telephone (Madison), MoKan Dial (Mo-Kan), Moundridge Telephone Company (Moundridge), Peoples Telecommunications (Peoples), Rainbow Telecommunications Association (Rainbow), S&A Telephone Company (S&A), Southern Kansas Telephone (Southern Kansas), Totah Communications (Totah), Tri-County Telephone Association (Tri-County), Twin Valley Telephone (Twin Valley), United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink)¹, Wamego Telecommunication Company (Wamego), Wheat State Telephone (Wheat State), Wilson Telephone Company (Wilson), Zenda Telephone Company (Zenda), and specific AT&T Kansas wire centers.

On April 1, 2009, i-wireless filed a Petition with the Federal Communications Commission (FCC) requesting forbearance from Section 214 (e)(1)(A); which requires that an ETC provide universal service supported services, at least in part, over its own facilities. The FCC granted i-wireless' forbearance request on June 25, 2010. On September 9, 2011, i-wireless filed its second revised Compliance Plan with the FCC and on October 21, 2011, the FCC approved i-wireless' second revised Compliance Plan.

On August 6, 2012, i-wireless filed with the Kansas Corporation Commission (KCC) an Amendment to Petition for Designation as a Eligible Telecommunications Carrier in the state of Kansas withdrawing its request for designation as a wireless ETC for low-income only support from the Kansas Universal Service Fund (KUSF). i-wireless seeks designation for only low-income support from the federal USF.

i-wireless is a reseller of CMRS throughout the United States and was acknowledged as a CMRS provider in Kansas on March 1, 2007. i-wireless is headquartered in Newport, Kentucky, and its CEO is Paul McAleese.

ANALYSIS:

i-wireless is a Limited Liability Company organized under the laws of the state of North Carolina.² i-wireless is authorized to conduct business as a Foreign Limited Liability Company in the state of Kansas. i-wireless is properly registered with the Kansas Secretary of State's Office and its status is "*active and in good standing*".

Federal ETC Requirements

Pursuant to 47 U.S.C. § 214(e)(1), a common carrier designated as an eligible telecommunications carrier shall be eligible to receive universal service support in accordance with Section 254 of the Federal Act 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 the Federal Act, either using its own facilities or a

¹ On July 1, 2009, CenturyTel, Inc. and Embarq Corporation completed its merger. On September 17, 2009, the United Telephone Companies filed a Notification of Fictitious Name Change notifying the Commission that the fictitious d/b/a names have changed from "Embarq" to "CenturyLink."

² i-wireless was organized on September 7, 2006.

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 service and the charges therefore using media of general distribution.³

Congress empowers the states to designate a common carrier as an ETC. Federal law, 47 U.S.C. § 214 (e)(2), states that "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." (emphasis added).

Service or Functionalities

The FCC indentified the services or functionalities that shall be supported by the federal universal service support mechanisms, pursuant to 47 U.S.C. § 254(e). The support services are codified in 47 C.F.R. § 54.101(a),

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.

In its Application, i-wireless provided the following explanation of how it provides Voice Telephony services.⁴

Voice-grade access to the public switched network – *i-wireless provides voice grade access to the public switched telephone network (PSTN) through the purchase of wholesale CMRS services from Sprint.*

Local usage – *As part of the voice grade access to the PSTN, an ETC must provide minutes of use for local service at no additional charge to end-users. The FCC has not specified a minimum amount of local usage that an ETC must offer.⁵ i-wireless offers a variety of rate plans that provide its customers with minutes of use for local service at no additional charge.*

Access to emergency services – *i-wireless provides 911 and E911 access for all of its customers to the extent the local government in its service area have implemented 911 or E911 systems. i-wireless also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.*

³ 47 U.S.C. § 254.

⁴ See page 13 of i-wireless' Application.

⁵ See e.g., *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

Toll limitations for qualifying low-income consumers – *In its Lifeline and Link Up Reform Order, the FCC stated that toll limitation would no longer be deemed a supported service.⁶ “ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls.”⁷ Nonetheless, i-wireless’ offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. i-wireless’ service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same. i-wireless will not seek reimbursement for toll limitation service.*

i-wireless states it will make available to consumers Lifeline offerings which will provide consumers with all of the functionalities and features currently provided by i-wireless to existing customers, with one notable exception: prepaid Lifeline services will not require payment of an out-of-pocket fee by subscribers, but instead, i-wireless will receive support from the Lifeline program as compensation for providing those services. i-wireless will provide Lifeline service under the brand name “Access Wireless”. With the Company’s rate plans and Lifeline service offerings, eligible customers will receive a free handset and a minimum of 150 anytime prepaid minutes per month at no charge, with additional service priced at \$0.10/minute and \$0.10/text messages. i-wireless further states that it does not assess charges for activation or connection of service, and the 150 and 250 minute plans include all applicable taxes and fees.

In addition to free voice services, prepaid Lifeline customers will have access to a variety of other standard features at no additional charge, including voice mail, caller ID and call waiting services. Furthermore, through i-wireless’ partnership with The Kroger Co. (Kroger), the nation’s largest grocery retail chain and the second largest retailer overall, customers can accumulate free minutes for dollars spent at participating Kroger-owned store locations simply by using their Kroger loyalty shopper card.⁸ Currently, i-wireless has a presence in 76 Kroger-owned stores in Kansas, which span 34 cities and are marketed under the “Dillons” banner. Lifeline customers can participate in this Free Minutes program even when utilizing government-subsidized forms of payment. i-wireless states, for instance, households can receive up to a \$668 monthly Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps allotment. i-wireless further states, customers, taking the Company’s feature-rich 150 Minutes plan, for example, would qualify for an additional 134 free minutes, on average, per month. Added to their base plan, this would give them, on average, 284 minutes per month, along with all of the perks (rollover minutes, free incoming texts and world class customer care). Lifeline customers can purchase additional airtime if needed. Airtime cards are sold in denominations of \$10, \$25 and \$50 and can be purchased at Kroger stores, over the phone or online.

The Commission determined in its October 2, 2006, Order in Docket No. 06-GIMT-446-GIT [446 Docket] (“October 2nd Order”) that it would follow the FCC’s guidance and evaluate local usage by considering the comparability of a Competitive Eligible Telecommunications Carrier’s

⁶ See *Lifeline and Link Up Reform Order* at ¶ 367.

⁷ See *Lifeline and Link Up Reform Order* at ¶ 49.

⁸ The Kroger Co. has a 50% ownership interest in i-wireless. For every \$100 in qualified spending, 20 minutes will automatically be applied to a customer’s account balance, or a \$1 credit will be applied to the account balance if the customer is on an unlimited voice plan. Detailed information on the Free Minutes program is located on the Company’s website, www.iwirelesshome.com.

(CETCs) 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.¶¶7-8.

AT&T Kansas’ monthly rate for a residential access line is \$21.00 in the requested AT&T Kansas exchanges before the federal Lifeline discount is applied. The local calling scope is the exchange, but local calls are unlimited.

CenturyLink’s⁹ monthly rate for a residential access line is \$17.73 in the requested exchanges before the federal Lifeline discount is applied. The local calling scope is the exchange, but local calls are unlimited.

The monthly rate for a residential access line ranges from \$11.77 to \$15.24 in the Sunflower/Bluestem exchanges. The monthly rate for a residential access line ranges from \$15.75 to \$16.75 in the Blue Valley exchanges. The monthly rate for a residential access line in Craw-Kan is \$16.36. The monthly rate for a residential access line in Golden Belt is \$13.00. The monthly rate for a residential access line in Home is \$16.25. The monthly rate for a residential access line in MoKan is \$12.10. The monthly rate for a residential access line in Totah is \$16.00. The monthly rate for a residential access line in the Cunningham, Haviland, J.B.N., KanOkla, LaHarpe, Madison, Moundridge, Peoples, Rainbow, S&A, Southern Kansas, Tri-County, Twin Valley, Wamego, Wheat State, Wilson and Zenda is \$15.75, prior to the Lifeline discount.

Staff does not believe the local usage that will be offered in i-wireless’ Lifeline Offerings is clearly comparable. Rather, Staff believes in this case local usage comparability would depend on the usage pattern of the particular customer. A customer that completes calls primarily within their exchange may not find the amount of local usage offered by i-wireless to be comparable to the offering of the incumbent. However, a customer that completes calls outside of their exchange may find that the local usage is comparable. When one considers the calling scope, usage that might otherwise be considered long distance and mobility, a consumer may find i-wireless’ plans comparable to the incumbent’s service offering.

Staff is satisfied that i-wireless has demonstrated an ability to provide voice telephony service in the requested service areas.

Lifeline Calling Plan Rule

In the Commission’s October 2nd Order, the Commission determined that, among other things, ETCs must apply the Lifeline discount to the service plan a qualifying Lifeline customer chooses. The Commission specifically ordered the following:

ETCs are required to allow Lifeline customers to choose a calling plan and to apply the Lifeline discount to the plan selected by the

⁹ Operating companies include United Telephone of Kansas, Embarq Missouri d/b/a United Southeast Kansas, United of Eastern-Kansas, and United of SouthCentral Kansas.

customers. Any ETC that does not allow customer selection at this time must do so within 180 days of the date of this Order.¹⁰

i-wireless' initial Application provided the following Lifeline Service Offerings for Lifeline customers:

The Retail Plans (monthly) are as follows:

- **Option 1 – 150 Anytime Minutes Plan:** net cost to Lifeline customer is zero dollars and includes: 150 anytime minutes per month, additional usage priced at 10 cent minutes and 10 cent text messages, free handset, voicemail, caller ID, call waiting, incoming text messages, calls to customer service, calls to 911 emergency services (regardless of account balance or activation status) and free balance inquiries. Minutes can be rolled over to the following month and customers can earn additional free minutes through Kroger Free Minute Loyalty Program.
- **Option 2 – Lifeline 250 Minutes Plan:** net cost to Lifeline customer is zero dollars and includes: 250 anytime minutes per month, additional usage priced at 10 cent minutes and 10 cent text messages, free handset, voicemail, caller ID, call waiting, calls to 911 emergency services (regardless of account balance or activation status) and free balance inquiries. Incoming text messages charge a per text of 10 cents; one text message decrements one minute of use, and minute calls to customer service decrement from customers 250 minutes. Minutes cannot be rolled over to next month and the customer is not eligible to earn additional minutes through the Kroger Free Minute Loyalty Program.
- **Option 3 – Lifeline Retail Discount Plan:** Lifeline eligible customers may apply their Lifeline discount, currently \$15, to any i-wireless monthly retail plan, excluding text only plans.¹¹ The following retail monthly plans are currently available that include: free handset, voicemail, caller ID, call waiting, incoming text messages, calls to customer service, 911 emergency (regardless of account balance or activation status) and free balance inquiries. Minutes can be rolled over to the following month and customers can earn additional free minutes through Kroger Free Minute Loyalty Program. Prices of each plan exclude applicable taxes and fees. The four monthly talk plans are as follows:
 - 200 anytime minutes, unlimited text messages, and 200 megabytes of data with additional usage priced at 10 cent minutes. Net cost to Lifeline customer is \$10.
 - 1,000 minutes, unlimited text messages and 500 megabytes of data with additional usage priced at 10 cent minutes. Net cost to Lifeline customer is \$25.
 - Unlimited talk with 10 cent per text message. Data packages are sold separately. Net cost to Lifeline customer is \$25.

¹⁰ In the Matter of a General Investigation Addressing Requirements for Designation of Eligible Telecommunications Carriers, Docket No. 06-GIMT-446-GIT, Order Adopting Requirements for Designations of Eligible Telecommunications Carrier, October 2, 2006, (446 Docket), ¶ 77e.

¹¹ i-wireless currently offers a \$15 discount; however, the Company may re-evaluate the discount applied to its retail plans based on the outcome of the FNPRM regarding a change in the federal Lifeline support amount. See Lifeline and Link Up Reform Order Section XIII.D. i-wireless commits that it will continue to offer a Lifeline discount at a minimum equal to the federal Lifeline support amount, plus applicable state funds.

- Unlimited talk, unlimited text messages and 2.5 gigabytes of data. Net cost to Lifeline customer is \$45.

On August 4, 2012, Staff submitted Request for Information (RFI) 7.1 to obtain clarification of i-wireless' two Lifeline plans and why the Lifeline 150 Minute Plan (Option 1) offered minutes to be rolled over when the Lifeline 250 Minute Plan (Option 2) did not.

In response to Staff's RFI 7.1, i-wireless explained that the 250 Minute Plan (Option 2) offers 100 minutes more than the other Lifeline plan and, therefore, does not include the "perks" of being able to rollover unused minutes or the Kroger Free Minute Loyalty Program. However, i-wireless advised Staff that effective around October 1, 2012, the Company is making changes to its Lifeline plans Option 1 and 2 to better meet customer needs. Foremost, Option 1 will be grandfathered, but no longer marketed. Option 2 will be enhanced to include: free customer care calls, the ability to rollover unused minutes, and to participate in the Kroger Free Minutes Loyalty Program. Staff believes that these planned enhancements to the Lifeline 250 Minute Plan (Option 2) will make the Lifeline plan more versatile and attractive to Kansas Lifeline consumers. The Lifeline Retail Discount Plan (Option 3) remains unchanged.

Consumer Eligibility and Enrollment

In the Report and Order and Further Notice of Proposed Rulemaking,¹² the FCC comprehensively reformed and began the modernization of the Universal Service Fund's Lifeline program. Part of that reform was the establishment of uniform eligibility criteria application information in all states.¹³ The Lifeline Credit Application is used to collect specific customer information on either of two qualifying programs (Income-Based or Program-Based) to make certain that the Lifeline subscriber is eligible to receive the Lifeline service. On March 12, 2012, i-wireless filed an Ex Parte with the FCC, which included i-wireless' Draft-Sample Lifeline Application.

When i-wireless filed its Application to be designated an ETC in the state of Kansas, the Company included this Draft-Sample Lifeline Application as Exhibit [3]. However, Staff's analysis found that the Draft-Sample Lifeline Application failed to meet the Kansas Lifeline program parameters.

On July 18, 2012, Staff submitted RFI 4.1 addressing that the Program-Based and Income-Based annual amounts listed on i-wireless' Lifeline Credit Application are at 135% of the Federal Poverty Level (FPL) rather than the 150% of FPL¹⁴. Therefore, i-wireless' Lifeline Credit Application, as filed, was not in compliance with the Commission's 446 Docket.

In response to Staff's RFI 4.1, i-wireless revised its Kansas Lifeline Credit Application, which now conforms to the 150% FPL and lists all eligible Program-based criteria. Staff is satisfied that i-wireless' Kansas Lifeline Credit Application now meets the Kansas Lifeline program parameters.

¹² See FCC R&O and FNPM, FCC12-11, released February 6, 2012.

¹³ 47 C.F.R. §§54.410(a), (b)(1), (c)(1), 54.410(d)(1), (d)(2), (d)(3).

¹⁴ Kansas Lifeline Program guidelines adopted a 150% of FPL. See Commission Order in Docket No. 00-GIMT-910-GIT, filed January 12, 2003.

Technically and Financially Capable

1. Requirements

The FCC, in its Lifeline Reform Order, amended sections 54.201 and 54.202 of its rules, governs ETC designation by states to require a carrier seeking designation as a wireless Lifeline-Only ETC to demonstrate that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules. Therefore, in order to ensure wireless Lifeline-Only ETCs are financially and technically capable to provide Lifeline service, the FCC included an explicit requirement to both 54.201 and 54.202 for a common carrier seeking to be designated as a wireless Lifeline-Only ETC demonstrate its technical and financial capability to provide the supported service.

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; and
- e) Whether the Company has been subject to enforcement action or ETC revocation proceeding in any state.

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

The FCC requires Lifeline-only ETC applicants to provide, in their Compliance Plan, a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available. Lifeline-only ETC applicants should 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.

2. i-wireless' Demonstration of Technical and Financial Capacity

In i-wireless' Application, and its response to Staff's RFI 5.1, the Company states the following regarding the five considerations on its financial and technical capability:

- a) i-wireless has offered wireless service to non-Lifeline consumers since 2006 in Kansas and throughout the United States;
- b) i-wireless is 50% owned by Kroger and has been in business for six years, including Kansas;
- c) i-wireless does not intend to offer exclusively Lifeline supported services and is therefore not exclusively dependent on universal service support for its revenue;
- d) The Company will continue to rely on revenue from its non-Lifeline operations that began in 2006, which includes Kansas; and

- e) i-wireless currently provides Lifeline services in 15 states and has not been subject to enforcement action or ETC revocation proceedings in any state.

Moreover, the CEO and co-founder of i-wireless, as of 2005, has 20 years of experience in the wireless telecommunications industry. From August 1992 to May 1998, before launching i-wireless, he served as Vice President of Consumer Marketing and Sale with Rogers Wireless and as Chief Marketing Officer with Cincinnati Bell from 2004-2005.

In addition, i-wireless provided a Kansas-specific description on how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available in its Application.

Staff is satisfied that i-wireless meets the FCC's rules pursuant to section 54.202 as being financially and technically capable to offer Lifeline-Only support in its requested service areas.

Types of Facilities Used to Provide Service

i-wireless is a reseller of CMRS throughout the United States. i-wireless provides prepaid wireless telecommunications service to consumers by using the Sprint Nextel network on a wholesale basis to offer nationwide service. i-wireless obtains from Sprint the network infrastructure and wireless transmission facilities to allow i-wireless to operate as a Mobile Virtual Network Operator (MVNO). CMRS resellers like i-wireless are treated as common carriers for regulatory purposes.¹⁵

On October 21, 2012, the FCC approved i-wireless' Compliance Plan, which was filed as a condition of i-wireless' FCC blanket forbearance, where the FCC in the *Lifeline Reform Order* found that a grant of blanket forbearance of the facilities requirements, subject to certain public safety and compliance obligations, is appropriate for carriers seeking to provide Lifeline-Only service.¹⁶

Part of i-wireless' Compliance Plan is seven conditions the Company is required to implement to prevent waste, fraud and abuse of the Lifeline program. They are as follows:

1. Provide its Lifeline customers with 911 and Enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes;
2. Provide its Lifeline customers with E911-compliant handsets and replace, at no additional charge, noncompliant handsets of existing Lifeline customers who obtain Lifeline-supported service;

¹⁵ *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)(10)(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*."))

¹⁶ See Lifeline Reform Order, FCC 12-11 at ¶¶ 368-381.

3. Comply with conditions (1) and (2) as of the date it provides Lifeline-supported service;
4. Obtain certification from each Public Service Access Point (PSAP) where the carrier seeks to provide Lifeline service confirming that the carrier provides its customers with 911 or E911 access;
5. Require that each customer self-certify under penalty of perjury at time of service activation, and annually thereafter, that they are the head of household and receives Lifeline-support only from i-wireless;
6. Establish safeguards to prevent its customers from receiving multiple Lifeline subsidies from i-wireless at the same address; and
7. Deal directly with customer to certify and verify the customer's Lifeline eligibility.

i-wireless further stated in its Application that the Company has contracted with CGM, LLC, a Telecom Strategy Development company, to edit all subsidy request data that include: a check for duplicate same-month Lifeline subsidies (double dip) and inactive lines receiving subsidy.

Staff is satisfied that i-wireless has applied for, and received approval of, its Compliance Plan with the FCC. The seven aforementioned conditions in i-wireless' Compliance Plan demonstrate its efforts to eliminate waste, fraud, and abuse in the Lifeline program, an objective that both the FCC and state Commissions are striving to achieve.

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), established 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), and 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; and
- (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.

AT&T Kansas is considered a non-rural telephone company for federal support purposes; therefore, the wire center/exchange is the designated service area for AT&T Kansas. CenturyLink, Blue Valley, Sunflower/Bluestem, Craw-Kan, Cunningham, Golden Belt, Haviland, Home, J.B.N., KanOkla, LaHarpe, Madison, MoKan, Moundridge, Peoples, Rainbow, S&A, Southern Kansas, Totah, Tri-County, Twin Valley, Wamego, Wheat State, Wamego,

Wilson and Zenda are rural telephone companies for federal support purposes; therefore, the study area is the designated service area.

i-wireless has requested ETC designation in specific AT&T Kansas exchanges, including the Kansas City, Topeka and Wichita Metropolitan areas, and specific Blue Valley, BlueStem/Sunflower, CenturyLink, Craw-Kan, Cunningham, Golden Belt, Haviland, Home, JBN, KanOkla, La Harpe, Madison, MO-Kan, Mound Ridge, Peoples, Rainbow, S&A, Southern Kansas, Totah, Tri-County, Twin Valley, Wamego, Wheat State, Wilson and Zenda exchanges. (Reference Attachment 1 for complete list of wire centers).

Redefinition of Rural Local Exchange Carrier Service Areas

Seventeen of the requested rural telephone company service areas have previously been redefined: Blue Valley, CenturyLink-Eastern, CenturyLink-United, Craw-Kan, Golden Belt, Haviland, Home, J.B.N., KanOkla, Madison, Southern Kansas, Totah, Tri-County, Twin Valley, Sunflower/Bluestem, Wheat State and Wilson. The Commission previously redefined the Haviland, Sunflower/Bluestem, and CenturyLink-United service areas to the wire center level in Docket No. 04-RCCT-338-ETC, and the FCC concurred with this Commission's decision on May 23, 2005 (by taking no action on the matter). The Commission approved the redefinition of the CenturyLink United-Eastern service area to the exchange in Docket No. 04-HBCT-1107-ETC, and the FCC concurred with this Commission's decision on March 7, 2005 (by taking no action on the matter). The Commission approved the redefinition of the Home service area to the exchange in Docket No. 08-NTWZ-1076-ETC, and the FCC concurred with this Commission's decision on March 16, 2009 (by taking no action on the matter). The Commission approved the redefinition of the Golden Belt, Tri-County, Twin Valley, and Wheat State's service area to the exchange level in Docket No. 09-NECZ-747-ETC, and the FCC concurred with this Commission's decision on May 3, 2012 (by taking no action on the matter). The Commission previously redefined the Blue Valley, Craw-Kan, J.B.N., KanOkla, Madison, Southern Kansas, Totah, and Wilson's service area to the exchange in Docket No. 10-VMBZ-657-ETC, and the FCC concurred with this Commission's decision on May 4, 2012 (by taking no action on the matter).

The Commission will still need to consider whether it is in the public interest to grant i-wireless' request in the redefined areas and also consider redefining the Rural Local Exchange Carrier (RLEC) areas that have not previously been redefined.

As stated above, the "service area" is an area served by a rural telephone company means such company's study area unless and until the FCC and the states, after taking into account recommendations of the Federal-State Joint Board (Joint Board), establish a different definition of service area for such company. The Joint Board recommended, in its November 8, 1996, *Recommended Decision*, that the FCC retain the current study areas of rural telephone companies as the service areas for such companies. The Joint Board further expressed the following concerns regarding the redefinition of rural telephone company service areas: (1) minimizing the potential for cream skimming; (2) recognizing that the 1996 Act places rural telephone companies on a different competitive footing from other Local Exchange Carriers (LECs); and (3) recognizing the administrative burden of requiring rural telephone companies to calculate costs at something other than a study area level.

With regard to the first concern, i-wireless is not requesting high-cost support, only low-income Lifeline support; therefore, cream skimming is not a concern in this case. With regard to the second concern, which is considering the rural carrier's special status under the Telecommunications Act of 1996, Staff believes that if the Commission determines it is in the public interest to grant this Application, then any concerns regarding a rural carrier's special status should be alleviated. Staff will evaluate the public interest systematically in the public interest section. Finally, with regard to the Joint Board's third concern, since i-wireless is only requesting Lifeline support, this Application will not affect how rural telephone companies calculate their costs.

Staff believes i-wireless is qualified to provide service to the requested exchanges and will provide the supported services. Consequently, Staff believes i-wireless is eligible to be granted ETC designation in the requested AT&T Kansas and rural telephone exchanges for Lifeline-Only, if the Commission deems it is in the public interest.

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

Regarding its advertising, i-wireless, in its Application, states that it will broadly advertise the availability and rates for the services described herein using media of general distribution. For example, i-wireless' partnership with Kroger presents a unique advantage to increase consumer awareness of the Lifeline program. i-wireless states that when a customer pays with a government-subsidized form of payment at Kroger, their printed cash receipt will automatically generate information informing them of their eligibility for the Lifeline program. i-wireless further states that it will make use of Kroger's in-store radio, printed advertisements, and signage. Printed materials describing i-wireless' Lifeline program will also be available at i-wireless in-store kiosks. The methods of advertising used according to i-wireless may also include printed advertising, bill boards and public transit signage, and may also promote the availability of its Lifeline offerings by distributing brochures at various state and local social service agencies, and partnering with nonprofit assistance organizations. i-wireless will use the media that will comply with any advertising requirements adopted by the Commission or the FCC.

Staff notes that the Commission required CETCs to develop “meaningful language so that consumers will understand what they can expect from an ETC” and provide it to Staff to review within 90 days from the date of the October 2nd Order ¶12. In addition, the Commission determined that all CETCs 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.

In i-wireless’ Application, the Company agreed to include the advertising language that Staff developed by stating it will “ensure its customers are made aware of the contact information for the Commission and the hearing and speech impaired”, as referenced below:

As a designed telecommunications carrier eligible to receive universal service support, i-wireless is proud to offer the Lifeline program in the state of Kansas. We will provide discounts off service activation and on basic monthly service for residential customers who qualify for income-assisted programs. To determine if you qualify for Kansas Lifeline service, customers may call (800) 464-6010. For unresolved questions or complaints, you may contact the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, at KCC – Consumer Protection, 1500 SW Arrowhead Road, Topeka, KS 66604 or toll-free 1.800.662.0027 or in Topeka 785.271.3140. Hearing or speech impaired TDD Kansas Relay Center 1.800.766.3777.

i-wireless provided Staff with a revised sample advertising brochure that illustrates i-wireless’ Lifeline plans it will implement, if granted ETC designation in Kansas, which satisfactorily demonstrates the aforementioned underlined advertising language. Staff is satisfied that i-wireless will meet the advertising requirement.

Public Interest

The FCC, in its Virginia Cellular Order,¹⁷ made new findings regarding determination of the public interest. While the FCC’s decision is not binding on this Commission, the Commission found in its ALLTEL and RCC Minnesota Orders that examination of the additional factors enumerated in the FCC’s order is reasonable.

In i-wireless’ Application, and its response to Staff’s RFI 3.1, i-wireless provided the following explanations of how it meets the guidelines that the FCC suggested for evaluation in the Virginia Cellular Order:

- **Benefits of Increased Competitive Choice** – *Designation of i-wireless 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. Introducing i-wireless into the market as an additional wireless ETC provider will afford low-income Kansas residents a wider choice of providers and available services while*

¹⁷ 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.

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. Designation of i-wireless as an ETC will help assure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.

- **Competitive ETC’s Ability to Provide the Support Services Throughout the Designated Service Area Within a Reasonable Time Frame** – *i-wireless provides service by reselling service which it obtains from its underlying facilities-based provider, so it will not have to undertake the costly and time-consuming task of building its own wireless network. The underlying provider’s network is operational and largely built out. The rate plans for the Lifeline service have been built and tested. Thus, i-wireless will be able to commence offering its Lifeline service to all locations served by its underlying carrier within a reasonable period of time after receiving approval from the Commission.*
- **Impact of Multiple Designations on the Universal Service Fund** – *There should be no concern about any adverse impact on the Federal Universal Service Funds, as i-wireless is not seeking high-cost benefits. Similarly, given the fact i-wireless seeks ETC status only for prepaid wireless service, a relatively small portion of the market for wireless services; the impact on the low-income portions of the USF will be minimal at worst.*¹⁸
- **Unique Advantages and Disadvantages of the Competitor’s Service Offering** – *The Company’s presence will undeniably include a benefit of increased customer choice, as its pre-paid service is unique, and serves a specific sector of the public who might well not otherwise be able to obtain wire line service from traditional providers. The proposed i-wireless Lifeline offerings compare favorably with those of other competitive ETCs, but also offer the customer a novel variety of useful options. For example, i-wireless’ offer of 150 free minutes is competitive with Tracfone’s Safelink service for 125 or 250 minutes, given i-wireless does not charge customers for customer care calls or incoming text messages and allows minutes to rollover. In addition, customers are offered the flexibility of taking a dollar credit of \$15, in lieu of the minutes, and applying it towards the i-wireless retail plan of their choice. Moreover, i-wireless’ affiliation with Kroger awards the consumer exclusive benefits, such as the Free Minutes program, and at the same time grants i-wireless both proximity to and unique insight into the Lifeline-eligible consumer.*
- **Commitments Made Regarding High-quality Telecommunications Services by Company** – *i-wireless commits to comply with the Cellular Telecommunications and Internet Association’s (CTIA) Consumer Code for Wireless Service.*

¹⁸ On July 18, 2012, Staff submitted RFI 3.1 to obtain i-wireless’ specific impact to the federal USF from a Kansas perspective. In response to Staff’s RFI 3.1, i-wireless *stated its forecasted penetration rate during its first year of operation in Kansas is approximately 1,000 customers per month or 12,000 during the first full year. This calculates to i-wireless impacting the USF of approximately \$111,000 in USF support after the first year of operation in Kansas, assuming all customers are new Lifeline customers.*

The Commission determined in its October 2nd Order that an ETC Applicant shall 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. In i-wireless' Application, the Company stated in accordance with 47 C.F.R. §54.202(a)(2) that i-wireless, through its underlying carrier, has the ability to remain functional in emergency situations. Through its agreement with Sprint, i-wireless provides to its customers the same ability to remain functional in emergency situations as currently provided by the incumbent local exchange carriers (ILECs) to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

Also, in the October 2nd Order, the Commission requires all CETCs to file two-year Service Quality Improvement Plans demonstrating progress, including maps and, if targets were not met, an explanation of why on an annual basis beginning in August 2007. Because i-wireless seeks ETC designation solely for the purpose of reimbursement for the provision of subsidized Lifeline service, i-wireless, in its Application, requests a waiver of this requirement. Staff does not have any concerns with i-wireless' request to not file the two-year Service Quality Improvement Plans since i-wireless is requesting low-income support only.

After reviewing i-wireless' Application and its responses to Staff RFIs, Staff believes that i-wireless has demonstrated that it is in the public interest to designate it as an ETC in the requested service areas.

RECOMMENDATION:

Staff recommends approval of i-wireless' request for designation as an ETC for FUSF low-income purposes in the specific AT&T Kansas, exchanges, including the Kansas City, Topeka and Wichita Metropolitan areas.

Staff recommends approval of i-wireless' request for ETC designation for FUSF low-income purposes in the specific Blue Valley, BlueStem/Sunflower, CenturyLink, Craw-Kan, Cunningham, Golden Belt, Haviland, Home, JBN, KanOkla, La Harpe, Madison, Mo-Kan, Mound Ridge, Peoples, Rainbow, S&A, Southern Kansas, Totah, Tri-County, Twin Valley, Wamego, Wheat State, Wilson and Zenda exchanges. (Reference Attachment 1 for complete list of wire centers).

Staff further recommends approval of i-wireless' request for redefinition of the service areas to the exchange level for the following LECs: Cunningham, LaHarpe, MoKan, Moundridge, Peoples, Rainbow, S&A, Wamego, and Zenda for ETC designation for the purpose of FUSF low-income support. Staff notes that should the Commission approve the request for redefinition of the aforementioned rural service areas to the exchange level, i-wireless will need to seek and receive concurrence from the FCC prior to receiving any FUSF low-income support for such areas.

i-wireless should be advised that support received must be used for its intended purpose each year and the company must comply with other certification requirements developed by the

Commission in Docket No. 05-GIMT-112-GIT and in any future proceedings. Additionally, i-wireless should be reminded that any future decisions made by the Commission resulting from the October 2nd Order, and any future decisions made by the Commission regarding additional ETC requirements, may impact the Company and the Company may be required to follow these to continue to receive support.

cc: Patrice Petersen-Klein, Executive Director
Jeff McClanahan, Director of Utilities
Christine Aarnes, Chief of Telecommunications

Wire Center Exchanges			
i-wireless			
CLLI	State	Exchange	Company
HOMKXSXA	KS	Home City	BLUE VALLEY TEL. CO.
AMARCKSXA	KS	Americus	SUNFLOWER/BLUESTEM
ALMAKSXA	KS	Alma	CENTURYLINK
ALTVKSXA	KS	Alta Vista	CENTURYLINK
ALMTKSXA	KS	Altamont	CENTURYLINK
ARTNKSXA	KS	Arlington	CENTURYLINK
BLDWKSXA	KS	Baldwin	CENTURYLINK
BXSPKSXA	KS	Baxter Springs	CENTURYLINK
BLLPKSXA	KS	Belle Plaine	CENTURYLINK
BLMNKSXA	KS	Blue Mound	CENTURYLINK
BCYRKSA	KS	Bucyrus	CENTURYLINK
BFLOKSXA	KS	Buffalo	CENTURYLINK
BHLRKSXA	KS	Buhler	CENTURYLINK
BRLNKSXA	KS	Burlingame	CENTURYLINK
BRRTKSXA	KS	Burrton	CENTURYLINK
CNTRKSXA	KS	Centropolis	CENTURYLINK
CRVLKSXA	KS	Circleville	CENTURYLINK
CNWKXSXA	KS	Conway	CENTURYLINK
CNHMKSXA	KS	Cunningham	CENTURYLINK
DELIKSA	KS	Delia	CENTURYLINK
DESNKSXA	KS	Denison	CENTURYLINK
ESTNKSXA	KS	Easton	CENTURYLINK
EGTNKSXA	KS	Edgerton	CENTURYLINK
EMMTKSXA	KS	Emmett	CENTURYLINK
ESRGKSXA	KS	Eskridge	CENTURYLINK
FNTAKSXA	KS	Fontana	CENTURYLINK
JNCYKSXA	KS	Ft. Riley/ Riley	CENTURYLINK
GALNKSXA	KS	Galena	CENTURYLINK
GRNRKSXA	KS	Gardner	CENTURYLINK
HVVLKSXA	KS	Harveyville	CENTURYLINK
HVENKSXA	KS	Haven	CENTURYLINK
HETNKSXA	KS	Hesston	CENTURYLINK
HLTNKSXA	KS	Holton	CENTURYLINK
HOYTKSXA	KS	Hoyt	CENTURYLINK
INMNKSXA	KS	Inman	CENTURYLINK
JNCYKSXA	KS	Junction City	CENTURYLINK
KNCDKSXA	KS	Kincaid	CENTURYLINK
LNCSKSXA	KS	Lancaster	CENTURYLINK
LANEKSXA	KS	Lane	CENTURYLINK
LEBOKSXA	KS	Lebo	CENTURYLINK
LNWDKSXA	KS	Linwood	CENTURYLINK
LYNDKSXA	KS	Lyndon	CENTURYLINK
MPTNKSXA	KS	Mapleton	CENTURYLINK
MYTTKSXA	KS	Mayetta	CENTURYLINK
MCLTKSXA	KS	McLouth	CENTURYLINK
MLVRKSXA	KS	Melvern	CENTURYLINK

Wire Center Exchanges			
i-wireless			
CLLI	State	Exchange	Company
MRDNKSXA	KS	Meriden	CENTURYLINK
MCVYKSXA	KS	Michigan Valley	CENTURYLINK
MORNKSXA	KS	Moran	CENTURYLINK
MORLKSXA	KS	Morrill	CENTURYLINK
MDCYKSXA	KS	Mound City	CENTURYLINK
MNVYKSXA	KS	Mound Valley	CENTURYLINK
MRDCKSXA	KS	Murdock	CENTURYLINK
NSFLKSXA	KS	Neosho Falls	CENTURYLINK
NRVLKSXA	KS	Nortonville	CENTURYLINK
OSCYKSXA	KS	Osage City	CENTURYLINK
OSWTKSXA	KS	Osawatomie	CENTURYLINK
OSKLSXA	KS	Oskaloosa	CENTURYLINK
OSWGKSXA	KS	Oswego	CENTURYLINK
OVBKKSXA	KS	Overbrook	CENTURYLINK
OKFRKSXA	KS	Oxford	CENTURYLINK
OZWKKSXA	KS	Ozawkie	CENTURYLINK
PRRYKSXA	KS	Perry	CENTURYLINK
PIUKSXA	KS	Piqua	CENTURYLINK
POMNKSXA	KS	Pomona	CENTURYLINK
PSTNKSXA	KS	Preston	CENTURYLINK
PRPRKSXA	KS	Pretty Prairie	CENTURYLINK
PRTNKSXA	KS	Princeton	CENTURYLINK
QUNMKXSXA	KS	Quenemo	CENTURYLINK
RCMDKSXA	KS	Richmond	CENTURYLINK
RVTNKSXA	KS	Riverton	CENTURYLINK
ROVLKSXA	KS	Rossville	CENTURYLINK
SCMNXSXA	KS	Scammon	CENTURYLINK
SLLKKSXA	KS	Silver Lake	CENTURYLINK
SPHLKSXA	KS	Spring Hill	CENTURYLINK
STMYKSXA	KS	St. Mary's	CENTURYLINK
THYRKSXA	KS	Thayer	CENTURYLINK
TROYKSXA	KS	Troy	CENTURYLINK
VLFLKSXA	KS	Valley Falls	CENTURYLINK
WLTNKSXA	KS	Walton	CENTURYLINK
WTHNKSXA	KS	Wathena	CENTURYLINK
WVRLKSXA	KS	Waverly	CENTURYLINK
WLVLKSXA	KS	Wellsville	CENTURYLINK
WHCLKSXA	KS	White Cloud	CENTURYLINK
WNCHKSXA	KS	Winchester	CENTURYLINK
WNDMKSXA	KS	Windom	CENTURYLINK
GLELKSXA	KS	Glen Elder	CUNNINGHAM TEL. CO.
ARMAKSXA	KS	Arma	CRAW-KAN TEL COOP.
CLMBKSXB	KS	Columbus Rural	CRAW-KAN TEL COOP.
CLNYKSXA	KS	Colony	CRAW-KAN TEL COOP.
GLBGKSXA	KS	Galesburg	CRAW-KAN TEL COOP.
GRRDKSXA	KS	Girard	CRAW-KAN TEL COOP.

Wire Center Exchanges			
i-wireless			
CLLI	State	Exchange	Company
PLTNKSXA	KS	Pleasanton	CRAW-KAN TEL COOP.
UNTWKSXA	KS	Uniontown	CRAW-KAN TEL COOP.
RSCTKSXA	KS	Lewis	GOLDEN BELT TEL ASSN.
CNSPKSXA	KS	Conway Springs	HAVILAND TELEPHONE CO.
HVLDKSXA	KS	Haviland	HAVILAND TELEPHONE CO.
ASSRKSXA	KS	Assaria	HOME TEL.
GALVKSXA	KS	Galva	HOME TEL.
AGNDKSXA	KS	Agenda	JBN TELEPHONE CO.
CUBAKSXA	KS	Cuba	JBN TELEPHONE CO.
HNVLKSXA	KS	Havensville	JBN TELEPHONE CO.
SLDRKSXA	KS	Soldier	JBN TELEPHONE CO.
CLWLKSXA	KS	Caldwell	KAN OKLA TEL. CO.
LHRPKSXA	KS	La Harpe	LA HARPE TEL. CO.
MDSNKSXA	KS	Madison	MADISON TEL. LLC
HLDLKSXA	KS	Hillsdale	MO-KAN DIAL
LSBGKSXA	KS	Louisburg	MO-KAN DIAL
RNTLKSXA	KS	Rantoul	MO-KAN DIAL
GSSLKSXA	KS	Goessel	MOUNDRIDGE
MNRGKSXA	KS	Moundridge	MOUNDRIDGE
LAC;YKSXA	KS	La Cygne	PEOPLES TELECOMMUNICATIONS
EVRSKSXA	KS	Everest	RAINBOW TEL. COOP. ASSN.
ALLNKSXA	KS	Allen	S&A TEL. CO.
SCTNKSXA	KS	Scranton	S&A TEL. CO.
BRDNKSXA	KS	Burden	SOUTHERN KANSAS TEL. CO.
CLWRKSXA	KS	Clearwater	SOUTHERN KANSAS TEL. CO.
ABLNKSCD	KS	Abilene	KANSAS AT&T
ALMEKSMA	KS	Almena	KANSAS AT&T
ANDLKSHI	KS	Andale	KANSAS AT&T
ANTHSWS	KS	Anthony	KANSAS AT&T
ARCYKSSO	KS	Arkansas City	KANSAS AT&T
ATSNKSSF	KS	Atchison	KANSAS AT&T
ATTCKSAA	KS	Attica	KANSAS AT&T
ATWDKSST	KS	Atwood	KANSAS AT&T
BLVLKSMS	KS	Belleville	KANSAS AT&T
BELTS02	KS	Beloit	KANSAS AT&T
BRCYKSRE	KS	Bird City	KANSAS AT&T
BLRPKSCA	KS	Blue Rapids	KANSAS AT&T
BCKLKSSM	KS	Bucklin	KANSAS AT&T
BRNSKSPA	KS	Burns	KANSAS AT&T
CANYKS05	KS	Caney	KANSAS AT&T
CNTNKSSM	KS	Canton	KANSAS AT&T
CDVALKSPL	KS	Cedar Vale	KANSAS AT&T
CHNTKSSS	KS	Chanute	KANSAS AT&T
CPMNKS04	KS	Chapman	KANSAS AT&T
CHASKSWE	KS	Chase	KANSAS AT&T
CHNYKSKI	KS	Cheney	KANSAS AT&T

Wire Center Exchanges			
i-wireless			
CLLI	State	Exchange	Company
CHVAKSEM	KS	Cherryvale	KANSAS AT&T
CHTPKSBE	KS	Chetopa	KANSAS AT&T
CLCTKS06	KS	Clay Center	KANSAS AT&T
CRVLKS10	KS	Coffeyville	KANSAS AT&T
CFVLKSDE	KS	Coffeyville	KANSAS AT&T
CLBYKS05	KS	Colby	KANSAS AT&T
CDWRKSLU	KS	Coldwater	KANSAS AT&T
CNCRJSBR	KS	Concordia	KANSAS AT&T
CTFLKSBR	KS	Cottonwood Falls	KANSAS AT&T
DESTKSLU	KS	De Soto	KANSAS AT&T
DDCYKS01	KS	Dodge City	KANSAS AT&T
DGLSKSPI	KS	Douglass	KANSAS AT&T
ELDOKSST	KS	El Dorado	KANSAS AT&T
ELWOKSNO	KS	Ellsworth	KANSAS AT&T
EMPRKS08	KS	Emporia	KANSAS AT&T
ENTRK SCT	KS	Enterprise	KANSAS AT&T
ERIEKSCI	KS	Erie	KANSAS AT&T
EUDRKSKI	KS	Eudora	KANSAS AT&T
EURKKSEL	KS	Eureka	KANSAS AT&T
FLRNKSTR	KS	Florence	KANSAS AT&T
FTSCKS01	KS	Fort Scott	KANSAS AT&T
FWLRKSMI	KS	Fowler	KANSAS AT&T
FRFTKSLO	KS	Frankfort	KANSAS AT&T
GRCYKS07	KS	Garden City	KANSAS AT&T
GRDPKSLE	KS	Garden Plain	KANSAS AT&T
GDLDKSAB	KS	Goodland	KANSAS AT&T
GRTBKSSST	KS	Great Bend	KANSAS AT&T
GNBGKSFL	KS	Greensburg	KANSAS AT&T
GYPKSOW	KS	Gypsum	KANSAS AT&T
HLSTKSTE	KS	Halstead	KANSAS AT&T
HMTNKS01	KS	Hamilton	KANSAS AT&T
HNVRKSED	KS	Hanover	KANSAS AT&T
HRPRKSMA	KS	Harper	KANSAS AT&T
HRFRKSAA	KS	Hartford	KANSAS AT&T
HAYSKS11	KS	Hays	KANSAS AT&T
HNTNKSNA	KS	Herington	KANSAS AT&T
HLCMK SMA	KS	Holcomb	KANSAS AT&T
HWRDKSWA	KS	Howard	KANSAS AT&T
HOXIKSTR	KS	Hoxie	KANSAS AT&T
HMBLK SBR	KS	Humboldt	KANSAS AT&T
HTSNKS02	KS	Hutchinson	KANSAS AT&T
INDPKSMA	KS	Independence	KANSAS AT&T
IOLAKSSY	KS	Iola	KANSAS AT&T
JEWLKSHA	KS	Jewell	KANSAS AT&T
KGMNKSMA	KS	Kingman	KANSAS AT&T
KNSLKSNI	KS	Kinsley	KANSAS AT&T

Wire Center Exchanges			
i-wireless			
CLLI	State	Exchange	Company
LACRKSEL	KS	LaCrosse	KANSAS AT&T
LVWOKSLN	KS	Lansing	KANSAS AT&T
LRNDKSBR	KS	Larned	KANSAS AT&T
LWRNKSVL	KS	Lawrence	KANSAS AT&T
LVWOKSSH	KS	Leavenworth	KANSAS AT&T
LEONKSPI	KS	Leon	KANSAS AT&T
LBRLKS04	KS	Liberal	KANSAS AT&T
LNCLKSLI	KS	Lincoln	KANSAS AT&T
LNBGKSLI	KS	Lindsborg	KANSAS AT&T
LYNSKSEA	KS	Lyons	KANSAS AT&T
MNHTKSFA	KS	Manhattan	KANSAS AT&T
MNKTKSCO	KS	Mankato	KANSAS AT&T
MARNKSLA	KS	Marion	KANSAS AT&T
MRQTKSKI	KS	Marquette	KANSAS AT&T
MYVIKSEL	KS	Marysville	KANSAS AT&T
MCDDKSKE	KS	McDonald	KANSAS AT&T
MCSNKSAS	KS	McPherson	KANSAS AT&T
MEADKSSL	KS	Meade	KANSAS AT&T
MDLDKS01	KS	Medicine Lodge	KANSAS AT&T
MPLSKS02	KS	Minneapolis	KANSAS AT&T
MNNLKSTU	KS	Minneola	KANSAS AT&T
MOLNKSMI	KS	Moline	KANSAS AT&T
MTHPKS04	KS	Mount Hope	KANSAS AT&T
NDSHKS04	KS	Neodesha	KANSAS AT&T
NWTNKS05	KS	Newton	KANSAS AT&T
NCSNKSHA	KS	Nickerson	KANSAS AT&T
NRTNKS01	KS	Norton	KANSAS AT&T
OKLYKS03	KS	Oakley	KANSAS AT&T
OBRLKSHA	KS	Oberlin	KANSAS AT&T
OTWAKSMA	KS	Ottawa	KANSAS AT&T
PAOLKSPE	KS	Paola	KANSAS AT&T
PRSSKSWA	KS	Parsons	KANSAS AT&T
PWRKKSYU	KS	Pawnee Rock	KANSAS AT&T
PBDYKSWA	KS	Peabody	KANSAS AT&T
PHBGKS04	KS	Phillipsburg	KANSAS AT&T
PSBGKSLO	KS	Pittsburg	KANSAS AT&T
PLNSKSLO	KS	Plains	KANSAS AT&T
PLVLKSMI	KS	Plainville	KANSAS AT&T
PRTTKSNI	KS	Pratt	KANSAS AT&T
PRTCKSMA	KS	Protection	KANSAS AT&T
SBTHKSVI	KS	Sabetha	KANSAS AT&T
SALNKSTA	KS	Salina	KANSAS AT&T
SCNDKSFE	KS	Scandia	KANSAS AT&T
SCCYKSMA	KS	Scott City	KANSAS AT&T
SEDNKSCH	KS	Sedan	KANSAS AT&T
SENCKSDE	KS	Seneca	KANSAS AT&T

Wire Center Exchanges			
i-wireless			
CLLI	State	Exchange	Company
SVRYKSRE	KS	Severy	KANSAS AT&T
SMCTKSMA	KS	Smith Center	KANSAS AT&T
SLMNKSOL	KS	Solomon	KANSAS AT&T
STFNKSWA	KS	St Francis	KANSAS AT&T
STPLKSHI	KS	St Paul	KANSAS AT&T
STFRKSBO	KS	Stafford	KANSAS AT&T
SKTNKSAS	KS	Stockton	KANSAS AT&T
SBLTKSOR	KS	Sublette	KANSAS AT&T
TNGNKS06	KS	Tonganoxie	KANSAS AT&T
TWNDKSJE	KS	Towanda	KANSAS AT&T
WASHKS03	KS	Washington	KANSAS AT&T
WTVLKSST	KS	Waterville	KANSAS AT&T
WGTNKSNF	KS	Wellington	KANSAS AT&T
WLBGKSMA	KS	Williamsburg	KANSAS AT&T
WNFDKSMI	KS	Winfield	KANSAS AT&T
YTCTKSST	KS	Yates Center	KANSAS AT&T
ELGNKSXA	KS	Elgin	TOTAH COMMUNICATIONS
HOPEKSXA	KS	Hope	TRI-COUNTY TEL ASSN.
BGTNKSXA	KS	Bennington	TWIN VALLEY TEL. INC.
MLVAKSXA	KS	Miltonvale	TWIN VALLEY TEL. INC.
RILYKSXA	KS	Riley	TWIN VALLEY TEL. INC.
TSCTKSXA	KS	Tescott	TWIN VALLEY TEL. INC.
PAXCKSXA	KS	Paxico	WAMEGO TELECOMMUNICATIONS
STGRKSXA	KS	St. George	WAMEGO TELECOMMUNICATIONS
WAMGKSXA	KS	Wamego	WAMEGO TELECOMMUNICATIONS
CSSDKSXA	KS	Cassoday	WHEAT STATE TEL. CO.
MTGRKSXA	KS	Matfield Green	WHEAT STATE TEL. CO.
OPLEKSXA	KS	Olpe	WHEAT STATE TEL. CO.
PTWNKSXA	KS	Potwin	WHEAT STATE TEL. CO.
ROCKKSXA	KS	Rock	WHEAT STATE TEL. CO.
UDLLKSXA	KS	Udall	WHEAT STATE TEL. CO.
WLSNKSXA	KS	Wilson	WILSON TEL. CO.
ZENDKSXA	KS	Zenda	ZENDA TEL. CO. INC.

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET
TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
PAUL MCALEESE, CHIEF EXECUTIVE OFFICER I-WIRELESS, LLC 1 LEVEE WAY, SUITE 3104 NEW PORT, KY 41071-1661		
MICHAEL NEELEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 ***Hand Delivered***		
LANCE J M STEINHART, ATTORNEY LANCE J.M. STEINHART, P.C. 1725 WINDWARD CONCOURSE SUITE 150 ALPHARETTA, GA 30005		
OTTO NEWTON, LITIGATION COUNSEL 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		

ORDER MAILED **SEP 06 2012**

The Docket Room hereby certified that on this _____ day of _____, 20_____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.