



all the statutory and regulatory prerequisites for ETC designation and the public interest would be greatly served by granting this petition, thereby enabling T-Mobile to advance universal service in Missouri by serving the basic and advanced communications needs of low-income consumers.

## **I. BACKGROUND**

### **A. Company Overview**

1. T-Mobile is a national provider of wireless voice, messaging, and data services capable of reaching over 293 million Americans. T-Mobile employs approximately 42,000 individuals nation-wide and more than 690 within the State of Missouri at 12 Company-owned retail locations (and many other points of dealer-owned distribution). At the end of the third quarter of 2011, T-Mobile had approximately 33.7 million mobile customers nationwide. T-Mobile has deployed an advanced telecommunications network capable of serving consumers' basic and advanced communications needs. Multiple independent research studies rank T-Mobile very high in wireless customer care.<sup>2</sup>

2. The headquarters of T-Mobile is located at 12920 SE 38<sup>th</sup> Street, Bellevue, Washington 98006, and its telephone number is 425-383-4000. A copy of T-Mobile's certificate of authority to do business in Missouri is attached hereto as **Exhibit B**. T-Mobile will notify the Commission of any changes to its contact information.<sup>3</sup> T-Mobile's contact name and address are set forth below:

Teri Y. Ohta  
Senior Corporate Counsel, State Regulatory Affairs  
T-Mobile USA, Inc.  
12920 SE 38<sup>th</sup> Street  
Bellevue, WA 98006

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<sup>2</sup> See Press Release of J.D. Power and Associates, issued February 3, 2011, recently viewed at <http://businesscenter.jdpower.com/news/pressrelease.aspx?ID=2011010>.

<sup>3</sup> 4 CSR 240-3.570(3)(F).

3. Please direct copies of all correspondence, pleadings, and orders in this proceeding to the following:

Mark P. Johnson MBN 30740  
Lisa Gilbreath MBN 62271  
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4. T-Mobile does not have any pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court relating to customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Application except for the following: Susan Marple and Stephanie Worrell v. T-Mobile Central LLC, Case No. 4:10-cv-00954-00963 (W.D.Mo.). No annual report or assessment fees are owed by T-Mobile.

**B. Previous ETC Designations**

5. T-Mobile's corporate affiliates have been designated as ETCs in nine jurisdictions — eight states and Puerto Rico.<sup>4</sup> The eight states in which T-Mobile has been designated as an

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<sup>4</sup> *Order Granting Eligible Telecommunications Carrier Designation, In Re: Petition for designation as eligible telecommunications carrier by T-Mobile South LLC*, Docket No. 090507-TP, Order No. PSC-IO-0475-PAA-TP (Florida Public Service Commission, July 28, 2010) (*Florida ETC Order*); *Decision and Order, In Re the Application of T-Mobile West Corporation For Designation as an Eligible Telecommunications Carrier in the State of Hawaii*, Docket No. 2010-0119 (Hawaii Public Utilities Commission, March 14, 2011); *Order, In Re the Application of T-Mobile West Corp. For Designation as an Eligible Telecommunications Carrier*, Case No. TMW-T-10-01, Order No. 32319 (Idaho Public Utilities Commission, August 9, 2011) (*Idaho ETC Order*); *Order, In Re Petition of T-Mobile Central LLC and Powertel/Memphis, Inc. for Designation as Eligible Telecommunications Carriers Pursuant to Section 214(E)(2) of the Communications Act of 1934* (Kentucky Public Service Commission, July 14, 2010); *Public Decision, T-Mobile Central, LLC, ex parte. In Re Application for Designation as an Eligible Telecommunications Carrier (ETC) for the purposes of receiving Universal Service Support for low income and rural service*, S-31865 (Louisiana Public Service Commission, Minutes from Open Session, October 12, 2011 (corrected), Ex. 31, p. 7); *Order Granting Petition for ETC Designation, Setting Conditions, and Requiring Compliance Filings, In Re T-Mobile Central LLC's Petition for Designation as an Eligible Telecommunications Carrier (ETC) in Minnesota*, Docket No. P-6856/M-11-123 (Minnesota Public Utilities Commission, September 27,

ETC include Florida, Hawaii, Idaho, Kentucky, Louisiana, Minnesota, North Carolina, and Washington. T-Mobile also has nine pending requests for ETC designation in Arizona, Georgia, Indiana, Ohio, Oregon, Pennsylvania, Massachusetts, Michigan and Mississippi. In designating T-Mobile as an ETC, the Florida Public Service Commission acknowledged the Company's position to serve low-income customers:

T-Mobile will promote the availability of universal service to the underserved, economically disadvantaged telephone customers in Florida. Based on our review, along with T-Mobile's commitment to abide by both state and federal rules and procedures, we find that T-Mobile's petition to be designated as an ETC is in the public interest and shall be approved.<sup>5</sup>

The Idaho Public Utilities Commission reached the same conclusion with regard to the public interest and the benefits to consumers:

We find that designating T-Mobile as an ETC in its requested rural and non-rural service areas is in the public interest. Granting ETC status will benefit consumers by offering new services and increased competition. In addition, we find granting T-Mobile ETC status will provide rural customers with greater access to wireless services and may be beneficial to eligible recipients for ITSAP [Idaho Telecommunications Service Assistance Program] and Lifeline services.<sup>6</sup>

### **C. Commission Authority to Designate ETCs**

6. The Commission has the authority necessary to designate T-Mobile as an ETC pursuant to this Application. Section 214 (e)(2) of the Act, along with 4 CRS 240-3.570, provides the Commission with the authority to designate competitive carriers as ETCs. T-Mobile satisfies all of the requirements for designation as an ETC, including: (i) common carrier status; (ii) offering all of the supported services in its Lifeline and Link Up service offering; (iii)

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2011); *Order, High -Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Order, 23 FCC Rcd 8834, 8837-50, ¶ 42 (2008) (*Interim Cap Order*); *Order Granting Designation as an Eligible Telecommunications Carrier, In Re the Petition of T-Mobile West Corporation for Designation as an Eligible Telecommunications Carrier*, Docket No. UT-101060 (Washington Utilities and Transportation Commission, October 14, 2010); *Resolution and Order, Telecorp Communications, Inc., d/b/a AT&T Wireless*, Case No. JRT-2003-SU-0003 (Puerto Rico Telecommunications Regulatory Board, September 10, 2003).

<sup>5</sup>*Florida ETC Order*, at p. 8 (It should be noted that, as of this writing, T-Mobile is the only wireless facilities-based carrier designated as a CETC in Florida by the Florida Public Service Commission).

<sup>6</sup>*Idaho ETC Order*, at p. 13.

offering Lifeline service throughout its designated ETC service area; (iv) advertising the availability of Lifeline and Link Up service; and (v) meeting all other requirements for designation as an ETC for purposes of providing Lifeline and Link Up service. As such, the Commission should expeditiously designate T-Mobile as an ETC for the limited purpose of providing Low Income services in Missouri.

### **III. T-MOBILE MEETS THE STATUTORY AND REGULATORY PREREQUISITES FOR ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

7. As demonstrated herein, T-Mobile meets the requirements for designation as an ETC as established under federal law,<sup>7</sup> Federal Communications Commission (“FCC”) rules,<sup>8</sup> and applicable Missouri requirements.<sup>9</sup> In particular, T-Mobile:

1. is a common carrier;<sup>10</sup>
2. will offer the services supported by federal universal service support mechanisms within its Lifeline service offerings, which will be made available to qualifying low-income consumers;<sup>11</sup>
3. will use its own facilities to provide the supported services;<sup>12</sup>
4. will provide Lifeline service, including all of the supported services, throughout its designated service area;<sup>13</sup>
5. will advertise the availability of its Lifeline universal service offerings and charges for such offerings using media of general distribution;<sup>14</sup>
6. will meet the additional application requirements established by the FCC:
  - a) serve all consumers within its ETC service area;<sup>15</sup>
  - b) remain functional in emergency situations;<sup>16</sup>

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<sup>7</sup> 47 U.S.C. § 214(e)(1).

<sup>8</sup> 47 C.F.R. § 54.201(d).

<sup>9</sup> 4 CRS 240-3.570.

<sup>10</sup> 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d).

<sup>11</sup> 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. §§ 54.201(d)(1) and 54.405.

<sup>12</sup> 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1).

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

<sup>14</sup> 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2).

<sup>15</sup> 47 C.F.R. § 54.202 (a)(1).

- c) satisfy consumer protection and service quality standards;<sup>17</sup>
- d) offer local usage plans comparable to the incumbent local exchange carriers;<sup>18</sup> and
- e) provide equal access in the event that other ETCs in the designated area relinquish their designations;<sup>19</sup> and,

7. will comply with all applicable reporting requirements.

Furthermore, T-Mobile's designation as an ETC will serve the public interest by expanding customer choice and increasing service availability.<sup>20</sup>

8. T-Mobile's compliance with each of the applicable federal and Missouri requirements to obtain designation as an ETC is further discussed below.

**A. T-Mobile is a Common Carrier**

9. T-Mobile is a Commercial Mobile Radio Service ("CMRS") provider, and, as such, T-Mobile is regulated as a common carrier,<sup>21</sup> subject to all applicable regulations. Therefore, T-Mobile meets the ETC requirement of being a common carrier.

**B. T-Mobile Offers the Services Supported by the Federal Universal Service Support Mechanisms**

10. T-Mobile provides each of eight services supported by federal universal service support mechanisms and will provide access to telecommunications relay services by dialing 711 and toll-limitation service for qualifying low-income consumers upon designation as an ETC as set forth below.<sup>22</sup>

- 1. Voice Grade Access To The Public Switched Telephone Network - the ability to transmit and receive voice communications with a minimum bandwidth of 300 to 3,500 Hertz. T-Mobile meets this requirement

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<sup>16</sup> 47 C.F.R. § 54.202(a)(2).

<sup>17</sup> 47 C.F.R. § 54.202(a)(3).

<sup>18</sup> 47 C.F.R. § 54.202(a)(4).

<sup>19</sup> 47 C.F.R. § 54.202(a)(5).

<sup>20</sup> 47 U.S.C. § 214(e)(2).

<sup>21</sup> 47 C.F.R. § 20.9.

<sup>22</sup> 47 C.F.R. § 54.101(a) and 4 CSR 240-3.570(3)(C).

through its provision of mobile voice communications service and interconnection to the public switched telephone network.

2. Local Usage – an amount of minutes of use provided free of charge to end users. T-Mobile meets this requirement by providing an amount of local usage free of charge in each universal service rate plan.
3. Dual Tone Multi-Frequency (“DTMF”) Signaling Or Its Functional Equivalent – a method of signaling that facilitates the transportation of call set-up and call detail information. T-Mobile meets this requirement by providing out-of-band digital signaling and in-band multi-frequency signaling for call set-up and termination.
4. Single Party Service Or Its Functional Equivalent – a dedicated message path for the length of a user’s particular transmission. T-Mobile meets this requirement by providing a dedicated, non-shared, frequency path for each voice call.
5. Access To Emergency Services – access to emergency services includes both access to 911 and E911 services to the extent the local government has implemented such services. T-Mobile meets this requirement by providing 911 service and meeting all requests for E911 service from local public service answering points (“PSAPs”).
6. Access To Operator Services – access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call. T-Mobile meets this requirement by providing operator services to its customers directly or through third party arrangements.
7. Access To Interexchange Service – ability to make and receive calls using an interexchange carrier’s network. T-Mobile meets this requirement by providing its customers with the ability to make and receive calls over interexchange network facilities. The FCC has determined that wireless carriers are not required to provide equal access to interexchange service, but may be required to provide equal access in certain special situations.<sup>23</sup>
8. Access To Directory Assistance – making available to customers, among other services, information contained in directory listings. T-Mobile meets this requirement by providing all of its customers with access to directory listings by dialing “411” or “555-1212.”
9. Access to Telecommunications Relay Services – access to telecommunications relay services by dialing 711. T-Mobile will make available to customers access to telecommunications relay services

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<sup>23</sup> See *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, ¶ 71, FCC 97-157 (released May 8, 1997) (“*Universal Service Order*”).

(“TRS”) in accordance with 4 CSR 240-3.570(3)(C)(1)(F). T-Mobile customers requiring access to TRS may do so by dialing 711.

10. Toll Limitation For Qualifying Low-Income Consumers – toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control. Upon implementing its Lifeline service offering, T-Mobile will offer toll limitation to qualifying low-income consumers at no additional charge, in accordance with pursuant to 4 CSR 240-3.570(3)(C)(1)(I). T-Mobile will not collect a deposit from a Lifeline subscriber if it voluntarily elects toll limitation service, in accordance with 47 C.F.R. § 54.401(c).

**C. T-Mobile is a Facilities-Based Wireless Telecommunications Carrier**

11. T-Mobile is a facilities-based wireless telecommunications carrier with its own switching, cell sites, and associated telecommunications facilities in Missouri and throughout its proposed designated ETC service area and, therefore, meets the applicable facilities-based requirements for ETCs.<sup>24</sup> The Company uses radio licenses issued by the FCC to provide CMRS and will use its own extensive network facilities throughout Missouri to provide Lifeline service to consumers in its requested ETC Service Area.

**D. T-Mobile Will Provide Service Throughout Its Designated Service Area**

12. T-Mobile commits to provide Lifeline and Link Up service, including all of the supported services, throughout its designated service area, consistent with all applicable requirements.<sup>25</sup> T-Mobile commits to provide service in a timely manner.<sup>26</sup> T-Mobile’s requested designated ETC service area is its wireless coverage area shown in **\*\*HIGHLY CONFIDENTIAL\*\* Exhibit C**, which includes the telephone company wire centers and study areas identified in **Exhibit A**.

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<sup>24</sup>47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1).

<sup>25</sup> See 47 C.F.R. § 54.202(a)(1).

<sup>26</sup> See 47 C.F.R. § 54.202(a)(1)(B).



**E. T-Mobile Will Advertise the Availability of Its Low Income Offerings and Charges for Such Offerings Using Media of General Distribution**

13. T-Mobile will advertise the availability of, and charges for, its Low Income service offerings using media of general distribution, and will undertake outreach initiatives to increase consumer awareness of T-Mobile's Lifeline service offering, consistent with all applicable requirements.<sup>27</sup> T-Mobile currently offers and advertises its wireless telecommunications services, including those offerings that include all of the supported services, using radio, television, billboards, print, internet, and targeted mailings, among others. In addition, T-Mobile maintains various retail stores and authorized dealer locations throughout its proposed ETC designated service area. T-Mobile will use the appropriate media outlets to advertise its universal service offerings in a manner consistent with applicable requirements. Section 3.570(2)(A)7 of 4 CSR 240 requires that ETCs commit to satisfying this federal obligation. Similarly, a carrier must "publicize the availability of Link Up support in a manner reasonably designed to reach those likely to qualify for the support"<sup>28</sup> and T-Mobile is fully committed to meeting this requirement.

**F. T-Mobile Meets the Additional Requirements for Designation as an ETC**

1. Serve All Consumers Within ETC Service Area

14. T-Mobile will serve all consumers within its ETC service area, taking steps under 47 C.F.R. § 54.202(a)(1) that can be reasonably undertaken by a Lifeline service provider.<sup>29</sup>

2. Ability to Function in Emergency Situations

15. T-Mobile has the "ability to remain functional in emergency situations."<sup>30</sup> As

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<sup>27</sup> See 47 C.F.R. §§ 54.401-54.417, 54.405(b), 54.411(d); 4 CSR 3.570(2)(A)6.

<sup>28</sup> 47 CFR § 54.411(d).

<sup>29</sup> 47 C.F.R. § 54.202(a)(1) also requires the submission of a five-year plan demonstrating how high-cost universal service support will be used to improve the ETC's coverage, service quality and capacity. This requirement, however, is inapplicable to this application, since T-Mobile is not seeking high-cost assistance.

<sup>30</sup> 47 C.F.R. § 54.202(a)(2), 4 CSR 240-3.570(2)(A)4.

demonstrated in its Emergency Operation Plan, T-Mobile has a reasonable amount of back-up power to ensure functionality without an external power source, is able to re-route traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. T-Mobile's Emergency Operation Plan is attached hereto as **Exhibit D**.

3. Consumer Protection and Service Quality Standards

16. T-Mobile will satisfy applicable consumer protection and service quality standards in accordance with 47 C.F.R. § 54.202(a)(3) and 4 CSR 240-3.570(2)(A)8 and 240-3.570(2)(B). T-Mobile is a strong supporter of and abides by the CTIA-The Wireless Association's® Consumer Code for Wireless Service ("Consumer Code"). T-Mobile has been a signatory of the Consumer Code since 2003. Most recently, T-Mobile was certified as CTIA compliant with the Consumer Code as evidenced by the CTIA letter of certification dated October 7, 2011. That letter, along with a copy of the CTIA Consumer Code for Wireless Service, are attached hereto as **Exhibit E**.

17. T-Mobile also provides its customers with other service quality and consumer protection benefits that have resulted in the Company being repeatedly recognized for excellence. On March 16, 2011, T-Mobile was recognized by the Ethisphere Institute as one of the 2011 World's Most Ethical Companies, which marked the third consecutive year that T-Mobile has been included on the list.<sup>31</sup> T-Mobile secured this prestigious distinction by continuing to implement ethical business practices and initiatives that are instrumental to the Company's success, while benefiting the community and raising the standard for the industry. T-Mobile was the only U.S. wireless telecommunications service provider included on the 2011 list.

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<sup>31</sup> See Press Release of T-Mobile, issued March 16, 2011, recently viewed at <http://newsroom.t-mobile.com/articles/worlds-most-ethical-company>.

18. T-Mobile has a record of excellence in customer satisfaction, having topped or been listed among the best in many of the industry studies performed by J.D. Power and Associates over the last few years. Most recently, T-Mobile was recognized for excellence in customer sales satisfaction with the fifth consecutive highest ranking in J.D. Power and Associates 2011 U.S. Full-Service Wireless Purchase Experience Study<sup>SM</sup>—Volume 2, where the company ranked highest in a tie in customer satisfaction among full-service wireless carriers, performing particularly well in the cost of service factor. The results of this study were announced on August 11, 2011.<sup>32</sup>

19. Earlier this year, T-Mobile received recognition as a *J.D. Power 2011 Customer Service Champion*—one of only forty (40) companies to have earned this distinction this year.<sup>33</sup> To qualify for inclusion on this elite list, companies must not only excel within their own industries, but also must stand out among leading brands in twenty (20) major industries evaluated by J.D. Power and Associates.

20. T-Mobile also received recognition earlier this year for excellence in customer satisfaction with its fourth consecutive highest ranking in J.D. Power and Associates' 2011 U.S. Wireless Retail Sales Satisfaction Study<sup>SM</sup>— Volume 1, T-Mobile's ninth top ranking in the past twelve volumes, dating back to 2004. In the results announced on February 17, 2011, T-Mobile ranked not only highest overall, but in each area for which the study measured customer satisfaction.<sup>34</sup>

21. In addition, T-Mobile maintains policies for consumer privacy protections, as

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<sup>32</sup> See Press Release of J.D. Power and Associates, issued August 11, 2011, recently viewed at <http://www.jdpower.com/news/pressRelease.aspx?ID=2011130>.

<sup>33</sup> See Press Release of J.D. Power and Associates, issued February 17, 2011, recently viewed at <http://businesscenter.jdpower.com/news/pressrelease.aspx?ID=2011017>.

<sup>34</sup> See Press Release of J.D. Power and Associates, issued February 17, 2011, recently viewed at <http://businesscenter.jdpower.com/news/pressrelease.aspx?ID=2011016>.

detailed in T-Mobile's Privacy Policy available at the Company's website (www.t-mobile.com). As part of those policies, T-Mobile does not disclose or provide access to individual customer records to any individual or entity, other than to the customer directly, unless such records are required to be disclosed to a governmental agency as required by law. T-Mobile has implemented a system by which individual customer records are safeguarded. T-Mobile has trained its personnel as to when they are, and are not, authorized to disclose individual customer records.

4. Comparable Local Usage Plans

22. T-Mobile's Lifeline service offering is comparable to the offerings of the ILECs, taking into consideration the varying amounts of local usage in T-Mobile's rate plans, the local calling area, and other features and services, consistent with 47 C.F.R. § 54.202(a)(4) and 4 CSR 240-3.570(2)(A)10.

5. Equal Access Acknowledgement

23. T-Mobile acknowledges that it may be required to provide equal access to long-distance carriers consistent with the requirements of 47 C.F.R. § 54.202(a)(5) and 4 CSR 240-3.570(2)(A)9.

**G. T-Mobile Will Comply With All Applicable Missouri Specific Requirements**

24. Upon designation as a wireless ETC, T-Mobile will comply with all provisions of the Commission's ETC rules, regulations and requirements. However, T-Mobile is not seeking high-cost support. Therefore, certain provisions of the FCC and Missouri regulations concerning ETC applications for high-cost support are inapplicable, and T-Mobile hereby seeks waiver of those requirements. The provisions from which T-Mobile seeks waiver include 4 CSR 240-3.570(2)(A)1-3 and 47 C.F.R. § 54.202(a)(1) (requiring filings regarding the intended use of high-cost support), 4 CSR 240-3.570(2)(C)

(plans for handling unusual construction or installation charges), and 4 CSR 240-3.570(3)(C)(3) (plans for extending the carrier's network). No public utility will be affected by these waivers. The Commission may waive regulations based upon good cause. Good cause exists to waive the stated requirements as T-Mobile's application is limited to seeking only federal low-income universal service support.

25. Section 3.570(3)(A) of 4 CSR 240 requires an ETC to develop a bill design that can be easily interpreted by its customers and clearly sets forth charges in compliance with state and federal billing requirements. T-Mobile meets this requirement as demonstrated in the attached sample bill provided in **Exhibit F**.

26. As required by 4 CSR 240-3.570(3)(B), T-Mobile posts its customer service contract on its website at [www.t-mobile.com](http://www.t-mobile.com).

27. T-Mobile will make available the nine service features listed in 4 CSR 240-3.570(3)(C)1. Each of these service features is discussed above.

28. Within thirty days of being designated an ETC by the Commission, T-Mobile will make an informational filing with the Commission describing all of its service offerings pursuant to 4 CSR 240-3.570(3)(D). T-Mobile will update this filing with the Commission if its service offerings are amended.

29. Pursuant to 4 CSR 240-3.570(3)(E), T-Mobile will maintain a record of customer complaints that have been received by the Company in a manner that includes, at a minimum: the end-user name; the account number; a description of the complaint; the date the complaint was filed; the resolution; and the amount of refund or credit, if any. In addition, T-Mobile will maintain a record of complaints filed with the FCC in accordance with 4 CSR 240-3.570(3)(E).

30. As provided in section 240-3.570(3)(F), T-Mobile will notify the Commission in

the event of a change in the company-designated contacts.

31. Furthermore, T-Mobile commits to remit 911 revenues to local authorities. The Company commits to pay in a timely manner all applicable federal, state and local regulatory fees, including but not limited to universal service and E-911 fees. See 'TracFone Wireless, Inc. Petition to Rescind State 911/E911 Condition', FCC Docket No. 96-45 (May 3, 2010).

**H. Additional Steps to be Taken To Prevent Waste, Fraud and Abuse**

32. T-Mobile recognizes the importance of safeguarding the universal service system and preventing any fraud, waste and abuse. As such, in areas where the Company is already designated as an ETC and offers Lifeline and Link Up services, the Company has implemented numerous safeguards to protect the integrity of the system, including the following:

33. Eligibility Certification and Verification. T-Mobile will take the necessary steps to ensure that low-income support is received only for eligible consumers. T-Mobile will independently certify an applicant's eligibility for Lifeline service through a variety of ways. T-Mobile will also seek certification of an applicant's income eligibility through examining acceptable documentation of income. If eligibility is based on income only, T-Mobile will require the applicant to provide an acceptable form of documentation of income, proving eligible income levels. Finally, T-Mobile will verify the continued eligibility of a statistically valid sample of its customers consistent with applicable requirements.<sup>35</sup>

34. Detailed Customer Enrollment Process. While the enrollment processes and eligibility requirements can vary from state to state, T-Mobile generally follows the same processes for the enrollment of subscribers who elect T-Mobile's Lifeline offering and qualify for Lifeline and/or Link Up. By doing so, T-Mobile is able to ensure that its enrollment and verification practices meet the needs of all customers, in a variety of situations, while

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<sup>35</sup> See 47 C.F.R. § 54.409-10; 4 CSR 240-31.050.

recognizing that it must maintain strict compliance with all applicable requirements. T-Mobile's Missouri Lifeline Application form is attached hereto as **Exhibit G**. In general, T-Mobile uses the following four step process to enroll customers in Lifeline and Link Up, which help prevent any fraud, waste and abuse of the universal service system:

1. Customer submits application for Lifeline and Link Up services with any required documentation (e.g. documentation verifying income based qualification if elected by the consumer).
2. T-Mobile reviews the application to ensure that:
  - a. the application is complete and the consumer properly qualifies for Lifeline and/or Link Up based on information provided, including (i) whether the customer address is within T-Mobile's ETC designated service area; and (ii) answers to the following statements:
    - I, or a member of my household, currently receive Lifeline assistance at the above address.
    - I have, or a member of my household has, received Link Up assistance at the above address.
  - b. the customer has signed the application, reflecting their acknowledgement of attestations, including the following:
    - I certify that the information provided on this application is true and correct. I acknowledge that providing false or fraudulent information in order to receive Lifeline/Link Up assistance is punishable by law.
    - I authorize T-Mobile and its agents to access any records (including financial records) required to verify my statements herein and to confirm my eligibility for Lifeline/Link Up assistance. I authorize social service agency representatives to discuss with and/or provide information to T-Mobile and its agents verifying my participation in public assistance programs that qualify me for Lifeline/Link Up assistance.
    - I authorize T-Mobile to release any records (including financial records) required for the administration of the Lifeline/Link Up programs.
    - I understand that I may be required to verify my continued eligibility for Lifeline assistance at any time and that failure to do so will result in termination of Lifeline assistance. I agree to notify T-Mobile within five (5) business days if I become ineligible to receive Lifeline assistance.
    - I understand that Lifeline assistance is only available for one wireline or wireless phone line per address and that I may not receive Link Up assistance more than once at the same address. If I currently receive

lifeline assistance, I agree to notify my current lifeline service provider that I have applied to receive lifeline/link up assistance from T-Mobile.

3. Customer acknowledges their commitment to activate or convert an existing line to the Lifeline plan; and
4. T-Mobile activates service and/or converts an existing line of service to the Lifeline plan.

35. Customer Verification Process. T-Mobile follows all applicable requirements to annually verify the continued eligibility of its Lifeline subscribers. In particular, in Missouri, T-Mobile will utilize procedures to verify an individual's continuing eligibility for both program and income-based criteria consistent with the FCC's requirements in 47 C.F.R. §§ 54.409 and 54.410, which includes:

1. Identifying a statistically valid and randomly selected sample of its Missouri Lifeline subscribership who will be asked to verify their continued eligibility for Lifeline;
2. Notifying each selected Missouri Lifeline subscriber in writing of their obligation to verify their continued eligibility and allow each subscriber sixty (60) days to provide such documentation;
3. Providing each Missouri Lifeline subscriber who fails to properly certify their continued eligibility written notice of discontinuance of Lifeline service thirty (30) days thereafter (during which time T-Mobile will not claim reimbursement for any Lifeline support provided); and,
4. Removing the Lifeline discount from any Missouri subscriber's account for whom the subscriber does not respond and properly certify their continued eligibility.

36. Additionally, T-Mobile will maintain records to document compliance with these requirements and, as mentioned above, will provide the Commission with a copy of the Annual Certification and Verification that it submits to USAC in which the Company will certify that it has completed the eligibility verification described above and that it complies with all requirements related to enrolling consumers who qualify for Lifeline based solely on income.

37. Ensure Usage of Lifeline Service. T-Mobile does not currently offer Lifeline



service via its prepaid platform. If T-Mobile, in the future, determines it will make available Lifeline service through a prepaid platform, it will determine any additional measures it will undertake to limit waste, fraud and abuse.

38. As these internal processes demonstrate, T-Mobile has taken and will continue to take steps to protect against fraud, waste and abuse within the Lifeline universal service system in accordance with 47 C.F.R. § 54.409-10 and 4 CSR 240-31.050.

#### **IV. T-MOBILE WILL MAKE AVAILABLE LIFELINE AND LINK UP SERVICE TO QUALIFYING LOW-INCOME CONSUMERS**

39. Upon designation as an ETC, T-Mobile will make available to qualified low-income consumers a discounted service offering that meets all applicable Lifeline and Link Up requirements. Consumers increasingly rely on their mobile phones for all of their communications needs and qualifying low-income consumers are no exception. Low-income consumers would be the primary beneficiaries of T-Mobile's Lifeline service offering.

40. T-Mobile's planned initial Lifeline service offering, which is subject to change, will include:

- a low \$9.99 per month Lifeline rate;<sup>36</sup>
- 145 Whenever minutes<sup>®37</sup>, 500 night minutes, and 500 weekend minutes per month;<sup>38</sup>
- additional minutes priced at \$0.05 per minute; and
- an affordable handset.

T-Mobile's planned Lifeline service offering provides consumers additional benefits. For example, calls to 911 and to customer service (dialing 611 from the mobile handset) will be free

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<sup>36</sup> The \$9.99 per month discounted Lifeline rate is based upon a non-discounted rate of \$19.99 per month *minus* a \$10.00 Lifeline discount (\$19.99-\$10.00=\$9.99).

<sup>37</sup> Whenever minutes<sup>®</sup> are minutes that can be used at anytime and anywhere on T-Mobile's nationwide network.

<sup>38</sup> Weekend minutes are currently defined as midnight Friday to midnight Sunday, and nights are currently defined as 9:00 p.m. to 6:59 a.m. Monday-Friday, based on the start time of call.

calls, regardless of whether the customer has sufficient remaining minutes available in their account, and those calls will not be deducted from the monthly included minutes or charged as additional minutes. Additionally, qualified consumers who subscribe to T-Mobile's Lifeline offering are not charged a fee for the federal universal service fund or any other government-related surcharge, including surcharges related to the recovery of the costs of local number portability.<sup>39</sup> In addition to voice services, Lifeline customers will also have access to a variety of other standard features at no additional charge, including voice mail, caller identification and call-waiting services. T-Mobile may implement other Lifeline service offerings in the future, consistent with all applicable requirements. T-Mobile's Lifeline discounts are consistent with the federal plan, in accordance with 47 C.F.R. § 54.403 and 4 CSR 240-3.570(2)(A)7.

#### **V. DESIGNATING T-MOBILE AS AN ETC IS IN THE PUBLIC INTEREST**

41. Section 3.570(2)(A)5 of 4 CSR 240 requires a demonstration that the ETC designation will be consistent with the public interest, convenience, and necessity. T-Mobile's designation as an ETC is consistent with the public interest, convenience, and necessity in numerous ways as explained herein. Currently, T-Mobile serves the mobile communications needs of Missouri consumers, and, through its proposed Lifeline offering, T-Mobile will significantly expand its business in Missouri by making available to low-income consumers a new service offering that meets their basic and advanced communication needs. As a CMRS provider, T-Mobile is not subject to universal service obligations in Missouri today, but, as a Low Income service provider, T-Mobile will be entering the universal service market and, by doing so, will be subject to the following universal service obligations:

1. Providing Lifeline service that includes all of the supported services;

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<sup>39</sup> 47 C.F.R. § 54.401(e).

2. Committing to meet and maintain compliance with certain requirements applicable to ETCs, including:
  - a. consumer protection standards;
  - b. local usage requirements;
  - c. ability to remain functional in emergency situations; and
  - d. equal access.
3. Increasing public awareness of the availability of Lifeline and Link Up programs by:
  - a. advertising the availability of its Lifeline and Link Up offerings; and
  - b. undertaking outreach initiatives aimed eligible low-income consumers.
4. Offering Lifeline and Link Up service consistent with the requirements of the Commission's rules and prior Commission orders designating ETCs.

42. Public Interest Benefits – The benefits to low-income consumers in Missouri will be significant and include: (i) greater customer choice; (ii) a new Lifeline service offering with competitive pricing, services, and features; and (iii) access to a nationwide network that has been recognized for its high quality and customer service.

43. The benefits of competition are widely recognized and extend to all markets, including the low income universal service market, as recognized by the FCC:

We note that an important goal of the Act is to open local telecommunications markets to competition. Designation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies. We agree with Western Wireless that competition will result not only in the deployment of new facilities and technologies, but will also provide an incentive to the incumbent rural telephone companies to improve their existing network to remain competitive, resulting in improved service to Wyoming consumers [consumers in the proposed ETC service area]. In addition, we find that the provision of competitive service will facilitate universal service to the benefit of consumers in Wyoming by

creating incentives to ensure that quality services are available at “just, reasonable, and affordable rates.”<sup>40</sup>

44. Low-income consumers rely on wireless services for their telecommunications needs. T-Mobile’s designation as an ETC will result in low-income consumers having greater access to wireless telecommunications services, thereby advancing the basic goal of preserving and advancing universal service. To accomplish this goal, Congress established a competitive universal service framework to expand the level of competition among carriers vying for the business of consumers based on price, service offerings, coverage, and service quality. T-Mobile offers consumers competitive service offerings and high-quality customer service, and through its entry into the Lifeline service market, low-income consumers will now have greater access to all of these benefits. T-Mobile’s Lifeline Plan allows customers to control costs by receiving a preset monthly rate with a low per-minute overage rate. The wireless service that T-Mobile offers will provide customers with an affordable alternative to traditional telecommunications service.

45. The wireless consumer in Missouri has taken advantage of heavy market penetration. The FCC reports that more than 5.3 million Missouri residents (or 88.6% of the State’s population) are wireless subscribers.<sup>41</sup> According to the Centers for Disease Control, 22.4% of adults in Missouri were living in wireless-only households from mid-year 2009 to mid-year 2010, while 15.5% were living in wireless-mostly households.<sup>42</sup> And prices for wireless services continue to fall dramatically. American consumers enjoy lower prices than consumers

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<sup>40</sup>*In the Matter of the Federal-State Joint Board on Universal Service, Western Wireless Corp. Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, CC Docket No. 96-45, Memorandum Opinion and Order, DA 00-2896, ¶ 17 (released December 26, 2000).

<sup>41</sup>See *Local Telephone Competition: Status as of December 31, 2010*, tbls. 8, 9, 17 (FCC, Industry Analysis & Technical Division, Wireline Competition Bureau, Oct. 2011) [available at [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2011/db1007/DOC-310264A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db1007/DOC-310264A1.pdf)]

<sup>42</sup>See *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, January – June 2010*. U.S. Centers for Disease Control and Prevention, Division of Health Interview Statistics, National Center for Health Statistics. Table 1 (May 12, 2011), available at <http://www.cdc.gov/nchs/data/nhsr/nhsr039.pdf>.

in nearly all other nations: Voice revenue per minute (“RPM”) equaled \$0.04 in the U.S., compared to \$0.09 in Canada; \$0.11 in the United Kingdom; \$0.16 in Germany; \$0.09 in South Korea; and \$0.25 in Japan.<sup>43</sup> Text messaging prices declined from \$0.011 per message in 2008 to \$0.009 in 2009.<sup>44</sup> Average smartphone prices net of carrier subsidies decreased from \$220 in the fourth quarter of 2006 to \$120 in the fourth quarter of 2009, with average prices for all handsets after discounts falling from \$85 in the fourth quarter of 2006 to \$50 in the fourth quarter of 2009.<sup>45</sup> Although average monthly data traffic per subscriber grew 78% between 2008 and 2009, wireless data service ARPU rose only 22% in that period.<sup>46</sup> Indeed, as the most recent data from the U.S. Bureau of Labor Statistics’ Wireless Price Index shows, as of July 2011 the price of wireless service has fallen some 40% since December 1997.<sup>47</sup>

46. T-Mobile’s designation as an ETC will enable the Company to make available competitive Low Income service offerings to consumers throughout its designated service area in Missouri.

47. Designating T-Mobile as an ETC will provide an additional alternative to the existing Low Income service offerings currently being offered and thus will promote competition and advance communication services for the benefit of the residents of Missouri. Carriers are investing in newer, better and faster networks. Despite continuing economic difficulties, incremental capital investment increased from \$20.2 billion in 2008 to \$20.4 billion in 2009. Wireless accounts for more than 30% of all telecommunications investment, nearly a quarter of all information and communications technology investment, and two percent of total investment

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<sup>43</sup>*Id.* at Table 44.

<sup>44</sup>*Id.* ¶ 193.

<sup>45</sup>*Id.* ¶ 334.

<sup>46</sup>*Id.* ¶¶ 186, 203.

<sup>47</sup>*See* Bureau of Labor Statistics Consumer Price Index – All Urban Consumers, Series ID CUUR0000SEED03, available at <http://data.bls.gov/pdq/querytool.jsp?survey=cu>.

in the U.S. economy.<sup>48</sup>

48. Allowing T-Mobile to offer the services required by an ETC will also provide critical telecommunications services to low-income consumers that need it the most, at a low monthly rate. T-Mobile's Lifeline Plan allows for customers to control costs by receiving a preset monthly rate with a low per minute overage rate. The Lifeline wireless service that T-Mobile will offer will provide customers with an affordable alternative to existing telecommunications service. Increased competitive choices in the telecommunications arena benefit all consumers, but low income consumers stand to gain the most.

## **VI. CONCLUSION**

WHEREFORE, for the reasons stated above, T-Mobile respectfully requests that the Commission expeditiously: (i) designate T-Mobile as an ETC for the limited purpose of offering Low Income services, including receiving FUSF support for providing Lifeline and Link Up Service to qualified low-income consumers in the areas identified in Exhibit A in the State of Missouri; (ii) waive the specific provisions related to high-cost universal service support described herein; (iii) send the appropriate notice of the Order designating T-Mobile as an ETC to the FCC and the Universal Service Administrative Company; and (iv) order such other relief as may be appropriate.

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<sup>48</sup> *Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, 2011 FCC LEXIS 2636, Chart 48 (2011) (*FCC Report*).

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this the 22nd day of December, 2011, served a true copy of the foregoing pleading upon the following parties, listed below, in accordance with Commission

Rules:

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/s/Lisa A. Gilbreath  
Lisa A. Gilbreath





## **INDEX TO EXHIBITS**

Exhibit A – ETC Service Area

Exhibit B – Certificate of Authority

Exhibit C – \*\* HIGHLY CONFIDENTIAL \*\* T-Mobile Coverage Area

Exhibit D – Emergency Operations Plan and Business Continuity Plan

Exhibit E – CTIA Certification and Consumer Code for Wireless Service

Exhibit F – Sample T-Mobile Customer Bill

Exhibit G – Missouri Lifeline Application Form