

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Sage Telecom    )  
Communications, LLC for Designation as an        )  
Eligible Telecommunications Carrier                )        **File No. TA-2014-0008**

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission and for its status report, states as follows:

1. On July 3, 2013, Sage Telecom Communications, LLC (“the Company”), a wireless carrier, filed an application with the Missouri Public Service Commission seeking designation as an Eligible Telecommunications Carrier (“ETC”) for the purpose of receiving federal universal service fund support for low income customers through the Lifeline program.

2. As noted in the attached memorandum, the Staff believes it appropriate to grant the requested ETC status, but to condition the ETC designation by the Commission, as follows:

A. The Company shall notify the Staff within 30 days of any event that falls within the following:

Please provide the details of any matter brought in the last ten years by any state or federal regulatory or law enforcement agency against the ETC, any person or entity that holds more than a 10% ownership interest in the ETC, any affiliated company (any company under common management ownership or control or that, by contract or other agreement performs any of the functions necessary to the ETC’s Lifeline Service) that involves any aspect of the provision of Lifeline Service or any aspect of state or federal Universal Service funds, or any matter involving fraud, deceit, perjury, stealing or the omission or misstatement of material fact in connection with a commercial transaction. Such matters include formal or informal notices of investigation, indictment, the filing of a complaint, a civil lawsuit, revocation or suspension proceeding, action for penalties or damages, or criminal charges. Such details include, but are not limited to, copies of complaints or other such pleadings and the filed responses thereto, as well as any orders, decisions or other determinations of culpability, including those that exonerate the subject of any wrongdoing.

The Staff plans to include this disclosure requirement for new and renewing ETC applicants in its proposed comprehensive amendments to the Commission's ETC rules.

B. The Company may only use the MoUSF Board-approved form when enrolling Lifeline subscribers in Missouri.

C. The Company will use only the name Sage Telecom Communications, LLC, which is registered with the Missouri Secretary of State, when enrolling Lifeline subscribers in Missouri.

3. The Company has an obligation to update its application with new information when any statement therein becomes untrue or could mislead the reader to an inference that is untrue.

**WHEREFORE**, the Staff recommends that the Company be granted ETC designation, on the condition that it adheres to the above-listed conditions, as well as any other conditions in the Commission's rules concerning the provision of wireless Lifeline Service to low-income customers.

Respectfully submitted,



Colleen M. Dale  
Senior Counsel  
Missouri Bar No. 31624  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-4255 (Telephone)  
[cully.dale@psc.mo.gov](mailto:cully.dale@psc.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 28<sup>th</sup> day of October, 2013.

A handwritten signature in black ink, appearing to be "Allan D. [unclear]".

## MEMORANDUM

To: Official Case File  
Case No. TA-2014-0008  
Company Name: Sage Telecom Communications, LLC

From: John Van Eschen  
Telecommunications Unit

Cully Dale  
Staff Counsel's Office

Subject: Staff's Recommendation to Grant ETC Status

Date: October 25, 2013

<b>Date ETC application was filed:</b>	July 3, 2013
--	--------------

<b>Full name of Applicant:</b>	Sage Telecom Communications, LLC
--------------------------------	----------------------------------

Sage Telecom Communications, LLC (Company or Applicant) is seeking Eligible Telecommunications Carrier (ETC) status for the sole purpose of receiving federal Lifeline support. The Company intends to offer wireless Lifeline service on a state-wide basis by reselling Sprint's wireless service. The Company has submitted a Lifeline Compliance Plan to the FCC and the FCC approved the plan on December 26, 2012. The Company is not seeking authorization to receive any Missouri USF support.

The Company's proposes to apply various fees to a Lifeline subscriber. A \$30 nonrecurring charge will apply to each Lifeline applicant in order to select a basic wireless handset. Basic service plans will be available to qualifying Lifeline subscribers at a rate of \$4.75 for 280 minutes of voice service or \$15.75 for 500 minutes. Each subscriber will have an online account. Different billing options will be available to the consumer including an option where the consumer will not receive a monthly bill. In the situation where a consumer will not receive a bill the Company intends to send the subscriber a text message when the subscriber's usage allotment is nearly depleted and then a second text message when the allotment has been depleted. Service is suspended when usage is depleted although a subscriber can still place 911 calls. Service is disconnected and the Company will not seek further federal Lifeline support for the subscriber if payment is not received within seven calendar days after service suspension.

The Commission Staff (Staff) has reviewed the Company's ETC application and responses to various data requests. In Staff's opinion the Company has adequately met all ETC application requirements identified in the attached checklist. Staff recommends the Commission grant ETC status to the company and specify:

- ETC status is for the limited purpose of receiving federal Lifeline support and does not entitle the company to receive Missouri USF funding.
- The company's ETC service area is state-wide.

The Company has also requested a waiver of Missouri PSC rule 4 CSR 240-3.570(3)(A). This rule requires an ETC to have an easily interpreted and clear bill design that complies with state and federal billing requirements. The Company's rationale for the rule waiver is because initially the Company did not intend to

issue a monthly bill. The Company has recently decided to provide the option for a consumer to receive a bill and consequently informally withdrew this waiver request. Staff recommends the Commission either ignore or deny the waiver request because the rule is applicable if the Company issues a monthly bill.

Checklist Items		Citation				
Basic Application Requirements	<p>Complies with application requirements in 4 CSR 240-2.060 specifically:</p> <ul style="list-style-type: none"> <li>• Proper authorization from Missouri Secretary of State.</li> <li>• Contact information.</li> <li>• Provides statement indicating whether applicant has any pending action of final unsatisfied judgments against them by a state or federal agency or court involving customer service or rates within past 3 years.</li> <li>• Signed affidavit that verifies all information is true, accurate &amp; correct in the application.</li> </ul>	Attachment A  Application: Pages 3,4,19.				
	<p><b>Is the applicant already certificated or registered by the Missouri PSC to provide local voice service in Missouri?</b> (check "X" in appropriate box below)</p>					
	<table border="1"> <tr> <td style="text-align: center;">X</td> <td> <p><b>Yes.</b> If yes, the applicant must be compliant in:</p> <ul style="list-style-type: none"> <li>• Paying MoUSF assessment.</li> <li>• Paying MoPSC assessment.</li> <li>• Paying Relay MO assessment.</li> <li>• Annual report submissions.</li> </ul> </td> </tr> <tr> <td></td> <td> <p><b>No,</b> the applicant is not certificated or registered by the Missouri PSC.</p> </td> </tr> </table>	X	<p><b>Yes.</b> If yes, the applicant must be compliant in:</p> <ul style="list-style-type: none"> <li>• Paying MoUSF assessment.</li> <li>• Paying MoPSC assessment.</li> <li>• Paying Relay MO assessment.</li> <li>• Annual report submissions.</li> </ul>		<p><b>No,</b> the applicant is not certificated or registered by the Missouri PSC.</p>	Application: Page 15
	X	<p><b>Yes.</b> If yes, the applicant must be compliant in:</p> <ul style="list-style-type: none"> <li>• Paying MoUSF assessment.</li> <li>• Paying MoPSC assessment.</li> <li>• Paying Relay MO assessment.</li> <li>• Annual report submissions.</li> </ul>				
	<p><b>No,</b> the applicant is not certificated or registered by the Missouri PSC.</p>					
<p><b>Has the Missouri PSC already granted ETC status to the company?</b></p>						
<table border="1"> <tr> <td></td> <td> <p><b>Yes.</b> If yes, cite the case and in space below explain the current ETC status of the company:</p> </td> </tr> <tr> <td style="text-align: center;">X</td> <td> <p><b>No,</b> the applicant is not previously received ETC status from the Missouri PSC.</p> </td> </tr> </table>		<p><b>Yes.</b> If yes, cite the case and in space below explain the current ETC status of the company:</p>	X	<p><b>No,</b> the applicant is not previously received ETC status from the Missouri PSC.</p>		
	<p><b>Yes.</b> If yes, cite the case and in space below explain the current ETC status of the company:</p>					
X	<p><b>No,</b> the applicant is not previously received ETC status from the Missouri PSC.</p>					
Disciplinary History	<p>Identifies any individual or entity having a 10% or more ownership interest in the applicant, and all managers, officers and directors or any person exerting managerial control over applicant's day-to-day operations, policies, service offerings and rates.</p>	Attachment I				
	<p><b>Does the Applicant share common ownership or management with other companies?</b> (check appropriate box below)</p>					
	<table border="1"> <tr> <td style="text-align: center;">X</td> <td style="text-align: center;"><b>Yes</b></td> </tr> <tr> <td></td> <td style="text-align: center;"><b>No</b></td> </tr> </table>	X	<b>Yes</b>		<b>No</b>	Attachment I: Page 3
X	<b>Yes</b>					
	<b>No</b>					
<p><b>If yes, provide the following information:</b></p> <table border="1"> <thead> <tr> <th>Companies with common ownership or management:</th> <th>Indicate if identified company has ever received federal or state USF funding.</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>• Sage Telecom, Inc.</li> <li>• Telscape Communications, Inc.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Yes.</li> <li>• Yes.</li> </ul> </td> </tr> </tbody> </table>		Companies with common ownership or management:	Indicate if identified company has ever received federal or state USF funding.	<ul style="list-style-type: none"> <li>• Sage Telecom, Inc.</li> <li>• Telscape Communications, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes.</li> <li>• Yes.</li> </ul>	
Companies with common ownership or management:	Indicate if identified company has ever received federal or state USF funding.					
<ul style="list-style-type: none"> <li>• Sage Telecom, Inc.</li> <li>• Telscape Communications, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes.</li> <li>• Yes.</li> </ul>					

	<p><b>Have any matters been brought forth within the last ten years by any state, federal regulatory or law enforcement agency against the applicant or against any person or entity that holds more than 10% ownership interest in the applicant? (check appropriate box below)</b></p> <table border="1"> <tr> <td data-bbox="159 243 302 317" style="text-align: center;"><b>X</b></td> <td data-bbox="302 243 1312 317"><b>No.</b></td> </tr> <tr> <td data-bbox="159 317 302 470"></td> <td data-bbox="302 317 1312 470"> <b>Yes.</b> If yes, provide below the following information for each matter (date, agency and general description of the matter): <ul style="list-style-type: none"> <li>•</li> </ul> </td> </tr> </table>	<b>X</b>	<b>No.</b>		<b>Yes.</b> If yes, provide below the following information for each matter (date, agency and general description of the matter): <ul style="list-style-type: none"> <li>•</li> </ul>	<p>Application: Page 9</p> <p>Attachment I: Page 3</p>									
<b>X</b>	<b>No.</b>														
	<b>Yes.</b> If yes, provide below the following information for each matter (date, agency and general description of the matter): <ul style="list-style-type: none"> <li>•</li> </ul>														
<b>Service Provisioning</b>	<p><b>Adequately explains the applicant's proposed service.</b> Basic service characteristics:</p> <table border="1" data-bbox="289 617 1053 768"> <tr> <td data-bbox="289 617 613 693"><i>(check applicable boxes)</i></td> <td data-bbox="613 617 841 693" style="text-align: center;"><b>Wireless</b></td> <td data-bbox="841 617 1053 693" style="text-align: center;"><b>Landline</b></td> </tr> <tr> <td data-bbox="289 693 613 730" style="text-align: center;"><b>No charge</b></td> <td data-bbox="613 693 841 730"></td> <td data-bbox="841 693 1053 730"></td> </tr> <tr> <td data-bbox="289 730 613 768" style="text-align: center;"><b>Fee</b></td> <td data-bbox="613 730 841 768" style="text-align: center;">X</td> <td data-bbox="841 730 1053 768"></td> </tr> </table> <p><b>If applicant intends to offer a free wireless Lifeline service the applicant has adequately explained:</b></p> <ul style="list-style-type: none"> <li>• How the company will ensure USF is not received until the subscriber activates the service.</li> <li>• How the company will ensure support will only be received if the subscriber has used the service sometime during a 60 consecutive day time period.</li> <li>• Subscriber will be de-enrolled if fails to use the service for 60 consecutive days.</li> </ul> <p><b>Applicant's proposed service area is adequately described.</b></p> <p><b>Does the applicant qualify as a facility-based provider?</b></p> <table border="1" data-bbox="159 1398 1312 1591"> <tr> <td data-bbox="159 1398 302 1474"></td> <td data-bbox="302 1398 1312 1474"><b>Yes.</b> If yes, <b>describe general facilities:</b></td> </tr> <tr> <td data-bbox="159 1474 302 1591" style="text-align: center;"><b>X</b></td> <td data-bbox="302 1474 1312 1591"> <b>No.</b> If no then ensure: <ul style="list-style-type: none"> <li>• FCC has <u>approved</u> company's compliance plan.</li> <li>• Applicant has ensured customers will have access to 911 services.</li> </ul> </td> </tr> </table> <p>Advertising commitments appear OK.</p> <ul style="list-style-type: none"> <li>• Provides a statement certifying the company will advertise the availability of its supported service.</li> <li>• Provides reasonable explanation of how the applicant will advertise.</li> <li>• If advertising by direct mail the company has provided a reasonable explanation of how it will target these mailings.</li> </ul>	<i>(check applicable boxes)</i>	<b>Wireless</b>	<b>Landline</b>	<b>No charge</b>			<b>Fee</b>	X			<b>Yes.</b> If yes, <b>describe general facilities:</b>	<b>X</b>	<b>No.</b> If no then ensure: <ul style="list-style-type: none"> <li>• FCC has <u>approved</u> company's compliance plan.</li> <li>• Applicant has ensured customers will have access to 911 services.</li> </ul>	<p>Application Page 5 &amp; 13</p> <p>Attachment B: Pages 5, 16, 17</p> <p>Application: Page 5, 13</p> <p>Attachment B: Page 5</p> <p>Application: Page 7</p> <p>Attachments B&amp;C</p> <p>Application: Page 11</p> <p>Attachment H</p>
<i>(check applicable boxes)</i>	<b>Wireless</b>	<b>Landline</b>													
<b>No charge</b>															
<b>Fee</b>	X														
	<b>Yes.</b> If yes, <b>describe general facilities:</b>														
<b>X</b>	<b>No.</b> If no then ensure: <ul style="list-style-type: none"> <li>• FCC has <u>approved</u> company's compliance plan.</li> <li>• Applicant has ensured customers will have access to 911 services.</li> </ul>														

	<ul style="list-style-type: none"> <li><b>Were Missouri-specific advertising examples provided?</b></li> </ul> <table border="1"> <tr> <td></td> <td><b>Yes</b></td> </tr> <tr> <td>X</td> <td><b>No</b></td> </tr> </table>		<b>Yes</b>	X	<b>No</b>	
		<b>Yes</b>				
	X	<b>No</b>				
	Certifies compliance with service requirements in 47 CFR 54.201(d)(2) (owns facilities, advertising, financial/technically capable)		Attachment E			
	Demonstrates can remain functional in emergency situations.		Attachment B: Pages 6-7.			
	Provides statement will satisfy applicable consumer protection, consumer privacy and service quality standards and provides a reasonable list of applicable standards. <i>(Wireless applicants must agree to comply with Cellular and Internet Assoc.'s Consumer Code for Wireless Service.)</i>		Application: Page 10 Attachment F			
	<b>Will applicant maintain information about service provisioning and rates in a</b> <i>(check appropriate box below):</i>		Application: Page 12			
	<b>Tariff</b>					
	<b>Informational Filing</b>	X				
	<b>Website</b> <i>(indicate website)</i>					
Provides a reasonable explanation of: <ul style="list-style-type: none"> <li>How the applicant intends to provide service throughout the proposed service area, including whereby the applicant lacks facilities or network coverage.</li> <li>How service will be provided in a timely manner to requesting customers.</li> </ul>		Application: Page 12				
Commits to maintain a record of complaints, including an agreement to make such records available upon request to the commission staff.		Application: Page 13				
Provides a reasonable demonstration the applicant is financially viable and technically capable of providing voice telephony service.		Attachment E				
<b>Does the applicant intend to provide access to directory assistance services, operator services and interexchange services?</b>		Application: Page 5 (\$1.50 /call)				
<table border="1"> <tr> <td>X</td> <td><b>Yes</b></td> </tr> <tr> <td></td> <td><b>No</b></td> </tr> </table>	X		<b>Yes</b>		<b>No</b>	
X	<b>Yes</b>					
	<b>No</b>					
<b>Lifeline/Disabled Program Compliance</b>	Certifies all Lifeline funding will flow through to the subscriber.	Application: Page 14				
	Commits to conduct business only through the name identified in the application and will not use any additional service or brand names. <i>(If company's name includes a d/b/a name then the company can either use the company's full name and/or the d/b/a name. For instance "ABC Company d/b/a Company W" can use that full name or simply "Company W". The company cannot solely use the parent name "ABC Company" or a name different from d/b/a name.)</i>	Application: Page 14				
	Commits to comply with all requirements associated with the Lifeline program contained in 47 CFR Part 54 Subpart E.	Application: Page 14				
	Commits to comply with all Lifeline requirements established by the Missouri PSC even if solely funded by federal USF.	Application: Page 14				
	<b>Will the applicant seek support from the MoUSF?</b> <i>(check appropriate box below)</i>	Application:				



		Page 14
	<b>Yes.</b> If yes, ensure applicant only seeks MoUSF for landline service.	
X	<b>No.</b>	
<b>Does applicant intend to participate in the Disabled program?</b> <i>(check appropriate box below)</i>		Application: Page 14
	<b>Yes.</b> If yes, ensure applicant only seeks MoUSF for landline service.	
X	<b>No.</b>	
Adequately demonstrates how the applicant will ensure that the full amount of Lifeline or Disabled support will be passed through to the qualifying low-income consumer.		Application: Pages 5 & 14.
Commits to use only a board approved Lifeline or Disabled application form.		Application: Page 14
Adequately explains how the applicant will initiate Lifeline or Disabled service to a subscriber. Explanation should include how company will ensure: <ul style="list-style-type: none"> <li>• The subscriber meets eligibility requirements.</li> <li>• The subscriber's identity and address are correct.</li> <li>• Only one Lifeline or Disabled discount is provided to a household.</li> </ul>		Attachment G
Adequately explains how the applicant intends to annually verify a customer's continued eligibility for the Lifeline or Disabled program, including what action will be taken if a subscriber fails to adequately respond or is no longer eligible for support.		Attachment G
<b>Use of independent contractors to sign-up Lifeline subscribers</b> <i>(check appropriate box below):</i>		Application: Page 14
Intends to use independent contractors to sign-up Lifeline subscribers. If so then applicant also commits to take full responsibility for these contractors.		
Does not intend to use independent contractors.	X	
Adequately demonstrates how it will monitor its employees, agents or contractor to ensure they comply with all applicable laws and rules concerning Lifeline or Disabled Programs.		Application: Page 15
Commits to notify the commission of any changes to company contact information.		Application: Page 15
Provides statement the applicant complies with all reporting and assessment requirements (if certificated or registered with the commission).		Application: Pages 4 & 15.
Provides statement the applicant is compliant with contribution obligations to the FUSF.		Application: Page 15
FCC waivers:		None