

**BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION**

APPLICATION OF YOURTEL AMERICA, INC.                     )  
TO AMEND ITS DESIGNATION AS AN                         )  
ELIGIBLE TELECOMMUNICATIONS CARRIER                )  
PURSUANT TO THE TELECOMMUNICATIONS                 )  
ACT OF 1996   )  
Case No. \_\_\_\_\_

**APPLICATION OF YOURTEL AMERICA, INC., TO AMEND ITS  
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

Comes now YourTel America, Inc. ("YourTel") and submits this Application to Amend its Designation as an Eligible Telecommunications Carrier ("ETC") in Missouri, pursuant to Section 214(e)(2) of the Telecommunications Act of 1996, ("1996 Act"), 47 U.S.C. § 214(e)(2), Section 54.201 of the Rules of the Federal Communications Commission ("FCC"), 47 C.F.R. § 54.201, and 4 CSR 240.060. Applicant requests that its designation as an ETC be amended to include its provision of prepaid wireless service in the exchanges served by ATT for which YourTel has already been granted ETC status, and only for all low-income support available from the federal Universal Service Fund ("USF").

In support of its Application, the Applicant states as follows:

**A. Background**

1. This Application is made pursuant to 4 CSR 240-2.060 and 240-3.570, 47 U.S.C. §§ 153(27), 153(44), 153(46), 214(e), 253(b), 254(e) and 332(c)(3), as well as 47 C.F.R. §§ 51.5, 54.5, 54.101, 54.201, 54.207, 54.313 and 54.314.

2. The name and address of Applicant is YourTel America, Inc., 2800 East 18<sup>th</sup> Street, Kansas City, MO 64127. YourTel is a Missouri corporation and in good standing with the Missouri Secretary of State's office. Attached as **Exhibit A** is a Certificate of Good Standing from the Missouri Secretary of State.

3. YourTel is certificated by this Commission to provide basic local, local exchange, exchange access, and interexchange service in Missouri. See Case No. TA-99-115, Order dated April 12, 1999; and Case No. XA-2003-0118, Order dated November 5, 2002. YourTel was granted ETC status as a wireline carrier by the Commission for the receipt of FUSF support in certain specified exchanges. See Case No. CO-2003-0094, Order dated April 1, 2003. YourTel's ETC status was expanded in 2008 to include a number of exchanges in the St. Louis Metropolitan Area. See Case No. CO-2008-0334, Order dated June 12, 2008. The Commission approved the name of change of YourTel America, Inc., from The Pager Company dba The Pager & Phone Company. See Case No. CN-2007-0218, Order dated January 3, 2007.

4. By this Application, YourTel seeks the following relief: amendment of YourTel's ETC designation to include YourTel's upcoming wireless service as eligible for low-income FUSF support in the exchanges for which YourTel has already received ETC designation. Those exchanges are listed in Attached **Exhibit B**. YourTel is not seeking high-cost support. YourTel also requests that, should at some point in the future Missouri law be revised so as to allow wireless carriers to receive support from the Missouri Universal Service Fund, YourTel will then also become eligible to receive such support by Commission approval of this Application.

5. YourTel has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court which involves customer service or rates, which judgment or decision occurred within the three years preceding the date of this Application.

6. YourTel has no overdue annual report or fee assessment.

#### **B. The Relevant Legal Environment**

7. In its 2008 ETC application in Case No. 2008-0334, YourTel sought only designation for low-income benefits. The Commission granted the relief which YourTel sought.

In this Application, YourTel seeks amendment of its ETC status to include wireless service for low-income benefits. Given the Commission's previous decisions on YourTel's ETC status, it is appropriate for YourTel to seek ETC designation for low-income support and to forego all support that might be available for high-cost customers.

8. In its provision of wireless services, YourTel will rely on a combination and leased and company-owned facilities. YourTel will purchase airtime from one or more underlying wireless providers which operate owned networks, but will route some traffic through a YourTel-owned switch located in Kansas City, Missouri. This switch and its proprietary enhancements, as it does today for YourTel's wireline customers, will also provide the same services to its wireless customers, including call management, voice mail, and toll limitation. Thus, YourTel clearly meets the ETC test of providing services, at least in part, through a combination of resold and its own facilities. See Section 214(e) of the Federal Act.

9. As YourTel is not seeking high-cost support for its wireless service, certain provisions of the Missouri regulations concerning ETC applications are inapplicable, and YourTel hereby seeks waiver of those regulations. The provisions whose waiver is sought include 4 CSR 240-3.570(2)(A)(1)-(3), which relate solely to applications for high-cost support, and require detailed network construction plans and two-year plans for the expenditure of high-cost support to extend and improve the carrier's wireless network. These provisions simply do not apply to YourTel.

10. YourTel will comply with all other provisions of the Commission's ETC rules, as if this pleading were an initial Application for initial designation as a wireless ETC. By way of illustration, within thirty days of receiving Commission approval of this Application, YourTel will make an informational filing which describes the terms and conditions of the wireless

offerings for which it will seek USF support, and that it will amend that filing from time to time, as its service offerings evolve, pursuant to 4 CSR 240-3.570(3)(D).

11. The Commission found in granting ETC status to YourTel in Case Nos. CO-2003-0094 and CO-2008-0334, that YourTel provided all of the services necessary to qualify for ETC designation. YourTel continues to provide those services as part of the wireline service it offers to its customers. YourTel will also provide wireless/mobile service consistent with the definition of “mobile service” set forth in 47 U.S.C. § 153(27). As noted below, YourTel will provide all of the ETC-supported services as part of its wireless service offering.

12. A telecommunications carrier may be designated as an ETC and receive Universal Service Fund support if it agrees, throughout the proposed ETC service area, to: (a) offer services that are supported by federal universal service support mechanisms, and (b) advertise the availability of such services. See 47 U.S.C. § 214(e)(1). In its *First Report and Order* implementing Sections 214(e) and 254, the FCC set forth the services a carrier must provide in order to be designated as an ETC and thus receive federal universal service support. *Federal-State Joint Board on Universal Service, Report and Order*, 12 FCC Rcd 8776, 8809-25 (1997) (“*First Report and Order*”).

13. Section 214(e)(2) of the 1996 Act provides that ETC designations shall be made for a “service area” designated by the state commission. A map of YourTel’s proposed wireless ETC service area is attached hereto as **Exhibit C**, and includes exchanges in which ATT is the incumbent LEC. In areas served by a non-rural company, such as ATT, the state commission may establish an ETC service area for a competitor without federal concurrence. 47 U.S.C. § 214(e)(5). Accordingly, YourTel requests amendment of its ETC designation in the non-rural wire centers listed in **Exhibit B**, attached hereto, for wireless service.

**C. YourTel Offers the Supported Services Required  
To Qualify For Federal USF Support**

14. Section 214(e)(1) of the 1996 Act and Section 54.201(d) of the FCC's rules provide that carriers designated as ETCs shall, throughout their service area, (a) offer the services that are supported by federal universal service support mechanisms, either using their own facilities or a combination of their own facilities and resale of another carrier's services, and (b) advertise the availability of such services and the charges using media of general distribution.

The nine-point checklist of required services which are supported by the Federal USF are:

- (1) voice grade access to the public switched network;
- (2) local usage;
- (3) dual tone multi-frequency signaling or its functional equivalent;
- (4) single-party service or its functional equivalent;
- (5) access to emergency services;
- (6) access to operator services;
- (7) access to interexchange service;
- (8) access to directory assistance; and
- (9) toll limitation for qualifying low-income consumers.

See 47 C.F.R. § 54.101(a).

15. YourTel offers all of these services on its wireline network within the State of Missouri, as described in detail below. YourTel will offer the listed services when it provides wireless service in Missouri. YourTel therefore satisfies the requirements of Section 214(e)(1).

16. VOICE GRADE ACCESS. YourTel provides voice grade wireline access to the public switched network through interconnection arrangements with local telephone companies. YourTel will provide the same level of access to the public switched telephone network for its wireless customers. YourTel offers its subscribers this service at bandwidths between 300 and 3,000 hertz, as required by 47 C.F.R. §54.101(a)(1), thereby providing voice grade access. YourTel commits to responding to reasonable requests for service by providing service to a customer who has a billing address in the service area at the customer's billing address or at a

different address specified by the customer that represents the customer's home or work location.

17. LOCAL USAGE. YourTel has a variety of rate plans that provide local usage consistent with 47 C.F.R. § 54.101(a)(2). With respect to wireless service, to date the FCC has not quantified a minimum amount of local usage required to be included in a universal service offering,. See *NPCR, Inc. d/b/a Nextel Partners*, 19 FCC Rcd 16530, 16536 (2004) (“*Nextel Partners*”). In the *First Report and Order*, the FCC deferred a determination on the amount of local usage that a carrier would be required to provide. See *First Report and Order*, supra, 12 FCC Rcd at 8813. In a subsequent *Notice of Proposed Rulemaking*, the FCC sought comment on a definition of the public service package that must be offered by all ETCs, including how much, if any, local usage should be required to be provided to customers as part of a universal service offering. *Federal-State Joint Board on Universal Service, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, 13 FCC Rcd 21252, 21279-81 (1998) (“*October 1998 NPRM*”). In July, 2003, after considering public comments and recommendations of the Joint Board, the FCC released an order declining to impose a specific amount of local usage as a condition for ETC status. See *Federal-State Joint Board on Universal Service, Order and Order on Reconsideration*, FCC 03-170 at ¶ 14 (rel. July 14, 2003). More recently, the FCC sought comment on another set of recommendations by the Joint Board regarding ETC criteria which again declined to specify a minimum quantity of local usage. *Federal-State Joint Board on Universal Service, Notice of Proposed Rulemaking*, 19 FCC Rcd 10800, 10826-27 (2004). Instead of setting a minimum amount, the FCC has determined that when a carrier offers a choice of rate plans containing varying amounts of local usage, it meets that local usage requirement. See, e.g., *Sprint Corp.*, DA 04-3617 at ¶ 11 (rel. Nov. 18, 2004); *ALLTEL Communications, Inc.*, 19 FCC Rcd 20496, 20500-01 (2004); *Nextel Partners*, supra, 19 FCC Rcd at 16536. Other states have similarly declined to impose a specific minimum quantity of

local usage.

18. RATE PLANS AND LIFELINE/LINKUP. YourTel offers rate plans which provide customers with local usage. YourTel offers qualifying consumers Lifeline and LinkUp discounts on its service plans, and will extend those low-income service offerings to a new group of wireless customers, if the Commission grants the relief sought herein, allowing YourTel to provide ETC-designated wireless service. YourTel will offer at least one rate plan which will offer customers plans at rates lower than current plan offerings. Priced at \$25.00, with the applicable Lifeline discount, this plan will be priced at \$16.19 per month and will include a reasonable amount of usage. These rate plans will be outlined and disclosed to the Commission in the informational filing which YourTel will make within thirty days of the Commission's amendment of ETC designation, consistent with 4 CSR 240-3.570(3)(D). In addition, any minimum local usage requirement established by the FCC will be applicable to all designated ETCs, and YourTel will comply with any and all minimum local usage requirements adopted by the FCC.

19. DTMF SIGNALING. YourTel provides dual tone multi-frequency ("DTMF") signaling to facilitate the transportation of signaling throughout its network. For wireline telecommunications, DTMF signaling is the technology that shortens call set-up time and makes "touchtone" dialing possible by facilitating the transportation of signaling through the network. YourTel will provide its CMRS customers with wireless signaling that is the functional equivalent of DTMF signaling, in accordance with the FCC's requirements. Such signaling will be included in YourTel's universal service offerings. YourTel therefore will meet the requirement to provide DTMF signaling or its functional equivalent.

20. SINGLE PARTY SERVICE. "Single-party service" means that only one party will be

served by a subscriber loop or access line in contrast to a multi-party line. See First Report and Order, supra, 12 FCC Rcd at 8810. YourTel provides single party service, as that term is defined in 47 C.F.R. Section 54.101.

21. ACCESS TO EMERGENCY SERVICES. YourTel currently provides 911 access to emergency services throughout its service area, and will continue to do after the Application is granted.

22. ACCESS TO OPERATOR SERVICES. YourTel will provide customer access to operator services.

23. ACCESS TO INTEREXCHANGE SERVICES. YourTel has interconnection arrangements with interexchange carriers, which enable YourTel to provide its customers access to interexchange services. Customers may also “dial around” to reach their interexchange carrier of choice.

24. ACCESS TO DIRECTORY ASSISTANCE. Subscribers to YourTel’s services are able to dial “411” or “555-1212” to reach directory assistance from their mobile phones.

25. TOLL LIMITATION. YourTel can provide toll limitation to wireline and wireless customers by utilizing its toll blocking capabilities, enabling YourTel to provide toll blocking service for Lifeline customers.

26. Pursuant to 47 C.F.R. § 54.201, YourTel will advertise the availability of each of the supported services detailed above, throughout its ETC-licensed service area, by media of general distribution. The methods of advertising utilized may include television, radio, newspaper, magazine, direct mailings, public exhibits and displays, bill inserts, and telephone directory advertising. In addition, YourTel will advertise the availability of Lifeline and Link-up benefits throughout its service area by including mention of such benefits in advertising and



continued outreach efforts to members of the community likely to qualify for Lifeline and Link-up benefits.

#### **D. Granting YourTel's Application Would Serve The Public Interest**

##### **1. Increased Consumer Choice and Service Quality**

27. Designation of YourTel will promote competition and facilitate the provision of advanced communications services to low-income residents of Missouri. Missourians of modest means have by and large not benefited from the improvements other Missourians have seen in their telecommunications services. This is particularly true in the area of wireless service. Incumbent local exchange carriers and large national wireless carriers have not pursued the low-income market with the same level of zeal with which they have sought more affluent customers. On the other hand, the low-income market is YourTel's focus, and it has provided reliable and reasonably priced service to that market in Missouri for many years.

28. Granting the relief sought in this Application would make Lifeline and Link-Up discounts available to many more Missourians. This is particularly true in the wireless field, where, to YourTel's knowledge, no other provider offers FUSF-subsidized service on a prepaid basis. Thus, to that extent, the services for which YourTel seeks ETC status are unique.

29. One of the matters upon which YourTel prides itself is its customer service. Unlike the typical prepaid provider, YourTel employs a large number of customer service representatives and staffs a company-owned call center. YourTel provides service technicians to respond in person to customers' requests for help with service issues. YourTel also owns and operates retail stores in its service communities, allowing customers to take care of service installation, questions, and payments on a walk-in or drive-up basis.

## 2. Health And Safety Benefits

30. YourTel believes that there are significant areas within its proposed ETC service area in which its target market, low-income subscribers, are underserved by wireless telephone facilities. The mobility of YourTel's prepaid wireless service will assist low-income consumers who often must drive significant distances to places of employment, stores, schools, and other critical community locations and it will provide timely access to emergency services as and when needed.

### **E. Granting This Petition Will Impose A Negligible Burden On The FUSF.**

31. YourTel's designation will not burden the USF. YourTel is not seeking high-cost benefits, which have been capped recently. YourTel is only seeking low-income benefits, in the form of Lifeline and Link-Up benefits, and as such YourTel will impose a burden on the FUSF which can be characterized as at worst negligible. It is in fact a non-factor in the Commission's analysis.

### **F. Competitive Response**

32. One of the principal goals of the 1996 Act was to "promote competition and reduce regulation in order to secure lower prices and high-quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies." See 1996 Act (preamble). Competition for customers increases facilities and spurs development of advanced communications as carriers vie for a consumer's business. YourTel's introduction of wireless service focused on low-income customers is motivated by a competitive desire to tap an under-served market.

33. YourTel submits that, if it is designated as an ETC and is able to compete for local exchange customers, it will spur a competitive response from affected ILECs as they seek to retain and attract customers. Such a response could include: improved service quality and

customer service; new investments in telecommunications plant; more rapid deployment of high-speed data (DSL) service; wider local calling areas; bundled service offerings; and lower prices overall.

34. Further, Congress has mandated that universal service provisions be “competitively neutral” and “necessary to preserve and advance universal service.” See 47 U.S.C. § 253(b). YourTel will provide its wireline and wireless consumers with wider local calling areas, mobile communications, a variety of service offerings, high-quality service, and competitive rates. By offering customers new choices, the incumbent LECs will have an incentive to introduce new, innovative, or advanced service offerings.

35. The consumer benefits of designating competitive ETCs are already evident in Missouri. However, the absence of a low-income wireless alternative demonstrates that those benefits have not yet been seen by low-income customers. With the changes proposed in this Application, YourTel seeks to provide those benefits to wireless customers in the exchanges for which it seeks wireless ETC designation.

#### **G. YourTel Will Follow the CTIA Consumer Code for Wireless Service.**

36. As specified in 4 CSR 240-3-570(2)(B), in its provision of wireless service which is ETC-designated, YourTel will follow the provisions of the Consumer Code for Wireless Service which was adopted by the Cellular Telecommunications and Internet Association.

#### **H. YourTel Provides Affordable Service.**

37. The services which YourTel provides are largely reduced in price to the customer by Lifeline and Link-Up benefits. YourTel understands that ETC designation carries with it the obligation to provide Lifeline and Link-Up services, 47 C.F.R. 54.405(a), but of course that is precisely the market which YourTel serves. Lifeline and Link-Up supported services are the

focus of YourTel's market, not a sidelight or services which YourTel promises to offer in order to obtain ETC designation.

38. The success which YourTel has achieved in penetrating the market is a sure demonstration of the affordability of the services. YourTel's wireline service plans includes unlimited local calling, and its projected wireless service plans will include a substantial number of local calling minutes. In short, YourTel does, and will continue to, offer service which is affordable.

39. For all of the above reasons, the public interest would be served by the designation of YourTel as a competitive wireless ETC throughout its requested service area in Missouri.

WHEREFORE, pursuant to Section 214(e)(2) of the Act, YourTel respectfully requests that the Commission enter an Order (1) amending its designation of YourTel as an ETC in Missouri in a manner consistent with this Application, including ETC status for its wireless service offering in the exchanges listed in **Exhibit B** hereto, and (2) waiving the rules and regulations specified in Paragraph 9 hereof.

Respectfully submitted,

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