

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

APPLICATION OF DPI TELECONNECT, LLC)
TO AMEND ITS DESIGNATION AS AN)
ELIGIBLE TELECOMMUNICATIONS CARRIER) Docket No. CO-2010-0054
PURSUANT TO THE TELECOMMUNICATIONS)
ACT OF 1996)

**APPLICATION OF DPI TELECONNECT, LLC TO AMEND ITS
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

Comes now dPi Teleconnect, LLC (“dPi” or the “Applicant”) 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 dPi has already been granted ETC status, and only for all low-income support available from the federal Universal Service Fund (“FUSF”).

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, 54.202, 54.207, 54.313 and 54.314.

2. The name and address of the Applicant is dPi Teleconnect, LLC, 3350 Boyington Drive, Suite 200, Carrollton, Texas 75006. The telephone number of the Applicant is (972) 488-5500. dPi is a Delaware limited liability company and is in good standing with the Missouri Secretary of State’s office. Copies of the Applicant’s Articles of Organization and authority to

transact business in the State of Missouri are on file with the Commission and incorporated herein by reference. Attached as **Exhibit A** is a Certificate of Good Standing from the Missouri Secretary of State.

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
SNR Denton US LLP
4520 Main Street
Suite 1100
Kansas City, MO 64111
816/460-2400
816/531-7545 (fax)
mark.johnson@snrdenton.com
lisa.gilbreath@snrdenton.com

4. dPi was granted a Certificate to Provide Basic Local and Exchange Access Telecommunications Service in the State of Missouri in Case No. TA-2000-44 by Order effective November 29, 1999. dPi was granted ETC status as a wireline carrier by the Commission for the receipt of FUSF support in certain specified AT&T exchanges in Case No. CO-2010-0054 by Order effective June 9, 2010.

5. By this Application, dPi seeks the following relief: amendment of dPi's ETC designation to include dPi's wireless service as eligible for low-income FUSF support in the exchanges for which dPi has already received ETC designation. Those exchanges are listed in Attached **Exhibit B**. dPi is not seeking high-cost support. dPi 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, dPi will then also become eligible to receive such support by Commission approval of this Application.

6. dPi 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.

7. dPi has no overdue annual report or fee assessment.

B. The Relevant Legal Environment

8. In its 2009 ETC application in Case No. CO-2010-0054, dPi sought only designation for low-income benefits. The Commission granted the relief which dPi sought. In this Application, dPi seeks amendment of its ETC status to include wireless service for low-income benefits. Given the Commission's previous decisions on dPi's ETC status, it is appropriate for dPi to seek ETC designation for low-income support and to forego all support that might be available for high-cost customers.

9. In its provision of wireless services, dPi will rely on a combination of resold services which it will obtain from underlying wireless providers that currently operate owned networks, and dPi-owned facilities, allowing dPi to meet the FCC's test that require an ETC to provide services, at least in part, through a "combination of its own facilities and resale of another carrier's services."¹ dPi meets the definition of an ETC in Section 54.201 of the FCC Rules as a carrier providing service using, at least in part, its own facilities. A diagram depicting the method whereby dPi will provide wireless service in Missouri is attached as **Exhibit C**.

10. dPi obtains services through CMRS service providers that allow the Company to supplement the services provided through dPi-owned facilities. Through these arrangements, dPi is able to offer all of the services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC Rules and in 4 CSR 240-3.570(3)(C)1 of the Commission's Rules, throughout the requested service area, thereby allowing the Applicant to

¹ See § 214(e)(1)(A) of the federal Act.

provide service to its customers throughout the geographic area served by non-rural provider AT&T Missouri. dPi not only commits to provide service throughout the proposed service area pursuant to Section 54.202(a)(1) of the FCC Rules, but also commits to provide service in a timely manner pursuant to Section 54.202(a)(1)(B) of the FCC Rules and commits to remain functional in emergencies pursuant to Section 54.202(a)(2) of the FCC Rules.

11. dPi's own facilities are co-located with other carriers' facilities, and provide dPi the ability to route interexchange services, which is one of the supported services.² The FCC defines the term "own facilities" as "*any physical components* of the telecommunications network that are used in the transmission of the services that are designated for support."³ (emphasis added). Therefore, dPi is able to meet the federal requirement that an ETC must offer the supported services at least in part through the use of its own facilities.

12. As dPi is not seeking high-cost support for its wireless service, certain provisions of the Missouri regulations concerning ETC applications are inapplicable, and dPi hereby seeks waiver of those regulations. The provisions whose waiver is sought include 4 CSR 240-3.570(2)(A)1-3 (requiring filings regarding the intended use of high-cost support), (2)(C) (plans for handling unusual construction or installation charges), and (3)(C)(3) (plans for extending the carrier's network). As these provisions are applicable only for carriers seeking high-cost support, they simply do not apply to dPi. Furthermore, these provisions were waived by the Commission in Ordered Paragraph 3 of its Order granting dPi ETC status as a wireline carrier in Case No. CO-2010-0054, effective June 9, 2010

13. dPi 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

² See 47 CFR § 54.101(a)(7).

³ See 47 CFR § 54.101; 47 CFR § 54.201(e).

illustration, within thirty days of receiving Commission approval of this Application, dPi 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).

14. Pursuant to 4 CSR 240-3.570(3)(F), the Applicant shall, within ten (10) days of a change in the company-designated contacts, either notify the manager of the Telecommunications Department, in writing or by electronic mail, or shall update the commission's electronic filing system (EFIS). The notification or update shall include the name(s), address(es) and/or telephone number(s) of the designated individual(s). The contact name(s) provided pursuant to this section shall be the individual(s) primarily responsible for: customer service; repair and maintenance; answering complaints; authorizing and/or furnishing refunds to customer; and informational or tariff filing issues.

15. The Commission found in granting ETC status to dPi in Case No. CO-2010-0054 that dPi provided all of the services necessary to qualify for ETC designation. dPi continues to provide those services as part of the wireline service it offers to its customers. dPi 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, dPi will provide all of the ETC-supported services as part of its wireless service offering.

16. 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.⁴ In its *First Report and Order* implementing Sections 214(e)

⁴ See 47 U.S.C. § 214(e)(1).

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.⁵

17. Section 214(e)(2) of the 1996 Act provides that ETC designations shall be made for a “service area” designated by the state commission. The proposed service area includes exchanges in which ATT is the incumbent LEC, and for which dPi is already designated as an ETC by this Commission for wireline purposes. 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, dPi requests amendment of its ETC designation in the non-rural wire centers listed in **Exhibit B**, attached hereto, for wireless service.

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

18. 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.⁶

⁵ *First Report and Order, supra* note 4, 12 FCC Rcd at 8809–25.

⁶ *See* 47 C.F.R. § 54.101(a); dPi will also provide access to relay services by dialing 711.

19. dPi offers all of these services on its wireline network within the State of Missouri, as described in detail below. dPi will offer the listed services as part of its wireless service offerings in Missouri. dPi therefore satisfies the requirements of Section 214(e)(1).

20. VOICE GRADE ACCESS. dPi provides voice grade wireline access to the public switched network through interconnection arrangements with local telephone companies. dPi will provide the same level of access to the public switched telephone network for its wireless customers. dPi 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. dPi 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.

21. LOCAL USAGE. dPi 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.⁷ 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.⁸ 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.⁹ In July, 2003, after considering public

Further, dPi will not collect a deposit from a Lifeline subscriber who elects to take toll limitation service, and that it will not collect a monthly charge from Lifeline subscribers for number portability.

⁷ See *NPCR, Inc. d/b/a Nextel Partners*, 19 FCC Rcd 16530, 16536 (2004) (“*Nextel Partners*”).

⁸ See *First Report and Order*, *supra* note 4, 12 FCC Rcd at 8813.

⁹ *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*”).

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.¹⁰ 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.¹¹ 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.¹² Other states have similarly declined to impose a specific minimum quantity of local usage.

22. RATE PLANS AND LIFELINE/LINKUP. dPi offers rate plans which provide customers with local usage. dPi 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 dPi to provide ETC-designated wireless service. dPi will offer at least one wireless rate plan which offers customers plans at rates lower than current plan offerings.

23. Upon inclusion of the Applicant's wireless Lifeline and Link Up service in its ETC designation, based upon the amount of federal USF Lifeline support dPi anticipates it will receive, dPi will provide to eligible Missouri consumers 68 (sixty-eight) minutes of free airtime per month. dPi's Wireless Lifeline plan will also include a free handset, delivered at no charge, to qualifying customers and the following Custom Calling features:

- (1) Caller ID;
- (2) Call Waiting;

¹⁰ *Federal-State Joint Board on Universal Service*, Order and Order on Reconsideration, 18 FCC Rcd 15090, 15096 at ¶ 14 (rel. July 14, 2003).

¹¹ *Federal-State Joint Board on Universal Service*, Notice of Proposed Rulemaking, 19 FCC Rcd 10800, 10826–27 (rel. June 8, 2004).

¹² *See, e.g., Sprint Corp.*, 19 FCC Rcd 22663, 22667–68 ¶ 11 (rel. Nov. 18, 2004); *ALLTEL Communications, Inc.*, 19 FCC Rcd 20496, 20500–01 (rel. Sept. 24, 2004); *Nextel Partners, supra*, 19 FCC Rcd at 16536.

- (3) Call Forwarding;
- (4) 3-Way Calling;
- (5) Voicemail.

Unused minutes will roll over from month-to-month and “fresh” minutes will be automatically loaded to the currently available minutes of the account of each customer on a monthly basis month. In the event that all airtime has been used, Lifeline customers will have the capability of purchasing additional airtime replenishment cards in \$20.00, \$30.00, and \$60.00 denominations. Airtime replenishment cards will be made available at retail outlets frequented by low income customers throughout the Designated Service Area.

24. Consistent with FCC requirements, dPi will use LinkUp support to reduce the company’s “customary charge for commencing service” by “half of the customary charge...”¹³, which will result in a reduction of dPi’s activation charge by \$30.00. Qualifying subscribers will have the option of deferring the reduced activation charge over a twelve month period with no interest, allowing subscribers to obtain service without being required to pay any up front fees to activate service with dPi.

25. dPi’s service offerings are unique in that qualified consumers will have the ability to acquire a wireless service that includes a free handset, local and long distance calling, and several features, all without the requisite credit check, deposit, and contract requirements of the more traditional wireline and wireless service providers. Through the Link Up program, dPi will be able to provide consumers with a reduction in the cost of the fees associated with the connection of service. Because dPi’s service is provided with no credit check, deposit requirement, minimum service periods, or early termination fees the service will be an attractive and affordable alternative to qualified low-income consumers without regard to age, residency, or credit worthiness. In short, dPi’s Lifeline Service Plan offers qualified Lifeline customers a

¹³ 47 C.F.R. § 54.411(a)(1).

combination of wireless access and quality service at rates that are just, reasonable, and affordable. Furthermore, dPi is thus in compliance with Section 54.401(c) of the FCC Rules, requiring that it not collect a deposit from a Lifeline subscriber if the consumer voluntarily elects toll limitation service, and with Section 54.401(e) of the FCC Rules, requiring that it not charge a Lifeline subscriber a monthly number portability charge.

26. These rate plans will be outlined and disclosed to the Commission in the informational filing which dPi 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 dPi will comply with any and all minimum local usage requirements adopted by the FCC.

27. As specified in 4 CSR 240-3.570(2)(A)7, dPi agrees that it will provide all Lifeline and LinkUp discounts consistent with 47 C.F.R. 54.401, 47 C.F.R. 54.403, and 47 C.F.R. 54.411.

28. DTMF SIGNALING. dPi 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. dPi 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 dPi's universal service offerings. dPi therefore will meet the requirement to provide DTMF signaling or its functional equivalent.

29. 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.¹⁴ dPi provides single party service, as that term is defined in 47 C.F.R. Section 54.101.

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

31. ACCESS TO OPERATOR SERVICES. dPi will provide customer access to operator services.

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

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

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

35. Pursuant to 4 CSR 240-3.570(3)(A), the Applicant shall 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.

36. Pursuant to 4 CSR 240-3.570(3)(B), the Applicant shall provide customer service contact information online and on billing statements. Applicant acknowledges that this requirement also applies to ETCs that use a third party billing agent.

¹⁴ See *First Report and Order*, *supra* note 4, 12 FCC Rcd at 8810.

37. Pursuant to 4 CSR 240-3.570(3)(E), the Applicant shall 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. Applicant shall also maintain record of complaints from consumers in the Missouri service area in which ETC designation was granted that have been submitted to or filed with the Federal Communications Commission for which the company has knowledge in a manner that includes, at a minimum: a description of the complaint; the date the complaint was filed; the date the complaint was resolved; the resolution of the complaint and the amount of refund or credit, if any.

38. Pursuant to 47 C.F.R. § 54.201, dPi 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, dPi will advertise the availability of Lifeline and LinkUp 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. dPi thus commits to publicize Lifeline pursuant to Section 54.405(b) of the FCC Rules and 4 CSR 240-3.570(2)(A)6.

D. Granting dPi's Application Would Serve The Public Interest

39. Congress requires that the Commission grant competitive ETC applications in non-rural areas.¹⁵ No specific public interest test is mentioned, as is the case for areas served by rural telephone companies.¹⁶ Thus, the Act provides that the Commission "shall" designate dPi

¹⁵ See 47 U.S.C. 214(e)(2).

¹⁶ See *Id.*

as an ETC upon finding that the company meets the nine-point list of services and that it agrees to advertise the supported services throughout the Designated Service Area. Notwithstanding, the designation of dPi as an ETC will serve the public interest, as demonstrated in the following paragraphs pursuant to Section 54.202(c) of the FCC Rules and 4 CSR 240-3.570(2)(A)5.

1. Increased Consumer Choice and Service Quality

40. Designation of DPi 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 dPi's focus, and it is committed to provide reliable and reasonably priced service to that market in Missouri.

41. Granting the relief sought in this Application would make Lifeline and LinkUp discounts available to many more Missourians. This is particularly true in the wireless field, where, to dPi's knowledge, there are a limited number of wireless providers offering USF-subsidized service and even fewer offering the same with absolutely no monthly recurring charge to the end user. As such, the service for which dPi seeks ETC status is unique.

42. Although dPi is seeking ETC designation in areas that are typically served by wireline carriers, inclusion of its wireless service will provide a valuable alternative to the existing telecommunications services currently available in these areas and will promote competition and facilitate the provision of advanced communications services to low-income residents of Missouri.

43. Inclusion of the Applicant's wireless service will provide the incumbent LECs serving the same area an incentive to improve their existing networks and service offerings in order to remain competitive, which will result in improved consumer services and will also benefit consumers by allowing dPi to offer the services designated for support at rates that are "just, reasonable, and affordable."¹⁷

44. Other benefits of inclusion of dPi's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage in the event that included usage has been exhausted, 9-1-1 service and, where available, E9-1-1 service in accordance with current FCC requirements. The inclusion of toll calling as a part of dPi's wireless offering, along with the fact that service is provided without a monthly recurring charge, will allow consumers to avoid the risk of becoming burdened with large and unexpected charges for toll calling and unexpected overage charges.

45. Pursuant to 4 CSR 240-3.570(2)9, dPi acknowledges it shall provide equal access pursuant to 4 CSR 240-32.100(3) and (4) if all other ETCs in the Designated Service Area relinquish their designations pursuant to section 214(e) of the Telecommunications Act of 1996. The FCC's ETC Order does not impose a general equal access requirement on ETC applicants at this time, but instead suggests the applicants acknowledge that an ETC applicant may be required to provide equal access to long distance carriers in their designated service area in the event that no other ETC is providing equal access within the service area. dPi acknowledges this potential and will abide by the requirement should it occur in the future.

¹⁷ See 47 U.S.C. § 254(b)(1).

46. Furthermore, dPi commits to offering a comparable usage plan as the ILEC, pursuant to Section 54.202(a)(4) of the FCC Rules and 4 CSR 3.570(2)(A)10.

2. Increased Competition and Convenience

47. The FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the resulting variety of telecommunications services they provide.¹⁸ This is of particular interest in cases where wireless providers, such as dPi, seek to provide service as an alternative to those of the traditional ILEC.

48. The Lifeline and Link Up service, offered by dPi, also provides important benefits especially needed by low-income Missouri residents in this time of economic downturn. The availability of a mobile telephone service will be critical to the efforts of the unemployed as they search for other employment opportunities. Without a regular paycheck, wireless telephone service would become a luxury beyond the means of many of those persons. Furthermore, qualified Lifeline and LinkUp customers view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment the ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location. dPi's Lifeline and Link Up programs will enable thousands of residents to obtain wireless service otherwise unavailable to them.

49. Added together, dPi expects these additional competitive advantages to create an atmosphere that will cause many qualified consumers to select its wireless Lifeline and LinkUp service in lieu of the more traditional wireline or wireless services.

¹⁸ See e.g., *Specialized Common Carrier Services*, 29 FCC 2d 870 (1971).

3. Health And Safety Benefits

50. dPi 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 dPi'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.

51. dPi's designation will not burden the USF. DPi is not seeking high-cost benefits, which have been capped recently. As with its wireline service, inclusion of dPi's wireless service will not pose any adverse effect in the growth in the high cost portions of the USF, nor will it create or contribute to an erosion of high cost funding from any rural or non-rural telephone company. dPi is only seeking low-income benefits, in the form of Lifeline and LinkUp benefits, and as such dPi 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.

52. The FCC reaffirmed this position when it recently stated that "the potential growth of the fund associated with high-cost support distributed to competitive ETCs" is not relevant to carriers seeking support associated with the low-income program.¹⁹ The FCC also recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that "any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline and LinkUp programs, furthering the statutory goal of providing access to low-income

¹⁹ *TracFone Forbearance Order* at ¶ 17.

consumers.”²⁰

53. It is also vital to recognize that in the case of Lifeline and Link Up support, an ETC receives USF support *only* for the customers it obtains. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the “capturing” ETC provides Lifeline discounts and as a result, only the “capturing” ETC receives support reimbursement.

54. In addition, all providers are required to contribute a portion of the interstate revenue received from its customer to the Universal Service Fund. In accordance with current federal regulations, dPi will make contributions based on that portion of its revenue that is determined to be interstate. As such, approving dPi as an ETC will actually create contributions to the USF that were previously non-existent.

F. dPi Has Internal Controls in Place to Prevent Subscribers from Receiving More Than One Lifeline Discount

55. Consistent with Federal and Missouri requirements, dPi will require customers to self-certify at the time of service activation and annually thereafter that they: (1) are the head of household; (2) participate in one of the state approved means tested programs; (3) will be receiving Lifeline-supported services only from dPi; (4) do not currently receive Lifeline support; and (5) will notify dPi if in the event that they no longer participate in the qualifying program. Verification of continued eligibility is accomplished by contacting a statistically valid sample of the Company’s Lifeline customers.

G. Competitive Response

56. 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

²⁰ *Id.*

technologies.”²¹ Competition for customers increases facilities and spurs development of advanced communications as carriers vie for a consumer’s business. dPi’s introduction of wireless service focused on low-income customers is motivated by a competitive desire to tap an under-served market.

57. dPi 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.

58. Further, Congress has mandated that universal service provisions be “competitively neutral” and “necessary to preserve and advance universal service.”²² dPi 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.

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

G. dPi Will Follow the CTIA Consumer Code for Wireless Service and Will Satisfy

²¹ See 1996 Act (preamble).

²² See 47 U.S.C. § 253(b).

Consumer Privacy Standards.

60. As specified in 4 CSR 240-3.570(2)(B), in its provision of wireless service which is ETC-designated, dPi will follow the provisions of the Consumer Code for Wireless Service which was adopted by the Cellular Telecommunications and Internet Association (“CTIA”). dPi commits to satisfy consumer protection and quality of service standards found in this code of conduct. A copy of the current CTIA Consumer Code for Wireless Service is attached hereto as **Exhibit D.**

61. As specified in 4 CSR 240-3.570(2)(A)8, dPi agrees that it will satisfy the consumer privacy standards set forth in 47 C.F.R. Part 64 Subpart U.

H. dPi Provides Affordable Service.

62. The services which dPi provides are largely reduced in price to the customer by Lifeline and LinkUp benefits. dPi understands that ETC designation carries with it the obligation to provide Lifeline and LinkUp services, 47 C.F.R. 54.405(a), but of course that is precisely the market which dPi serves. Lifeline and LinkUp supported services are the focus of dPi’s market, not a sidelight or services which dPi promises to offer in order to obtain ETC designation.

63. The success which dPi has achieved in penetrating the market is a sure demonstration of the affordability of the services. dPi’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, dPi does, and will continue to, offer service which is affordable.

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

WHEREFORE, pursuant to Section 214(e)(2) of the Act, dPi respectfully requests that the Commission enter an Order (1) amending its designation of dPi 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 herein.

Respectfully submitted,

/s/ Mark P. Johnson

Mark P. Johnson MBN 30740

Lisa A. Gilbreath MBN 62271

SNR Denton US LLP

4520 Main Street, Suite 1100

Kansas City, Missouri 64111

(816) 460-2545

(816) 460-531-7545 (FAX)

Stanley Q. Smith

WATKINS LUDLAM WINTER & STENNIS, P

190 E. Capitol Street, Suite 800

Jackson, Missouri 39201

Telephone: (601) 949-4900

Facsimile: (601) 949-4804

ATTORNEYS FOR DPI TELECONNECT, LLC