

Blue Jay Wireless, LLC (Blue Jay or the Company) submitted an application to be designated as an Eligible Telecommunications Carrier (ETC) for the purpose of providing federal Lifeline support to low-income consumers in Washington on August 31, 2012. After the application was submitted, the Federal Communications Commission (FCC) initiated a non-public investigation regarding Blue Jay's Lifeline operations in Hawaii.

The issues being investigated by the FCC primarily relate to Blue Jay's operations enrolling subscribers in Hawaii who self-certified as residents of Hawaiian Home Lands to receive an enhanced Lifeline benefit.<sup>2</sup> Prior to the initiation of these actions, and in response to an inquiry from Hawaiian Public Utilities Commission (PUC) staff, Blue Jay developed and implemented a geo-mapping tool to verify such self-certifications. Blue Jay has worked cooperatively with the FCC to ensure that the agency is comfortable with its geo-mapping tool and the process used for ensuring that only subscribers who are eligible for an enhanced Lifeline benefit get it. Blue Jay is not aware of other Lifeline ETCs taking such voluntary steps to confirm Tribal self-certifications.

The Hawaii PUC never instituted any investigation and has state that it has no interest in doing so. In May 2014, an economist at the Hawaii Commission reached out to Blue Jay informally to question the number of subscribers self-certifying residency on Hawaiian Home Lands. Blue Jay looked into the concern and that is when it built and implemented use of the geo-mapping tool, which it then applied to its base of Hawaiian Home Land subscribers over the summer. There was no inquiry or investigation opened and the staffer has since left the Hawaii Commission.

A letter was filed in November 2014 by the Yamamoto Caliboso law firm without identifying its client (we believe it was on behalf of a competitor in Hawaii) calling for an investigation into Blue Jay. The letter was picked up by (or leaked to) Civil Beat, a news blog in Hawaii, which reached out to Blue Jay. Blue Jay responded to the allegations and the company has not been informed of any inquiry or investigation opened by the Hawaii Public Utilities Commission. As you can see in the following quote from the article, which contains the Yamamoto letter and the Blue Jay response, Hawaii PUC Chair Mina Morita indicated that no investigation was going to be opened.

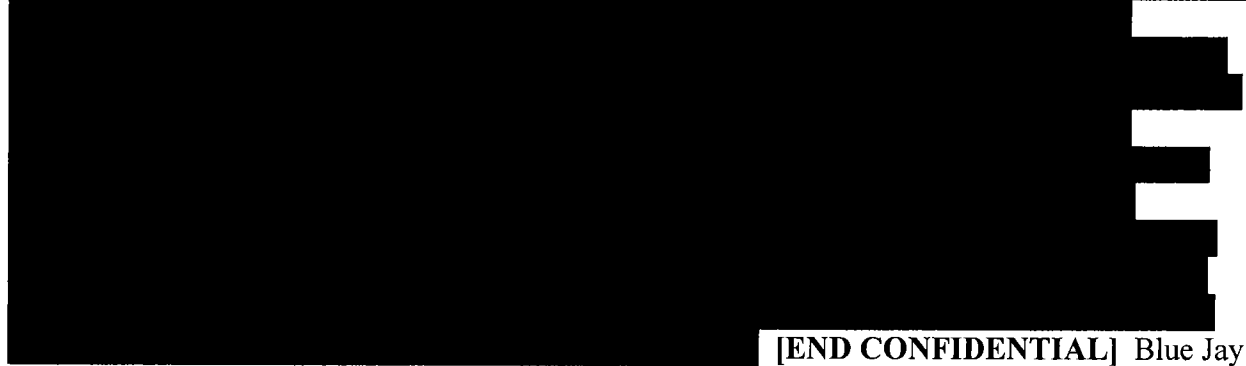
PUC Chair Mina Morita and DCA Executive Director Jeff Ono told Civil Beat this week that it's not their responsibility to investigate Caliboso's claims, pointing instead to the Federal Communications Commission. "The Hawaii PUC's role is to certify that the wireless provider is eligible to conduct business in Hawaii per the FCC's criteria," Morita said.

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<sup>2</sup> The FCC's Lifeline rules require *only* that Lifeline applicants self-certify that they reside on Tribal lands to receive enhanced Tribal Lifeline benefits. See 47 C.F.R. § 54.410. This rule was reconfirmed in 2012. See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11-42, 03-109, 12-23, CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, ¶ 166 (2012) (2012 Lifeline Reform Order) ("we clarify that, pursuant to section 54.410 of the Commission's amended rules, consumer self-certification is sufficient to meet the residency requirement of Tribal lands Lifeline support" and rejecting a USAC finding that an ETC must verify such self-certifications). Hawaii has no additional or different requirements for Tribal Lifeline enrollments.

<http://www.civilbeat.com/2014/11/theres-big-money-in-offering-discounted-or-free-cellular-phone-service/>

Blue Jay does not expect to encounter the same issue regarding applicants' residence on Tribal lands in Washington. **[BEGIN CONFIDENTIAL]**



**[END CONFIDENTIAL]** Blue Jay is willing to commit to voluntarily develop and use a similar geo-mapping tool in Washington.

In conclusion, Blue Jay was informed of a potential issue regarding the number of subscribers that had self-certified residency on Hawaiian Home Lands and immediately took steps to begin verifying the self-certifications using a geo-mapping tool that it voluntarily built and has successfully demonstrated for the FCC staff. Blue Jay is not aware of other Lifeline ETCs taking such voluntary steps to confirm Tribal self-certifications.

Blue Jay would be happy to arrange a meeting should Commission staff like to discuss this issue or the geo-mapping tool further on a call or in an in-person meeting. At a meeting, Blue Jay would also be happy to demonstrate the geo-mapping tool for staff as the Company has done for the FCC staff.