

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET UT-110423
	)	
YOURTEL AMERICA, INC.,	)	ORDER 03
	)	
Petitioner,	)	
	)	ORDER RENEWING ELIGIBLE
For an Exemption from WAC 480-123-	)	TELECOMMUNICATIONS
030(1)(d), (f), and (g), and Designation	)	CARRIER DESIGNATION AND
as an Eligible Telecommunications	)	EXEMPTION FROM RULE WITH
Carrier	)	AMENDED CONDITIONS
.....	)	

**BACKGROUND**

- 1 On June 6, 2012, YourTel America, Inc. (YourTel or Company) filed a petition with the Washington Utilities and Transportation Commission (Commission) to renew its designation as an Eligible Telecommunications Carrier (ETC) pursuant to Section 214(e)(2) of the Communications Act of 1934 and WAC 480-123 (Petition).
  
- 2 The Commission originally designated YourTel as an ETC on June 16, 2011, in Order 01 in this docket for the purpose of receiving Low Income Support<sup>1</sup> from the federal Universal Service Fund. The Commission also granted the Company exemptions from WAC 480-123-030(1)(d), (f), and (g), which require the company to file a substantive investment plan, digital map of wireless facilities and coverage, and certification regarding back-up power requirements. The Commission imposed 21 conditions on YourTel’s ETC designation to ensure it was consistent with the public interest, including a requirement that the Company seek renewal of its ETC status within one year. Those conditions are set forth in Appendix B to Order 01.
  
- 3 In support of its Petition, YourTel states that it satisfied the requirements of WAC 480-123-030 in its original petition and that, except for provisions for which a waiver was granted, its operations remain unchanged. The Company further states that it has complied with all 21 conditions the Commission imposed in Appendix B to Order 01, and provides a summary explanation of its compliance for each individual condition.

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<sup>1</sup> YourTel was designated as an ETC for the purpose of receiving both Lifeline and Link Up support in the federal Low Income Support program, which provides subsidy to monthly telephone service expense and the initial charges for commencing telephone service, respectively. In its 2012 Lifeline Reform Order, the Federal Communications Commission (FCC) eliminated Link Up support on non-Tribal lands for all ETCs. As a result, YourTel America no longer receives Link Up support.

- 4 YourTel states that its service continues to advance the purposes of universal service outlined in 47 U.S.C. § 254. YourTel states that its designation as an ETC remains in the public interest because ETC service benefits low-income households in Washington.<sup>2</sup>
- 5 Commission Staff (Staff) agrees that YourTel complied with the terms and conditions of Order 01, and also complied with the new rules implemented by the Federal Communications Commission's (FCC) 2012 Lifeline and Link Up Reform Order,<sup>3</sup> which strengthens eligibility verification and the one Lifeline per household policy; enforces deactivation after 60 consecutive days of non-usage; requires certification of all Lifeline customers on an annual basis; and provides results of annual recertification to the FCC and relevant state commissions.
- 6 Staff supports granting YourTel's Petition with new conditions that better reflect federal rule changes, and removing previous conditions that are no longer applicable. Staff believes that federal monitoring and enforcement in today's lifeline market obviates the need for a one-year interim condition. The Company agrees to these revised conditions, which are attached to this Order as Appendix A.

## DISCUSSION

- 7 Common carriers receiving designation as ETCs under 47 U.S.C. § 214 are eligible to receive subsidies from the federal Universal Service Fund. State utility commissions are responsible for designating common carriers as ETCs for the purpose of receiving such funds, and may impose conditions on a common carrier so designated. The Commission will approve applications from carriers requesting ETC designation if the application meets the requirements of WAC 480-123-030, the designation will advance some or all of the purposes of universal service found in 47 U.S.C. § 254, and the designation is in the public interest.<sup>4</sup>

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<sup>2</sup> YourTel Petition to Renew ¶34.

<sup>3</sup> *In the Matter of 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 No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb 6, 2012) ("*Lifeline and Link Up Reform Order*").

<sup>4</sup> WAC 480-123-040.

8 The Commission agrees with Staff that the Company has demonstrated that it continues to meet the criteria for designation as an ETC set forth in Order 01, including offering all services supported by the federal universal service support mechanisms set forth in 47 U.S.C. § 254. YourTel should also continue to be exempt from WAC 480-123-030(1)(d),(f), and (g) because YourTel is not a high cost fund recipient and because the Company relies on other carrier facilities. YourTel has also demonstrated compliance with the 21 conditions set forth in Appendix B to Order 01.

9 The Commission also agrees with Staff that the amended conditions set forth in Appendix A to this Order are appropriate given the FCC's recent order requiring a forbearance compliance plan and adoption of more stringent requirements for the federal Lifeline program. The Commission agrees with Staff that the Company may continue to be designated as an ETC and is entitled to continued exemptions from WAC 480-123-030(1)(d),(f), and (g), subject to the amended conditions set forth in Appendix A to this Order.

### FINDINGS AND CONCLUSIONS

- 10 (1) The Commission has jurisdiction over eligible telecommunications carriers in Washington and the subject matter of this Order pursuant to 47 U.S. C. § 214(e)(2), 47 C.F.R. §§ 54.201(b)-(c) and WAC 480-123-040.
- 11 (2) YourTel is a telecommunications company doing business in the state of Washington as an Eligible Telecommunications Carrier. YourTel has demonstrated that it continues to meet the requirements for designation as an ETC, subject to the conditions set out in Appendix A to this Order.
- 12 (3) YourTel's continued designation as an ETC will advance the purpose of universal service because the Company will offer voice telephony services, which facilitate universal service.
- 13 (4) YourTel has also demonstrated that its designation as an ETC is in the public interest because its services will benefit low-income customers.
- 14 (5) This matter came before the Commission at its regularly scheduled open meeting on October 16, 2014.

**ORDER**

**THE COMMISSION ORDERS:**

- 15 (1) YourTel America, Inc.'s request for continued designation as an ETC in  
service areas specified in Appendix B is hereby GRANTED, subject to the  
conditions set forth in Appendix A.
- 16 (2) YourTel America, Inc.'s request for continued exemption from WAC 480-  
123-030(1)(d),(f) and (g) is hereby GRANTED, subject to the conditions set  
forth in Appendix A.
- 17 (3) The Commission retains jurisdiction over the subject matter and the parties to  
this proceeding.

DATED at Olympia, Washington, and effective October 20, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner

## Appendix A

### **Washington State Conditions on Designation of YourTel America, Inc. as an Eligible Telecommunications Carrier**

1. YourTel America, Inc.'s (YourTel or Company) designation as an Eligible Telecommunications Carrier (ETC) is contingent upon the Federal Communications Commission's (FCC) approval of the Company's Compliance Plan. The Commission will rescind the Company's ETC designation if the FCC rejects its Compliance Plan. Should the Company's Compliance Plan be rejected by the FCC, the Commission and YourTel shall cooperate to ensure a smooth transition of YourTel's subscribers to another ETC over a timeline not to exceed 180 calendar days.
2. YourTel shall utilize federal default eligibility criteria only, i.e., stop utilizing Washington Telephone Assistance Program eligibility criteria that are not on the federal list, no later than November 1, 2014. All existing customers who enrolled in the Company's Lifeline plan prior to November 1, 2014, based on criteria other than programs on the federal default list must be grandfathered.
3. YourTel shall file with the Commission any future changes to its rates, terms, conditions, or Lifeline customer application form at least one day prior to the effective date of the change.
4. The information on YourTel's rates, key terms and conditions, e.g., return policy, usage definition, refill methods, annual recertification requirement, and customer service contact, shall be provided in a package sent or given to Lifeline customers after enrollment in YourTel's Lifeline program, as well as at YourTel's official Lifeline website.
5. For the rate plans free of charge to customers, YourTel must offer at least one plan with a minimum of 250 minutes per month. The Company may invoke Condition No. 3 only for the purpose of increasing the number of minutes or enhancing the features in the Lifeline plan, but not decreasing the number of minutes.
6. YourTel shall deactivate a Lifeline account if the customer has no usage for 60 consecutive days pursuant to 47 C.F.R. § 54.407(c)(2). No fewer than eight business days before deactivation, YourTel shall send the customer a written notice by mail about the potential deactivation and ways to avoid unwanted deactivation. The customer shall have a 30 day grace period from the deactivation date to reactivate the Lifeline account by incurring "usage" as defined in 47 C.F.R. § 54.407(c)(2). When a customer reactivates the account, YourTel must deposit the minutes the customer is

entitled to for the grace period.

7. On a quarterly basis, YourTel shall provide the number of Lifeline customers that it enrolls each month. YourTel shall also report the number of deactivated Lifeline customers each month by service plan and the reasons for deactivation, e.g., no usage for 60 consecutive days, annual verification unsuccessful, or voluntary exit. Quarterly reports shall be filed with the Commission no later than 30 days after the end of each quarter.
8. YourTel shall respond within 30 days to Commission Staff's information requests on YourTel's Lifeline operations, including but not limited to Lifeline customers' usage patterns and Lifeline customer records.
9. YourTel shall cooperate with the Commission and the Department of Social and Health Services (DSHS) to work out a procedure to verify YourTel Lifeline customers' eligibility. YourTel shall maintain access to DSHS's online query database to verify the eligibility of Lifeline applicants who qualify based on their participation in Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income and Temporary Assistance for Needy Families. This condition shall be required until the national Lifeline eligibility database is fully functional.
10. YourTel must not deduct airtime minutes for calls to customer care made from the customer's handset by dialing 611. YourTel shall explicitly state the policy of free 611 calls in its Lifeline service agreements. YourTel may require the customer to call the toll-free customer care number from another phone if necessary to resolve technical issues related to the handset or its programming.
11. YourTel shall have DSHS audit its Washington Lifeline customers' eligibility at least once a year. By January 31 of each year, YourTel shall provide DSHS with the complete record of its Washington Lifeline customers who qualify based on their participation in Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income and Temporary Assistance for Needy Families in the prior calendar year. The records must have all the necessary information and be in an electronic format required by DSHS. After DSHS notifies YourTel of the results of the review, YourTel must take appropriate measures to either correct the customer records or stop providing services to ineligible customers and report the resolutions to the Commission and DSHS within 60 days of the DSHS notice. This condition shall be required until the national Lifeline eligibility database is fully functional.
12. YourTel shall provide the Commission a copy of its annual Lifeline Re-certification results within 30 days of the date it files those results with the Universal Service

Administration Company (USAC) each year.

13. YourTel shall file with the Commission, by March 31 of each year, a report on the number of complaints, categorized by the different nature of complaints that it received from Washington Lifeline customers during the prior calendar year, e.g., billing disputes and service quality complaints. This report shall include complaints filed with YourTel, the Commission's Consumer Protection and Communications Section, the Washington State Office of the Attorney General, and the FCC. This report shall not include calls from customers with regard to general inquiries such as account balance, additional purchases, service availability, or technical support. The Commission reserves the rights to revoke YourTel's ETC designation if YourTel fails to provide reasonable quality of service.
14. YourTel shall cooperate with the Washington State Enhanced 911 Program (E911) and all Public Safety Answering Points on E911 issues and shall, upon request, designate a representative to serve as a member or alternate member of the Washington State E911 Advisory Committee or its Communications Sub-committee.
15. YourTel shall comply with rules on cessation of business as specified in WAC 480-120-083.
  - a. Prior to cessation of business, YourTel shall make arrangements with its underlying carriers to provide minutes already sold to customers under the same terms and conditions it has with the customers, or provide refunds to the existing customers.
  - b. YourTel shall provide written notice to the following persons at least 30 days in advance of cessation of service:
    - i. The Commission;
    - ii. The state 911 program;
    - iii. Each of its customers;
    - iv. The national number administrator.
  - c. The notice to the Commission and the state 911 program must include the same information required by WAC 480-120-083(3).
  - d. The notice to customers must include the same information required by WAC 480-120-083(4).

- e. The notice to the national number administrator must include the same information required by WAC 480-120-083(7).
  - f. YourTel shall file with the Commission at least 30 days in advance of its cessation of business and request the relinquishment of its ETC designation in Washington.
16. YourTel shall collect and maintain necessary records and documentation to ensure its compliance with the applicable FCC and Commission requirements, including existing requirements and any future modifications. The records and documentation shall be provided to Commission Staff upon request.
  17. YourTel shall cooperate with Commission Staff on phone number conservation issues and shall comply with 47 C.F.R. § 52.
  18. YourTel shall comply with all applicable federal and Washington state statutes and regulations, including E911 tax contributions.
  19. YourTel shall file with the Commission the results of any audits (including in-depth data validations) or investigations on the Company's Lifeline operation in any states or jurisdictions conducted by the FCC or USAC within 14 calendar days from the receipt of results. The Company must also notify the Commission of any ongoing investigation that has resulted in monetary or administrative penalty (e.g., suspension of Universal Service Fund reimbursement, suspension of Lifeline program operation) within 14 calendar days of the occurrence of such events. To the extent the Company deems the above information confidential, the Company may submit the notification on a confidential basis consistent with Commission rules.



**Appendix B**

**YourTel America, Inc.  
Areas for Eligible Telecommunications Carrier Designation**

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
CENTURYTEL OF COWICHE, INC.	
	COWICHE
	RIMROCK
	TIETON
CENTURYTEL OF INTER-ISLAND, INC.	
	BLAKELY ISLAND
	EAST SOUND
	FRIDAY HARBOR
	LOPEZ
CENTURYTEL OF WASHINGTON, INC.	
	AMES LAKE
	ARLETTA
	ASHFORD
	BASIN CITY
	CARNATION
	CATHLAMET
	CHENEY
	CHINOOK
	CONNELL
	COULEE CITY
	CURTIS
	EDWALL-TYLER
	ELTOPIA
	EUREKA
	FALL CITY
	FORKS
	GIG HARBOR
	HARRINGTON
	HUMPTULIPS
	KAHLOTUS
	KETTLE FALLS
	KINGSTON
	LAKEBAY

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
	LIND
	MATHEWS CORNER
	MCCLEARY
	MEDICAL LAKE
	MESA
	MONTESANO
	MORTON
	NORTH BEND
	OCEAN PARK
	OCOSTA
	ODESSA
	ORTING
	OTHELLO
	PACKWOOD
	PUGET ISLAND
	RANDLE
	REARDAN
	RITZVILLE-BENGE
	SOUTH PRAIRIE
	SPANGLE
	SPRAGUE
	TWISP
	VADER
	VASHON
	WASHTUCNA
	WILSON CREEK
FRONTIER COMMUNICATIONS NORTHWEST INC.	
	ACME-DEMING-WHATCOMCTY
	ALGER
	ANACORTES
	ARLINGTON
	BENTON CITY
	BIG LAKE
	BLAINE-BIRCH BAY-GTLD
	BOTHELL
	BURLINGTON
	CAMAS-WASHOUGAL

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
	CASHMERE
	CHELAN
	CONCRETE
	CONWAY
	CUSTER-GTLD
	DEMING-WHATCOMCTY
	EDISON
	ENTIAT
	EVERETT
	EVERSON-GTLD
	FAIRFIELD
	FERNDALE-GTLD
	GARFIELD
	GEORGE
	GRANITE FALLS
	GRAYLAND
	HALLS LAKE
	KENNEWICK
	KIRKLAND
	LA CONNER
	LATAH
	LAUREL-WHATCOMCTY
	LEAVENWORTH
	LYMAN-HAMILTON
	LYNDEN
	MANSFIELD
	MAPLE FALLS
	MARBLEMOUNT
	MARYSVILLE
	MONROE
	MOUNT VERNON
	NACHES
	NEWPORT
	NILE
	OAK HARBOR
	PALOUSE
	PULLMAN

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
	QUINCY
	RICHLAND
	RICHMOND BEACH
	ROCKFORD
	ROSALIA
	SEDRO WOOLLEY
	SEDRO WOOLLEY-CONTEL
	SILVER LAKE
	SKYKOMISH
	SNOHOMISH
	SOAP LAKE
	STANWOOD
	STEVENS PASS
	SULTAN
	SUMAS-GTLD
	TEKOA
	WATERVILLE
	WENATCHEE
	WESTPORT
QWEST CORPORATION	
	ABERDEEN-HOQUIAM
	AUBURN
	BAINBRIDGE ISLAND
	BATTLE GROUND
	BELFAIR
	BELLEVUE
	BELLINGHAM-GTLD
	BLACK DIAMOND
	BREMERTON
	BUCKLEY
	CASTLE ROCK
	CENTRALIA
	CHEHALIS
	CLARKSTON
	CLE ELUM
	COLFAX
	COLVILLE

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
	COPALIS
	COULEE DAM
	DAYTON
	DEER PARK
	DES MOINES
	EASTON
	ELK
	ENUMCLAW
	EPHRATA
	GRAHAM
	GREEN BLUFF
	HOODSPORT
	ISSAQUAH
	KENT
	LIBERTY LAKE
	LONGVIEW-KELSO
	LOON LAKE
	MAPLE VALLEY
	MOSES LAKE
	NEWMAN LAKE
	OLYMPIA
	OMAK
	OROVILLE
	OTHELLO
	PASCO
	PATEROS
	POMEROY
	PORT ANGELES
	PORT LUDLOW
	PORT ORCHARD
	PORT TOWNSEND
	PUYALLUP
	RENTON
	RIDGEFIELD
	ROCHESTER
	ROY
	SEATTLE

<u>INCUMBENT LOCAL EXCHANGE CARRIER</u>	<u>EXCHANGE</u>
	SEQUIM
	SHELTON
	SILVERDALE
	SPOKANE
	SPRINGDALE
	SUMNER
	TACOMA
	TACOMA WAVERLY
	VANCOUVER
	WAITSBURG
	WALLA WALLA - TOUCHET
	WARDEN
	WINLOCK
	YAKIMA
UNITED TELEPHONE - NORTHWEST	
	CHIMACUM-CENTER
	COLUMBIA
	DALLESPORT
	GOLDENDALE
	GRANDVIEW
	GRANGER
	HARRAH
	HOOD CANAL
	LYLE
	MABTON-BICKLETON
	MATTAWA
	PATERSON
	PORT ANGELES-GARDINER
	POULSBO
	PROSSER
	ROOSEVELT
	STEVENSON
	TOPPENISH-ZILLAH
	TROUT LAKE
	WAPATO
	WHITE SALMON
	WHITE SWAN

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
	WHITSTRAN
	WILLARD