

Agenda Date: November 21, 2024
Item: A2

Docket: UT-240165
Company: TruConnect Communications, Inc

Staff: Jonathon Church, Regulatory Analyst
Sean Bennett, Telecommunications Section Manager

Recommendation:

Issue an Order in Docket UT-240165:

- Designating TruConnect Communications, Inc as an Eligible Telecommunications Carrier for the purpose of receiving Lifeline support from the federal Universal Service Fund in service areas specified in Attachment 1 and subject to the conditions in Attachment 2; and,
- Granting exemptions from Washington Administrative Code 480-123-030(1)(d), (f), and (g), which require the filing of a substantive investment plan, wireless network maps, and certification on backup power capabilities, respectively.

I. Background

On June 3, 2024, TruConnect Communications, Inc. (TruConnect or Company) filed a Petition with the Washington Utilities and Transportation Commission (Commission) requesting designation as an Eligible Telecommunications Carrier (ETC) pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the Act), and Washington Administrative Code (WAC) 480-123-030. TruConnect seeks ETC designation in Washington for the purpose of receiving federal Low Income (Lifeline) support that subsidizes monthly charges for telecommunications service for qualified low-income households. Lifeline support is part of the Federal Universal Service Fund (FUSF). The Company is a reseller of facility based wireless services. TruConnect also requests an exemption from Washington Administrative Code 480-123-030(1)(d), (f), and (g), which require ETC applicants to file a substantive investment plan, wireless network maps, and certification on backup power capabilities.

On July 10, 2024, TruConnect submitted an Amended Petition revising Exhibit 1, an unsworn declaration from a Company officer. In the preceding months, Commission staff (Staff) worked with the Company in an attempt to use zip code areas in determining where the Company is requesting ETC designation. Unfortunately, Staff was unable to find an authoritative zip code area map and requested the Company use exchanges instead. On October 1, 2024, TruConnect submitted an amended Exhibit 3, changing the requested area of designation to a list of exchanges.

The proposed Lifeline rate plans comply with the Federal Communications Commission’s (FCC’s) minimum service standards.¹ Plan includes:

- Free calls to TruConnect Customer Service
- Free calls to 611 services
- Free calls to 911 emergency services
- Free access to Voicemail, Caller-ID, and Call Waiting features
- Free SIM Card
- Voice minutes may be used for Domestic Long Distance at no extra cost
- Data on LTE or 5G Network

The details of TruConnect’s proposed rate plans are as follows:

Plan Type	Monthly Minutes	Monthly Text Messages	Monthly Data Usage Allowances	Free International Calling	Net Cost to Qualifying Customers
Basic Lifeline	Unlimited	Unlimited	4.5 GB	Canada, Mexico, China, Vietnam, South Korea	\$0.00
Tribal Lifeline	Unlimited	Unlimited	10 GB	Canada, Mexico, China, Vietnam, South Korea	\$0.00

Customers can purchase additional international calling and data from the Company. The monthly “Top-Up” prices are as follows:

“TOP-UPS”	Price
International Top Up (55 Countries)	\$5
500 MB High Speed Data	\$5
1 GB High Speed Data	\$10
3 GB High Speed Data	\$20
8 GB High Speed Data	\$30

¹ See [Minimum Service Standards - Universal Service Administrative Company](#) for more detailed information about the minimum service standards.

TruConnect has been designated as an ETC in 27 states (and in the territory of U.S. Virgin Islands) through commercial mobile radio service by reselling the network services of T-Mobile USA, Inc and Verizon Wireless. The Company currently has applications pending for ETC designation in 14 other states.

II. Discussion

The Commission has jurisdiction over ETC petitions in Washington state. Section 214(e) of the Act authorizes state regulatory commissions to designate a qualified common carrier as an ETC for the purpose of receiving Federal Universal Service Funds.² Under WAC 480-123-040, the Commission has authority to approve petitions from carriers requesting ETC designation. The Commission's authority to grant or deny petitions for ETC designation includes the authority to impose conditions.³

Commission staff supports finding that TruConnect qualifies for ETC designation with the proposed conditions in the memo Attachment 2. Under 47 U.S.C. § 214(e)(2), state commissions may designate more than one carrier as an ETC in an area if such designation is "consistent with the public interest, convenience, and necessity" and the carrier seeking designation as an ETC meets the following two requirements of 47 U.S.C. § 214(e)(1):

- (A) offer the services that are supported by federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
- (B) advertise the availability of such services and the charges therefore using media of general distribution.

TruConnect is a common carrier. The Company is capable of providing services supported by federal universal service mechanisms, as defined in 47 C.F.R. § 54.101(a) by reselling its underlying network carrier's services. The Company commits that it will advertise the availability of Lifeline services.

The Company meets the requirements of the Washington rule on ETC designation, WAC 480-123-030, except subsections (1)(d), (f), and (g):

² 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201(c).

³ *In the Matter of the Petition of TracFone Wireless, Inc. for Exemption from WAC 480-123-030(1)(d), (f) and (g); and Designation as an Eligible Telecommunications Carrier for the Purpose of Receiving Lifeline Support from the Federal Universal Service Fund*, Order 03 (June 24, 2010), UT-093012, ¶ 78.

- WAC 480-123-030(1)(d) requires an ETC petitioner to provide a “substantive plan of the investments to be made with initial federal support during the first two years in which support is received and a substantive description of how those expenditures will benefit customers.” TruConnect requests an exemption from the requirement because the Company seeks only Lifeline support, not federal High-Cost support. It does not have an obligation to use federal USF for infrastructure investment.
- WAC 480-123-030(1)(f) requires a wireless ETC petitioner to provide “a map in .shp format of proposed service areas (exchanges) with existing and planned locations of cell sites and shading to indicate where the carrier provides and plans to provide commercial mobile radio service signals.” TruConnect requests an exemption from the requirement because it does not have access to its underlying carriers’ maps. Relies on the underlying wireless carriers to provide comprehensive coverage in the service area.
- WAC 480-123-030(1)(g) requires a wireless ETC to have “a reasonable amount of backup power (fixed, portable or other backup power source) for its cell sites, and backup power for its switches as prescribed in WAC 480-120-411(3) for LEC central offices” TruConnect requests an exemption from the requirement because it does not have control over its underlying carriers’ emergency power back up facilitates.

Staff support the Company’s request for exemptions from the three requirements under WAC 480-123-030. Granting the request is consistent with the public interest, the purposes underlying regulation, and applicable statutes. The Commission granted these exemptions in its orders designating other Lifeline-only resold wireless ETC’s such as Boomerang, TracFone Wireless, Inc., Sage Telecom, Air Voice Wireless, and Global Connections Inc. of America.

Staff reviewed the Company’s technical and financial capabilities to provide the supported Lifeline service and carefully considered relevant factors suggested in the FCC’s Lifeline and Link Up Reform Order. Based on the Company’s operational history and Company financial statements⁴ Staff concludes that the Company is technically and financially capable of providing the supported Lifeline service in compliance with the low-income program rules.

III. Conclusion

Staff believe that designating TruConnect as a Lifeline-only ETC will deliver benefits and additional choices to low-income households in Washington and is therefore in the public interest.

⁴ Company provided a letter of financial guarantee from TSC Acquisition Corp. (TruConnect’s parent company) on July 15, 2024, in Docket UT-240165.

Staff recommend the Commission enter an order designating TruConnect Communications, Inc as an Eligible Telecommunications Carrier for the purpose of receiving Lifeline support in the service areas specified in Attachment 1; and, subject to the conditions specified in Attachment 2. Staff also recommend the Commission grant exemptions from WAC 480-123-030 (1)(d), (f) and (g).

Attachments (2)