

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

In the Matter of the Petition of	)	DOCKET UT-110321
	)	
TELRITE CORPORATION,	)	ORDER 02
	)	
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 September 4, 2014, Telrite Corporation (Telrite 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 Telrite as an ETC on June 13, 2013, 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 Telrite’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 A to Order 01.
  
- 3       In support of its Petition, Telrite states that it has complied with all 21 conditions the Commission imposed in Appendix A to Order 01, and provides a summary explanation of its compliance with each condition.

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<sup>1</sup> Telrite 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, Telrite no longer receives Link Up support.

4 Commission Staff (Staff) agrees that Telrite complied with the terms and conditions of Order 01, and continues to qualify for an ETC designation pursuant to 47 U.S.C. § 214(e)(2). Telrite offers the services that are supported by federal universal service support mechanisms and advertises the availability of such services.

5 Staff supports granting Telrite'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**

6 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>2</sup>

7 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. Telrite should also continue to be exempt from WAC 480-123-030(1)(d),(f), and (g) because Telrite is not a high cost fund recipient and because the Company relies on other carrier facilities. Telrite has also demonstrated compliance with the 21 conditions set forth in Appendix A to Order 01.

8 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

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<sup>2</sup> WAC 480-123-040.

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

- 9 (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.
- 10 (2) Telrite is a telecommunications company doing business in the state of Washington as an Eligible Telecommunications Carrier. Telrite 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.
- 11 (3) Telrite'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.
- 12 (4) Telrite has also demonstrated that its designation as an ETC is in the public interest because its services will benefit low-income customers.
- 13 (5) This matter came before the Commission at its regularly scheduled open meeting on January 29, 2015.

### ORDER

#### THE COMMISSION ORDERS:

- 14 (1) Telrite Corporation'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.
- 15 (2) Telrite Corporation'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.

- 16 (3) The Commission retains jurisdiction over the subject matter and the parties to this proceeding.

DATED at Olympia, Washington, and effective January 29, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

## Appendix A

### Washington State Conditions on Designation of Telrite Corporation as an Eligible Telecommunications Carrier

1. Telrite Corporation (Telrite or Company) shall utilize federal default eligibility criteria only, i.e., stop utilizing Washington Telephone Assistance Program's eligibility criteria that are not on the federal list.
2. Telrite 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.
3. The information on Telrite'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 Telrite's Lifeline program, as well as at the Company's official Lifeline website.
4. For the rate plans free of charge to customers, Telrite must offer at least one plan with a minimum of 250 minutes per month. The Company may invoke Condition No. 2 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.
5. Telrite 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, Telrite 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, Telrite must deposit the minutes the customer is entitled to for the grace period.
6. On a quarterly basis, Telrite shall provide the number of Lifeline customers that it enrolls each month. Telrite shall also report the number of deactivated Lifeline customers each month by service plan and the by 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.

7. Telrite shall respond within 30 days to Commission Staff's information requests on Telrite's Lifeline operations, including but not limited to Lifeline customers' usage patterns and Lifeline customer records.
8. Telrite shall cooperate with the Commission and the Department of Social and Health Services (DSHS) to work out a procedure to verify Telrite Lifeline customers' eligibility. Telrite 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.
9. Telrite must not deduct airtime minutes for calls to customer care made from the customer's handset by dialing 611. Telrite shall explicitly state the policy of free 611 calls in its Lifeline service agreements. Telrite 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.
10. Telrite shall have DSHS audit its Washington Lifeline customers' eligibility (including program eligibility and duplication with other Lifeline providers) at least once a year. By January 31 of each year, Telrite 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 Telrite of the results of the review, Telrite 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.
11. Telrite shall provide the Commission a copy of its annual Lifeline Re-certification results within 30 days after it files with the Universal Service Administration Company (USAC) each year.
12. Telrite 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 Telrite, the Commission's Consumer Protection and Communications Section, the Washington State Office of the Attorney General, and the Federal

Communications Commission (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 Telrite's ETC designation if Telrite fails to provide reasonable quality of service.

13. Telrite 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.
14. Telrite shall comply with rules on cessation of business as specified in WAC 480-120-083.
  - a. Prior to cessation of business, Telrite 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. Telrite 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 the 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. Telrite 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.
15. Telrite 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.

16. Telrite shall cooperate with Commission Staff on phone number conservation issues and shall comply with 47 C.F.R. § 52.
17. Telrite shall comply with all applicable federal and Washington state statutes and regulations, including E911 tax contributions.
18. Telrite shall file with the Commission of 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**

**Telrite Corporation  
Areas for Eligible Telecommunications Carrier Designation**

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
FRONTIER COMMUNICATIONS NORTHWEST INC. - WA	
	BENTONCITY
	BOTHELL
	BREWSTER
	BRIDGEPORT
	CAMAS
	CURLEW
	EVERETT
	FARMINGTON
	GARFIELD
	GEORGE
	HALLS LAKE
	KENNEWICK
	KIRKLAND
	LOOMIS
	MARYSVILLE
	MOLSON
	MT VERNON
	NACHES
	NEWPORT
	NILE
	OAK HARBOR
	OAKESDALE
	PALOUSE
	PULLMAN
	QUINCY
	REPUBLIC
	RICHLAND
	RICHMNCBCH
	ROCKFORD
	ROSALIA
	SILVERLAKE
	SKYKOMISH

	SNOHOMISH
	SOAP LAKE
	STEVESPASS
	TEKOA
	TONASKET
	WENATCHEE
	WOODLAND
<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
QWEST CORPORATION	
	ABERDEEN
	AUBURN
	BAINBDG IS
	BATTLEGRND
	BELFAIR
	BELLEVUE
	BLACKDIMND
	BREMERTON
	BUCKLEY
	CASTLEROCK
	CENTRALIA
	CHEHALIS
	CLE ELUM
	COLFAX
	COLVILLE
	COPALIS
	COULEE DAM
	CRYSTAL MT
	DAYTON
	DEER PARK
	DES MOINES
	ELK-GRNBLF
	ENUMCLAW
	EPHRATA
	GRAHAM
	Green Bluff
	HOODSPORT
	ISSAQUAH
	KENT

	LIBERTY LK
	LONGVIEW
	LOON LAKE
	MAPLE VLY
	MOSES LAKE
	NEWMANLAKE
	NORTHPORT
	OLYMPIA
	OMAK
	OROVILLE
	OTHELLO
	PASCO
	PATEROS
	PORT ORCH
	PORTLUDLOW
	PT ANGELES
	PTTOWNSEND
	PUYALLUP
	RENTON
	RIDGEFIELD
	ROCHESTER
	ROY
	SEATTLE
	SHELTON
	SILVERDALE
	SPOKANE
	SPRINGDALE
	SUMNER
	TACOMA
	TACOMAWVLY
	VANCOUVER
	WAITSBURG
	WALLAWALLA - TOUCHET
	WARDEN
	WINLOCK
	YAKIMA