



COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

D.T.C. 11-5

October 28, 2011

Petition of Aegis Telecom, Inc. d/b/a Off the Hook Telecom for Limited Designation as an Eligible Telecommunications Carrier

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND CABLE TO AEGIS TELECOM, INC. D/B/A OFF THE HOOK TELECOM

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Cable (“Department”) submits to Aegis Telecom, Inc. d/b/a Off the Hook Telecom (“Aegis”) the following information requests:

Instructions:

1. Each request should be answered in writing on a separate page with a recitation of the request, a reference to the request number, the docket number of the case, and the name of the person responsible for the answer.
2. This request should be treated as a rolling information request. Do not wait for all answers to be completed before supplying answers. Provide each answer to the Department as soon as it is available.
3. These requests shall be deemed continuing so as to require further supplemental responses if Aegis or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “affiliate” means any individual, partnership, association, joint stock company, trust, corporation, or other entity who (or that), directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, Aegis.

5. The term “certify” means to provide a sworn certification by the appropriate corporate officer.
6. The term “Commonwealth” means the Commonwealth of Massachusetts.
7. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, press releases, handwritten and/or typed notes, records, reports, bills, checks, articles from journals and/or other sources, e-mails, SMS text messages, blog postings, RSS feeds, web pages, social media postings such as Facebook and Twitter, and/or other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
8. The term “ETC” means eligible telecommunications carrier.
9. The term “FCC” means Federal Communications Commission.
10. The term “Petition” means Aegis’s Petition for Limited Designation as an Eligible Telecommunications Carrier received by the Department on April 28, 2011.
11. The term “provide complete and detailed documentation” means:

Provide all data, assumptions, and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports, and planning documents from which data, estimates, or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.
12. If any one of these requests is ambiguous, notify the Department so that the request may be clarified prior to the preparation of a written response.
13. File an original and three copies of the responses with Catrice C. Williams, Secretary of the Department, not later than the close of business on November 10, 2011.

Requests:

- D.T.C. 1-1 The Department seeks additional corporate information from Aegis. Provide the following information:
- a. Identify by name and title each executive officer and senior manager of Aegis. To the extent Aegis Telecom, Inc. and Off the Hook Telecom do not share executive officers and senior managers, provide a separate list for each.
 - b. Provide a complete and detailed organizational chart identifying: (1) each affiliate of Aegis, including the name under which each does business; and (2) the nature of the relationship between Aegis and each affiliate.
 - c. Provide a complete and detailed capitalization table identifying: (1) the names of each stockholder, warrant holder, or option holder of Aegis; and (2) the amount of stocks, warrants, or options held by each stockholder, warrant holder, or option holder.
 - d. Indicate whether any of Aegis's shareholders own stocks, warrants, or options in other telecommunications businesses, including other ETCs, competitive local exchange carriers, incumbent local exchange carriers, wireless providers, or cable providers. If so, identify the shareholders, the telecommunications businesses, and the amounts of stocks, warrants, or options held.
 - e. State whether Aegis is a publicly traded company. If so, provide copies via CD or Internet link of all 10-Ks and 10-Qs (with any amendments) filed with the U.S. Securities and Exchange Commission during the last three years.
 - f. Indicate whether Aegis or any of its affiliates is presently offering, or has previously offered, service in Massachusetts. If so, describe the scope of such business, including geographic areas of operation, services offered, and total Massachusetts customers.
 - g. Fully explain what relation, if any, Aegis has to the company, Telecom Service Bureau, and its affiliate, Easy Telephone Service Company. Describe with specificity whether Aegis shares common owners, directors, officers, fiduciaries, or senior managers with Telecom Service Bureau and/or Easy Telephone Service Company.
 - h. Fully explain what relation, if any, Aegis has to the company, Safari Communications, Inc. ("Safari"), which is also seeking ETC designation in Massachusetts. Describe with specificity whether Aegis shares common owners, directors, officers, fiduciaries, or senior managers with Safari.
- D.T.C. 1-2 The Department seeks additional corporate registration and filing information from Aegis. Provide the following information:

- a. Provide a Foreign Certificate of Registration certified by the Secretary of the Commonwealth.
- b. Provide a Certificate of Good Standing of recent date from the Secretary of the Commonwealth.
- c. Provide a Certificate of Good Standing of recent date from the state in which Aegis is incorporated.
- d. Provide copies of all FCC Forms 477, 497, and 499 that Aegis has filed with the FCC for the previous three years, including all jurisdictions for which Aegis filed.

D.T.C. 1-3 Aegis indicates that it “plans to seek ETC designation in the States of Missouri, New Jersey, and Pennsylvania [and] has never been denied ETC designation by any regulatory authority.” Petition at 2-3.

- a. Identify each state where Aegis or any of its affiliates has been designated as an ETC. For each, indicate whether that designation is limited, and if so, how it is limited, including any specific requirements imposed on or volunteered by Aegis or any of its affiliates. Provide complete and detailed documentation describing any such limitations and/or requirements.
- b. Identify each state that has since denied a petition for ETC designation from Aegis or any of its affiliates. Provide complete and detailed documentation.
- c. Identify each state that has rescinded, revoked, or otherwise terminated Aegis’s ETC designation or the ETC designation of any of its affiliates. Provide complete and detailed documentation.
- d. Identify each state where Aegis or any of its affiliates has withdrawn a petition for ETC designation. Provide complete and detailed documentation.
- e. Identify each state where Aegis or any of its affiliates has a petition currently pending for ETC designation, including states and the FCC, and describe the status of each such petition. Provide complete and detailed documentation.

D.T.C. 1-4 Aegis indicates that it “does not have any pending actions against it by any regulatory authority.” Petition at 3.

- a. Identify whether Aegis or any of its affiliates or corporate officers currently has a pending action against it by the FCC, any state commission, or government agency. Provide complete and detailed documentation.
- b. Identify any and all ongoing litigation involving Aegis or any of its affiliates or corporate officers.

- c. Certify whether the FCC, any state commission, or government agency has, to date, rendered or entered a finding, conviction, or civil judgment against Aegis or any of its affiliates or corporate officers during the last three years. Provide a copy of any such finding, conviction, or civil judgment entered against Aegis or any of its affiliates.
- d. Certify whether Aegis has any outstanding tax liabilities or other late payments or liabilities due and owing to the Commonwealth of Massachusetts or any government and/or quasi-public entities in any other jurisdictions. If so, provide complete and detailed documentation identifying the amounts owed and explaining the reasons for such arrears.

D.T.C. 1-5 Aegis indicates that it “requests ETC designation throughout the . . . Massachusetts Incumbent Local Exchange Carrier (‘ILEC’) service territory of Verizon New England Inc.” Petition at 6. Aegis further indicates that “[t]he Service Area includes only non-rural exchanges.” *Id.*

- a. Provide a list of all Verizon New England Inc. exchanges and their corresponding municipalities in which Aegis will provide service.
- b. Provide a coverage area map for where Aegis will provide service.
- c. Describe with specificity all areas in Massachusetts, if any, where Aegis will not provide service. Explain why Aegis will not provide service in such areas.

D.T.C. 1-6 Certify whether Aegis is in a position to immediately offer each of the services supported by federal universal service support mechanisms pursuant to 47 U.S.C. § 254(c) and 47 C.F.R. § 54.101(a).

D.T.C. 1-7 Certify whether Aegis will provide service on a timely basis and within a reasonable period of time as required by 47 C.F.R. § 54.202(a)(1)(i)(A), (B). Describe with specificity what Aegis considers a “timely basis” and “within a reasonable period of time.”

D.T.C. 1-8 Aegis indicates that it “has entered into a capital lease agreement with a third party, which enables the company to utilize a leased switch to provide one or more of the supported services that are supported by Federal universal service support mechanisms.” Petition at 4.

- a. Provide a copy of the capital lease agreement referenced in the above statement.
- b. Describe with specificity how the leased switch referenced in the above statement will be used to provide one or more of the supported services set out in 47 C.F.R. § 54.101 to Lifeline customers in Massachusetts.

- c. Is it Aegis’s position that the leased switch referenced in the above statement satisfies the FCC’s requirement that an ETC must provide some portion of its services using its “own facilities”? *See* 47 C.F.R. § 54.201(d)(1). If so, provide support for such contention. If not, describe with specificity how Aegis will use its “own facilities,” including identifying and describing with specificity each relevant Aegis-owned facility, to provide some portion of its services throughout the requested service area.
- d. Indicate whether Aegis owns facilities, or intends to own facilities, within Massachusetts that it will use to provide service to Massachusetts customers.

D.T.C. 1-9 Aegis indicates that, in order to provide service, it will, in part, utilize “network architecture being provided from an underlying wireless provider that the Company obtains at resale.” Petition at 4.

- a. Identify the underlying wireless provider referenced in the above statement, and describe with specificity how Aegis will use the facilities of this underlying wireless carrier to provide its services throughout the designated service area.
- b. Does Aegis have an agreement with the underlying wireless provider in order to utilize the provider’s network architecture? If so, provide a copy of that agreement. If not, explain and provide documentation as to how Aegis is obtaining use of the underlying wireless provider’s network architecture.

D.T.C. 1-10 Aegis indicates that “[s]ince the Company is providing service to its customers through the use of facilities obtained from other carriers, this arrangement allows the Company to provide its customers the same ability to remain functional in emergency situations as currently provided by the carriers to their own customers.” Petition at 6.

- a. For each carrier from which Aegis intends to obtain facilities, indicate whether any agreement between Aegis and that carrier contains specific provisions related to functionality in emergency situations relevant to Massachusetts. Provide complete and detailed documentation. If not, indicate how Aegis ensures that the facilities of its underlying carriers have the ability to remain functional in emergency situations.
- b. Regarding Aegis’s own facilities, indicate and describe with specificity whether and how they are able to remain functional in emergency situations.

D.T.C. 1-11 How does Aegis intend to ensure and transmit accurate automatic location identification information for its Lifeline customers to qualifying public safety answering points when their customers dial 911? Provide any documentation or contracts accounting for how Aegis’ Lifeline customers will be able to connect to the Massachusetts 911 network when they dial 911.

- D.T.C. 1-12 Aegis indicates that “[b]ecause the Company seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link Up services to eligible customers, submission of a five-year plan is not required at this time.” Petition at 7. Provide support for this contention.
- D.T.C. 1-13 Describe with specificity Aegis’s ability to satisfy applicable consumer protection and service quality standards set forth in the Department’s *Rules and Practices Relating to Telephone Service to Residential Customers* (D.P.U. 18448 (1977)) pursuant to 47 C.F.R. § 54.202(a)(3).
- D.T.C. 1-14 Provide copies of Aegis’s employee training materials and company policies regarding the handling of customer complaints.
- D.T.C. 1-15 Indicate whether Aegis is willing to submit consumer disputes to the Department’s Consumer Division.
- D.T.C. 1-16 Aegis indicates that “[t]he Company’s offering of local usage plans will be comparable to or exceed the underlying ILEC plans.” Petition at 7. Demonstrate with specificity that Aegis offers a local usage plan comparable to the one offered by the ILEC in the service area for which Aegis seeks designation.
- D.T.C. 1-17 Certify that Aegis acknowledges that the Department may require it to provide equal access to long-distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area pursuant to 47 C.F.R. § 54.202(a)(5).
- D.T.C. 1-18 Identify the rates (or charges) for each service offered by Aegis under 47 U.S.C. § 254(c) and identified in 47 C.F.R. § 54.101(a).
- D.T.C. 1-19 Describe with specificity whether Aegis has any unique advantages, characteristics, or features to its proposed service offerings as compared to the service offerings of the ILEC (i.e., Verizon) and Massachusetts Lifeline-only ETCs (e.g., TracFone and Virgin Mobile) in the requested service area.
- D.T.C. 1-20 Aegis indicates that it “shall put in place quality control mechanisms to ensure that only eligible customers are participating in Lifeline and Link Up.” Petition at 9.
- a. Certify that if Aegis is designated as an ETC in Massachusetts, it will comply with all federal and Massachusetts requirements regarding certification and verification.
 - b. Provide complete and detailed documentation of the certification and verification procedures Aegis intends to implement in Massachusetts, including describing with specificity the quality control mechanisms referenced in the above statement.

- c. Indicate whether Aegis employs any internal processes to eliminate duplicate subsidies.
- D.T.C. 1-21 Aegis states that “the consumer receives 100% of all universal service support funding for which the Company will seek reimbursement from the Universal Service Fund necessary to provide the free minutes of airtime above.” Petition at 8. For each Lifeline service package that Aegis proposes to offer in Massachusetts, provide detailed calculations showing how carrier support and each Tier of USF support directly supports the minutes provided.
- D.T.C. 1-22 Aegis states that “[c]ompetition furthers the goals of telecommunications service and provides the consumer with a greater choice of providers and service choices, which will in turn result in market-driven prices and quality.” Petition at 7.
- a. In relation to the above statement, describe with specificity how Aegis’s Lifeline service packages and rates compare to those of ETCs currently providing Lifeline in Massachusetts, as well as those offered by other carriers presently seeking ETC designation in Massachusetts.
 - b. Describe the competitive impact Aegis anticipates its service offerings having on the offerings of these competitors.
 - c. Does Aegis know of any particular demand or need by Massachusetts low-income consumers for Aegis’s services?
- D.T.C. 1-23 Aegis indicates that if a Lifeline customer has used all of his or her airtime, additional minutes may be purchased via credit or debit card by calling into customer service. Petition at 8.
- a. Indicate whether Lifeline subscribers will be able to make calls to customer service if they have used all of their minutes.
 - b. For each purchase method, describe with specificity any additional charges, fees, or taxes that may apply.
 - c. For each purchase method, describe whether and how Aegis will collect and remit the 911 surcharge for additional minutes purchased.
 - d. Certify that Aegis’s Lifeline subscribers will have the ability to make 911 calls even if they are out of minutes.
 - e. Indicate whether consumers will be notified when they are about to run out of minutes. If so, how will they be notified? Around how many minutes will consumers have before they are notified?

- D.T.C. 1-24 Describe with specificity how the additional minute plans offered by Aegis compare to the additional minute plans of other ETCs currently providing Lifeline service in Massachusetts, as well as those offered by other carriers presently seeking ETC designation in Massachusetts.
- D.T.C. 1-25 Aegis indicates that it will “advertise the availability of the services that are supported by Federal universal support mechanisms and the charges for such services using media of general distribution.” Petition at 5.
- a. Identify with specificity the media of general distribution that Aegis intends to use in Massachusetts for advertising the services and charges supported by Federal universal support mechanisms.
 - b. Provide samples of advertisements that Aegis intends to use in Massachusetts.
 - c. Indicate whether Aegis intends to advertise in languages other than English in Massachusetts. If so, indicate which other languages. Provide samples of advertisements in other languages that Aegis intends to use in Massachusetts.
 - d. Indicate whether Aegis is willing to include the Department’s contact information in Massachusetts-specific advertising.
- D.T.C. 1-26 For each of Aegis’s Lifeline service packages:
- a. Is a text messaging option included? If so, describe with specificity, including rates charged and/or minutes deducted. Indicate whether text messaging is currently considered a supported service under 47 C.F.R. § 54.101.
 - b. Are any data services included? If so, describe with specificity, including rates charged and/or minutes deducted. Indicate whether data services is currently considered a supported service under 47 C.F.R. § 54.101.
 - c. Are minutes carried over from month-to-month? Describe with specificity.
 - d. Will Lifeline customers incur roaming charges? Describe with specificity, including whether all of the handsets provided to Lifeline customers will notify them they are about to incur roaming charges, how roaming charges will apply to Lifeline customers, and where, if at all, Lifeline customers could incur roaming charges within Massachusetts.
- D.T.C. 1-27 Will Aegis provide non-Lifeline service in Massachusetts? If so, provide a detailed description of each non-Lifeline service package Aegis intends to offer, including pricing.
- D.T.C. 1-28 Indicate whether Aegis intends to advertise its non-Lifeline service packages.

- D.T.C. 1-29 For all Lifeline and non-Lifeline services that Aegis intends to offer in Massachusetts, describe the prepaid and postpaid options available to consumers.
- D.T.C. 1-30 Aegis seeks ETC designation for Link-Up as well as Lifeline support. Petition at 9.
- a. In each state where Aegis or any of its affiliates has been designated as an ETC to receive support for wireless services, state whether that designation includes Link-Up support.
 - b. Aegis indicates that in accordance with the Link-Up program, it will reduce its customary charge by \$30. *See* Petition at 9. Aegis further indicates that “[t]he company will give a \$30 promotional discount to offset the remaining balance on the connection fee.” *Id.* Explain how Aegis’s activation fee constitutes a “customary charge” if half of the fee is consistently waived for qualified Link-Up customers. In addition, please indicate in which states, including Massachusetts, customers have been assessed this customary charge. Provide documentation.
 - c. Describe with specificity whether Aegis charges an activation fee to non-qualified Link-Up customers. If so, how often is the activation fee charged to non-qualified Link-Up customers waived as part of a special promotion or for any other reason?
 - d. Describe with specificity the costs associated with initial connection that Aegis recoups with its activation fee.
 - e. Indicate whether any of Aegis’s underlying carriers imposes a service initiation fee on Aegis. If so, what is the amount of the fee? Is this fee imposed per customer? Provide documentation of any service initiation fee imposed on Aegis by the underlying carrier.
 - f. Describe with specificity why granting Aegis ETC designation for Link-Up support is in the public interest.
- D.T.C. 1-31 Aegis’ petition includes the Terms and Conditions of Wireless Service, provided as Exhibit D (“Terms and Conditions”). Aegis indicates that this list represents the “standard customer terms and conditions in connection with its wireless service offering.” Petition at 2.
- a. The Terms and Conditions state that a “telephone number is assigned to your handset when you receive it, however, you will acquire no proprietary interest in any number assigned to you.” Describe how Aegis obtains the use of telephone numbers. Further, explain whether and how the Terms and Conditions comply with the FCC’s Local Number Portability requirements.
 - b. The Terms and Conditions state that “[a]irtime minutes are deducted for all incoming and outgoing calls, including calls to toll free numbers, 411, 611,

Customer Care, simultaneous calls (airtime minutes will be deducted for each call separately) and calls to access your voice mail.” Terms and Conditions at 2. Describe with specificity why it is in the public interest to deduct airtime minutes for each type of call indicated above. Does this policy of deducting airtime minutes for all incoming and outgoing calls apply to both Lifeline and non-Lifeline customers?

- c. The Terms and Conditions state that “[f]or outbound calls, you may be charged airtime for incomplete and/or busy-no answer calls.” Terms and Conditions at 2. Describe with specificity why it is in the public interest to deduct airtime minutes for incomplete and/or busy-no answer calls.
 - d. The Terms and Conditions state that “[a]irtime minutes are deducted in full unit increments; partial minutes are rounded up to the next minute.” Terms and Conditions at 2. Describe with specificity why it is in the public interest to round partial minutes up to the next minute.
 - e. Confirm that Aegis will to notify the Department before modifying its Massachusetts Lifeline service offerings and the Terms and Conditions of its service.
 - f. Indicate whether Aegis is willing, if requested by the Department, to amend the Terms and Conditions to comply with Massachusetts specific consumer protection, billing and termination, and Lifeline rules and procedures.
- D.T.C. 1-32 Provide a detailed description of all fees applicable to Lifeline and, if applicable, non-Lifeline Massachusetts customers. Additionally, for each, describe how the fee will apply to each of the proposed Lifeline service offerings.
- D.T.C. 1-33 Describe with specificity Aegis’s non-usage policy, i.e. what it does with respect to Lifeline customers who have not used their wireless phones for a specific period of time (e.g., 60 days).
- D.T.C. 1-34 Certify that all handsets provided to Aegis’s Lifeline customers upon activation of service are E-911 compliant, and that Aegis will replace any non-compliant handsets with compliant handsets at no charge for existing customers who obtain Lifeline service.
- D.T.C. 1-35 Is Aegis aware that the Department has a pending investigation into the Lifeline and Link-Up programs in Massachusetts in D.T.C. Docket 10-3, and that if Aegis is designated as an ETC in Massachusetts, any procedures or requirements established in that proceeding would apply to Aegis?
- D.T.C. 1-36 Is Aegis familiar, and prepared to comply, with the State 911 Department’s surcharge collection regulations pertaining to prepaid wireless providers? Describe with specificity Aegis’s understanding of how these regulations will

apply to Aegis in regards to its Massachusetts subscribers, both Lifeline and non-Lifeline, if applicable.

- D.T.C. 1-37 Department requires that ETCs operating in Massachusetts conduct an annual audit of a random and statistically valid sample of its customers to verify subscriber eligibility and submit a report of its results to the Department. *See TracFone Wireless, Inc., Annual Verification of SafeLink Wireless Lifeline Subscribers*, D.T.C. 09-9, Order at 16 (June 30, 2010); *See TracFone Wireless, Inc., Annual Verification of SafeLink Wireless Lifeline Subscribers*, D.T.C. 10-6, Order at 4 (Oct. 19, 2010). Indicate whether Aegis is willing to adhere to this audit and reporting requirement in Massachusetts.
- D.T.C. 1-38 Confirm that designation of Aegis as a wireless ETC in Massachusetts would not confer wireless ETC designation on any of Aegis's affiliates.
- D.T.C. 1-39 Confirm that designation of Aegis as a wireless ETC in Massachusetts would not confer wireline ETC designation on Aegis or any of its affiliates.