



COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

D.T.C. 12-4

April 2, 2012

T-Mobile Northeast LLC Petition for Limited Designation as an Eligible Telecommunications Carrier for Purposes of Low Income Support Only

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND CABLE TO T-MOBILE NORTHEAST LLC

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Cable (“Department”) submits to T-Mobile Northeast LLC (“T-Mobile”) 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. These requests shall be deemed continuing so as to require further supplemental responses if T-Mobile 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.
3. 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.
4. 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.

5. The term “certify” means to provide a sworn certification by the appropriate corporate officer.
6. The term “affiliate” is 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, T-Mobile.
7. The term “Petition” refers to T-Mobile’s application for ETC designation.
8. The term “third party” means an entity that is not a subsidiary or affiliate of T-Mobile.
9. The term “*Lifeline Reform Order*” refers to *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 11-42, FCC 12-11 (rel. Feb. 6, 2012).
10. 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.
11. 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 April 25, 2012.

Requests:

- | | |
|------------|---|
| D.T.C. 1-1 | Provide a description of the corporate ownership structure of T-Mobile. Additionally, provide a list of all of T-Mobile’s affiliates that are telecommunications providers in the United States and provide all of the names under which each does business. |
| D.T.C. 1-2 | Certify whether T-Mobile 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. 1-3 | Identify any and all ongoing litigation involving claims against T-Mobile for breach of contract (excluding individual consumer claims) or money owed in excess of \$200,000 in any jurisdiction. Provide a docket number and summary of the litigation for each matter identified. |
| D.T.C. 1-4 | Certify whether the FCC, any state utilities commission, or government agency has, to date, rendered or entered a finding, criminal conviction (including plea agreements), or civil judgment (including money judgments) against T-Mobile, its |

executives, or senior managers, during the last five years. Provide a copy of any such finding, conviction, plea agreement, or civil judgment entered against T-Mobile, its executives, or senior managers.

D.T.C. 1-5 Identify whether T-Mobile intends to provide its Lifeline service under a trade name in Massachusetts.

D.T.C. 1-6 T-Mobile states that its planned initial Lifeline offering, subject to change, will include a \$9.99 per month Lifeline rate based upon a non-discounted rate of \$19.99 per month minus a \$10.00 Lifeline discount. Petition at 12, n.38.

- (a) Does T-Mobile anticipate that this planned offering will change once the uniform Lifeline reimbursement of \$9.25 takes effect? If so, how?
- (b) Explain whether T-Mobile intends to notify the Department before modifying its Massachusetts Lifeline service offerings.
- (c) Explain whether T-Mobile intends to provide advance notice to Lifeline subscribers of changes in terms and conditions of service. If so, explain whether subscribers will be afforded the opportunity to cancel service without penalty.
- (d) Identify whether the \$19.99 non-discount rate for the Lifeline service offering described is a service offering currently available to non-Lifeline T-Mobile customers.
- (e) Describe how T-Mobile determined the non-discounted rate of the Lifeline service offering. Provide complete and detailed documentation for determining the cost of the service offering.
- (f) Identify the dollar value that T-Mobile assigns to each of the following types of minutes offered by T-Mobile: (1) whenever minutes, (2) night minutes, and (3) weekend minutes.

D.T.C. 1-7 Regarding the intended Lifeline service offering described on pages 12-13 of the Petition, provide complete and detailed documentation of the associated terms and conditions. Also with respect to this offering:

- (a) Is a text messaging option included? If so, describe the option with specificity, and indicate the source of support for this service.
- (b) Are any data services included? If so, describe the option with specificity, and indicate the source of support for this service.

- (c) Do Lifeline customer communications with T-Mobile via either phone call or text message count against the Lifeline customer's minutes or, if applicable, allotted text messages? If so, at what rates?
- (d) Are minutes (including free minutes) carried over from month-to-month? Please describe.
- (e) Explain whether Lifeline subscribers will be able to block all third party services.
- (f) Describe additional services that will be available for purchase by Lifeline customers, including associated pricing.
- (g) Describe with specificity any additional charges, fees, or taxes that may apply to the Lifeline plan and any additional services purchased. Describe how these charges and fees differ from T-Mobile's non-Lifeline service offerings.
- (h) State whether T-Mobile will charge Lifeline subscribers an activation fee. If so, state the amount of the fee and explain whether or not the same or similar fee is imposed on non-Lifeline subscribers.
- (i) Identify whether minutes for T-Mobile customer to T-Mobile customer calling is included in the Lifeline service offering. If so, identify the number of minutes included.
- (j) Identify each jurisdiction, if any, in which T-Mobile currently offers the Lifeline service offering described.
- (k) Provide complete and detailed documentation comparing the Lifeline service offering to the other non-contract (prepaid and postpaid) service offerings currently available from T-Mobile.

- D.T.C. 1-8 Certify that T-Mobile will provide Lifeline customers with 911 or E911 access in the event their plan minutes are exhausted/expired or their handset is inactive. Explain whether any fee will be imposed for the service.
- D.T.C. 1-9 On page 13 of T-Mobile's Petition, T-Mobile states "T-Mobile will significantly expand its business in Massachusetts by making available to low-income consumers a new service offering that meets their basic and advanced communication needs." Identify the advanced communication needs being met through T-Mobile's Lifeline service offering.
- D.T.C. 1-10 Clarify in further detail how the Lifeline service offering described on pages 12-13 of T-Mobile's Petition satisfies the eligible voice telephony services requirement to provide "minutes of use for local service provided at no additional

charge to end users,” pursuant to revised rule 47 C.F.R. §54.101. Explain what “local usage” means in the context of wireless service.

- D.T.C. 1-11 In addition to the Lifeline service plan outlined on pages 12 - 13 of the Petition, provide a detailed description of any additional Lifeline service plans T-Mobile intends to offer in Massachusetts, including pricing, charges, fees, or taxes that apply and the complete terms and conditions associated with each plan.
- D.T.C. 1-12 Describe whether T-Mobile has any unique advantages, characteristics, or features to its proposed Lifeline service offering(s) as compared to the service offerings of the incumbent local exchange carrier (i.e., Verizon) and other Massachusetts ETCs (e.g., RCN of Massachusetts, Taconic Telephone Corporation, Virgin Mobile, and TracFone) in the designated area.
- D.T.C. 1-13 T-Mobile claims that its Lifeline service offering includes “an affordable handset.” Petition at 13. Clarify: (a) the type of handset(s) that will be offered to Lifeline subscribers in Massachusetts; (b) the cost of each handset; (c) any payment plans or payment methods afforded to eligible Lifeline customers for the cost of the handset; and (d) the cost of the same handset(s) if purchased by non-Lifeline customers.
- D.T.C. 1-14 Indicate whether any of the handsets provided to Lifeline customers will notify them if they are about to incur roaming charges. Also:
- (a) Describe how roaming charges will apply to T-Mobile’s Massachusetts Lifeline customers.
 - (b) Indicate where, if at all, T-Mobile’s Massachusetts Lifeline customers could incur roaming charges.
 - (c) Indicate whether additional charges will be incurred for 911 calls made while roaming.
 - (d) Describe whether T-Mobile requires Lifeline customers to affirmatively request the availability of roaming service before roaming charges will be imposed. If not, describe whether a customer can request that roaming calls be deactivated.
- D.T.C. 1-15 T-Mobile states it will “advertise the availability of, and charges for, its Lifeline service offerings using media of general distribution, and will undertake outreach initiatives to increase consumer awareness of T-Mobile’s Lifeline service offering, consistent with all applicable requirements.” Petition at 7.
- (a) Identify the media outlets T-Mobile intends to use in Massachusetts and describe outreach or marketing programs designed for Massachusetts to increase consumer awareness of T-Mobile’s Lifeline service offering.

- (b) Provide copies of sample marketing materials T-Mobile intends to use in Massachusetts that include the disclosures required by the *Lifeline Reform Order* at ¶ 275.
- (c) Does T-Mobile, in seeking to promote the availability of Lifeline service to underserved, economically disadvantaged telephone customers, intend to target existing Lifeline customers using another provider, or does it seek new customers not currently participating in Lifeline? How does T-Mobile intend to distinguish itself from current Lifeline providers in Massachusetts to attract these new customers?
- (d) What are T-Mobile's projected Lifeline subscriber numbers for Massachusetts? Will T-Mobile's Lifeline service offerings and marketing plans change, once disbursements to ETCs are based on actual subscribers rather than projected subscribers? See *Lifeline Reform Order* at ¶ 302.
- (e) Indicate whether T-Mobile's advertising material will conspicuously identify the use limitation of the night minutes and weekend minutes to be offered as a part of the Lifeline service offering.

D.T.C. 1-16 T-Mobile states that it "maintains various retail stores and authorized dealer locations throughout its proposed ETC designated service area." Petition at 7.

- (a) Identify the authorized dealer locations throughout T-Mobile's proposed ETC designated service area in Massachusetts.
- (b) Provide sample agreements T-Mobile has with any third party dealers to solicit Lifeline subscribers on T-Mobile's behalf.
- (c) Provide the procedures and protocols that T-Mobile has required these authorized dealers to follow when soliciting Lifeline subscribers on T-Mobile's behalf.
- (d) Describe T-Mobile's direct contact with solicited customers during the certification process when authorized dealers make initial contact with the Lifeline subscriber.
- (e) Confirm that regardless of the method used to market to eligible customers, T-Mobile will certify and verify the eligibility of each of its Lifeline subscribers via direct contact with those customers, and not through a third party. Detail T-Mobile's method and manner of "direct contact" during certification and verification process.
- (f) Provide a description of the oversight used by T-Mobile to ensure compliance with these procedures and protocols by authorized dealers.

(g) In the event the authorized dealers sign up ineligible or unsolicited subscribers, describe T-Mobile's procedures to deactivate these accounts, recover equipment, and refund USF subsidies.

D.T.C. 1-17 Does T-Mobile foresee instances where it would not be immediately ready to provide Lifeline or supported services to customers in its designated service area? Describe in detail. Explain how T-Mobile intends to address these situations.

D.T.C. 1-18 Pursuant to revised rule 47 C.F.R. § 54.202(a)(2), certify T-Mobile's ability to remain functional in emergency situations. In particular, certify that T-Mobile is prepared to implement its Emergency Operation Plan (as referenced on page 8 of the Petition and as described in Exhibit C) in Massachusetts.

D.T.C. 1-19 Explain whether T-Mobile is prepared to report service outages in accordance with adopted rule 47 C.F.R. § 54.422(b)(1). In addition, as a condition of ETC designation, state whether T-Mobile is willing to timely report to the Department the following information for all outages affecting at least 10% of T-Mobile's customers or 200 access lines, whichever is less: (a) the date and time when the outage began and when all service is finally restored; (b) the location of outage and approximate number of customers or access lines involved; and (c) periodic progress reports on service restoration.

D.T.C. 1-20 Pursuant to revised rule 47 C.F.R. § 54.202(a)(3), describe T-Mobile'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)). Describe T-Mobile's policies regarding handling Lifeline customer complaints.

D.T.C. 1-21 T-Mobile states that it abides by the CTIA Consumer Code and also "provides its customers with *other service quality and consumer protection benefits* that have resulted in the Company being repeatedly recognized for excellence." Petition at 8 (emphasis added).

(a) Describe in detail the "other service quality and consumer protection benefits" that T-Mobile provides to Lifeline subscribers. Confirm that these benefits will be provided to Lifeline subscribers in Massachusetts.

(b) Certify that T-Mobile is willing to: (i) provide reporting of consumer complaints to the Department regarding T-Mobile's Lifeline service; and (ii) participate in dispute resolution by the Department's consumer division to resolve Lifeline subscriber disputes for all T-Mobile services received by the Lifeline subscriber.

(c) Describe the types or categories of complaints T-Mobile receives from Lifeline subscribers in other jurisdictions where T-Mobile has been granted ETC designation.

(d) Describe in detail the “recertification process” referenced in CTIA’s letter dated October 7, 2011, at Exhibit D. Also, provide a copy of the “Voluntary Consumer Code” and the “License Agreement” referenced in that letter.

D.T.C. 1-22 Describe in detail T-Mobile’s “comprehensive compliance program” and “steps [taken] to protect against fraud, waste and abuse” as referenced on page 11 of T-Mobile Petition. Does T-Mobile have a process in place for customers to verify that multiple households live at the same address? *See Lifeline Reform Order* at ¶ 77. If so, describe this process.

D.T.C. 1-23 Certify that T-Mobile is prepared to comply with the procedures and requirements regarding:

- (a) the National Lifeline Accountability Database established in the *Lifeline Reform Order* in adopted rule 47 C.F.R. § 54.404(b)(1)-(10);
- (b) the carrier’s obligations to offer Lifeline, including de-enrollment requirements, established in the *Lifeline Reform Order* in revised rule 47 C.F.R. § 54.405(a)-(e)(1)-(4);
- (c) Annual certifications required by ETCs established in the *Lifeline Reform Order* in revised rule 47 C.F.R. § 54.416;
- (d) Record keeping requirements established in the *Lifeline Reform Order* in adopted revised 47 C.F.R. § 54.417;
- (e) Audit requirements, to the extent applicable, established in the *Lifeline Reform Order* in adopted rule 47 C.F.R. § 54.420;
- (f) Annual reporting requirements established in the *Lifeline Reform Order* in adopted rule 47 C.F.R. § 54.422.

D.T.C. 1-24 On pages 10-11 of T-Mobile’s Petition, T-Mobile indicates it will comply with all applicable reporting and on-going operation requirements. Certify that T-Mobile will file with the Department copies of certifications and reports required to be filed with the FCC and/or the Universal Service Administrative Company (USAC) as required by revised rule 47 C.F.R. § 54.405(e)(3)(monthly reporting of de-enrollment for non-usage); revised rule 47 C.F.R. § 54.416 (annual certifications by ETCs); adopted rule 47 C.F.R. § 54.420(a)(finalized audit reports); and adopted rule 47 C.F.R. § 54.422 (annual reporting for ETCs).

D.T.C. 1-25 T-Mobile indicates that it will not agree to provide quarterly reporting to the Department of customer accounts terminated for inactivity because T-Mobile does not currently offer a prepaid option. Petition at 11. But T-Mobile also states “to the extent T-Mobile offers a Lifeline prepaid service in the future, the Company will comply with [the termination for inactivity] reporting requirement.” *Id.*

- (a) Clarify in further detail why T-Mobile is unwilling to satisfy this quarterly reporting requirement to the Department.
- (b) Despite T-Mobile's assertion that the reporting of terminated accounts for inactivity is not applicable to T-Mobile, if the Department makes such reporting a requirement of T-Mobile's ETC designation, state whether T-Mobile will comply.
- (c) When and under what circumstances does T-Mobile anticipate offering a pre-paid Lifeline service plan to Massachusetts customers? Assuming T-Mobile offers a prepaid Lifeline option in the future, state whether T-Mobile is willing to report annually to the Department the percentage of T-Mobile's Massachusetts Lifeline customers that are prepaying customers and the percentage that are postpaying customers.

D.T.C. 1-26 Certify that T-Mobile is prepared to comply with the "Subscriber eligibility determination and certification" requirements established in adopted rule 47 C.F.R. § 54.410(a)-(g) and implement policies and procedures for ensuring that T-Mobile's Lifeline subscribers are eligible to receive Lifeline services. Also:

- (a) Provide a complete and detailed description of the policies and procedures T-Mobile intends to implement in Massachusetts to satisfy the requirements of adopted rule 47 C.F.R. § 54.410(a)-(g).
- (b) Provide sample certification and annual verification (or re-certification) forms to be used by T-Mobile in Massachusetts that satisfy 47 C.F.R. § 54.410(d) and (f).
- (c) Clarify whether authorized dealers acting on T-Mobile's behalf are required to follow the same policies and procedures when enrolling and re-certifying subscribers.

D.T.C. 1-27 Will T-Mobile be drawing more than \$5 million in Lifeline support annually? If yes, has T-Mobile selected an independent audit firm to assess its compliance with program requirements set forth in adopted rule 47 C.F.R. § 54.420?

D.T.C. 1-28 According to T-Mobile, it is a "facilities-based wireless telecommunications carrier with its own switching, cell sites, and associated telecommunications facilities in Massachusetts..." Petition at 7. Identify:

- (a) The type of facility (or facilities) owned or co-owned by T-Mobile that will be used to provide the supported services to eligible Lifeline subscribers in Massachusetts; and
- (b) Provide the location of each facility.

- D.T.C. 1-29 T-Mobile's requested "designated ETC service area is its wireless coverage area shown in Exhibit B, which includes the telephone company wire centers and study areas identified in Exhibit A." Petition at 7. Identify:
- (a) The towns or areas of Massachusetts covered by the wire centers listed in Exhibit A.
 - (b) Any additional wire centers located in Massachusetts omitted from Exhibit A.
 - (c) The towns or areas of Massachusetts not covered by T-Mobile's service as reflected in Exhibit B.
- D.T.C. 1-30 T-Mobile states in the heading of Exhibit A that its "ETC Service Area for providing Lifeline service is its coverage area, which comprises *at least a portion* of the following telephone company areas." Petition at Exhibit A (emphasis added). Clarify which portions of the listed telephone company areas are not covered. Describe safeguards or procedures in place to prevent sales of Lifeline service to eligible subscribers who cannot be provided with adequate coverage or quality service.
- D.T.C. 1-31 T-Mobile states that it employs more than 500 individuals in Massachusetts. Petition at 2. Provide the general job category breakdown of these individuals in terms of retail, customer service, administrative, etc.
- D.T.C. 1-32 The *Lifeline Reform Order* states that in order to be designated an ETC, a common carrier must demonstrate that it is financially and technically capable of providing Lifeline service. *Lifeline Reform Order* at ¶ 388; revised rule 47 C.F.R. § 54.202(a)(4).
- (a) Provide a sworn certification from the appropriate corporate officer that supports T-Mobile's assertion that it has the financial capability of providing Lifeline service in compliance with regulatory requirements. Petition at 10.
 - (b) Certify that the "Financial Releases" under the "Investor Relations" section of T-Mobile's website are up to date and accurate.
 - (c) In addition, provide responses to the following questions concerning T-Mobile's Financial Releases:
 - 1) How many of T-Mobile's 33.2 million customers at the end of 4th quarter 2011 are Lifeline customers (4Q2011, p. 2)?
 - 2) How much of T-Mobile's \$1.4 billion operating income before depreciation and adjustment is derived from Lifeline customers (4Q2011, p. 5)?

- 3) What is T-Mobile's average revenue per user for Lifeline customers?
- 4) Of the 526,000 net customer losses in the 4th quarter 2011, how many of these customer losses were Lifeline customers (4Q2011, p. 3)?
- 5) What part of the 4.0% churn in the 4th quarter of 2011 is attributable to Lifeline customers (4Q2011, p. 4)?
- 6) Will T-Mobile continue to support and maintain its non-high speed network used by Lifeline customers given its plans to continue capital expenditures in 2012 and 2013 to improve its 4G mobile broadband network (4Q2011 Report, p.2)?