

IN RE:
PETITION OF YOURTEL AMERICA, INC.
FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS PROVIDER

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DTC Case No. 11-1

D.T.C. 3-1 Confirm that designation of YourTel as a wireless ETC in Massachusetts would not confer wireless ETC designation on any of YourTel's affiliates.

Response: YourTel confirms that the designation of YourTel as a wireless ETC in Massachusetts would not confer wireless ETC designation on any of YourTel's affiliates.

Person Responsible for Answer: Dale Schmick

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DTC Case No. 11-1

D.T.C. 3-2 Confirm that designation of YourTel as a wireless ETC in Massachusetts would not confer wireline ETC designation on YourTel or any of its affiliates.

Response: YourTel confirms that the designation of YourTel as a wireless ETC in Massachusetts would not confer wireline ETC designation on YourTel or any of YourTel's affiliates.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-3 Certify whether YourTel 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 throughout the designated service area.

Response: YourTel certifies it 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 throughout the designated service area.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-4 Pursuant to 47 C.F.R. § 54.202(a)(5), certify that YourTel acknowledges that the Department may require it to provide equal access to long-distance carriers in the event that no other ETC is providing equal access within the service area.

Response: YourTel certifies that it acknowledges that the Department may require it to provide equal access to long-distance carriers in the event that no other ETC is providing equal access within the service area.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-5 Certify that if YourTel is designated as an ETC in Massachusetts, it will require customers to self-certify at the time of service activation and annually thereafter that they (1) are head of household, (2) participate in one of the eligibility establishing programs, (3) receive Lifeline-supported services only from YourTel, and (4) will notify YourTel in the event that they no longer participate in the qualifying program.

Response: YourTel certifies that if designated as an ETC in Massachusetts, it will require customers to self-certify at the time of service activation and annually thereafter that they (1) are head of household, (2) participate in one of the eligibility establishing programs, (3) receive Lifeline-supported services only from YourTel, and (4) will notify YourTel in the event that they no longer participate in the qualifying program.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-6 Certify that if YourTel is designated as an ETC in Massachusetts, it will comply with all federal and Massachusetts requirements regarding certification and verification.

Response: YourTel certifies that if designated as an ETC in Massachusetts, it will comply with all federal and Massachusetts requirements regarding certification and verification.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-7 Is YourTel 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 YourTel is designated as an ETC in Massachusetts, any procedures or requirements established in that proceeding would apply to YourTel?

Response: Yes.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-8 Is YourTel familiar, and prepared to comply, with the State 911 Department's surcharge collection regulations pertaining to prepaid wireless providers? Describe with specificity YourTel's understanding of how these regulations will apply to YourTel in regards to its Massachusetts subscribers, both Lifeline and non-Lifeline.

Response: Yes. As detailed in 560 CMR 3.00 and as a provider of wireless prepaid service, YourTel understands that the surcharge applies monthly and will be remitted in accordance with 560 CMR 3.00.

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D.T.C. 3-9 Certify that handsets provided to YourTel's Lifeline customers upon activation of service are E-911 compliant, and that YourTel will replace any non-compliant handsets with compliant handsets at no charge for existing customers who obtain Lifeline service.

Response: YourTel certifies that handsets provided to YourTel's Lifeline customers upon activation of service are E-911 compliant, and that YourTel will replace any non-compliant handsets with compliant handsets at no charge for existing customers who obtain Lifeline service.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-10 Certify that YourTel's Lifeline subscribers will have the ability to make 911 calls even if they are out of minutes.

Response: YourTel certifies that YourTel's Lifeline subscribers will have the ability to make 911 calls even if they are out of minutes.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-11 In its response to D.T.C. 1-6, YourTel indicates that it will be filing an amendment to its petition with additional service plans. When does YourTel anticipate filing that amendment?

Response: Please see the Amended Petition, filed herewith.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-12 Describe with specificity the costs associated with initial connection that YourTel recoups with its activation fee as well as the Link-Up subsidy.

Response: YourTel respectfully points out to the Commission that the Link-Up program is not a cost based program and is in fact revenue based. We are aware of the growing premise that this element of the program was intended to cover specific costs such as the cost of personnel and equipment to connect facilities from the PSTN to the NID.

Though the wireless business is different in this regard, there still exists substantial underlying costs and the following comprise the basis for this fee.

They include such costs as:

Neighborhood retail stores and call centers that:

- Explain the lifeline program
- Sign up customers
- Explain the service
- Explain how to use the phone
- Explain Lifeline rules
- Check for duplication
- Verify compliance and documentation

An Audit group that:

- Verifies eligibility
- Re-checks for duplication

A Provisioning Department that:

- Programs Phones
- Enters phones into carrier provisioning

A Warehouse Department that:

- Tests phones
- Handles returns
- Handles defectives
- Distributes phones
- Packages phones
- Stickers phones

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Furthermore, as a small provider, YourTel does not have the same financial advantages as the rest of the wireless industry. The wireless industry is accustomed to average yearly revenues of \$158 billion dollars¹, with average revenue per unit of \$50.72.² The Lifeline wireless model will only have average revenues of \$9.93 (Average Federal support). Furthermore, the industry average cost per gross add (cpga) is \$358.00.³ Because of entrepreneurial efficiencies our cpga is significantly less, but still higher than our activation fee. Wireline carriers report a margin around \$22.82 per subscriber which affords them a return in under 16 months.

A carrier like YourTel that must purchase part of their services in part from an underlying carrier has margins closer to \$3 which results in a return in almost 35 months. Because of this reality we customarily charge an activation fee for both wireline and wireless. Due to the realities of our customer demographic, we cannot expect long term contracts nor would it be good public policy for us to charge early termination fees. In designing the low-income program the FCC was thus obviously aware of this reality and defers part of that cost for the consumer. It is key to recognize that the intention of the program is to make obtaining telephone service affordable so as to achieve near 100% penetration.

Also many carriers, in addition to long term agreements and early termination fees, also charge an activation fee. Major carriers like Verizon and AT&T charge \$35⁴ ⁵ and \$36⁶ respectively.

Person Responsible for Answer: Dale Schmick

¹ http://files.ctia.org/pdf/CTIA__Survey_Midyear_2010_Graphics.pdf, page2.

² [http://www.wikinvest.com/stock/MetroPCS_\(PCS\)](http://www.wikinvest.com/stock/MetroPCS_(PCS)).

³ Id.

⁴ <http://answers.yahoo.com/question/index?qid=20100127134135AAAtNMjC>.

⁵ <http://www.verizonwireless.com/ReturnPolicy.shtml>.

⁶ <http://www.wireless.att.com/answer-center/main.jsp?solutionId=52268&t=solutionTab>.

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D.T.C. 3-13 Indicate when, if ever, Link-Up would apply to a reactivation fee.

Response: Link Up would never apply to a reactivation fee.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-14 The updated Terms and Conditions, submitted as attachments to YourTel's responses to D.T.C. 1-14 and D.T.C. 2-22, state that: "An eligible YourTel wireless customer may only receive one Link-Up discount at their address, and can only receive a second or subsequent Link-Up discount only for a principal place of residence with an address different from the residence address at which the Link Up assistance was provided previously."

- a. Please confirm that Link-Up is only available for a subsequent, and not a second, Lifeline service.
- b. Please clarify how this change of address rule applies in a wireless context.

Response: Per 47 U.S.C. § 54.411(c), YourTel confirms that Link-Up is only available for a subsequent, and not a second, Lifeline service.

Should a wireless customer change their address of record while maintaining an active wireless account, that situation does not require an activation fee or, thus, involve Link Up support. In the situation of a wireless customer, who previously had service with YourTel and who has subsequently moved to a new address applies for service, a customary activation fee and Link Up support are valid.

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D.T.C. 3-15 In its response to D.T.C. 1-26, YourTel provides a list of fees applicable to Lifeline and non-Lifeline Massachusetts customers. Directory assistance is not included on that list. In its response to D.T.C. 2-35, YourTel confirms that a directory assistance fee of \$1.50 applies to Lifeline customers. Are there any additional fees to add to the list provided in response to D.T.C. 1-26?

Response: No.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-16 Are there any fees required by an entity other than YourTel – specifically, 911-related fees or taxes – that will apply to Massachusetts Lifeline customers? If so, please specify each.

Response: No. YourTel will be remitting any state applicable fee on behalf of our customers.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-17 In its response to D.T.C. 2-9, YourTel states that: “Regardless of the distribution method or the make-up of the mode of distribution ultimately employed in Massachusetts, YourTel’s employees are the auditors of the process and certify and verify the eligibility of each of its Lifeline subscribers.” Please clarify what it means for YourTel’s employees to be the auditors of the process. Will YourTel’s employees have direct contact with each Lifeline subscriber during the certification and verification process?

Response: Yes. This means that not only are our employees making sure that applicants are completing an application accurately, we are also employing a process of double checking and verification.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-18 In its response to D.T.C. 2-14, YourTel provides as an attachment a Lifeline/LinkUp Application Form ("Application") that it intends to use in Massachusetts.

- a. The Application describes the monthly reduction amount for Lifeline subscribers in Washington (not Massachusetts). In addition, the last full paragraph of the Application indicates TerraCom as the Lifeline provider (not YourTel). Please clarify.
- b. The Application lists a fax number for customers to return a completed form. However, no mailing address is provided. Will customers be able to mail a completed form to a designated address?
- c. Will YourTel accept applications from customers who use the application form provided by the Department on its website?

Response: The reference to TerraCom was a scrivener's error which has been corrected. YourTel has modified the application form to include a mailing address. Please see the attachment to this response.

As YourTel's application contains stronger self-certification language and will not lead to customer or internal processing confusion with the inclusion of other carriers, YourTel will only accept the YourTel designed application. However, should an applicant present the Department application, we will work with the applicant to make it as easy as possible for he or she to complete a YourTel version instead.

Person Responsible for Answer: Dale Schmick



Application for Massachusetts Universal Service Fund
MASSACHUSETTS LIFELINE/LINKUP

Attachment
3-18

You may qualify for a discount on your monthly telephone bill if you or a dependent residing in your household is receiving low-income benefits under certain programs.

- Lifeline is available to qualifying low-income subscribers for residence service.
- Linkup offers a \$30.00 discount on the initial installation, on the basic installation. Link up is available for a first time only at the applicant's principal place of residence.
- Washington Lifeline subscribers certified under a Low-Income program may receive a reduction of up to \$13.50 per month.

If you or a dependent residing in your household are receiving benefits from one or more of the programs listed below, please check all that apply, complete the remainder of the form, and **mail or fax completed form to:**
YourTel America Attn: Lifeline Department 401 E. Memorial Rd., Suite 500 Oklahoma City, OK 73114 Fax to 1 (877) 388-1083

LOW INCOME PROGRAMS

I certify under penalty of perjury that I, or a dependent residing in my household, currently receive benefits from one or more of the programs listed below:

- | | |
|---|---|
| <input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP) f/k/a Food Stamps | <input type="checkbox"/> Supplemental Security Income |
| <input type="checkbox"/> Fuel Assistance (Low-Income Home Energy Assistance Program (LIHEAP)) | <input type="checkbox"/> MassHealth or Medicaid |
| <input type="checkbox"/> Transitional Aid to Families with Dependent Children (TAFDC) | |
| <input type="checkbox"/> Emergency Aid to the Elderly, Disabled and Children (EAEDC) | |

I certify under penalty of perjury that the above is true and further asserts he/she will follow all Lifeline/Link-up rules as noted above. I also certify that my household currently receives benefits from at least one of the programs above, my telephone is listed in my name, I am not listed as a dependent on another person's tax return (unless over the age of 60) and the address listed is my primary residence. I also certify that I will only receive one Lifeline connection and will not have simultaneous Lifeline connections with another provider. If I am participating in another Lifeline program at the time I apply for YourTel America Wireless Lifeline service, I agree to cancel that Lifeline service with any other provider. I agree to notify YourTel America immediately if my household ceases to participate in the program(s) listed above or changes to an alternate program not indicated. I confirm local voice service discounts under the low income programs are limited to one per household. I authorize YourTel America to access any records required to verify my statements herein and to confirm my continued eligibility for Lifeline assistance.

_____ Customer Signature/Date	_____ Telephone Number Where You Can Be Reached
_____ Customer Name (please print)	_____ Address
_____ City, State, Zip Code	_____ Date

COMPANY USE ONLY

Please check one of the following:

- New ☐ Recert ☐ Add Lifeline ☐

_____ Company Representative Signature	_____ ESN
_____ Title	
_____ Account Number	_____ MOBILE NUMBER
_____ Date	

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D.T.C. 3-19 In its response to D.T.C. 2-25, YourTel states that: “Within YourTel’s requested service area, the only area where customers would have no coverage would be the Monroe Bridge wire center and thus we will withdraw that from our application.” Please explain why YourTel has elected not to provide coverage in the Monroe Bridge wire center. Is the Monroe Bridge wire center the only area within Massachusetts where YourTel’s Lifeline subscribers will not have coverage?

Response: Our underlying carriers provide insufficient coverage in Monroe Bridge and therefore feel it is inadvisable to sign up consumers in that area. Simply put, our application contained the areas we felt we could offer good service to our customers and upon further analysis we determined we erred in including Monroe Bridge. With this amendment we will be only certificated in areas where we have good coverage.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-20 In its response to D.T.C. 2-31, YourTel indicates that a subscriber's 60 day account history averages 10-15 pages in length and is available at no charge via the yourtelwireless.com website. In light of the above, explain why YourTel charges \$50 for a printed copy of a subscriber's 60 day account history.

Response: YourTel has reviewed the instances of demand for this service, as well as the cost, and, as such, has changed its policy and will not be charging any fee for a printed copy of a subscriber's account history.

Person Responsible for Answer: Dale Schmick

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D.T.C. 3-21 In its response to D.T.C. 2-35, YourTel states that the \$1.50 directory assistance fee is “deducted from the [Lifeline] customer’s available minutes.” How many minutes are deducted for that fee?

Response: Due to recent new underlying agreements, YourTel’s lifeline service in MA will at this time not involve a fee for directory assistance calls other than minutes.

Person Responsible for Answer: Dale Schmick