



BEFORE THE ARIZONA CORPORATION C

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GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

Arizona Corporation Commission

DOCKETED

JUN 26 2012

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IN THE MATTER OF THE APPLICATION
OF T-MOBILE WEST CORPORATION FOR
CONDITIONAL DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS
CARRIER FOR THE PURPOSES OF
ESTABLISHING ELIGIBILITY TO
PARTICIPATE IN THE MOBILITY FUND
PHASE I AUCTION ON SEPTEMBER 27,
2012 AT THE FCC

DOCKET NO. T-20822A-12-0138
DECISION NO. 73250
ORDER

Open Meeting
June 19 and 20, 2012
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

I. Procedural History

1. On April 6, 2012, T-Mobile West Corporation ("T-Mobile"), pursuant to sections 214(e)(2) of the Communications Act of 1934 (the "Act") and the rules of the FCC, including 47 C.F.R. §§ 54.1003, petitioned the Commission for conditional designation as an Eligible Telecommunications Carrier ("ETC") for the purpose of establishing eligibility to participate in the Mobility Fund Phase I auction at the Federal Communications Commission ("FCC") that is scheduled to be held on September 27, 2012 ("Auction 901").¹

¹ *Mobility Fund Phase I Auction Scheduled for September 27, 2012, Comment Sought on Competitive Bidding Procedures for Auction 901 and Certain Program Requirements, AU Docket No. 12-25, Public Notice, DA 12-121 (rel. Feb.2, 2012) ("Phase I Mobility Fund PN").*

1 II. Mobility Fund Phase I

2 2. On November 18, 2011, the Federal Communications Commission ("FCC")
3 released its Report and Order and Further Notice of Proposed Rulemaking in the Matter of
4 Connect America Fund, WC Docket Nos. 10-90, et al. (FCC 11-161) ("*USF/ICC Transformation*
5 *Order*") in which the FCC established a universal service goal of "ubiquitous availability of
6 mobile services".² In transforming the federal Universal Service High-Cost Fund and to support
7 this new goal, the FCC created a universal service support mechanism, the Mobility Fund,
8 dedicated exclusively to mobile services. The first part of Phase I of the Mobility Fund will
9 provide up to \$300 million in one-time support to "immediately accelerate deployment of
10 networks for mobile voice and broadband services in unserved area."³ There are numerous
11 unserved census block groups⁴ throughout the country where carriers may bid to receive Mobility
12 Fund support to build infrastructure over which to deliver 3G or better broadband and voice
13 service.⁵ Specifically, there are unserved census blocks in every county in Arizona (see
14 Attachment A).

15 3. In order to participate in Auction 901, a carrier must be designated as an ETC at the
16 time it files its Short-form application for participation in the auction. T-Mobile seeks ETC
17 designation for federal universal service support that is conditioned upon T-Mobile winning
18 support from the Mobility Fund Phase I auction, which is permitted by the FCC's *USF/ICC*
19 *Transformation Order*.⁶ In order to meet the deadline to file Short-form applications for Auction
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21
22 ² See *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and*
23 *Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified*
24 *Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal*
25 *Service Reform – Mobility Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket
26 No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report
27 and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (*USF/ICC Transformation*
28 *Order*), at para. 298.

³ See *USF/ICC Transformation Order*, para. 28.

⁴ Census blocks are the smallest geographic area for which the Bureau of the Census collects and tabulates census data. A census block group is a combination of census blocks.

⁵ See http://wireless.fcc.gov/auctions/default.htm?job=auCTION_summary&id=910. See also *Eligible Telecommunications Carrier Designation for Participation in Mobility Fund Phase I*, WC Docket No. 09-197; WT Docket No. 10-208; AU Docket No. 12-25, Public Notice, DA 12-271 at para. 2 (rel. February 24, 2012) ("*Phase I Mobility Fund Designation PN*").

⁶ See *USF/ICC Transformation Order*, footnote 665; 47 C.F.R. section 54.1003(a).

1 901, which are due prior to 6:00 pm, Eastern Time on July 11, 2012⁷, T-Mobile has also requested
2 expedited Commission review of this application.

3 **III. Company Overview**

4 4. T-Mobile West Corporation is a Delaware corporation headquartered out of
5 Bellevue, Washington and is a subsidiary of T-Mobile USA, Inc., which is owned by Deutsche
6 Telecom AG ("DT").⁸ T-Mobile has been providing wireless services in Arizona since 1998,
7 under its predecessor's name, VoiceStream Wireless Corporation. In 2001, Voicestream Wireless
8 was acquired by DT and renamed T-Mobile.⁹

9 5. In its Application¹⁰, T-Mobile states it is a national facilities-based provider of
10 wireless voice, messaging, and data services. T-Mobile further states it employs more than 400
11 individuals at approximately 37 Company-owned retail locations along with other points of dealer-
12 owned distribution in Arizona. T-Mobile states it had approximately 33.2 million mobile
13 customers nationwide at the end of the fourth quarter of 2011.

14 **IV. Requirements for Designation as an ETC and T-Mobile's Compliance with the** 15 **Requirements**

16 6. Designation as an ETC makes a carrier eligible to receive federal universal service
17 funds. The requirements for designation of ETCs are specified by federal law in 47 U.S.C. §
18 214(e)(1), which states: "A common carrier designated as an eligible telecommunications
19 carrier under paragraph (2) or (3) shall be eligible to receive universal service support in
20 accordance with section 254 and shall throughout the service area for which the designation is
21 received: (A) offer the services that are supported by Federal universal service support
22 mechanisms under section 254(c), either using its own facilities or a combination of its own
23 facilities and resale of another carrier's services (including the services offered by another eligible
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25 ⁷ Public Notice, DA 12-641, May 2, 2012, Mobility Fund Phase I Auction Scheduled For September 27, 2012, Notice
and Filing Requirements and Other Procedures for Auction 901 (*"Auction 901 Notice and Filing Requirements"*).

26 ⁸ On June 25, 2012, T-Mobile West Corporation, a Delaware corporation, will convert to and become T-Mobile West
LLC, a Delaware limited liability company. The authority granted to T-Mobile West Corporation in this Order will
27 apply to T-Mobile West LLC upon the conversion of T-Mobile West Corporation to T-Mobile West LLC on June 25,
2012.

28 ⁹ Response to STF 1.1.

¹⁰ Application, Page 3.

1 telecommunications carrier); and (B) advertise the availability of such services and the
2 corresponding charges using media of general distribution.”

3 7. The Telecommunications Act of 1996 (“1996 Act”) defines “service area” as a
4 geographic area established by a State commission for the purpose of determining universal
5 service obligation and support mechanisms. In the case of an area served by a rural ILEC, “service
6 area” means such company’s “study area” unless and until the Commission and the States, after
7 taking into account recommendations of a Federal-State Joint Board instituted under section
8 410(c), establish a different definition of service area for such company.¹¹

9 8. For the purposes of this Application, the term “census block” will be used in place
10 of “service area”.

11 **A. Offering the Services Designated for Support**

12 9. On December 23, 2011, the FCC adopted and released an Order on
13 Reconsideration, in which the FCC modified, on its own motion, the definition of “voice
14 telephony”, as adopted in the *USF/ICC Transformation Order*.¹² In that Order, the FCC reduced
15 its former list of nine supported services to four supported services and amended 47 C.F.R. §
16 54.101 to specify the “voice telephony services” supported by federal universal service support
17 mechanisms.¹³

18 10. 47 C.F.R. § 54.101, sets forth the services that a carrier must offer in order to
19 receive Federal universal service fund support. The services and T-Mobile’s response to the
20 provision of each service are as follows:

- 21 a) Voice grade access to the Public Switched Network. “Voice grade access to the Public
22 Switched Network” is defined as a functionality that enables a user of
23 telecommunications services to transmit voice communications, including signaling the

24 ¹¹ 47 U.S.C. § 214(e)(5).

25 ¹² See *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and*
26 *Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified*
27 *Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal*
28 *Service Reform-Mobility Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket
No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Order on
Reconsideration, FCC 11-189 (rel. Dec. 23, 2011) (*USF/ICC Transformation Order on Reconsideration*) at para. 3.

¹³ *Id* at para. 78; see also *id.* App. A at 536 (revising section 54.101(a) of the Commission’s rules); see 76 FR 73830,
73870 (Nov. 29, 2011) (revising 47 C.F.R. § 54.101(a) with an effective date of December 29, 2011).

1 network that the caller wishes to place a call, and receive voice communications,
2 including receiving a signal indicating there is an incoming call. For purposes of this
3 Part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz.
4 T-Mobile states¹⁴ it meets this requirement through its provision of mobile voice
5 communications service and interconnection to the public switched telephone network.

- 6
- 7 b) Local usage. "Local usage" means minutes of use for local exchange service,
8 prescribed by the Federal Communications Commission, provided free of charge to end
9 users. T-Mobile states¹⁵ it meets this requirement by providing an amount of local
10 usage free of charge in each universal service rate plan.
- 11 c) Access to emergency services. "Access to emergency services" includes access to
12 services, such as 911 and enhanced 911, provided by local governments or other public
13 safety organizations. 911 is defined as a service that permits a telecommunications
14 user, by dialing the three-digit code "911", to call emergency services through a Public
15 Safety Access Point ("PSAP") operated by the local government. "Enhanced 911" is
16 defined as 911 service that includes the ability to provide automatic numbering
17 information ("ANI"), which enables the PSAP to call back if the call is disconnected,
18 and automatic location identification ("ALI"), which permits emergency service
19 providers to identify the geographic location of the calling party. "Access to emergency
20 services" includes access to 911 and enhanced 911 services to the extent the local
21 government in an eligible carrier's service area has implemented 911 or enhanced 911
22 systems. T-Mobile states¹⁶ it meets this requirement by providing 911 service and
23 meeting all requests for E911 service from local PSAPs.
- 24 d) Toll Limitation for Qualifying Low-Income Consumers. "Toll limitation denotes either
25 toll blocking or toll control for eligible telecommunications carriers that are incapable
26 of providing both services. For eligible telecommunications carriers that are capable of
27 providing both services, 'toll limitation' denotes toll blocking and toll control."¹⁷ T-
28 Mobile states¹⁸ its typical service offerings do not distinguish between toll and non-toll
calls and therefore toll limitation service is not applicable to such offerings.¹⁹

20 11. T-Mobile states²⁰ it is a common carrier, and it has the ability to provide all the
21 supported services and functionalities required in the proposed ETC census blocks to all
22 subscribers taking service under its Lifeline plan. Based on the above information and
23

24 ¹⁴ Application, Page 9.

25 ¹⁵ Application, Page 9.

26 ¹⁶ Application, Page 9.

27 ¹⁷ 47 C.F.R. § 54.400(d)

28 ¹⁸ Application, Pages 9-10.

¹⁹ In its *Lifeline Reform Order*, the FCC stated "[i]n this Order, we relieve ETCs of the obligation to offer TLS in the first instance if their Lifeline offering does not distinguish in the pricing of toll and non-toll calls, which may relieve many ETCs of the obligation to offer TLS." *Lifeline Reform Order* at ¶238.

²⁰ Application, Page 7.

1 explanations provided by T-Mobile, Staff believes that T-Mobile meets this requirement for ETC
2 designation.

3 12. In order to be designated as an ETC, a carrier must offer Lifeline service to all
4 qualifying low-income customers within its service area.²¹ Lifeline service provides basic
5 telephone service, typically by passing on discounts to monthly telecommunications charges. T-
6 Mobile proposes to provide post-paid services with a discount applied to monthly service charges
7 for Lifeline customers residing within the census blocks should T-Mobile be awarded Mobility
8 Fund Phase I support.

9 13. In its application²², T-Mobile states it will offer all of the supported services using
10 its own facilities within the census blocks in Arizona should it win Mobility Fund Phase I support.
11 Therefore, Staff believes that T-Mobile meets this requirement for ETC designation.

12 **B. Advertising of Supported Services**

13 14. 47 U.S.C. § 214(e)(1)(B) requires a common carrier designated as an eligible
14 telecommunications carrier to advertise the availability of such services and the corresponding
15 charges using media of general distribution. To comply with this requirement, T-Mobile states²³ it
16 will advertise the availability of, and charges for, its universal service offerings using media of
17 general distribution, and will undertake outreach initiatives to increase consumer awareness of T-
18 Mobile's Lifeline service offering, consistent with all applicable requirements.²⁴ T-Mobile states it
19 currently advertises its wireless telecommunications services using radio, television, billboards,
20 print, internet, and targeted mailings. T-Mobile states it will use the appropriate media outlets to
21 advertise its universal service offerings in a manner consistent with applicable requirements, and,
22 for its Lifeline service offerings, it will undertake outreach initiatives designed to reach eligible
23 low-income consumers and will include all required disclosures in its Lifeline advertising and
24 outreach.²⁵ Lifeline advertising will be specifically targeted to those who may qualify for Lifeline
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26 _____
27 ²¹ 47 C.F.R. §§ 54.405 and 54.411(a).

28 ²² Application, Page 7

²³ Application, Pages 8 and 10-11.

²⁴ 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2).

²⁵ 47 C.F.R. §§ 54.405(b) and (c).

1 service and be provided in both English and Spanish. In addition, T-Mobile agrees to comply with
2 all FCC form and content requirements that apply to all ETCs providing Lifeline service.

3 T-Mobile provided examples of its Lifeline advertisements in other jurisdictions directly to Staff
4 for review.

5 15. Based on the information above and T-Mobile's advertising materials provided to
6 Staff, Staff concludes that T-Mobile will advertise the availability of its supported services and the
7 corresponding charges using media of general distribution as required by 47 U.S.C. §
8 214(e)(1)(B). Staff believes that T-Mobile meets this ETC designation criteria.

9 **C. Additional ETC Requirements**

10 16. In addition to the requirements listed above, on February 6, 2012, the FCC released
11 an Order in FCC 12-11, *Lifeline and Link Up Reform and Modernization ("Lifeline Reform*
12 *Order")*²⁶, in which the FCC adopted comprehensive reforms to the low-income program to revise
13 and modernize the Lifeline service requirements and implement measures to address fraud, waste,
14 and abuse within the system. Below are the additional requirements and T-Mobile's response to
15 each requirement.

16 **C.1 A Commitment and Ability to Provide Supported Services**

17 17. In 47 C.F.R. § 54.202(a)(1)(i) and (ii), the FCC required the applicant to:

18 (a) Certify that it will comply with the service requirements applicable to the
19 support that it receives; and

20 (b) Submit a five-year plan that describes with specificity proposed
21 improvements or upgrades to the applicant's network throughout its
22 proposed service area.²⁷

21 18. T-Mobile states²⁸ it will serve all consumers within its designated census blocks,
22 and certifies that it will comply with the service requirements applicable to the support that it
23 receives.

24 ...

25 ...

26 _____
27 ²⁶ *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of*
28 *Proposed Rulemaking*, WC Docket No. 11-42, FCC 12-11, released February 6, 2012 ("*Lifeline Reform Order*").

²⁷ *Ibid.*, ¶ 21.

²⁸ Application, Pages 8 and 11.

1 19. In addition, T-Mobile states²⁹ it will use universal service funding consistent with
2 the applicable requirements for funding received under the Phase I Mobility Fund. The FCC has
3 specific requirements that providers must meet when awarded Mobility Fund Phase I support.
4 Mobility Fund Phase I recipients are obligated to provide supported services over a 3G or better
5 network with specific data transmission speeds.³⁰ Specifically, recipients that provide the
6 supported services over 3G networks will have two years from authorization of support to meet
7 their requirements while those deploying 4G networks will have three years. At the end of the
8 build-out periods, recipients must provide service over the areas in which they received support
9 over at least 75 percent of the total road miles in the identified census blocks.³¹

10 20. T-Mobile states it will use funding to construct facilities and provide service in the
11 census blocks where it receives Mobility Fund Phase I funding. T-Mobile commits it will prepare
12 and file with the Commission a comprehensive service improvement plan (“SIP”) for its ETC
13 census block areas after the FCC awards funding through its reverse auction, and will provide the
14 SIP to the Commission pursuant to the appropriate protective order.

15 21. Based on the above information, Staff believes that T-Mobile meets this ETC
16 designation criteria.

17 **C.2 Remain Functional in Emergency Situations**

18 22. In 47 C.F.R. § 54.202(a)(2), the FCC outlines the requirement that an ETC
19 applicant demonstrate its ability to remain functional in emergency situations. Specifically, “an
20 applicant must demonstrate that it has a reasonable amount of back-up power to ensure
21 functionality without an external power source, is able to reroute traffic around damaged facilities,
22 and is capable of managing traffic spikes resulting from emergency situations.”³²

23 23. T-Mobile states it has the “ability to remain functional in emergency situations.”³³
24 T-Mobile states it has a reasonable amount of back-up power to ensure functionality without an
25

26 ²⁹ Application, Pages 11-12.

27 ³⁰ See FCC ICC/USF Transformation Order at paragraphs 360-362.

28 ³¹ *Auction 901 Notice and Filing Requirements*, ¶ 28 and ¶ 142.

³² *Ibid.*, ¶ 25.

³³ 47 C.F.R. § 54.202(a)(2).

1 external power source, is able to re-route traffic around damaged facilities, and is capable of
2 managing traffic spikes resulting from emergency situations.

3 24. Based on the above information, Staff believes that T-Mobile meets this ETC
4 designation criteria.

5 **C.3 Satisfy Consumer Protection and Service Quality Standards**

6 25. In 47 C.F.R. § 54.202(a)(3), the FCC requires an ETC applicant to demonstrate its
7 commitment to meeting consumer protection and service quality standards in its application...³⁴
8 The sufficiency of other commitments will be considered on a case-by-case basis.

9 26. To demonstrate its commitment to meeting consumer protection, T-Mobile states³⁵
10 it will satisfy applicable consumer protection and service quality standards in accordance with 47
11 C.F.R. § 54.202(a)(3). T-Mobile states it abides by the CTIA-The Wireless Association's
12 Consumer Code for Wireless Service ("Consumer Code") and has been a signatory of the
13 Consumer Code since 2003. In Exhibit 1 of the Application, T-Mobile included a CTIA letter of
14 certification, dated October 7, 2011, indicating it was CTIA compliant with the Consumer Code.

15 27. Based on the above information, Staff believes that T-Mobile meets this ETC
16 designation criteria.

17 **D. Steps to Limit Fraud, Waste and Abuse of the FUSF**

18 28. In the *Lifeline Reform Order*, the FCC adopted various new measures and revised
19 or eliminated other existing measures in order to limit fraud, waste and abuse of the Federal
20 Universal Service Fund ("FUSF"). These measures include establishing uniform eligibility criteria
21 to qualify for Lifeline services, clarifying the restriction of one Lifeline telephone allowed per
22 household, initial certification and annual re-certification of consumer eligibility, establishing a
23 national lifeline accountability database to ensure and enforce the one-per-household requirement,
24 total elimination of toll limitation support for wireless carriers and a tapered elimination of toll
25 limitation support for landline ETCs, elimination of the Link Up subsidy except on federally-
26 recognized tribal lands and establishing additional provisions for USAC audits.

27 ³⁴ *Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 05-46* (rel. March
28 17, 2005), ¶ 28.

³⁵ Application, Page 12.

1 29. T-Mobile states³⁶ it will take steps to limit fraud, waste and abuse of the FUSF and
2 will comply with all applicable Lifeline requirements and implement measures to prevent fraud,
3 waste, and abuse.

4 **E. Public Interest Determination**

5 30. Under Section 214 of the Act, the FCC and state commissions must determine that
6 an ETC designation is consistent with the public interest, convenience and necessity for rural
7 areas. They also must consider whether an ETC designation serves the public interest consistent
8 with Section 254 of the Act. Congress did not establish specific criteria to be applied under the
9 public interest tests in Sections 214 or 254. The public interest benefits of a particular ETC
10 designation must be analyzed in a manner that is consistent with the purposes of the Act itself,
11 including the fundamental goals of preserving and advancing universal service; ensuring the
12 availability of quality telecommunications services at just, reasonable, and affordable rates; and
13 promoting the deployment of advanced telecommunications and information services to all regions
14 of the nation, including rural and high-cost areas.³⁷ Accordingly, before designating a carrier as an
15 ETC, the Commission must make an affirmative determination that such designation is in the
16 public interest, regardless of whether the applicant seeks designation in an area served by a rural or
17 non-rural carrier.

18 31. T-Mobile believes its designation as an ETC serves the public interest by expanding
19 the availability of next generation networks that increase customer choice and service availability
20 and making available to consumers new service offerings, including wireless broadband and
21 Lifeline services. Granting T-Mobile ETC designation will allow T-Mobile to participate in the
22 FCC's Auction 901 and bid to serve portions of Arizona that currently do not have access to 3G or
23 better mobile wireless services. If T-Mobile is successful in winning support from the FCC's
24 Mobility Fund, the public interest is served by (i) more customer choices for basic and advanced
25 communications needs; (ii) new service offerings with competitive pricing, services, and features;
26 and (iii) construction and operation of telecommunications facilities and services in unserved areas

27 ³⁶ Application, Page 8 and footnote 28.

28 ³⁷ In the Matter of Federal-State Joint Board on Universal Services, CC Docket No. 96-45, Order FCC 05-46 (¶40),
Adopted: February 25, 2005, Released: March 17, 2005.

1 of the state to deploy 3G or better networks. Additionally, T-Mobile's designation will not impact
2 the federal universal service fund, since the FCC has set aside up to \$300 million for the Mobility
3 Fund Phase I auction.

4 **F. Designated Service Area**

5 32. The Commission must establish a geographic area for the purpose of determining
6 universal service obligations and support mechanisms for each designated ETC. *See* 47 U.S.C. §
7 214(e)(2); 47 C.F.R. § 54.201(b).

8 33. Given that T-Mobile is seeking conditional ETC designation so that it may
9 participate in the Mobility Fund Auction Phase I, the census blocks that T-Mobile will be serving
10 have yet to be determined. As such, when T-Mobile is awarded Mobility Fund support, T-Mobile
11 shall make a tariff filing with a description of the census block areas. This tariff filing must
12 include the coverage area of the census blocks, both in map form and by wire center and/or zip
13 code and/or alternative description acceptable to Staff.

14 **G. Reporting Requirement for Prepaid Wireless Deactivations**

15 34. At this time, T-Mobile is only proposing to offer post-paid calling plans to Lifeline
16 customers. However, if in the future T-Mobile offers prepaid calling plans to Lifeline customer,
17 Staff recommends that T-Mobile be required to provide a quarterly report of the number of
18 customers with periods of inactivity greater than 60 days, but did not cancel service with T-
19 Mobile, are no longer qualified for Lifeline service or who voluntarily deactivate service. The
20 purpose of this report is to monitor the number of deactivated customers so that T-Mobile does not
21 continue to receive Lifeline reimbursement per handset for these customers every month from the
22 Universal Service Administrative Company ("USAC"). In compiling the data for these reports, T-
23 Mobile must comply with 47 C.F.R. §54.405(e)(3), in which the FCC outlines the de-enrollment
24 policy for non-usage and 47 C.F.R. §54.407(c), in which the FCC defines activities that constitute
25 usage. The quarterly report must also include the total number of Lifeline customers and, as
26 separate items, the number of customers who voluntarily relinquish their T-Mobile provided
27 Lifeline service, the number of customers who do not annually recertify their eligibility for
28 Lifeline services and the number of customers deactivated for 60 days of inactivity.

1 **V. Staff Recommendation**

2 35. Staff recommends that T-Mobile's Application for conditional designation as an
3 ETC be approved subject to the following conditions:

- 4 (a) T-Mobile shall be designated as a ETC only for the census blocks in which it is
5 awarded Mobility Fund Phase I support and approved by FCC. T-Mobile shall notify
6 the Commission within 10 days of notice from the FCC if it is awarded Mobility Fund
7 Phase I support. If no support is awarded to T-Mobile, T-Mobile shall notify the
8 Commission within 10 days of the FCC publically announcing carriers to be awarded
9 Mobility Fund Phase I support. If T-Mobile is not awarded support, its ETC
10 designation shall be null and void upon notice filed in this docket from T-Mobile.
- 11 (b) T-Mobile shall coordinate with Tribal communities should there be federally
12 recognized tribal lands within the census block areas in which T-Mobile is awarded
13 Mobility Fund Phase I support and meet any and all federal requirements associated
14 with providing Lifeline services in tribal communities.
- 15 (c) Within 90 days prior to providing service, T-Mobile shall file either a new tariff or
16 amend an existing tariff, in a format acceptable to Staff, for those census blocks for
17 which it was awarded Mobility Fund Phase I support and approved by FCC. The tariff
18 filing must include the coverage area of the census blocks, both in map form and by
19 wire center and/or zip code and/or alternative description acceptable to Staff.
- 20 (d) Should T-Mobile seek to expand its Lifeline and Link Up service beyond the
21 designated census blocks for which T-Mobile wins Mobility Fund Phase I support, T-
22 Mobile shall be required to seek ETC designation from the Commission to serve
23 additional areas.
- 24 (e) In the event of a Transfer of Control that involves T-Mobile, a new ETC petition shall
25 be filed with the Commission. This will ensure ETCs undergoing reorganization remain
26 financially viable and able to provide the supported services throughout the designated
27 service areas as originally approved by the Commission.
- 28 (f) T-Mobile shall notify the Commission of any future changes to its rates, terms and/or
conditions regarding its Lifeline offerings and file such changes in its tariff and amend
its tariff in compliance with A.R.S. § 40-367.
- (g) T-Mobile shall apprise the Commission of any customer complaints that may arise
from its ETC service offerings by making a filing in Docket No. T-20822A-12-0138.
- (h) T-Mobile shall provide a regulatory contact to the Commission by filing such
information in Docket No. T-20822A-12-0138.
- (i) In the event that T-Mobile requests to relinquish its ETC status and no longer provide
Lifeline services, it must provide notice to both the Commission and its customers.
Such notice(s) shall be in accordance with A.A.C. R14-2-1107.

1 (j) T-Mobile shall submit an annual report by April 15th of each year, beginning April 15,
2 2013, that contains its total number of Lifeline subscribers, total amount of Federal
3 USF support received and an affidavit stating that the Lifeline discounts or the
4 equivalent are equal to the amount of total Federal USF support per line. The annual
5 filing shall be submitted as a compliance item in this docket.

6 (k) That in the event T-Mobile offers prepaid Lifeline calling plans, T-Mobile shall submit
7 a quarterly report detailing the total number of Lifeline customers, the total number of
8 customers removed from the customer base due to 60-day inactivity, the number of
9 customers removed from the customer base due to annual verification and the total
10 number of customers who voluntarily relinquished Lifeline service. In compiling the
11 data for these reports, T-Mobile must comply with 47 C.F.R. §54.405(e)(3), in which
12 the FCC outlines the deenrollment policy for non-usage and 47 C.F.R. §54.407(c), in
13 which the FCC defines activities that constitute usage. The quarterly report should be
14 submitted as a compliance item in this docket on the 15th of the month following the
15 end of each calendar quarter, beginning with the first complete quarter following the
16 offering of prepaid Lifeline calling plans.

11 CONCLUSIONS OF LAW

12
13 1. T-Mobile West Corporation is a telecommunications corporation as defined in
14 A.R.S. § 40-201.

15 2. The Commission has jurisdiction over the subject matter of the application.

16 3. Under 47 U.S.C. § 214(e)(1), a common carrier that is designated as an Eligible
17 Telecommunications Carrier must, throughout its census block areas, offer the services that are
18 supported by the Federal Universal Service Support mechanisms either by using its own facilities
19 or a combination of its own facilities and resale of another carrier's services. The carrier must also
20 advertise the availability of such services and the rates for the services using media of general
21 distribution.

22 4. T-Mobile meets the requirements for ETC designation under 47 U.S.C. § 214 and
23 C.F.R. § 54.201 *et seq.*, subject to T-Mobile's compliance with the conditions set forth in Finding
24 of Fact No. 34 herein.

25 5. The authority granted to T-Mobile West Corporation in this Order will apply to T-
26 Mobile West LLC upon the conversion of T-Mobile West Corporation to T-Mobile West LLC on
27 June 25, 2012.

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ORDER

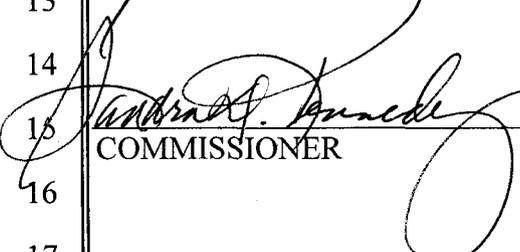
IT IS THEREFORE ORDERED that the application of T-Mobile West Corporation for conditional designation as an Eligible Telecommunications Carrier pursuant to U.S.C. § 214(e)(1) for the purpose of establishing eligibility to participate in the Mobility Fund Phase I auction at the Federal Communications Commission that is scheduled to be held on September 27, 2012, be and hereby is approved, subject to T-Mobile West Corporation's compliance with the conditions set forth in Finding of Fact No. 34 above.

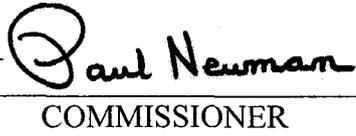
IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

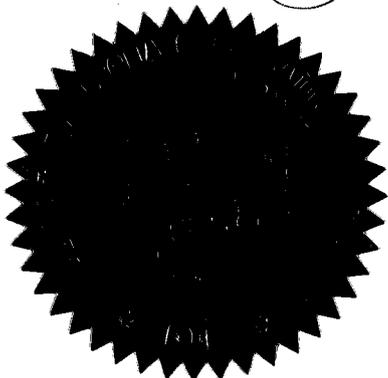

CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER



IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 26 day of June, 2012.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:LLM:sms/MAS

1 SERVICE LIST FOR: T-Mobile West Corporation
2 DOCKET NO. T-20822A-12-0138

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4 Attorney for T-Mobile West Corporation
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13 Bellevue, Washington 98006

14 Mr. Steven M. Olea
15 Director, Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington Street
18 Phoenix, Arizona 85007

19 Ms. Janice M. Alward
20 Chief Counsel, Legal Division
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

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County Name	Unserved Blocks	Unserved Tracts	Unserved Road Miles	Unserved Population	CMA	CMA Name
Apache	3,152	13	4,285.751	3,964	320	AZ 3 - Navajo
Cochise	323	7	987.076	558	323	AZ 6 - Graham
Coconino	1,525	9	5,610.739	681	319	AZ 2 - Coconino
Gila	550	10	1,127.854	2,029	322	AZ 5 - Gila
Graham	339	4	976.096	115	323	AZ 6 - Graham
Greenlee	216	2	565.644	68	323	AZ 6 - Graham
La Pez	310	6	609.852	40	321	AZ 4 - Yuma
Maricopa	306	8	887.013	240	26	Phoenix
Mohave	1,383	9	6,116.961	784	318	AZ 1 - Mohave
Navajo	2,121	17	2,581.009	12,307	320	AZ 3 - Navajo
Pima	493	12	1,666.590	1,077	77	Tucson
Pinal	49	4	70.082	6	322	AZ 5 - Gila
Santa Cruz	109	4	386.909	389	323	AZ 6 - Graham
Yavapai	543	14	1,172.181	527	319	AZ 2 - Coconino
Yuma	116	5	699.344	2	321	AZ 4 - Yuma
Totals	11,535	124	27,743.101	22,787		

Unserved Blocks - Census Blocks lacking in 3G coverage or better.

Unserved Tracts - Predefined aggregations by the FCC of eligible census blocks

CMA - Cellular Market Area

*Data derived from <http://www.fcc.gov/maps/mobility-fund-phase-1-eligible-areas>