

OPEN MEETING



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MEMORANDUM

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Arizona Corporation Commission

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2013 JUL -1 A 10:10

TO: THE COMMISSION

FROM: Utilities Division

JUL -1 2013

AZ CORP COMMISSION
DOCKET CONTROL

DATE: July 1, 2013

DOCKETED BY	
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RE: IN THE MATTER OF THE APPLICATION OF BLUE JAY WIRELESS, LLC FOR DESIGNATION AS A WIRELESS ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF ARIZONA. (DOCKET NO. T-20853A-12-0316)

1. PROCEDURAL HISTORY

On July 9, 2012, Blue Jay Wireless, LLC ("Blue Jay") filed an application requesting designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act") and Section 54.201 *et seq.* of the Rules of the Federal Communications Commission ("FCC"). In its Application, Blue Jay requests that the Arizona Corporation Commission ("ACC" or "Commission") designate it as a wireless ETC for the purpose of receiving Federal Universal Service Fund ("FUSF") support for low-income customers only (i.e., Lifeline¹). Blue Jay is not requesting high cost support.

On August 3, 2012, the Arizona Local Exchange Carriers Association ("ALECA") filed a motion to intervene.

On August 14, 2012, a Procedural Order granted ALECA's request for intervention in this proceeding.

On January 17, 2013, a Stipulation between ALECA and Blue Jay was filed in the docket.

2. BACKGROUND

Blue Jay is a Texas limited liability company with principal offices at 5010 Addison Circle, Addison, TX 75001. Blue Jay proposes to provide wireless Lifeline services through the resale of Commercial Mobile Radio Service ("CMRS") provided by other wireless carriers. Blue Jay currently serves over 400 wireless customers,² none of which are Lifeline customers. Blue Jay is currently designated as an ETC in nine (9) jurisdictions³ and has applications pending to

¹ Federal Lifeline Assistance provides discounts on basic monthly service at the primary residence for qualified telephone subscribers. The federal support amount provided to the ETC is \$9.25 and \$34.25 for service provided to qualified telephone subscribers residing on federally-recognized tribal lands.

² Response to Staff Data Request STF 1.23.

³ Third Supplemental Response to Staff Data Request STF 1.3: Colorado, Missouri, Nevada, Puerto Rico, Rhode Island, South Carolina, Texas, Utah, Wisconsin and US Territory - Puerto Rico.

provide wireless Lifeline services in fifteen (15) jurisdictions⁴ excluding Arizona. Blue Jay will provide wireless service through a Mobile Virtual Network Enabler (“MVNE”) intermediary⁵ to obtain services from licensed wireless network operators Sprint Nextel (“Sprint”), Verizon Wireless (“Verizon”),⁶ and T-Mobile⁷ and does not own or operate any of its own wireless facilities. Blue Jay’s arrangement through a MVNE and the underlying wireless carrier services of Sprint, T-Mobile and Verizon enables it to offer services wherever the underlying wireless carriers offer service in the State of Arizona. Both non-rural and rural incumbent local exchange carriers (“ILECs”) provide wireline service within these areas. For its proposed designated service area, Blue Jay provided a list of wire centers in which it will provide service and identified the ILECs serving each wire center in Exhibit A of its response to Staff Data Request STF 1.1.

On February 6, 2012, the FCC released an Order in FCC 12-11, *Lifeline and Link Up Reform and Modernization (“Lifeline Reform Order”)*,⁸ in which the FCC adopted comprehensive reforms to the low-income program to revise and modernize the Lifeline service requirements and implement measures to address fraud, waste and abuse of the FUSF. Within that Order, the FCC found that a grant of blanket forbearance of the requirement that an ETC use its own facilities (“the own-facilities requirement”) subject to certain public safety and compliance obligations, was appropriate for carriers seeking to provide Lifeline-only service.⁹ Specifically, in the *Lifeline Reform Order*, the FCC states it will conditionally grant forbearance from the Act’s Section 214(e)(1)(A) facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 (E911) public safety requirements; and (2) FCC Wireline Competition Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.¹⁰

On May 11, 2012, Blue Jay submitted its initial Compliance Plan to the FCC in order to benefit from the “blanket forbearance” of the own-facilities requirement to provide Lifeline services. Blue Jay submitted its final Revised Compliance Plan (“RCP”) on December 19, 2012,

⁴ Third Supplemental Response to Staff Data Request STF 1.3: Hawaii, Minnesota, Oklahoma, Pennsylvania, Washington, and Federal ETC designation for Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia and the District of Columbia.

⁵ An MVNE intermediary is a third party vendor that negotiates with the underlying wireless carriers on behalf of their client – in this case, Blue Jay. Blue Jay has contracts with both Natel Networks, LLC (“Natel Wireless”) and Telecom Services Bureau, Inc. (“TSBI”) but has not concluded which MVNE it will use in Arizona.

⁶ Application, Page 2.

⁷ Blue Jay informed Staff via a telephone call on May 3, 2013 that they were adding T-Mobile as an underlying carrier for their wireless services.

⁸ *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, released February 6, 2012 (“*Lifeline Reform Order*”).

⁹ *Ibid.*, at paras. 368-381.

¹⁰ *See id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 2186 (Wireline Comp. Bur. 2012).

making changes as the result of discussions with FCC Staff. On December 26, 2012, in DA 12-2063, the FCC issued a Public Notice¹¹ approving Blue Jay's December 19, 2012 RCP.

3. REQUIREMENTS FOR DESIGNATION AS AN ETC AND BLUE JAY'S COMPLIANCE WITH THE REQUIREMENTS

Designation as an ETC makes a carrier eligible to receive federal universal service funds. The requirements for designation of ETCs are specified by federal law in 47 U.S.C. § 214(e)(1), which states:

“A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with section 254 and shall throughout the service area for which the designation is received: (A) offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and (B) advertise the availability of such services and the corresponding charges using media of general distribution.”

In order to be designated as an ETC, a carrier must offer Lifeline service to all qualifying low-income customers within its service area.¹² Lifeline service provides basic telephone service, typically by passing on discounts to monthly telecommunications charges. As a wireless reseller of prepaid wireless service, Blue Jay is proposing to offer qualified customers a free handset and the choice of two free minute prepaid calling plans¹³ and two Lifelines plans for qualified customers residing on federally-recognized tribal lands.¹⁴ Lifeline customers also have the option of purchasing blocks of additional voice minutes and text messages¹⁵ but are not obligated to purchase the additional services voice minutes and text messages. Lifeline customers may select various options, such as data services on a month-to-month basis. The

¹¹ See "Wireline Competition Bureau Approves the Compliance Plans of AirVoice Wireless, AmeriMex Communications, Blue Jay Wireless, Millennium 2000, Nexus Communications, Platinumtel Communications, Sage Telecom, Telrite and Telscape Communications, Public Notice from FCC Wireline Competition Bureau, WC Docket Nos. 09-197 and 11-42 (rel. December 26, 2012).

¹² 47 C.F.R. §§ 54.405 and 54.411(a)

¹³ See Application, page 6 and RCP, Pages 23-24. Blue Jay is offering Lifeline customers a choice of 125 free monthly minutes/text messages with monthly rollover of unused minutes/texts messages or 250 free monthly minutes/text messages with no rollover to Lifeline customers.

¹⁴ See response to Staff Data Request STF 2.4 and RCP, Pages 23-24. Blue Jay is offering Lifeline customers residing on federally-recognized tribal lands a choice of 1,000 monthly voice minutes/text messages for a payment of \$1 or unlimited monthly voice minutes for a payment of \$5. Both of these options also require the Lifeline customer to pay all applicable taxes, surcharges and fees in addition to the \$1 or \$5 payment.

¹⁵ Options include: add \$5 to a Lifeline account to purchase an additional 250 monthly minutes, providing them with a total of 500 voice minutes/text messages in a month (250 free minutes plus 250 additional minutes) or add \$20 to a Lifeline account to purchase an additional 750 voice minutes, providing them with a total of 1,000 voice minutes (250 free minutes plus 750 additional minutes) and 1,000 text messages. Customers selecting either of these options must enter into a one year term commitment and enroll in auto debit with a valid credit/debit card.

selection of optional services requires Lifeline customers to pay all applicable taxes, surcharges and fees.¹⁶

As indicated above, the FCC granted Blue Jay forbearance from the own-facilities requirement that it provide Lifeline service using its own facilities or a combination of its own facilities and resale of another carrier's service and also any criteria related to facilities build out plans. Blue Jay would be a Lifeline-only ETC, eligible only for Lifeline support and must meet all the other criteria required of ETCs.

A. Offering the Services Designated for Support

On December 23, 2011, the FCC adopted and released an Order on Reconsideration in which the FCC modified, on its own motion, the definition of "voice telephony", as adopted in the *USF/ICC Transformation Order*.¹⁷ In that Order, the FCC reduced its former list of nine supported services to four supported services and amended 47 C.F.R. § 54.101 to specify the "voice telephony services" supported by federal universal service support mechanisms.¹⁸

47 C.F.R. § 54.101, sets forth the services that a carrier must offer in order to receive Federal Universal Service Fund support. The services and Blue Jay's response to the provision of each service are as follows:

- (1) Voice grade access to the Public Switched Network. "Voice grade access to the Public Switched Network" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and receive voice communications, including receiving a signal indicating there is an incoming call. For purposes of this Part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz. Blue Jay states¹⁹ it will provide voice grade access to the public switched telephone network via resale of Verizon Wireless, T-Mobile and Sprint mobile services to low income customers in its designated service area.
- (2) Local usage. "Local usage" means minutes of use for local exchange service, prescribed by the Federal Communications Commission, provided free of charge to

¹⁶ Minutes and text messages do not carry forward from month-to-month. Customers may incur state sales tax and fees at the point of purchase should the customer choose to add minutes/services to their account.

¹⁷ See *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal 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.

¹⁸ *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).

¹⁹ Application, Page 6.

end users. Blue Jay states²⁰ it will provide its Lifeline customers with a set of minutes of use for local service at no charge to customers.

- (3) Access to emergency services. "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911", to call emergency services through a Public Safety Access Point ("PSAP") operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information ("ANI"), which enables the PSAP to call back if the call is disconnected, and automatic location identification ("ALI"), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. Blue Jay states²¹ all its customers will have access to emergency calling services at the time Lifeline service is initiated, and such 911 and E911 access will be available from Blue Jay's handsets even if the account associated with the handset has no minutes remaining.
- (4) Toll Limitation for Qualifying Low-Income Consumers. "Toll limitation denotes either toll blocking or toll control for eligible telecommunications carriers that are incapable of providing both services. For eligible telecommunications carriers that are capable of providing both services, 'toll limitation' denotes toll blocking and toll control."²² In the *Lifeline Reform Order* the FCC relieved ETCs of the obligation to offer toll limitation services if their Lifeline offering does not distinguish in the pricing of toll and non-toll calls.²³ Blue Jay's wireless calling plans do not distinguish between non-toll (i.e., local) and toll. Blue Jay's prepaid plans include a specific number of minutes that cannot be exceeded. Therefore, customers cannot incur any charges for excessive toll calling or be disconnected for non-payment.

In its application and RCP, Blue Jay states it has the ability to provide all the supported services and functionalities required in the proposed ETC designated service area to all subscribers taking service under its Lifeline plan through arrangements with its underlying carrier. Based on the above information and explanations, Staff believes that Blue Jay meets this ETC designation criteria.

²⁰ Application, Page 6 and RCP, Page 26.

²¹ Application, Page 7 and RCP, Page 3.

²² 47 C.F.R. § 54.400(d).

²³ *Lifeline Reform Order*, ¶238.

B. Advertising of Supported Services

47 U.S.C. § 214(e)(1)(B) requires a common carrier designated as an eligible telecommunications carrier to advertise the availability of such services and the corresponding charges using media of general distribution. Blue Jay states²⁴ it will advertise the availability of its service and charges in a manner reasonably designed to reach Lifeline-eligible consumers and will comply with the FCC's revised rules regarding information to be included in advertisements.²⁵ Blue Jay's advertising efforts will include using media such as newspapers of general circulation, and radio and television as a means of reaching those consumers that are likely to qualify for Lifeline services. Blue Jay will use these advertising media to advertise the availability of its services to Lifeline customers and will expand its advertising efforts if necessary to ensure that Lifeline-eligible customers are aware of the service offerings.²⁶ Advertisements will be both English and Spanish. Blue Jay submitted an example of its Lifeline advertisement to Exhibit C of its Application and in Exhibit C in its RCP to the FCC.

Based on the information above and Blue Jay's advertising materials provided to Staff, Staff concludes that Blue Jay will advertise the availability of its supported services and the corresponding charges using media of general distribution as required by 47 U.S.C. § 214(e)(1)(B). Staff believes that Blue Jay meets this ETC designation criteria.

C. Additional ETC Requirements

In addition to the requirements listed above the FCC adopted, in the *Lifeline Reform Order*, comprehensive reforms to the low-income program to revise and modernize the Lifeline service requirements and implement measures to address fraud, waste, and abuse within the system. Below are the additional requirements and Blue Jay's response to each requirement.

C.1 A Commitment and Ability to Provide Supported Services

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

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

(ii) Submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network throughout its proposed service area. Each applicant shall estimate the area and population that will be served as a result of the improvements. Except, a common carrier seeking designation as an eligible telecommunications carrier in order to provide supported services only under subpart E of this part does not need to submit such a five-year plan.²⁷

²⁴ Application, Page 8 and Response to Staff Data Request STF 1.30.

²⁵ 47 C.F.R. §§ 54.201(d)(2), 54.405(b).

²⁶ See 47 C.F.R. § 54.405(b) and (c).

²⁷ *Lifeline Reform Order*, ¶ 386.

Blue Jay certifies²⁸ that it will comply with the service requirements applicable to the support that it receives. Further, Blue Jay states²⁹ it will provide all the telecommunications services supported by the Lifeline program and will make the services available to all qualified customers throughout its designated service area. The requirement directing submissions of a formal network improvement plan under 47 C.F.R. § 54.202(a)(1)(ii) does not apply to Blue Jay because it is seeking only to provide supported services under subpart E of this part, i.e. Lifeline only, and the FCC waived the facilities-based requirements for Blue Jay.

Based on the above information, Staff believes that Blue Jay meets this ETC designation criteria.

C.2 Remain Functional in Emergency Situations

In 47 C.F.R. § 54.202(a)(2), the FCC outlines the requirement that an ETC applicant demonstrate its ability to remain functional in emergency situations. Specifically, “an applicant must demonstrate that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.”³⁰

To demonstrate its ability to remain functional in emergency situations, Blue Jay states³¹ it will utilize the Sprint, T-Mobile and Verizon Wireless networks to provide Blue Jay’s mobile services. As such, Blue Jay will have access to the extensive and well established Sprint, T-Mobile and Verizon Wireless networks and facilities and believes that the Sprint, T-Mobile and Verizon Wireless networks are capable of managing traffic spikes that may occur during emergency situations and can reroute traffic in the event of damaged facilities. Blue Jay also understands that Sprint, T-Mobile and Verizon Wireless have sufficient back-up power to ensure functionality if its external power supply is unavailable. Therefore, through its underlying carrier(s), Blue Jay states it has the ability to remain functional in emergency situations.

Based on the above information, Staff concludes that Blue Jay has demonstrated its ability to remain functional in emergency situations by maintaining a reasonable amount of back-up power. Staff believes that Blue Jay meets this ETC designation criteria.

C.3 Satisfy Consumer Protection and Service Quality Standards

In 47 C.F.R. § 54.202(a)(3), the FCC requires an ETC applicant to demonstrate its commitment to meeting consumer protection and service quality standards in its application...³²

²⁸ RCP, Pages 26-27.

²⁹ RCP, Page 27.

³⁰ *Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 05-46* (rel. March 17, 2005) (“*ETC Minimum Requirements Report and Order*”), ¶ 25.

³¹ Application, Page 9.

³² *ETC Minimum Requirements Report and Order*, ¶ 28.

To demonstrate its ability to satisfy consumer protection and service quality standards, Blue Jay states³³ that it will comply with all applicable state and federal requirements related to consumer protection and quality standards. To demonstrate its commitment to high service quality, Blue Jay states it will comply with the with CTIA – Wireless Association® Consumer Code for Wireless Service as required by 47 C.F.R. § 54.202(a)(3). Blue Jay affirms its commitment to satisfy applicable consumer protection and service quality standards if certified as an ETC.

Based on the above information, Staff believes that Blue Jay meets this ETC designation criteria.

C.4 Lifeline-Only ETC Applicants – Financial and Technical Capability

In 47 C.F.R. § 54.202(a)(4), the FCC requires a Lifeline-only ETC applicant to demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with subpart E of this part. In the *Lifeline Reform Order*³⁴ the FCC provides guidance on specific information to be considered when determining if an applicant meets this requirement:

“...Among the relevant considerations for such a showing would be whether the applicant previously offered services to non-Lifeline customers, how long its has been in business, whether the applicant intends to rely exclusively on USF distributions to operate, whether the applicant receives or will receive revenue from other sources, and whether it has been subject to enforcement action or ETC revocation proceedings in any state.”

To demonstrate that Blue Jay is financially and technically capable of providing Lifeline service, although a start-up company, Blue Jay’s three top executives possess a combination of over 25 years of experience in the telecommunications industry,³⁵ which includes over 11 years of experience in the provision of wireline and wireless Lifeline services. As a core part of its marketing strategy, Blue Jay states³⁶ it will be actively marketing to non-Lifeline customers targeting the prepaid, credit-challenged and underbanked sector, and, consequently, will not be relying exclusively on Lifeline reimbursement for the Company’s operating revenues. In addition, Blue Jay states it has access to other financial resources including substantial cash reserves from its owners. Therefore, Blue Jay will not need to rely exclusively on USF support to provide wireless Lifeline services. Further, it has not been subject to any enforcement action at the FCC or in any state and that no ETC designations held by Blue Jay have been rescinded, revoked or terminated by the FCC or by any state.

³³ Application, Pages 9-10.

³⁴ See *Lifeline Reform Order*, ¶388.

³⁵ Response to Staff Data Request STF 2.13.

³⁶ Application, Pages 10-11 and RCP, Pages 25-26.

Having reviewed Blue Jay's financial statements and those of its owners and based on the above information, Staff believes that Blue Jay meets this ETC designation criteria.

C.5 Lifeline-Only ETC Applicants – Terms and Conditions of Lifeline Service Plans

In 47 C.F.R. § 54.202(a)(5), the FCC requires an ETC applicant to submit information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan. To the extent the ETC offers plans to Lifeline subscribers that are generally available to the public, it may provide summary information regarding such plans, such as a link to a public Web site outlining the terms and conditions of such plans.

Blue Jay provided Staff with its informational tariff³⁷ in which it describes the calling plans for Lifeline subscribers, including the number of free minutes in each calling plan, along with the terms and conditions of Lifeline service as provided by Blue Jay. Based on the information contained in Blue Jay's informational tariff, Staff believes that Blue Jay meets this ETC designation criteria.

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

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

In its RCP, Blue Jay outlines the steps it will take to limit fraud, waste and abuse of the FUSF and to comply with all applicable Lifeline requirements and implement measures to prevent fraud, waste, and abuse.

E. Public Interest Determination

Under Section 214 of the Act, the FCC and state commissions must determine that an ETC designation is consistent with the public interest, convenience and necessity for rural areas. They also must consider whether an ETC designation serves the public interest consistent with

³⁷ Response to Staff Data Request STF 1.38.

Section 254 of the Act. Congress did not establish specific criteria to be applied under the public interest tests in Sections 214 or 254. The public interest benefits of a particular ETC designation must be analyzed in a manner that is consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.³⁸ Accordingly, before designating a carrier as an ETC, the Commission must make an affirmative determination that such designation is in the public interest, regardless of whether the applicant seeks designation in an area served by a rural or non-rural carrier.

Blue Jay states that by designating it as a wireless ETC in Arizona, it will serve the public interest and the needs of low-income customers in Arizona by increasing customer choice in the areas it serves. The public interest benefits associated with Blue Jay's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and personal security afforded by mobile telephone service, the opportunity for customers to receive a high-value wireless plan and emergency services in accordance with FCC Rules. Additionally, ETC status will promote universal service by allowing Blue Jay to offer wireless service to many low-income customers who may not be able to otherwise have service. Blue Jay's Lifeline calling plans are designed to provide service to Lifeline consumers who, due to credit or deposit requirements, may not be able to obtain telephone service from more traditional wireline and wireless service providers.

F. Designated Service Area

The Commission must establish a geographic area for the purpose of determining universal service obligations and support mechanisms for each designated ETC. *See* 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201(b). Blue Jay requests that the Commission designate it as an ETC for service areas in Arizona. Through resale of wireless service provided by Sprint, T-Mobile and Verizon in Arizona, Blue Jay will provide Lifeline service in many wire centers³⁹ in the State of Arizona.

There are a number of wire centers that encompass both tribal lands and non-tribal lands. Some of the tribal lands are served by tribally-owned telephone companies and some of the tribal lands are served by non-tribally owned telephone companies. For those wire centers that encompass tribal lands, Blue Jay requested to serve the non-tribal areas of each wire center and to serve tribal lands within the service areas of Commission regulated telephone companies and cooperatives only after receiving any and all necessary licenses or other forms of approval that might be required by any Tribe and filing a copy of such licenses or other form of approval with the Commission. Attachment 1 of the Recommended Opinion and Order contains the list of wire centers to be served by Blue Jay.

³⁸ *ETC Minimum Requirements Report and Order*, ¶ 40.

³⁹ Response to Staff Data Request STF 1.1, Exhibit A.

4. INTERVENOR

A. ARIZONA LOCAL EXCHANGE CARRIERS ASSOCIATION

The Arizona Local Exchange Carriers Association is an association of telephone companies and member-owned cooperatives providing local exchange telecommunications services to customers in rural, high cost areas of Arizona. All of ALECA's members are "rural telephone companies" as defined by the Communications Act of 1934, as amended (the "Act") 47 U.S.C. § 153(37). In its Motion to Intervene, ALECA states, "Each ALECA member, including its Tribally-owned members, receives support from the Federal Universal Service Fund ("FUSF") in the form of High Cost Support. Each member also provides discounted Lifeline telephone service and receives compensation for the discounts from the FUSF." ALECA states it is concerned that Blue Jay's offering may unfairly duplicate the similar offerings of its member companies, cause the FUSF requirements to grow to the point where its member companies' FUSF compensation is endangered, and undermine public support for the FCC's universal service programs.

B. JOINT STIPULATION

On January 17, 2013, ALECA and Blue Jay filed a Stipulation in the docket. In the Stipulation, to address the potential concerns expressed by ALECA, Blue Jay agreed not to provide Lifeline service to eligible residents residing on federally-recognized tribal lands in Arizona until Blue Jay obtained any and all necessary licenses or other forms of approval that might be required by any Tribe and file a copy of such licenses or other form of approval with the Commission in this docket and a copy to ALECA's counsel. In addition, Blue Jay agreed that its Lifeline enrollment application for Arizona will require an applicant to provide a street address and include a provision that requires an applicant to self-certify under penalty of perjury that they do not reside on federally-recognized tribal lands or to identify the federally-recognized Tribe on the lands of which he or she resides. The only federally-recognized tribal lands that are included in the Joint Stipulation are those served by Commission regulated telephone companies and cooperatives and for which Blue Jay obtained any and all necessary licenses or other forms of approval that might be required by any Tribe.⁴⁰

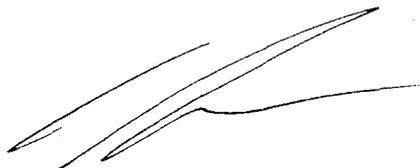
⁴⁰ In order to provide Lifeline services to eligible consumers residing on federally-recognized tribal lands served by Tribally-owned telephone companies, Blue Jay would need to petition the FCC for ETC designation in order to receive FUSF reimbursement.

5. STAFF RECOMMENDATIONS

In addition to the conditions set forth by the FCC, Staff recommends Blue Jay's Application for designation as an ETC be granted subject to the following conditions:

- a. Blue Jay shall file a tariff, in this docket, setting forth the rates, terms and conditions for its Lifeline service within thirty (30) days of a Commission Order in this matter;
- b. Blue Jay shall notify the Commission, through Docket Control, 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;
- c. Blue Jay shall make available Lifeline services to qualifying low-income applicants in its ETC service area no later than ninety (90) days after a Commission decision in this matter and shall concurrently notify the Commission, by making a filing in Docket Control in this docket, of the commencement date for such services;
- d. Blue Jay shall apprise the Commission of any customer complaints that may arise from its ETC service offerings by making a filing in Docket Control in this docket;
- e. Blue Jay shall provide a regulatory contact to the Commission by making a filing in Docket Control in this docket;
- f. In the event that Blue Jay 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;
- g. Blue Jay shall submit in Docket Control an annual report by April 15th of each year, beginning April 15, 2014, that contains its total number of Lifeline subscribers and the total amount of Federal USF support received as of December 31 of the previous calendar year and include an affidavit stating that the Lifeline discounts or the equivalent are equal to the amount of total Federal USF support received per line. The annual filing shall be submitted as a compliance item in this docket;
- h. In the event of a transfer of control that involves Blue Jay, a new ETC petition shall be filed with the Commission. This will ensure ETCs undergoing reorganization remain financially viable and able to provide the supported services throughout the designated service areas as originally approved by the Commission;
- i. Blue Jay shall not expand its Lifeline service beyond the designated service area specified in this application without acquiring ETC designation from the Commission to serve the additional area.

- j. Blue Jay shall not provide Lifeline service to eligible residents residing on federally-recognized tribal lands in Arizona, served by Commission regulated telephone companies and cooperatives, until after Blue Jay has obtained any and all necessary licenses or other forms of approval that might be required by any Tribe and filed a copy of such licenses or other form of approval with the Commission in this docket.



Steven M. Olea
Director
Utilities Division

SMO:LLM:sms\MAS

ORIGINATOR: Lori Morrison

BEFORE THE ARIZONA CORPORATION COMMISSION

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BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

IN THE MATTER OF THE APPLICATION
OF BLUE JAY WIRELESS, LLC FOR
DESIGNATION AS A WIRELESS
ELIGIBLE TELECOMMUNICATIONS
CARRIER IN THE STATE OF ARIZONA
(LIFELINE ONLY).

DOCKET NO. T-20853A-12-0316
DECISION NO. _____
ORDER

Open Meeting
July 17 and 18, 2013
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On July 9, 2012, Blue Jay Wireless, LLC ("Blue Jay") filed an Application requesting designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act") and Section 54.201 *et seq.* of the Rules of the Federal Communications Commission ("FCC"). In its Application, Blue Jay requests that the Arizona Corporation Commission ("ACC" or "Commission") designate it as a wireless ETC for the purpose of receiving federal Universal Service Fund ("FUSF") support for low-income customers only (i.e., Lifeline¹). Blue Jay is not requesting high cost support.

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¹ Federal Lifeline Assistance provides discounts on basic monthly service at the primary residence for qualified telephone subscribers. The federal support amount provided to the ETC is \$9.25 and \$34.25 for service provided to qualified telephone subscribers residing on federally-recognized tribal lands.

1 2. On August 3, 2012, the Arizona Local Exchange Carriers Association (“ALECA”)
2 filed a motion to intervene.

3 3. On August 14, 2012, a Procedural Order granted ALECA’s request for intervention
4 in this proceeding.

5 4. On January 17, 2013, a Stipulation between ALECA and Blue Jay was filed in the
6 docket.

7 **BACKGROUND**

8 5. Blue Jay is a Texas limited liability company with principal offices at 5010 Addison
9 Circle, Addison, TX 75001. Blue Jay proposes to provide wireless Lifeline services through the
10 resale of Commercial Mobile Radio Service (“CMRS”) provided by other wireless carriers. Blue
11 Jay currently serves over 400 wireless customers,² none of which are Lifeline customers. Blue Jay
12 is currently designated as an ETC in nine (9) jurisdictions³ and has applications pending to provide
13 wireless Lifeline services in fifteen (15) jurisdictions⁴ excluding Arizona. Blue Jay will provide
14 wireless service through a Mobile Virtual Network Enabler (“MVNE”) intermediary⁵ to obtain
15 services from licensed wireless network operators Sprint Nextel (“Sprint”), Verizon Wireless
16 (“Verizon”),⁶ and T-Mobile⁷ and does not own or operate any of its own wireless facilities. Blue
17 Jay’s arrangement through a MVNE and the underlying wireless carrier services of Sprint, T-
18 Mobile and Verizon enables it to offer services wherever the underlying wireless carriers offer
19 service in the State of Arizona. Both non-rural and rural incumbent local exchange carriers
20 (“ILECs”) provide wireline service within these areas. For its proposed designated service area,
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23 ² Response to Staff Data Request STF 1.23.

24 ³ Third Supplemental Response to Staff Data Request STF 1.3: Colorado, Missouri, Nevada, Puerto Rico, Rhode
Island, South Carolina, Texas, Utah, Wisconsin and US Territory - Puerto Rico.

25 ⁴ Third Supplemental Response to Staff Data Request STF 1.3: Hawaii, Minnesota, Oklahoma, Pennsylvania,
Washington, and Federal ETC designation for Alabama, Connecticut, Delaware, Florida, New Hampshire, New York,
North Carolina, Tennessee, the Commonwealth of Virginia and the District of Columbia.

26 ⁵ An MVNE intermediary is a third party vendor that negotiates with the underlying wireless carriers on behalf of their
client – in this case, Blue Jay. Blue Jay has contracts with both Natel Networks, LLC (“Natel Wireless”) and Telecom
27 Services Bureau, Inc. (“TSBI”) but has not concluded which MVNE it will use in Arizona.

28 ⁶ Application, Page 2.

⁷ Blue Jay informed Staff via a telephone call on May 3, 2013 that they were adding T-Mobile as an underlying carrier
for their wireless services.

1 Blue Jay provided a list of wire centers in which it will provide service and identified the ILEC(s)
2 serving each wire centers in Exhibit A of its response to Staff Data Request STF 1.1.

3 6. On February 6, 2012, the FCC released an Order in FCC 12-11, *Lifeline and Link*
4 *Up Reform and Modernization* (“*Lifeline Reform Order*”),⁸ in which the FCC adopted
5 comprehensive reforms to the low-income program to revise and modernize the Lifeline service
6 requirements and implement measures to address fraud, waste and abuse of the Federal Universal
7 Service Fund (“FUSF”). Within that Order, the FCC found that a grant of blanket forbearance of
8 the requirement that an ETC use its own facilities (“the own-facilities requirement”) subject to
9 certain public safety and compliance obligations, was appropriate for carriers seeking to provide
10 Lifeline-only service.⁹ Specifically, in the *Lifeline Reform Order*, the FCC states it will
11 conditionally grant forbearance from the Act’s Section 214(e)(1)(A) facilities requirement to all
12 telecommunications carriers seeking Lifeline-only ETC designation, subject to the following
13 conditions: (1) compliance with certain 911 and enhanced 911 (E911) public safety requirements;
14 and (2) FCC Wireline Competition Bureau approval of a compliance plan providing specific
15 information regarding the carrier and its service offerings and outlining the measures the carrier
16 will take to implement the obligations contained in the *Order*.¹⁰

17 7. On May 11, 2012, Blue Jay submitted its initial Compliance Plan to the FCC in
18 order to benefit from the “blanket forbearance” of the own-facilities requirement to provide
19 Lifeline services. Blue Jay submitted its final Revised Compliance Plan (“RCP”) on December 19,

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26 ⁸ *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, released February 6, 2012 (“*Lifeline Reform Order*”).

27 ⁹ *Ibid.*, at paras. 368-381.

28 ¹⁰ *See id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans
pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of*
Compliance Plans Pursuant to the Lifeline Reform Order, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC
Rcd 2186 (Wireline Comp. Bur. 2012).

1 2012, making changes as the result of discussions with FCC Staff. On December 26, 2012, in DA
2 12-2063, the FCC issued a Public Notice¹¹ approving Blue Jay's December 19, 2012 RCP.

3 **REQUIREMENTS FOR DESIGNATION AS AN ETC AND NEXUS' COMPLIANCE**
4 **WITH THE REQUIREMENTS**

5 8. Designation as an ETC makes a carrier eligible to receive federal universal service
6 funds. The requirements for designation of ETCs are specified by federal law in 47 U.S.C. §
7 214(e)(1), which states:

8 "A common carrier designated as an eligible telecommunications carrier under paragraph
9 (2) or (3) shall be eligible to receive universal service support in accordance with section
10 254 and shall throughout the service area for which the designation is received: (A) offer
11 the services that are supported by Federal universal service support mechanisms under
12 section 254(c), either using its own facilities or a combination of its own facilities and
13 resale of another carrier's services (including the services offered by another eligible
14 telecommunications carrier); and (B) advertise the availability of such services and the
15 corresponding charges using media of general distribution."

16 9. In order to be designated as an ETC, a carrier must offer Lifeline service to all
17 qualifying low-income customers within its service area.¹² Lifeline service provides basic
18 telephone service, typically by passing on discounts to monthly telecommunications charges. As a
19 wireless reseller of prepaid wireless service, Blue Jay is proposing to offer qualified customers a
20 free handset and the choice of two free minute prepaid calling plans¹³ and two Lifelines plans for
21 qualified customers residing on federally-recognized tribal lands.¹⁴ Lifeline customers also have
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23 ¹¹ See "Wireline Competition Bureau Approves the Compliance Plans of AirVoice Wireless, AmeriMex
24 Communications, Blue Jay Wireless, Millennium 2000, Nexus Communications, Platinumtel Communications, Sage
25 Telecom, Telrite and Telscape Communications, Public Notice from FCC Wireline Competition Bureau, WC Docket
26 Nos. 09-197 and 11-42 (rel. December 26, 2012).

27 ¹² 47 C.F.R. §§ 54.405 and 54.411(a)

28 ¹³ See Application, page 6 and RCP, Pages 23-24. Blue Jay is offering Lifeline customers a choice of 125 free
monthly minutes/text messages with monthly rollover of unused minutes/texts messages or 250 free monthly
minutes/text messages with no rollover to Lifeline customers.

¹⁴ See response to Staff Data Request STF 2.4 and RCP, Pages 23-24. Blue Jay is offering Lifeline customers residing
on federally-recognized tribal lands a choice of 1,000 monthly voice minutes/text messages for a payment of \$1 or
unlimited monthly voice minutes for a payment of \$5. Both of these options also require the Lifeline customer to pay
all applicable taxes, surcharges and fees in addition to the \$1 or \$5 payment.

1 the option of purchasing blocks of additional voice minutes and text messages¹⁵ but are not
2 obligated to purchase the additional services voice minutes and text messages. Lifeline customers
3 may select various options, such as data services on a month-to-month basis. The selection of
4 optional services requires Lifeline customers to pay all applicable taxes, surcharges and fees.¹⁶

5 10. As indicated above, the FCC granted Blue Jay forbearance from the own-facilities
6 requirement that it provide Lifeline service using its own facilities or a combination of its own
7 facilities and resale of another carrier's service and also any criteria related to facilities build out
8 plans. Blue Jay would be a Lifeline-only ETC, eligible only for Lifeline support and must meet all
9 the other criteria required of ETCs.

10 **A. OFFERING THE SERVICES DESIGNATED FOR SUPPORT**

11 11. On December 23, 2011, the FCC adopted and released an Order on Reconsideration
12 in which the FCC modified, on its own motion, the definition of "voice telephony", as adopted in
13 the *USF/ICC Transformation Order*.¹⁷ In that Order, the FCC reduced its former list of nine
14 supported services to four supported services and amended 47 C.F.R. § 54.101 to specify the
15 "voice telephony services" supported by federal universal service support mechanisms.¹⁸

16 12. 47 C.F.R. § 54.101, sets forth the services that a carrier must offer in order to
17 receive Federal universal service fund support. The services and Blue Jay's response to the
18 provision of each service are as follows:

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21 ¹⁵ Options include: add \$5 to a Lifeline account to purchase an additional 250 monthly minutes, providing them with a
22 total of 500 voice minutes/text messages in a month (250 free minutes plus 250 additional minutes) or add \$20 to a
23 Lifeline account to purchase an additional 750 voice minutes, providing them with a total of 1,000 voice minutes (250
free minutes plus 750 additional minutes) and 1,000 text messages. Customers selecting either of these options must
enter into a one year term commitment and enroll in auto debit with a valid credit/debit card.

24 ¹⁶ Minutes and text messages do not carry forward from month-to-month. Customers may incur state sales tax and fees
25 at the point of purchase should the customer choose to add minutes/services to their account.

26 ¹⁷ See *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and*
Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified
Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal
Service Reform-Mobility Fund, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket
27 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.
28 ¹⁸ *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 (a) Voice grade access to the Public Switched Network. "Voice grade access to the
2 Public Switched Network" is defined as a functionality that enables a user of
3 telecommunications services to transmit voice communications, including signaling the
4 network that the caller wishes to place a call, and receive voice communications,
5 including receiving a signal indicating there is an incoming call. For purposes of this
6 Part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz.
7 Blue Jay states¹⁹ it will provide voice grade access to the public switched telephone
8 network via resale of Verizon Wireless, T-Mobile and Sprint mobile services to low
9 income customers in its designated service area.

10 (b) Local usage. "Local usage" means minutes of use for local exchange service,
11 prescribed by the Federal Communications Commission, provided free of charge to end
12 users. Blue Jay states²⁰ it will provide its Lifeline customers with a set of minutes of
13 use for local service at no charge to customers.

14 (c) Access to emergency services. "Access to emergency services" includes access to
15 services, such as 911 and enhanced 911, provided by local governments or other public
16 safety organizations. 911 is defined as a service that permits a telecommunications
17 user, by dialing the three-digit code "911", to call emergency services through a Public
18 Safety Access Point ("PSAP") operated by the local government. "Enhanced 911" is
19 defined as 911 service that includes the ability to provide automatic numbering
20 information ("ANI"), which enables the PSAP to call back if the call is disconnected,
21 and automatic location identification ("ALI"), which permits emergency service
22 providers to identify the geographic location of the calling party. "Access to emergency
23 services" includes access to 911 and enhanced 911 services to the extent the local
24 government in an eligible carrier's service area has implemented 911 or enhanced 911
25 systems. Blue Jay states²¹ all its customers will have access to emergency calling
26 services at the time Lifeline service is initiated, and such 911 and E911 access will be
27 available from Blue Jay's handsets even if the account associated with the handset has
28 no minutes remaining.

(d) Toll Limitation for Qualifying Low-Income Consumers. "Toll limitation denotes
either toll blocking or toll control for eligible telecommunications carriers that are
incapable of providing both services. For eligible telecommunications carriers that are
capable of providing both services, 'toll limitation' denotes toll blocking and toll
control."²² In the *Lifeline Reform Order* the FCC relieved ETCs of the obligation to
offer toll limitation services if their Lifeline offering does not distinguish in the pricing
of toll and non-toll calls.²³ Blue Jay's wireless calling plans do not distinguish between
non-toll (i.e., local) and toll. Blue Jay's prepaid plans include a specific number of
minutes that cannot be exceeded. Therefore, customers cannot incur any charges for
excessive toll calling or be disconnected for non-payment.

19 Application, Page 6.

20 Application, Page 6 and RCP, Page 26.

21 Application, Page 7 and RCP, Page 3.

22 47 C.F.R. § 54.400(d).

23 *Lifeline Reform Order*, ¶238.

1 13. In its application and RCP, Blue Jay states it has the ability to provide all the
2 supported services and functionalities required in the proposed ETC designated service area to all
3 subscribers taking service under its Lifeline plan through arrangements with its underlying carrier.
4 Based on the above information and explanations, Staff believes that Blue Jay meets this ETC
5 designation criteria.

6 **B. ADVERTISING OF SUPPORTED SERVICES**

7 14. 47 U.S.C. § 214(e)(1)(B) requires a common carrier designated as an eligible
8 telecommunications carrier to advertise the availability of such services and the corresponding
9 charges using media of general distribution. Blue Jay states²⁴ it will advertise the availability of its
10 service and charges in a manner reasonably designed to reach Lifeline-eligible consumers and will
11 comply with the FCC's revised rules regarding information to be included in advertisements.²⁵
12 Blue Jay's advertising efforts will include using media such as newspapers of general circulation,
13 and radio and television as a means of reaching those consumers that are likely to qualify for
14 Lifeline services. Blue Jay will use these advertising media to advertise the availability of its
15 services to Lifeline customers and will expand its advertising efforts if necessary to ensure that
16 Lifeline-eligible customers are aware of the service offerings.²⁶ Advertisements will be both
17 English and Spanish. Blue Jay submitted an example of its Lifeline advertisement to Exhibit C of
18 its Application and in Exhibit C in its RCP to the FCC.

19 15. Based on the information above and Blue Jay's advertising materials provided to
20 Staff, Staff concludes that Blue Jay will advertise the availability of its supported services and the
21 corresponding charges using media of general distribution as required by 47 U.S.C. §
22 214(e)(1)(B). Staff believes that Blue Jay meets this ETC designation criteria.

23 **C. ADDITIONAL ETC REQUIREMENTS**

24 16. In addition to the requirements listed above, the FCC adopted, in the Lifeline
25 Reform Order, comprehensive reforms to the low-income program to revise and modernize the
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²⁴ Application, Page 8 and Response to Staff Data Request STF 1.30.

28 ²⁵ 47 C.F.R. §§ 54.201(d)(2), 54.405(b).

²⁶ See 47 C.F.R. § 54.405(b) and (c).

1 Lifeline service requirements and implement measures to address fraud, waste, and abuse within
2 the system. Below are the additional requirements and Nexus' response to each requirement..

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

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

5 (i) Certify that it will comply with the service requirements applicable to the
6 support that it receives; and

7 (ii) Submit a five-year plan that describes with specificity proposed improvements
8 or upgrades to the applicant's network throughout its proposed service area. Each
9 applicant shall estimate the area and population that will be served as a result of the
10 improvements. Except, a common carrier seeking designation as an eligible
11 telecommunications carrier in order to provide supported services only under
12 subpart E of this part does not need to submit such a five-year plan.²⁷

13 18. Blue Jay certifies²⁸ that it will comply with the service requirements applicable to
14 the support that it receives. Further, Blue Jay states²⁹ it will provide all the telecommunications
15 services supported by the Lifeline program and will make the services available to all qualified
16 customers throughout its designated service area. The requirement directing submissions of a
17 formal network improvement plan under 47 C.F.R. § 54.202(a)(1)(ii) does not apply to Blue Jay
18 because it is seeking only to provide supported services under subpart E of this part, i.e. Lifeline
19 only, and the FCC waived the facilities-based requirements for Blue Jay.

20 19. Based on the above information, Staff believes that Blue Jay meets this ETC
21 designation criteria.

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

23 20. In 47 C.F.R. § 54.202(a)(2), the FCC outlines the requirement that an ETC applicant
24 demonstrate its ability to remain functional in emergency situations. Specifically, "an applicant
25 must demonstrate that it has a reasonable amount of back-up power to ensure functionality without
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27 ²⁷ Lifeline Reform Order, ¶ 386.

28 ²⁸ RCP, Pages 26-27.

29 ²⁹ RCP, Page 27.

1 an external power source, is able to reroute traffic around damaged facilities, and is capable of
2 managing traffic spikes resulting from emergency situations.”³⁰

3 21. To demonstrate its ability to remain functional in emergency situations, Blue Jay
4 states³¹ it will utilize the Sprint, T-Mobile and Verizon Wireless networks to provide Blue Jay’s
5 mobile services. As such, Blue Jay will have access to the extensive and well established Sprint,
6 T-Mobile and Verizon Wireless networks and facilities and believes that the Sprint, T-Mobile and
7 Verizon Wireless networks are capable of managing traffic spikes that may occur during
8 emergency situations and can reroute traffic in the event of damaged facilities. Blue Jay also
9 understands that Sprint, T-Mobile and Verizon Wireless have sufficient back-up power to ensure
10 functionality if its external power supply is unavailable. Therefore, through its underlying
11 carrier(s), Blue Jay states it has the ability to remain functional in emergency situations.

12 22. Based on the above information, Staff concludes that Blue Jay has demonstrated its
13 ability to remain functional in emergency situations by maintaining a reasonable amount of back-
14 up power. Staff believes that Blue Jay meets this ETC designation criteria.

15 C.3 Satisfy Consumer Protection and Service Quality Standards

16 23. In 47 C.F.R. § 54.202(a)(3), the FCC requires an ETC applicant to demonstrate its
17 commitment to meeting consumer protection and service quality standards in its application...”³²

18 24. To demonstrate its ability to satisfy consumer protection and service quality
19 standards, Blue Jay states³³ that it will comply with all applicable state and federal requirements
20 related to consumer protection and quality standards. To demonstrate its commitment to high
21 service quality, Blue Jay states it will comply with the with CTIA – Wireless Association®
22 Consumer Code Consumer Code for Wireless Service as required by 47 C.F.R. § 54.202(a)(3).
23 Blue Jay affirms its commitment to satisfy applicable consumer protection and service quality
24 standards if certified as an ETC.

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27 ³⁰ *Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. March 17, 2005) (“ETC Minimum Requirements Report and Order”), ¶ 25.*

28 ³¹ Application, Page 9.

³² *Ibid.*, ¶ 28.

³³ Application, Pages 9-10.

1 25. Based on the above information, Staff believes that Blue Jay meets this ETC
2 designation criteria.

3 **C.4 Lifeline-Only ETC Applicants – Financial and Technical Capability**

4 26. In 47 C.F.R. § 54.202(a)(4), the FCC requires a Lifeline-only ETC applicant to
5 demonstrate that it is financially and technically capable of providing the Lifeline service in
6 compliance with subpart E of this part. In the *Lifeline Reform Order*³⁴ the FCC provides guidance
7 on specific information to be considered when determining if an applicant meets this requirement:

8 “...Among the relevant considerations for such a showing would be whether the applicant
9 previously offered services to non-Lifeline customers, how long it has been in business,
10 whether the applicant intends to rely exclusively on USF distributions to operate, whether
11 the applicant receives or will receive revenue from other sources, and whether it has been
12 subject to enforcement action or ETC revocation proceedings in any state.”

13 27. To demonstrate that Blue Jay is financially and technically capable of providing
14 Lifeline service, although a start-up company, Blue Jay’s three top executives possess a
15 combination of over 25 years of experience in the telecommunications industry,³⁵ which includes
16 over 11 years of experience in the provision of wireline and wireless Lifeline services. As a core
17 part of its marketing strategy, Blue Jay states³⁶ it will be actively marketing to non-Lifeline
18 customers targeting the prepaid, credit challenged and underbanked sector, and, consequently, will
19 not be relying exclusively on Lifeline reimbursement for the Company’s operating revenues. In
20 addition, Blue Jay states it has access to other financial resources including substantial cash
21 reserves from its owners. Therefore, Blue Jay will not need to rely exclusively on USF support to
22 provide wireless Lifeline services. Further, it has not been subject to any enforcement action at the
23 FCC or in any state and that no ETC designations held by Blue Jay have been rescinded, revoked
24 or terminated by the FCC or by any state.

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³⁴ See *Lifeline Reform Order*, ¶388.

28 ³⁵ Response to Staff Data Request STF 2.13.

³⁶ Application, Pages 10-11 and RCP, Pages 25-26.

1 28. Having reviewed Blue Jay's financial statements and those of its owners and based
2 on the above information, Staff believes that Blue Jay meets this ETC designation criteria.

3 **C.5 Lifeline-Only ETC Applicants – Terms and Conditions of Lifeline**
4 **Service Plans**

5 29. In 47 C.F.R. § 54.202(a)(5), the FCC requires an ETC applicant to submit
6 information describing the terms and conditions of any voice telephony service plans offered to
7 Lifeline subscribers, including details on the number of minutes provided as part of the plan,
8 additional charges, if any, for toll calls, and rates for each such plan. To the extent the ETC offers
9 plans to Lifeline subscribers that are generally available to the public, it may provide summary
10 information regarding such plans, such as a link to a public Web site outlining the terms and
11 conditions of such plans.

12 30. Blue Jay provided Staff with its informational tariff³⁷ in which it describes the
13 calling plans for Lifeline subscribers, including the number of free minutes in each calling plan,
14 along with the terms and conditions of Lifeline service as provided by Blue Jay. Based on the
15 information contained in Blue Jay's informational tariff, Staff believes that Blue Jay meets this
16 ETC designation criteria.

17 **D. STEPS TO LIMIT FRAUD, WASTE AND ABUSE OF THE FUSF**

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

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³⁷ Response to Staff Data Request STF 1.38.

1 32. In its RCP, Blue Jay outlines the steps it will take to limit fraud, waste and abuse of
2 the FUSF and to comply with all applicable Lifeline requirements and implement measures to
3 prevent fraud, waste, and abuse.

4 **E. PUBLIC INTEREST DETERMINATION**

5 33. 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.³⁸ 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 34. Blue Jay states that by designating it as a wireless ETC in Arizona, it will serve the
19 public interest and the needs of low-income customers in Arizona by increasing customer choice in
20 the areas it serves. The public interest benefits associated with Blue Jay's wireless service include
21 larger local calling areas (as compared to traditional wireline carriers), the convenience and
22 personal security afforded by mobile telephone service, the opportunity for customers to receive a
23 high-value wireless plan and emergency services in accordance with FCC Rules. Additionally,
24 ETC status will promote universal service by allowing Blue Jay to offer wireless service to many
25 low-income customers who may not be able to otherwise have service. Blue Jay's Lifeline calling
26 plans are designed to provide service to Lifeline consumers who, due to credit or deposit
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³⁸ *ETC Minimum Requirements Report and Order*, ¶ 40.

1 requirements, may not be able to obtain telephone service from more traditional wireline and
2 wireless service providers.

3 **F. DESIGNATED SERVICE AREA**

4 35. The Commission must establish a geographic area for the purpose of determining
5 universal service obligations and support mechanisms for each designated ETC. *See* 47 U.S.C. §
6 214(e)(2); 47 C.F.R. § 54.201(b). Blue Jay requests that the Commission designate it as an ETC
7 for service areas in Arizona. Through resale of wireless service provided by Sprint, T-Mobile and
8 Verizon in Arizona, Blue Jay will provide Lifeline service in many wire centers³⁹ in the State of
9 Arizona.

10 36. There are a number of wire centers that encompass both tribal lands and non-tribal
11 lands. Some of the tribal lands are served by tribally-owned telephone companies and some of the
12 tribal lands are served by non-tribally owned telephone companies. For those wire centers that
13 encompass tribal lands, Blue Jay requested to serve the non-tribal areas of each wire center and to
14 serve tribal lands within the service areas of Commission regulated telephone companies and
15 cooperatives only after receiving any and all necessary licenses or other forms of approval that
16 might be required by any Tribe and filing a copy of such licenses or other form of approval with
17 the Commission. Attachment 1 of the Recommended Opinion and Order contains the list of wire
18 centers to be served by Blue Jay.

19 **INTERVENOR**

20 **1. Arizona Local Exchange Carriers Association**

21 37. The Arizona Local Exchange Carriers Association is an association of telephone
22 companies and member-owned cooperatives providing local exchange telecommunications
23 services to customers in rural, high cost areas of Arizona. All of ALECA's members are "rural
24 telephone companies" as defined by the Communications Act of 1934, as amended (the "Act") 47
25 U.S.C. § 153(37). In its Motion to Intervene, ALECA states, "Each ALECA member, including its
26 Tribally-owned members, receives support from the Federal Universal Service Fund ("FUSF") in
27 the form of High Cost Support. Each member also provides discounted Lifeline telephone service

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³⁹ Response to Staff Data Request STF 1.1, Exhibit A.

1 and receives compensation for the discounts from the FUSF.” ALECA states it is concerned that
2 Blue Jay’s offering may unfairly duplicate the similar offerings of its member companies, cause
3 the FUSF requirements to grow to the point where its member companies’ FUSF compensation is
4 endangered, and undermine public support for the FCC’s universal service programs.

5 **2. Joint Stipulation**

6 38. On January 17, 2013, ALECA and Blue Jay filed a Stipulation in the docket. In the
7 Stipulation, to address the potential concerns expressed by ALECA, Blue Jay agreed not to provide
8 Lifeline service to eligible residents residing on federally-recognized tribal lands in Arizona until
9 Blue Jay obtained any and all necessary licenses or other forms of approval that might be required
10 by any Tribe and file a copy of such licenses or other form of approval with the Commission in
11 this docket and a copy to ALECA’s counsel. In addition, Blue Jay agreed that its Lifeline
12 enrollment application for Arizona will require an applicant to provide a street address and include
13 a provision that requires an applicant to self-certify under penalty of perjury that they do not reside
14 on federally-recognized tribal lands or to identify the federally-recognized Tribe on the lands of
15 which he or she resides. The only federally-recognized tribal lands that are included in the Joint
16 Stipulation are those served by Commission regulated telephone companies and cooperatives and
17 for which Blue Jay obtained any and all necessary licenses or other forms of approval that might
18 be required by any Tribe.⁴⁰

19 **STAFF RECOMMENDATIONS**

20 39. In addition to the conditions set forth by the FCC, Staff recommends Blue Jay’s
21 Application for designation as an ETC be granted subject to the following conditions:

- 22 a. Blue Jay shall file a tariff, in this docket, setting forth the rates, terms and
23 conditions for its Lifeline service within thirty (30) days of a Commission Order in
24 this matter;
- 25 b. Blue Jay shall notify the Commission, through Docket Control, of any future
26 changes to its rates, terms and/or conditions regarding its Lifeline offerings and file
27 such changes in its tariff and amend its tariff in compliance with A.R.S. § 40-367;

28 ⁴⁰ In order to provide Lifeline services to eligible consumers residing on federally-recognized tribal lands served by
Tribally-owned telephone companies, Blue Jay would need to petition the FCC for ETC designation in order to receive
FUSF reimbursement.

- 1 c. Blue Jay shall make available Lifeline services to qualifying low-income applicants
2 in its ETC service area no later than ninety (90) days after a Commission decision
3 in this matter and shall concurrently notify the Commission, by making a filing in
4 Docket Control in this docket, of the commencement date for such services;
- 5 d. Blue Jay shall apprise the Commission of any customer complaints that may arise
6 from its ETC service offerings by making a filing in Docket Control in this docket;
- 7 e. Blue Jay shall provide a regulatory contact to the Commission by making a filing in
8 Docket Control in this docket;
- 9 f. In the event that Blue Jay requests to relinquish its ETC status and no longer
10 provide Lifeline services, it must provide notice to both the Commission and its
11 customers. Such notice(s) shall be in accordance with A.A.C. R14-2-1107;
- 12 g. Blue Jay shall submit in Docket Control an annual report by April 15th of each year,
13 beginning April 15, 2014, that contains its total number of Lifeline subscribers and
14 the total amount of Federal USF support received as of December 31 of the previous
15 calendar year and include an affidavit stating that the Lifeline discounts or the
16 equivalent are equal to the amount of total Federal USF support received per line.
17 The annual filing shall be submitted as a compliance item in this docket;
- 18 h. In the event of a transfer of control that involves Blue Jay, a new ETC petition shall
19 be filed with the Commission. This will ensure ETCs undergoing reorganization
20 remain financially viable and able to provide the supported services throughout the
21 designated service areas as originally approved by the Commission;
- 22 i. Blue Jay shall not expand its Lifeline service beyond the designated service area
23 specified in this application without acquiring ETC designation from the
24 Commission to serve the additional area; and
- 25 j. Blue Jay shall not provide Lifeline service to eligible residents residing on federally-
26 recognized tribal lands in Arizona, served by Commission regulated telephone
27 companies and cooperatives, until after Blue Jay has obtained any and all necessary
28 licenses or other forms of approval that might be required by any Tribe and filed a
copy of such licenses or other form of approval with the Commission in this docket.

CONCLUSIONS OF LAW

1. Blue Jay Wireless, LLC. is a telecommunications company as defined in A.R.S. §
40-201(46) and is a "telecommunications carrier" as defined in 47 U.S.C. § 153(51). Blue Jay is
also a reseller of Commercial Mobile Radio Service as defined in 47 U.S.C. § 20.3 and A.A.C.
R14-2-1201(8).

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

2 3. Under 47 U.S.C. § 214(e)(1), a common carrier that is designated as an Eligible
3 Telecommunications Carrier must, throughout its designated service area, offer the services that
4 are supported by the Federal Universal Service Support mechanisms either by using its own
5 facilities or a combination of its own facilities and resale of another carrier's services. The carrier
6 must also advertise the availability of such services and the rates for the services using media of
7 general distribution.

8 4. Under 47 U.S.C. § 214(e)(2), the Commission must establish the geographic area
9 for the purposes of determining universal service obligations and support mechanisms. Blue Jay's
10 application applies to the designated service area consisting of each wire center as listed in
11 Attachment 1.

12 5. Blue Jay meets the requirements for ETC designation under 47 U.S.C. § 214 and
13 C.F.R. § 54.201 *et seq.*, subject to Blue Jay's compliance with the conditions set forth in Finding
14 of Fact No. 39 herein.

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ORDER

IT IS THEREFORE ORDERED that the application of Blue Jay Wireless, LLC for designation as an Eligible Telecommunications Carrier pursuant to U.S.C. § 214(e)(1) for the purpose of receiving federal universal service support in Arizona, for the designated service area set forth in Attachment 1 attached hereto and incorporated herein by reference, be and hereby is approved, subject to Blue Jay Wireless, LLC's compliance with the conditions set forth in Finding of Fact No. 39 above.

IT IS FURTHER ORDERED that if Blue Jay Wireless, LLC does not comply with the requirements of Finding of Fact No. 39, its designation as an ETC may be revoked after due process.

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, JODI JERICH, 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 _____ day of _____, 2013.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:LLM:sms\MAS

1 SERVICE LIST FOR: BLUE JAY WIRELESS, LLC.
2 DOCKET NO. T-20583A-12-0316

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4 Attorney for Blue Jay Wireless, LLC
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15 Arizona Corporation Commission
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ATTACHMENT 1

ATTACHMENT 1
Blue Jay Wireless, LLC
Designated Service Area

Docket No. T-20853A-12-0316

AZ WIRE CENTER	OCN NAME	RC ABBRE	RURAL (Y/N)
AGFIAZSR	QWEST CORPORATION	PHOENIX	N
ASFKAZMA	QWEST CORPORATION	FLAGSTAFF	N
AZCYAZ03	QWEST CORPORATION	CASAGRANDE	N
BCKYAZMA	QWEST CORPORATION	PHOENIX	N
BISBAZMA	QWEST CORPORATION	BISBEE	N
BLCNAZMA	QWEST CORPORATION	PHOENIX	N
BNSNAZMA	QWEST CORPORATION	BENSON	N
BNSNAZSD	QWEST CORPORATION	BENSON	N
BRDSAZMA	QWEST CORPORATION	PHOENIX	N
CHNDAZMA	QWEST CORPORATION	PHOENIX	N
CHNDAZSO	QWEST CORPORATION	PHOENIX	N
CHNDAZWE	QWEST CORPORATION	PHOENIX	N
CHVYAZMA	QWEST CORPORATION	PRESCOTT	N
CLDGAZMA	QWEST CORPORATION	CASAGRANDE	N
CMVRAZMA	QWEST CORPORATION	SEDONA	N
CMVRAZRR	QWEST CORPORATION	SEDONA	N
CRCYAZNM	QWEST CORPORATION	PHOENIX	N
CRNDAZMA	QWEST CORPORATION	TUCSON	N
CSGRAZMA	QWEST CORPORATION	CASAGRANDE	N
CTWDAZMA	QWEST CORPORATION	SEDONA	N
CTWDAZSO	QWEST CORPORATION	SEDONA	N
CVCKAZMA	QWEST CORPORATION	PHOENIX	N
DDVLAZNM	QWEST CORPORATION	HAYDEN	N
DGLSAZMA	QWEST CORPORATION	DOUGLAS	N
DRVYAZNO	QWEST CORPORATION	PHOENIX	N
ELOYAZ01	QWEST CORPORATION	CASAGRANDE	N
FLGSAZEA	QWEST CORPORATION	FLAGSTAFF	N
FLGSAZMA	QWEST CORPORATION	FLAGSTAFF	N
FLGSAZSO	QWEST CORPORATION	FLAGSTAFF	N
FLRNAZMA	QWEST CORPORATION	CASAGRANDE	N
FTMDAZMA	QWEST CORPORATION	PHOENIX	N
FTMDAZNO	QWEST CORPORATION	PHOENIX	N
GDYRAZCW	QWEST CORPORATION	PHOENIX	N
GLBNAZMA	QWEST CORPORATION	GILA BEND	N
GLDLAZMA	QWEST CORPORATION	PHOENIX	N
GLOBAZMA	QWEST CORPORATION	GLOBE	N
GNVYAZMA	QWEST CORPORATION	TUCSON	N
GRCNAZMA	QWEST CORPORATION	GRANDCANYON	N
HGLYAZMA	QWEST CORPORATION	PHOENIX	N
HGLYAZQC	QWEST CORPORATION	PHOENIX	N
HMBLAZMA	QWEST CORPORATION	PRESCOTT	N
HYDNAZMA	QWEST CORPORATION	HAYDEN	N
JSCYAZMA	QWEST CORPORATION	WINSLOW	N

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Blue Jay Wireless, LLC
Designated Service Area

AZ WIRE CENTER	OCN NAME	RC/ABBRE	RURAL (Y/N)
KRNYAZMA	QWEST CORPORATION	HAYDEN	N
LTPKAZMA	QWEST CORPORATION	PHOENIX	N
MARNAZ02	QWEST CORPORATION	TUCSON	N
MARNAZ03	QWEST CORPORATION	TUCSON	N
MARNAZMA	QWEST CORPORATION	TUCSON	N
MAYRAZMA	QWEST CORPORATION	PRESCOTT	N
MESAAZGI	QWEST CORPORATION	PHOENIX	N
MESAAZMA	QWEST CORPORATION	PHOENIX	N
MIAMAZMA	QWEST CORPORATION	GLOBE	N
MMTHAZMA	QWEST CORPORATION	SAN MANUEL	N
MRCPAZMA	QWEST CORPORATION	CASAGRANDE	N
MSPKAZMA	QWEST CORPORATION	FLAGSTAFF	N
NGLSAZ03	QWEST CORPORATION	NOGALES	N
NGLSAZMA	QWEST CORPORATION	NOGALES	N
NGLSAZMW	QWEST CORPORATION	NOGALES	N
NWRVAZMA	QWEST CORPORATION	PHOENIX	N
ORCLAZMA	QWEST CORPORATION	SAN MANUEL	N
PAGEAZMA	QWEST CORPORATION	PAGE	N
PHNXAZ81	QWEST CORPORATION	PHOENIX	N
PHNXAZBW	QWEST CORPORATION	PHOENIX	N
PHNXAZCA	QWEST CORPORATION	PHOENIX	N
PHNXAZEA	QWEST CORPORATION	PHOENIX	N
PHNXAZGR	QWEST CORPORATION	PHOENIX	N
PHNXAZLV	QWEST CORPORATION	PHOENIX	N
PHNXAZMA	QWEST CORPORATION	PHOENIX	N
PHNXAZMR	QWEST CORPORATION	PHOENIX	N
PHNXAZMY	QWEST CORPORATION	PHOENIX	N
PHNXAZNE	QWEST CORPORATION	PHOENIX	N
PHNXAZNO	QWEST CORPORATION	PHOENIX	N
PHNXAZNW	QWEST CORPORATION	PHOENIX	N
PHNXAZPP	QWEST CORPORATION	PHOENIX	N
PHNXAZPR	QWEST CORPORATION	PHOENIX	N
PHNXAZSE	QWEST CORPORATION	PHOENIX	N
PHNXAZSO	QWEST CORPORATION	PHOENIX	N
PHNXAZSY	QWEST CORPORATION	PHOENIX	N
PHNXAZWE	QWEST CORPORATION	PHOENIX	N
PIMAAZMA	QWEST CORPORATION	PIMA	N
PINEAZMA	QWEST CORPORATION	PAYSON	N
PLMNAZMA	QWEST CORPORATION	BISBEE	N
PRSCAZEA	QWEST CORPORATION	PRESCOTT	N
PRSCAZMA	QWEST CORPORATION	PRESCOTT	N
PRVYAZPP	QWEST CORPORATION	PHOENIX	N
PTGNAZEL	QWEST CORPORATION	NOGALES	N

ATTACHMENT 1
Blue Jay Wireless, LLC
Designated Service Area

Docket No. T-20853A-12-0316

AZ WIRE CENTER	OCN NAME	RC ABBRE	RURAL (Y/N)
PTGNAZMA	QWEST CORPORATION	NOGALES	N
PYSNAZMA	QWEST CORPORATION	PAYSON	N
SCDLAZMA	QWEST CORPORATION	PHOENIX	N
SCDLAZSH	QWEST CORPORATION	PHOENIX	N
SCDLAZTH	QWEST CORPORATION	PHOENIX	N
SEDNAZMA	QWEST CORPORATION	SEDONA	N
SEDNAZSO	QWEST CORPORATION	SEDONA	N
SFFRAZMA	QWEST CORPORATION	SAFFORD	N
SMTNAZMA	QWEST CORPORATION	SOMERTON	N
SNMNAZMA	QWEST CORPORATION	SAN MANUEL	N
SPRAZMA	QWEST CORPORATION	SUPERIOR	N
SPRSAZEA	QWEST CORPORATION	PHOENIX	N
SPRSAZMA	QWEST CORPORATION	PHOENIX	N
SPRSAZWE	QWEST CORPORATION	PHOENIX	N
SRVSAZMA	QWEST CORPORATION	SIERRAVIST	N
SRVSAZNO	QWEST CORPORATION	SIERRAVIST	N
SRVSAZSO	QWEST CORPORATION	SIERRAVIST	N
STFDAZMA	QWEST CORPORATION	CASAGRANDE	N
TCSNAZCA	QWEST CORPORATION	TUCSON	N
TCSNAZCO	QWEST CORPORATION	TUCSON	N
TCSNAZCR	QWEST CORPORATION	TUCSON	N
TCSNAZEA	QWEST CORPORATION	TUCSON	N
TCSNAZFW	QWEST CORPORATION	TUCSON	N
TCSNAZMA	QWEST CORPORATION	TUCSON	N
TCSNAZML	QWEST CORPORATION	TUCSON	N
TCSNAZNO	QWEST CORPORATION	TUCSON	N
TCSNAZRN	QWEST CORPORATION	TUCSON	N
TCSNAZSE	QWEST CORPORATION	TUCSON	N
TCSNAZSO	QWEST CORPORATION	TUCSON	N
TCSNAZSW	QWEST CORPORATION	TUCSON	N
TCSNAZTV	QWEST CORPORATION	TUCSON	N
TCSNAZWE	QWEST CORPORATION	TUCSON	N
TEMPAZMA	QWEST CORPORATION	PHOENIX	N
TEMPAZMC	QWEST CORPORATION	PHOENIX	N
TLSNAZMA	QWEST CORPORATION	PHOENIX	N
TMBSAZMA	QWEST CORPORATION	TOMBSTONE	N
TNCKAZMA	QWEST CORPORATION	PAYSON	N
TUBCAZMA	QWEST CORPORATION	TUCSON	N
VAILAZNO	QWEST CORPORATION	TUCSON	N
VAILAZSO	QWEST CORPORATION	TUCSON	N
WCBGAZMA	QWEST CORPORATION	WICKENBURG	N
WHTKAZMA	QWEST CORPORATION	PHOENIX	N
WHTLAZMA	QWEST CORPORATION	WHITLOW	N

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ATTACHMENT 1
Blue Jay Wireless, LLC
Designated Service Area

Docket No. T-20853A-12-0316

AZ WIRE CENTER	OCN NAME	RC ABBRE	RURAL (Y/N)
WLCXAZMA	QWEST CORPORATION	WILLCOX	N
WLMSAZMA	QWEST CORPORATION	FLAGSTAFF	N
WLNAZMA	QWEST CORPORATION	YUMA	N
WNBGAZ01	QWEST CORPORATION	PHOENIX	N
WNSLAZMA	QWEST CORPORATION	WINSLOW	N
YRNLAZMA	QWEST CORPORATION	WICKENBURG	N
YUMAAZFT	QWEST CORPORATION	YUMA	N
YUMAAZMA	QWEST CORPORATION	YUMA	N
YUMAAZSE	QWEST CORPORATION	YUMA	N
AGULAZXC	TABLE TOP TELEPHONE CO., INC.	AGUILA	Y
AJO AZXC	TABLE TOP TELEPHONE CO., INC.	AJO	Y
ALPIAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	ALPINE	Y
BGDDAZXC	TABLE TOP TELEPHONE CO., INC.	BAGDAD	Y
BLCYAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	BULLHEADCY	Y
BLMSAZXF	NAVAJO COMM CO INC - AZ DBA FRONTIER	BLACK MESA	Y
BONTAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	BONITA	Y
BOUSAZXC	FRONTIER COMMUNICATIONS OF THE	BOUSE	Y
BOWIAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	BOWIE	Y
BVDMAZ01	RIO VIRGIN TELEPHONE CO., INC.	LITTLEFLD	Y
CFTNAZXC	COPPER VALLEY TELEPHONE, INC.	CLIFTON	Y
CHNLAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	CHINLE	Y
CIBCAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	WHITERIVER	Y
CIBLAZXC	FRONTIER COMMUNICATIONS OF THE	CIBOLA	Y
CLCYAZAA	SOUTH CENTRAL UTAH TELEPHONE	COLORADOCY	Y
CSELAZXC	MIDVALE TELEPHONE EXCHANGE, INC.	CASCABEL	Y
CSRKAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	CASTLEROCK	Y
DLKNAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	DILKON	Y
DLSPAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	LKMHVNRNCHS	Y
DNCNAZXC	COPPER VALLEY TELEPHONE, INC.	DUNCAN	Y
DNHSAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	DENNEHOTSO	Y
DTLDAZ01	ARIZONA TELEPHONE CO.	HYDER	Y
EHRNAZXF	FRONTIER COMMUNICATIONS OF THE	EHRENBERG	Y
ELFRAZXC	COPPER VALLEY TELEPHONE, INC.	ELFRIDA	Y
ELOYAZ05	MIDVALE TELEPHONE EXCHANGE, INC.	SILVERBELL	Y
FRDNAZAC	SOUTH CENTRAL UTAH TELEPHONE	FREDONIA	Y
FTDFAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	FTDEFIANCE	Y
GANDAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	GANADO	Y
GLVYAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	KINGMAN	Y
GRERAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	GREER	Y
GSWDAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	GREASEWOOD	Y
HEBRAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	HEBER	Y
HLBKAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	HOLBROOK	Y
HLLKAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	WHITERIVER	Y

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ATTACHMENT 1
Blue Jay Wireless, LLC
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AZ WIRE CENTER	OCN NAME	RC ABBRE	RURAL (Y/N)
KABTAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	KAIBITO	Y
KGMNAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	KINGMAN	Y
KGMNAZXE	CITIZENS UTILITIES RURAL DBA FRONTIER UT	KINGMAN	Y
KYNTAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	KAYENTA	Y
LEPPAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	LEUPP	Y
LHCYAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	LKHAVASUCY	Y
LKCHAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	LUKACHUKAI	Y
LKSDAZAE	CITIZENS TELECOM CO OF WHT MTNS INC.	PINETOP	Y
MCNRAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	WHITERIVER	Y
MDVWAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	MEADVIEW	Y
MHVYAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	MOHAVE VLY	Y
MMLKAZXC	ARIZONA TELEPHONE CO.	MORMONLAKE	Y
MNFRAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	CHINLE	Y
MRCNAZXC	ARIZONA TELEPHONE CO.	MARBLECNYN	Y
MRCNAZXE	ARIZONA TELEPHONE CO.	GREENEHVN	Y
PEORAZFS	ACCIPITER COMMUNICATIONS INC	LKPLEASANT	Y
PEORAZFS	ACCIPITER COMMUNICATIONS INC	PHOENIX	Y
PERCAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	PEARCE	Y
PINNAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	PINONCTNWD	Y
PNDLAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	SHOW LOW	Y
PNTPAZXA	CITIZENS TELECOM CO OF WHT MTNS INC.	PINETOP	Y
PNTPAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	PINETOP	Y
PRDMAZXC	FRONTIER COMMUNICATIONS OF THE	PARKER DAM	Y
PRKRAZXC	FRONTIER COMMUNICATIONS OF THE	PARKER	Y
PRTLAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	PORTAL	Y
PSTNAZXC	FRONTIER COMMUNICATIONS OF THE	PARKER DAM	Y
QRTZAZXC	SOUTHWESTERN TELEPHONE CO.	QUARTZSITE	Y
RDVYAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	RED VALLEY	Y
RHRKAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	ROUGH ROCK	Y
RKPNAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	ROCK POINT	Y
RSVTAZXC	ARIZONA TELEPHONE CO.	ROOSEVLTlk	Y
SALMAZXC	SOUTHWESTERN TELEPHONE CO.	SALOME	Y
SASBAZXC	ARIZONA TELEPHONE CO.	SASABE	Y
SCDMAZ89	MIDVALE TELEPHONE EXCHANGE, INC.	PHOENIX	Y
SGMNAZXC	TABLE TOP TELEPHONE CO., INC.	SELIGMAN	Y
SHLWAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	SHOW LOW	Y
SHNTAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	SHONTO	Y
SNDRAZXC	TABLE TOP TELEPHONE CO., INC.	SANDERS	Y
SNSMAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	SAN SIMON	Y
SNWFAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	SNOWFLAKE	Y
SNZNAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	SUNIZONA	Y
SPVLAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	SPRINGEVL	Y
STJHAZXB	CITIZENS TELECOM CO OF WHT MTNS INC.	ST JOHNS	Y

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ATTACHMENT 1
 Blue Jay Wireless, LLC
 Designated Service Area

Docket No. T-20853A-12-0316

AZWIRE CENTER	OCN NAME	RC ABBRE	RURAL (Y/N)
STMCAZXE	NAVAJO COMM CO INC - AZ DBA FRONTIER	WINDOWROCK	Y
SUPAAZXC	ARIZONA TELEPHONE CO.	SUPAI	Y
TBCYAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	TUBA CITY	Y
TNBSAZXC	ARIZONA TELEPHONE CO.	ROOSEVLTLK	Y
TNPSAZXR	NAVAJO COMM CO INC - AZ DBA FRONTIER	TEECNOSPOS	Y
TOYIAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	TOYEI	Y
TSILAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	TSAILE	Y
TXTNAZAB	CITIZENS UTILITIES RURAL DBA FRONTIER UT	PEACH SPG	Y
WDRNAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER	WIDE RUINS	Y
WHRVAZXB	CITIZENS TELECOM CO OF WHT MTNS INC.	WHITERIVER	Y
WIKPAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	WIKIEUP	Y
YONGAZXC	MIDVALE TELEPHONE EXCHANGE, INC.	YOUNG	Y
YUCCA ZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT	YUCCA	Y

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