

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

Telecommunications Carriers Eligible to Receive Universal Service Support	)	WC Docket No. 09-197
	)	
SI Wireless, LLC	)	
	)	<b>FILED/ACCEPTED</b>
Petition for Designation as an Eligible Telecommunications Carrier in the State of Tennessee	)	AUG - 2 2012
	)	
	)	Federal Communications Commission Office of the Secretary

**ORIGINAL**

**PETITION OF SI WIRELESS, LLC FOR LIMITED DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS CARRIER IN TENNESSEE**

Todd B. Lantor  
Marc A. Paul  
LUKAS, NACE, GUTIERREZ & SACHS, LLP  
8300 Greensboro Drive  
Suite 1200  
McLean, Virginia 22102  
(703) 584-8678

August 2, 2012

0x4

## TABLE OF CONTENTS

I.	BACKGROUND .....	2
A.	SI Wireless, LLC .....	2
B.	Designation of Eligible Telecommunications Carriers.....	4
C.	Description of the SI Wireless' Proposed ETC Designation Area .....	4
II.	TENNESSEE DOES NOT REGULATE CMRS CARRIERS FOR ETC DESIGNATION PURPOSES.....	5
III.	SI WIRELESS SATISFIES ALL OF THE STATUTORY AND REGULATORY PREREQUISITES FOR DESIGNATION AS AN ETC .....	6
A.	SI Wireless Is a Common Carrier .....	6
B.	SI Wireless Will Provide the Supported Services Through a Combination of Facilities-Based Service and Resale .....	7
C.	SI Wireless Will Offer All of the Services and Functionalities Supported by the Federal Universal Service Program .....	7
1.	Voice-Grade Access to the Public Switched Telephone Network.....	8
2.	Minutes of Use for Local Service at No Additional Charge.....	8
3.	Access to Emergency Services .....	9
4.	Toll Limitation .....	9
D.	SI Wireless Will Advertise the Availability of and Charges for Its Universal Service Qualifying Offerings .....	9
E.	SI Wireless Will Satisfy Its Additional Obligations as an ETC .....	10
1.	Compliance with Service Requirements and Five Year Plan .....	10
2.	Ability to Remain Functional in Emergency Situations. ....	11
3.	Consumer Protection.....	13
4.	Financial and Technical Qualifications .....	13
5.	Consumer Eligibility and Enrollment .....	15
IV.	DESIGNATING SI WIRELESS AS AN ETC WILL SERVE THE PUBLIC INTEREST.....	17
A.	SI Wireless' Designation Will Bring Improved Coverage and Service Quality.....	19
B.	SI Wireless' Investment of USF Support in Its Proposed ETC Service Area Will Lead to Significant Health and Safety Benefits.....	20
C.	Benefits of Competition.....	21
D.	SI Wireless' Designation as an ETC Will Not Result in "Cream- Skimming" .....	22
V.	ANTI-DRUG ABUSE CERTIFICATION .....	22

VI. CONCLUSION..... 22

Exhibit A Tennessee Regulatory Authority Letter

Exhibit B Maps of SI Wireless Proposed ETC Service Areas

Exhibit C List of Rural and Non-Rural Study Areas/Wire Centers to be served by SI  
Wireless in its Proposed ETC Designated Area

Exhibit D SI Wireless Certification

Exhibit E SI Wireless Lifeline Offering

Exhibit F SI Wireless (d/b/a MobileNation) Store Photos

Exhibit G SI Wireless Proposed Lifeline Application and Certification Forms

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

Telecommunications Carriers Eligible to	)	
Receive Universal Service Support	)	WC Docket No. 09-197
	)	
SI Wireless, LLC	)	
	)	
Petition for Designation as an	)	
Eligible Telecommunications Carrier	)	
in the State of Tennessee	)	

**PETITION OF SI WIRELESS, INC. FOR LIMITED DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS CARRIER IN TENNESSEE**

SI Wireless, LLC ("SI Wireless" or "the Company"), pursuant to Section 214(e) of the Communications Act of 1934 (the "Act")<sup>1</sup> and Section 54.201 *et seq.* of the FCC's Rules,<sup>2</sup> hereby submits this Petition for designation as an Eligible Telecommunications Carrier ("ETC") in the state of Tennessee for the purpose of offering Lifeline services to end-user customers in the state.

In April 2012, SI Wireless filed an ETC application to participate in the High Cost and Low-Income Universal Service Fund ("USF") support mechanisms, including the newly established Mobility Fund.<sup>3</sup> On July 3, 2012, SI Wireless was conditionally designated as an ETC by the Commission contingent upon SI Wireless becoming authorized to receive support in the Mobility Fund Phase I.<sup>4</sup> SI Wireless' request to be

---

<sup>1</sup> 47 U.S.C. § 214(e).

<sup>2</sup> 47 C.F.R. § 54.201 *et seq.*

<sup>3</sup> See Petition of SI Wireless, LLC for Designation as an Eligible Telecommunications Carrier In Tennessee (filed April 23, 2012) ("SI Wireless April 2012 Petition").

<sup>4</sup> See *Petition of SI Wireless, LLC For Designation as an Eligible Telecommunications Carrier in Tennessee*, DA 12-1012 (rel. July 3, 2012) ("*SI Wireless Order*").

designated as an ETC for purposes of providing Lifeline support to Tennessee residents was deferred by the Commission. At the request of Commission staff, SI Wireless is now filing this separate Petition to be designated as an ETC for purposes of providing Lifeline support in Tennessee.

As demonstrated in this Petition, SI Wireless meets all of the statutory and regulatory prerequisites for ETC designation, and designation of the Company as an ETC in the areas requested in Tennessee will serve the public interest. Sections 214(e) and 254 of the Act expressly authorize the Commission to designate SI Wireless as an ETC.<sup>5</sup> Section 214(e)(6) of the Act provides that the FCC may designate a common carrier as an ETC where, as here, that carrier's services are not subject to the jurisdiction of a state commission.<sup>6</sup> SI Wireless has provided an affirmative statement from the Tennessee Regulatory Authority that it lacks jurisdiction over wireless providers for purposes of ETC designations.

SI Wireless respectfully requests that the Commission grant this Petition expeditiously so that the company may provide Lifeline services and more qualified Tennessee residents can benefit from the high-quality and high-value services that the Company offers in the state.

## **I. BACKGROUND**

### **A. SI Wireless, LLC**

SI Wireless is a commercial mobile radio services ("CMRS") carrier licensed by the Commission to provide wireless communication services throughout portions of Tennessee. Formed in late 2009 by a partnership of rural independent telephone

---

<sup>5</sup> 47 U.S.C. §§ 214(e), 254.

<sup>6</sup> 47 U.S.C. §§ 214(e)(6).

companies, SI Wireless is focused on providing wireless services with 3G CDMA technology in portions of rural Tennessee, which is the focus of this application, along with Kentucky.

Using the latest in IP backhaul and the most advanced CDMA technologies, SI Wireless seeks to efficiently deliver wireless voice and EVDO broadband to promote consumer choice throughout rural, underserved markets. As rural America seeks faster broadband speeds, SI Wireless seeks to position itself to deliver 3G and, eventually 4G data services, throughout rural, underserved markets.

SI Wireless does not intend to rely on Lifeline disbursements to operate in Tennessee. However, SI Wireless seeks to provide Lifeline services as an adjunct to its current service offerings so that Tennessee consumers qualifying for the Lifeline discounts will receive the benefits of mobility, as well as the high-quality and high-value services offered by SI Wireless at a discounted price.

SI Wireless holds licenses and/or long term *de facto* spectrum transfer leases for the following personal communications service (PCS) license areas: certain counties and partial counties in MTA043 – Nashville, TN, the entire BTA120 – Dyersburg-Union City, TN, the entire BTA211 – Jackson, TN, Wayne County, TN, in BTA146 – Florence, AL, and certain counties and partial counties in BTA76 – Chattanooga, TN. SI Wireless will provide service in accordance with the terms of its leases and corresponding FCC licenses.

## **B. Designation of Eligible Telecommunications Carriers**

Sections 214(e) and 254 of the Communications Act expressly authorize the FCC to designate SI Wireless as an ETC.<sup>7</sup> Section 214(e)(6) of the Act provides that the FCC may designate a common carrier as an ETC where, as here, that carrier's services are not subject to the jurisdiction of a state commission.<sup>8</sup> That provision further states that the FCC may, in the case of any area in Tennessee served by a rural telephone company, and shall, in the case of any other area in Tennessee, designate more than one common carrier as an ETC, provided the requesting carrier: (i) offers services that are supported by federal universal service support mechanisms; and (ii) advertises the availability of such services.<sup>9</sup> The FCC's rules impose additional requirements on a common carrier seeking designation as an ETC. As demonstrated below, SI Wireless satisfies each of these requirements.

## **C. Description of the SI Wireless' Proposed ETC Designation Area**

SI Wireless, in its capacity as a provider of cellular services, is not a "rural telephone company" as that term is defined in Section 3(37) of the Act.<sup>10</sup> Accordingly, SI Wireless is required to describe the geographic area in which it requests designation.<sup>11</sup> In this Petition, SI Wireless requests ETC designation in "rural" study areas of certain incumbent local exchange carriers ("LECs") in Tennessee identified in Exhibits B and C.<sup>12</sup>

---

<sup>7</sup> 47 U.S.C. §§ 214(e), 254.

<sup>8</sup> 47 U.S.C. § 214(e)(6). The Tennessee Regulatory Authority has confirmed that wireless communications carriers, such as SI Wireless, are not subject to state jurisdiction for purposes of ETC designation. *See* Exhibit A (attached). *See also Federal-State Joint Board on Universal Service*, Twelfth Report and Order and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, at ¶ 96 (2000).

<sup>9</sup> 47 U.S.C. § 214(e)(6).

<sup>10</sup> 47 U.S.C. § 153(37).

<sup>11</sup> *See* 47 U.S.C. § 214(e). *See also Mobility Fund Phase I Public Notice* at ¶ 6.

<sup>12</sup> *See* Exhibit B (Map of SI Wireless' Proposed ETC Service Area) and Exhibit C (List of Rural and Non-

Pursuant to Section 54.207 of the FCC's Rules,<sup>13</sup> a "service area" is a "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms."<sup>14</sup> In an area served by a rural telephone company, the FCC's rules define "service area" to mean the LEC study area unless a different definition of service area is established for such company.<sup>15</sup> The Commission may designate SI Wireless as an ETC in those areas upon a finding that such designation is in the public interest, as set forth below.

## **II. TENNESSEE DOES NOT REGULATE CMRS CARRIERS FOR ETC DESIGNATION PURPOSES**

Section 254(e) of the Communications Act provides that "only an eligible telecommunications carrier designated under Section 214(e) shall be eligible to receive specific universal service support."<sup>16</sup> The Communications Act reserves the authority to designate entities as ETCs to state public utility commissions.<sup>17</sup> Pursuant to Section 214(e)(6), however, the FCC may designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a

---

Rural Study Areas/Wire Centers to Be Served by SI Wireless in its Proposed ETC Service Area). To the extent that any wire centers have been inadvertently excluded from Exhibit C, the Applicant intends to serve the entire study areas of the following rural incumbent local exchange carriers: Ardmore Telephone Company, Inc., Ben Lomand Rural Telephone Cooperative, Inc., Bledsoe Telephone Cooperative, Centurytel of Adamsville, Inc., Citizens Communications Company of Tennessee (d/b/a Frontier Communications of Tennessee, LLC), Crockett Telephone Company, Inc., Dekalb Telephone Cooperative, Humphreys County Telephone Co., Loretto Telephone Company, Inc., Peoples Telephone Company, Inc., Tennessee Telephone Company, United Telephone Company, Inc., West Kentucky Rural Telephone Cooperative Corporation, Inc., West Kentucky Rural Telephone Cooperative, Inc. and West Tennessee Telephone Company, Inc.

<sup>13</sup> 47 C.F.R. § 54.207.

<sup>14</sup> 47 C.F.R. §54.207(a).

<sup>15</sup> See 47 C.F.R. §54.207(b); see also *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, CC Docket Nos. 96-45, 00-256, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, Further Notice of Proposed Rulemaking, Report and Order, 16 FCC Rcd 11244 (2001).

<sup>16</sup> 47 U.S.C. § 254(e).

<sup>17</sup> 47 U.S.C. § 254(e).

state commission . . . .”<sup>18</sup> The FCC has established that a carrier must demonstrate that it “is not subject to the jurisdiction of a state commission” before the FCC will review any ETC designation application.<sup>19</sup> The FCC also has stated that any carrier seeking ETC designation from it must provide an “affirmative statement” from the state commission that it lacks jurisdiction to perform the ETC designation.<sup>20</sup>

The Tennessee Regulatory Authority has provided an affirmative statement that it lacks jurisdiction over wireless providers for purposes of ETC designations. The letter enclosed as Exhibit A meets the FCC’s requirements for an affirmative statement from a state commission that requests for ETC designation are not within its jurisdiction and should be sought from the FCC. Accordingly, SI Wireless requests that the FCC designate it as “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission. . . .”<sup>21</sup>

### **III. SI WIRELESS SATISFIES ALL OF THE STATUTORY AND REGULATORY PREREQUISITES FOR DESIGNATION AS AN ETC**

SI Wireless satisfies each of the statutory and regulatory prerequisites set forth in the Communications Act and the FCC’s rules:

#### **A. SI Wireless Is a Common Carrier**

Section 3(10) of the Act, 47 U.S.C. § 153(10), defines a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio. . . .” SI Wireless meets the definition of a person, offers interstate

---

<sup>18</sup> 47 U.S.C. § 214(e)(6).

<sup>19</sup> *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, Public Notice, 12 FCC Rcd 29947, 29948 (1997).

<sup>20</sup> *See Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas*, Twelfth Report and Order and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12264 (2000). *See also Mobility Fund Phase I Public Notice* at ¶ 5.

<sup>21</sup> 47 U.S.C. § 214(e)(6).

communications by radio, and is a common carrier for hire.

**B. SI Wireless Will Provide the Supported Services Through a Combination of Facilities-Based Service and Resale**

SI Wireless will provide the supported services under Section 214(e)(1)(A) of the Act<sup>22</sup> and Section 54.101(a) of the FCC's Rules<sup>23</sup> (1) by using SI Wireless' existing cellular network infrastructure, which consists of switching, trunking, cell sites, and network equipment, together with any expansions and enhancements to that network; and (2) should it become necessary, through the resale of another carrier's service. SI Wireless has the technical capability to maintain its facilities in emergencies. Therefore, SI Wireless meets the requirement that it provide the supported services using its own facilities.<sup>24</sup>

**C. SI Wireless Will Offer All of the Services and Functionalities Supported by the Federal Universal Service Program**

To be designated an ETC, the Communications Act requires carriers to certify that they provide each of the supported services.<sup>25</sup> Attached as Exhibit D is a sworn declaration that SI Wireless offers, "or will be able to offer, all of the services designated for support by the Federal Communications Commission."<sup>26</sup> SI Wireless will offer upon designation as an ETC, all of the supported services as set forth in the recently modified

---

<sup>22</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>23</sup> 47 C.F.R. § 54.101(a).

<sup>24</sup> 47 U.S.C. § 214(e)(1)(A). *See also* *Mobility Fund Phase I Public Notice* at ¶ 5. *See also* *Federal-State Joint Board on Universal Service, Report and Order*, 12 FCC Rcd 8776, 8870-71 (1997) ("We conclude, therefore, that, if a carrier uses its own facilities to provide at least one of the designated services, and the carrier otherwise meets the definition of 'facilities' adopted above, then the facilities requirement of section 214(e) is satisfied."); *id.* at 8871 ("[S]ection 214(e) does not mandate the use of any particular level of a carrier's own facilities.").

<sup>25</sup> *See, e.g.*, 47 U.S.C. § 254(c). *See also* 47 C.F.R. § 54.201(d)(1); *Mobility Fund Phase I Public Notice* at ¶ 5.

<sup>26</sup> *Designation of Fort Mojave Telecommunications, Inc., et al., as Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, AAD/USB File No. 98-28, Memorandum Opinion and Order, 13 FCC Rcd 4547, 4552 (para. 11) (1998) ("*Fort Mojave*"). In *Fort Mojave*, the FCC made it clear that it will designate carriers as ETCs, pursuant to Section 214(e)(6) of the Act, upon finding that they "offer or will be able to offer" the supported services throughout the service area.

FCC Rules, throughout the areas in which SI Wireless is requesting designation as an ETC.<sup>27</sup> SI Wireless is committed to providing high quality universal service offerings in Tennessee and will ensure that the supported services are available throughout the designated service area to all customers who make a reasonable request for service.

**1. Voice-Grade Access to the Public Switched Telephone Network.**

SI Wireless offers customers voice grade access to the Public Switched Telephone Network service as required by 47 C.F.R. 54.101(a)(1). “Voice grade access” permits a telecommunications user to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal that there is an incoming call. SI Wireless will provide its customers with “voice grade access” by enabling such customers to make and receive calls on the public switched telephone network.

**2. Minutes of Use for Local Service at No Additional Charge**

SI Wireless' service in Tennessee includes local usage that allows customers to originate and terminate calls within a local calling area without incurring toll charges. SI Wireless will continue to offer service plans that include varying amounts of local usage. SI Wireless will comply with any and all minimum local usage requirements the FCC may adopt with respect to universal service offerings. Therefore, SI Wireless satisfies the local usage criterion for ETC designation.

---

<sup>27</sup> See 47 C.F.R. §54.101(a). As recently modified, the FCC has identified the following services and functionalities as the core services to be offered by an ETC and supported by federal universal service support mechanisms: "Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911 systems ...; and toll limitation services to qualifying low-income consumers as described in subpart E of this part." 47 C.F.R. § 54.101(a) (as modified by the *Lifeline Reform Order*).

### **3. Access to Emergency Services**

SI Wireless will provide access to emergency services in conformance with the FCC's requirements. All of the phones that SI Wireless will distribute to subscribers will be capable of delivering automatic numbering information ("ANI") and automatic location information ("ALI"), and otherwise satisfy applicable enhanced-911 requirements.

### **4. Toll Limitation**

Certain low-income consumers in Tennessee will be eligible to pay reduced monthly fees under the Federal Lifeline program in which SI Wireless will participate. A general summary of SI Wireless' Lifeline offering in Tennessee is attached.<sup>28</sup> SI Wireless will offer toll limitation services, which can be in the form of "toll control" or "toll blocking" services to qualifying Lifeline customers.<sup>29</sup> Toll blocking allows customers to block the completion of outgoing toll calls. Toll control allows the customer to limit the toll charges a subscriber can incur during a billing period. Upon designation as an ETC, SI Wireless will offer toll limitation services to Lifeline customers, at no charge. Therefore, SI Wireless meets the ETC requirement of offering toll limitation services to Lifeline customers.

#### **D. SI Wireless Will Advertise the Availability of and Charges for Its Universal Service Qualifying Offerings**

In accordance with Section 54.201(d)(2) of the Commission's Rules, SI Wireless will advertise the availability of the supported services detailed above, and the corresponding rates and charges, in a manner designed to inform the general public

---

<sup>28</sup> See Exhibit E.

<sup>29</sup> 47 C.F.R. § 54.101(a). See *Federal-State Joint Board on Universal Service*, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, Fourth Order on Reconsideration, Report and Order, 13 FCC Rcd 5318 (1997).

within Tennessee.<sup>30</sup> This advertising will occur through a combination of media channels, such as television and radio, newspaper, magazine and other print advertisements, outdoor advertising, direct marketing, and the Internet. This advertising will include advertisements about the availability of Lifeline service and done in a manner reasonably designed to reach those likely to qualify for Lifeline service.

SI Wireless intends to use the brand name "MobileNation" in connection with its service offerings.

**E. SI Wireless Will Satisfy Its Additional Obligations as an ETC**

In addition to those requirements set forth in Section 54.201 of the Commission's Rules, SI Wireless will satisfy other ETC requirements adopted by the FCC. In particular:

**1. Compliance with Service Requirements and Five Year Plan**

Section 54.202(a)(1) of the FCC's Rules<sup>31</sup> requires an ETC applicant to: (1) certify that it will comply with the service requirements applicable to the support it receives; and (2) submit a five-year plan that describes proposed improvements or upgrades to the applicant's network throughout its proposed service area.<sup>32</sup>

**a. Compliance with Service Requirements**

SI Wireless certifies that it will comply with the service requirements applicable to the support that it receives. It will provide service throughout the proposed designated ETC area using its standard customer equipment and service offerings where available.

---

<sup>30</sup> See 47 C.F.R. § 54.201(d)(2). See also 47 U.S.C. § 214(e)(1)(B); *Mobility Fund Phase I Public Notice* at ¶ 5.

<sup>31</sup> 47 C.F.R. § 54.202(a)(1) (as modified by the *Lifeline Reform Order*).

<sup>32</sup> 47 C.F.R. § 54.202(a)(1)(i)-(ii). See also *Mobility Fund Phase I Public Notice* at ¶ 5.

**b. Five-Year Service Improvement Plan.**

In this Petition, SI Wireless is not seeking high-cost USF support and accordingly, it is not required to submit a five-year service improvement plan.<sup>33</sup>

**2. Ability to Remain Functional in Emergency Situations.**

SI Wireless will be able to remain functional in emergency situations.<sup>34</sup> The Company's network is designed to remain functional in emergency situations. Specifically, SI Wireless (1) will have adequate amounts of back-up power to ensure functionality without an external power source; (2) will be able to reroute traffic between switch and hub; and (3) will be capable of managing traffic spikes resulting from emergency situations.<sup>35</sup>

SI Wireless' system will be reinforced by the presence of generator backups, capable of running for extended periods in the event of a major electrical outage. These include back-up batteries that provide at least four hours of back-up power and portable generators can be moved to individual cell sites, as needed. Because individual cell sites are spread out, it is highly unlikely that an electrical outage would affect more than two sites simultaneously. In the event of power or other types of failure, the cell sites are equipped with alarms that will alert our technicians. Additionally, the sites are monitored remotely by the Company's 24/7 Network Operations Center (NOC), should there be a total communications failure at the site.

SI Wireless' main switch connectivity to the public switched voice network will be based on a ring topology and is redundant – if the ring is cut, call traffic can be re-

---

<sup>33</sup> 47 C.F.R. § 54.202(a)(1)(ii). SI Wireless did include a Five-Year Service Improvement Plan at Exhibit F of the SI Wireless April 2012 Petition.

<sup>34</sup> See 47 C.F.R. § 54.202(a)(2). See also *Mobility Fund Phase I Public Notice* at ¶ 6.

<sup>35</sup> See 47 C.F.R. § 54.202(a)(2).

routed. SI Wireless uses both microwave and leased lines for added diversity to cell site hubs. Backbone traffic lines are designed with sufficient capacity to manage extraordinary spikes. SI Wireless has multiple agreements with long distance providers to absorb excess calling if needed.

A typical cell site installation consists of an 8' x 10' concrete pad, on which outdoor equipment cabinets or a prefabricated shelter containing the equipment will be placed. Antennas are typically mounted on an adjacent tower, either new or existing, or other suitable structure. Most cell sites consist of two or three cabinets or equipment racks; one or two of the cabinets for radio communications equipment, and the other for power rectification and battery backup. The radio equipment cabinets are configured and equipped with voice and data equipment necessary to carry the projected busy hour traffic. This equipment can be increased as required to accommodate increases in call traffic.

All cell sites will be remotely monitored by the Company's NOC to ensure continuous operation. Operational measurement data is also routinely collected and reviewed to identify off normal conditions. In the event of a failure, the NOC will take action to restore service, reroute traffic around damaged facilities and/or dispatch appropriate personnel to remedy the trouble. Response time to an outage report is normally less than 60 minutes. In addition, all cell sites will be periodically visited by field operations personnel to conduct preventative maintenance and routine testing of the cell site components.

Accordingly, SI Wireless meets the requirement that it will remain functional in emergency situations.

### 3. Consumer Protection.

Section 54.202(a)(3) of the FCC's Rules states that an ETC applicant must "demonstrate that it will satisfy applicable consumer protection and service quality standards."<sup>36</sup> A commitment by wireless applicants to comply with the Consumer Code for Wireless Service adopted by CTIA–The Wireless Association® ("CTIA Consumer Code") satisfies this requirement.<sup>37</sup> SI Wireless is committed to abide by the CTIA Consumer Code, as it may be amended from time to time, throughout its service area.

### 4. Financial and Technical Qualifications

As part of the *Lifeline Reform Order*, the FCC amended its rules to require a carrier seeking designation as a Lifeline-only ETC to demonstrate that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules.<sup>38</sup>

SI Wireless satisfies the Commission's financial and technical criteria.<sup>39</sup> SI Wireless is a commercial mobile radio services ("CMRS") carrier licensed and authorized by the Commission to provide wireless communication services throughout portions of Tennessee and Kentucky. Formed in late 2009 by a partnership of rural independent telephone companies, SI Wireless is focused on providing wireless services in portions of rural Tennessee, which is the focus of this application, along with Kentucky, with 3G CDMA technology. SI Wireless is already designated as an ETC in

---

<sup>36</sup> 47 C.F.R. § 54.202(a)(3). See *Mobility Fund Phase I Public Notice* at ¶ 6.

<sup>37</sup> *Id.* The CTIA Consumer Code can be viewed on the Web at <http://files.ctia.org/pdf/ConsumerCode.pdf>.

<sup>38</sup> See *Lifeline Reform Order* at ¶ 387.

<sup>39</sup> *Id.* at ¶ 388 ("Among the relevant considerations for such a showing would be whether the applicant previously offered services to non-Lifeline consumers, how long it has been in business, whether the applicant intends to rely exclusively on USF disbursements 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.").

Kentucky.<sup>40</sup>

As an established telecommunications carrier already providing service to non-Lifeline customers, SI Wireless does not intend to rely exclusively on USF disbursements to operate its business. SI Wireless has access to a line of credit, as well as the resources of private investors, in order to operate its business on a daily basis.

Currently, SI Wireless relies on convenient "brick and mortar" full-service stores in Tennessee to attract customers. The Company has 6 stores in Tennessee in the western part of the state. The Company is also in the process of adding an additional 5 service locations elsewhere in Tennessee. Attached as Exhibit F are photos showing one of SI Wireless' store locations and the general layout of the store.

Staffing at its store locations varies, but in general, the stores include a manager and several sales representatives. All employees go through training on general wireless technology, phones, company policies and procedures, continuing education in customer service, and sales training designed to match the consumer with the best product to fit the customer's need. In addition to its stores, SI Wireless uses a network of agents in Tennessee to serve some of the state's smaller communities.

As a carrier licensed by the FCC, SI Wireless has the technical expertise to provide the services outlined in this Petition. As outlined above, SI Wireless is already licensed by the Commission to provide wireless services. Further, its network uses the latest in IP backhaul and the most advanced CDMA technologies to efficiently deliver wireless voice and EVDO broadband to promote consumer choice throughout rural, underserved markets.

---

<sup>40</sup> See *Application of SI Wireless for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky*, Order, Case No 2012-00145 (rel. June 25, 2012).

SI Wireless has not been subject to any enforcement action at the FCC or in any state. No ETC designations held by SI Wireless have been rescinded, revoked or terminated by the FCC or by any state.

## **5. Consumer Eligibility and Enrollment**

With respect to its provision of Lifeline service in Tennessee, SI Wireless will have policies and procedures in place to verify eligibility of prospective customers in compliance with the Commission's and FCC's Rules.<sup>41</sup> As outlined above, SI Wireless relies on a network of brick and mortar stores to sell its services in Tennessee. SI Wireless intends to offer its Lifeline supported services to qualified subscribers through these stores, and its employees will be trained to verify eligibility of prospective Lifeline customers.

### **a. Subscriber Eligibility Determination and Certification**

Under the Company's policies and procedures, a prospective customer will be required to provide documentation verifying eligibility to participate in a qualifying program or documentation of income based qualification to support his/her application. Further, SI Wireless' forms will comply with the requirements set forth in 47 C.F.R. § 54.410, as recently modified by the FCC in its *Lifeline Reform Order*.<sup>42</sup> A proposed SI Wireless (d/b/a MobileNation) Lifeline Application and Certification form is attached as Exhibit G.

Among other things, the Company's Lifeline Application will require a potential customer to verify, under penalty of perjury, that neither the applicant nor any other

---

<sup>41</sup> 47 C.F.R. § 54.409.

<sup>42</sup> See 47 C.F.R. § 54.410; *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, rel. Feb. 6, 2012 ("*Lifeline Reform Order*").

person in the applicant's household currently receives Lifeline service, and that the applicant will notify SI Wireless within 30 days if, for any reason, the applicant is no longer eligible for Lifeline service.<sup>43</sup> SI Wireless commits to only provide Lifeline service to customers that qualify for such service under Section 54.409 of the FCC Rules, as recently modified by the FCC in its *Lifeline/Link Up Reform Order*.<sup>44</sup>

**b. Annual Eligibility Recertification**

SI Wireless commits to annually re-certify all subscribers in accordance with 47 C.F.R. § 54.410(f) of the FCC Rules, as recently modified by the FCC in its *Lifeline Reform Order*. SI Wireless will provide the results of its annual recertification efforts pursuant to the Commission's Rules. The Company may undertake this re-certification on a rolling basis throughout the year. Furthermore, SI Wireless commits to submit an annual certification confirming the existence of policies and procedures to confirm consumer eligibility and the Company's compliance with such policies and procedures.<sup>45</sup>

**c. De-Enrollment**

Consistent with the requirements in Section 54.405(e) of the FCC Rules, as recently modified by the FCC in its *Lifeline Reform Order*, SI Wireless will terminate Lifeline benefits to any customer that does not demonstrate continued eligibility within 30 days following the date of an impending termination letter.<sup>46</sup> SI Wireless will provide impending termination letters to: (a) any customer that fails to demonstrate their continued eligibility as part of the Company's annual recertification efforts; (b) any customer the Company believes, on a reasonable basis, no longer qualifies for the service

---

<sup>43</sup> See 47 C.F.R. § 54.410(d).

<sup>44</sup> 47 C.F.R. § 54.409.

<sup>45</sup> See 47 C.F.R. § 54.416.

<sup>46</sup> See 47 C.F.R. § 54.405(e).

under the eligibility criteria identified in the FCC Rules; or (c) any customer that has no usage for 60 consecutive days.<sup>47</sup>

SI Wireless will also terminate (within five business days) Lifeline benefits to any customer or household the Company has been notified to be receiving Lifeline benefits from more than one carrier.<sup>48</sup>

**d. Annual Reporting Requirements**

SI Wireless commits to comply with the annual reporting requirements identified in Section 54.422 of the FCC Rules, 47 C.F.R. § 54.422, as recently modified by the FCC in its *Lifeline Reform Order*.

**IV. DESIGNATING SI WIRELESS AS AN ETC WILL SERVE THE PUBLIC INTEREST**

For SI Wireless to be designated as an ETC in a rural service area, the Commission must find that the grant of ETC status to SI Wireless in the rural service area would serve the public interest.<sup>49</sup> In cases decided by the FCC,<sup>50</sup> the question of whether it is in the public interest to designate a wireless carrier in areas served by rural incumbent LECs has been decided in the affirmative.

---

<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> See 47 U.S.C. § 214(e)(2). No public interest finding is required where a carrier is seeking ETC designation in a non-rural service area. *Id.*

<sup>50</sup> See, e.g., *North Carolina RSA 3 Cellular Tel. Co.*, CC Docket No. 96-45, Order, 21 FCC Rcd 9151 (Wireline Comp. Bur. 2006) (“*Carolina West Order*”); *Corr Wireless Communications, LLC*, CC Docket No. 96-45, Order, 21 FCC Rcd 1217 (Wireline Comp. Bur. 2006); *RCC Minnesota, Inc. and RCC Atlantic, Inc.*, CC Docket No. 96-45, Order, 20 FCC Rcd 15833 (Wireline Comp. Bur. 2005); *Virginia Cellular LLC*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 1563 (2004) (“*Virginia Cellular Order*”); *NPCR, Inc., d/b/a Nextel Partners*, 19 FCC Rcd 16530 (2004) (“*Nextel Partners Order*”); *Highland Cellular, Inc.*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 6422 (2004).

The 1996 Act and the FCC in its enabling orders provide guidance for determining the public interest.<sup>51</sup> The overarching principles embodied in the 1996 Act are to “promote competition and reduce regulation[,] . . . secure lower prices and higher quality services[,] . . . and encourage the rapid deployment of new telecommunications technologies.”<sup>52</sup> In its implementing orders, the FCC has ruled that the pro-competitive and deregulatory directives from Congress required USF support mechanisms to be competitively neutral and portable among eligible carriers.<sup>53</sup>

In conformity with the Act and the FCC’s rules, the FCC has repeatedly found that wireless carriers satisfy the federal requirements for ETC designation, and has cautioned state commissions against imposing artificial barriers to competitive entry by wireless carriers, particularly in rural areas where wireless carriers are best positioned to compete with wireline carriers.<sup>54</sup>

Although the Commission’s rules do not provide specific public interest criteria, the FCC has previously enunciated a framework of five factors for consideration in ETC designations. In determining the public interest, the FCC has indicated that the following should be considered:

- The benefits of increased competitive choice;
- The impact of designation on the federal USF;

---

<sup>51</sup> See, e.g., *Universal Service First Report and Order*, 12 FCC Rcd at 8801 (para. 47); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Ninth Report and Order and Eighteenth Order on Reconsideration, 14 FCC Rcd 20432, 20480 (para. 90) (1999) (*Universal Service Ninth Report and Order*”).

<sup>52</sup> 1996 Act (preamble).

<sup>53</sup> *Universal Service First Report and Order*, 12 FCC Rcd at 8801, 8861-62 (para. 152); *Universal Service Ninth Report and Order*, 14 FCC Rcd at 20480 (para. 90).

<sup>54</sup> See *Federal-State Joint Board on Universal Service*, CC Docket Nos. 96-45, 96-262, Seventh Report and Order, 14 FCC Rcd 8078 (1999).

- The unique advantages and disadvantages of the competitor’s service offering;
- Any commitments made regarding the quality of telephone service; and
- The likelihood that cream-skimming will result from the designation.<sup>55</sup>

SI Wireless sets forth below specific facts demonstrating how its designation will advance the public interest in the service areas requested in this Application.

**A. SI Wireless' Designation Will Bring Improved Coverage and Service Quality**

Through participation in USF support mechanisms, such as the Lifeline program, SI Wireless will provide more advanced services to Tennessee consumers. SI Wireless states on information and belief that there are areas within its proposed ETC service areas that are underserved by wireless telephone facilities.<sup>56</sup> The mobility of the Company's wireless service will assist “consumers in rural areas who often must drive significant distances to places of employment, stores, schools, and other critical community locations.”<sup>57</sup>

SI Wireless employs an experienced engineering and technical support team that will monitor service quality and service outages across the Company’s planned network, providing on-call emergency support 24 hours a day, seven days a week. SI Wireless' response time to an outage report will normally be less than one hour.

---

<sup>55</sup> *ETC Criteria Order*, 20 FCC Rcd at 6390-96 (paras. 44-57).

<sup>56</sup> SI Wireless is using the term “underserved” to mean that wireless service is not provided in the area, or that the wireless signal provided in the area is poor, resulting in poor reception and a significant amount of dropped calls.

<sup>57</sup> *Virginia Cellular Order*, 19 FCC Rcd at 1576 (para. 29).

**B. SI Wireless' Investment of USF Support in Its Proposed ETC Service Area Will Lead to Significant Health and Safety Benefits**

People in rural areas depend on mobile phones more and more to provide critical communications needs. Designating SI Wireless as an ETC in the areas requested in this Application will provide additional consumer choice and a potential solution to health and safety risks associated with the rural nature of these areas.<sup>58</sup> Wireline service is only available at the end of the provider's wires. By contrast, mobile service can extend important health and safety benefits so that people in need are not required to travel long distances to find a telephone in an emergency or other important health or safety situation.<sup>59</sup>

SI Wireless' network will be reinforced by the presence of battery and generator backups, capable of running indefinitely in the event of a major electrical outage. Portable generators can be moved to individual cell sites in the event of a catastrophic electrical failure. In the event of power or other types of failure, the cell sites are equipped with alarms that will alert the Company's technicians. Additionally, as noted earlier, the sites will be monitored remotely at the Company's Network Operations

---

<sup>58</sup> See, e.g., *Corr Wireless Communications, LLC, Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama*, CC Docket No. 96-45, Order, 21 FCC Rcd 1217, 1226 (2006) ("The mobility of telecommunications assists consumers in rural areas who often must drive significant distances to places of employment, stores, schools, and other locations. The availability of a wireless universal service offering also provides access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities."); *U.S. Cellular Missouri Order* at 12 ("Clearly, expansion of cell phone service would benefit consumers by giving them an additional option for phone service, by allowing them additional mobility, and by affording them increased safety while on the road or otherwise away from the end of a telephone wire."); *Alltel Nebraska Order* at 16-17; *RCC Mississippi Order* at 9 ("[The mobility of telecommunications] is ... invaluable in summoning emergency services in rural areas where public access telephones are few and far between.").

<sup>59</sup> *Easterbrooke Rural Order* at 61 ("Reliable mobile communications have a high level of importance for people who live in rural areas. The highest quality wireline service is no substitute for mobile services with broad geographic coverage, simply because the wireline service physically may not be there when it is needed, in a rural area.").

Center, should there be a total communications failure on any portion of the SI Wireless network.

**C. Benefits of Competition.**

One of the principal goals of the 1996 Act is, again, to “promote competition and reduce regulation in order to secure lower prices and high-quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.”<sup>60</sup> Designation of a competitive ETC in rural areas increases facilities and spurs development of advanced communications as carriers vie for a consumer’s business.<sup>61</sup>

Designation of SI Wireless as an ETC will promote competition and facilitate the provision of high-quality communications services to those living and working within the Company’s proposed service area.<sup>62</sup> Residents in many rural areas have long trailed urban areas in receiving competitive local exchange service and advanced telecommunications services, and in some rural areas no meaningful choice of local exchange carrier exists. It is also evident that the deployment of high-quality wireless telecommunications infrastructure is essential to economic development in rural areas.

Designation of SI Wireless as an ETC in the areas of Tennessee requested would enable the Company to offer more appealing and affordable service offerings to low-income customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without question, wireless services have become essential for

---

<sup>60</sup> See 1996 Act (preamble).

<sup>61</sup> See, e.g., *Alltel Michigan Order* at 11; *N.E. Colorado Cellular, Inc. d/b/a Viaero Wireless*, Application No. C-3324 (Neb. PSC, Oct. 18, 2005) at 11-12.

<sup>62</sup> See *Carolina West Order*, 21 FCC Rcd at 9156 (para. 17) (“We find Carolina West’s universal service offering will provide a variety of benefits to customers including consumer choice and advantageous service offerings. For instance, universal service support will enable Carolina West to construct facilities to improve quality of service and extend telephone service to people who have no choice of telephone provider.”).

lower-income citizens, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Providing SI Wireless with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

**D. SI Wireless' Designation as an ETC Will Not Result in "Cream-Skimming"**

As part of its public interest analysis, the Commission must determine whether SI Wireless' designation will enable it to "cream-skim," that is, target low-cost portions of a rural incumbent LEC's service area in which uneconomically high levels of support are available.

There is no possibility for cream-skimming in this application. SI Wireless is not targeting particular areas based on the possibility of receiving uneconomic levels of support. On the contrary, SI Wireless is only seeking ETC designation in this application in areas that cover the entirety of the incumbent LEC service area.

**V. ANTI-DRUG ABUSE CERTIFICATION**

No party to this Petition is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C. § 862.

**VI. CONCLUSION**

For the reasons discussed in this Petition, SI Wireless respectfully requests the Commission to designate it as an ETC for the requested designated rural and non-rural