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State of Florida



Public Service Commission

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COMMISSION
CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: August 24, 2011

TO: Office of Commission Clerk (Cole)

FROM: Division of Regulatory Analysis (Beard) *CSB*
Office of the General Counsel (Murphy) *CSB* *AS* *MB*

RE: Docket No. 090514-TX – Petition for designation as eligible telecommunications carrier (ETC) by Global Connection Inc. of America.

AGENDA: 09/08/11 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\RAD\WP\090514.RCM.DOC

Case Background

On November 17, 2009, Global Connection Inc. of America (Global) petitioned the Florida Public Service Commission (FPSC or the Commission) for designation as an eligible telecommunications carrier (ETC) in certain BellSouth Telecommunications, Inc. d/b/a AT&T Florida (AT&T), Embarq-Florida, Inc. (Embarq), Verizon Florida (Verizon), and Windstream exchanges for the purpose of receiving federal universal service support in Florida. The applicant is seeking only low-income support, and is not requesting high-cost support. Global subsequently amended its application, removing its request for ETC designation in the Embarq, Windstream, and Verizon service areas. The applicant intends to provide local exchange and exchange access services in the designated service area using a combination of resale and

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unbundled network elements (UNEs). Global does not seek designation as an ETC in any areas served by rural telephone companies or in any tribal areas of the State of Florida.

Global is a Georgia corporation authorized to conduct business as a foreign corporation in the state of Florida and is a competitive local exchange carrier (CLEC) certificated by FPSC.¹ Global is certified as a CLEC in Alabama, Arkansas, Colorado, Florida, Georgia, Indiana, Kentucky, Louisiana, Maryland (Wireless), Michigan, Missouri, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Texas, and Wisconsin. Global has pending wireline ETC petitions in Florida, South Carolina, and Tennessee. Global also has pending wireless ETC petitions in Georgia, Kansas, Michigan, Missouri, Oregon, Pennsylvania, Washington, and West Virginia. As of August 2011, Global has received funds from the Universal Service Administrative Company (USAC) in Alabama, Arkansas, Georgia, Louisiana, Michigan and North Carolina.

Upon designation as an ETC, Global states that it will participate in, and offer Lifeline and Link-Up programs to qualifying low-income consumers and publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services. Global offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation. Global provides to its customers the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of back-up power, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. Global commits to provide service throughout its proposed ETC-designated service area to all customers making a reasonable request for service.

The Commission has authority under Section 364.10(1)(a), Florida Statutes, to decide a petition by a CLEC seeking designation as an ETC pursuant to 47 C.F.R. § 54.201.

¹ In RE: Application for certificate to provide alternative local exchange telecommunications service by Global Connection, Inc of America. PSC-01-1393-CO-TX, issued June 28, 2001

Discussion of Issues

Issue 1: Should Global be granted landline-only ETC status in the State of Florida?

Recommendation: Yes. Staff recommends that Global be granted landline-only ETC designation in the AT&T wire centers listed in Attachment B of this recommendation for the sole purpose of offering Lifeline discounts to qualifying consumers in Florida. If there is a future change of company ownership, the new owners should be required to file a petition with the FPSC and make a showing of public interest to maintain the company's ETC designation. The Commission should also require Global to submit the number of UNEs or UNE equivalents purchased from AT&T for each month during the quarter when it files its quarterly reports. (Beard)

Staff Analysis: Under FCC rules, the state commissions have the primary responsibility to designate providers as ETCs.² Designation as an ETC is required in order for a provider to be eligible to receive monies directly from the Federal Universal Service Fund (USF). Section 254(e) of the Telecommunications Act of 1996 (Act)³ provides that "only an eligible telecommunications carrier designated under Section 214(e)...shall be eligible to receive specific Federal universal service support."⁴ According to Section 214(e)(1), a common carrier designated as an ETC must offer and advertise the services supported by the federal universal service mechanisms throughout a designated service area.

ETC Certification Requirements

CFR Rule 54.201(c), addresses a state commission's responsibilities related to ETC designation, stating:⁵

Upon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission, so long as each additional requesting carrier meets the requirements of paragraph (d) of this section. Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the state commission shall find that the designation is in the public interest.

To qualify as an ETC, telecommunications carriers must provide nine services identified in CFR Rule 54.201(d)(1).⁶

- (1) Voice grade access to the public switched network Voice grade access is defined as a functionality that enables a user of telecommunications services to transmit voice

² 47 U.S.C. § 214(e)(2), 47 C.F.R. § 54.201(b)

³ 47 U.S.C. § 254

⁴ 47 U.S.C. § 254(e)

⁵ 47 C.F.R. § 54.201(c)

⁶ Cross-referencing 47 C.F.R. § 54.101

communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call.

- (2) Local Usage Local usage indicates the amount of minutes of use of exchange service, provided free of charge to end users.
- (3) Dual tone multi-frequency signaling or its functional equivalent Dual tone multi-frequency (DTMF) is a method of signaling that facilitates the transportation of signaling through the network, thus shortening call set-up time.
- (4) Single-party service or its functional equivalent Single party service is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission.
- (5) 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.
- (6) Access to operator services Access to operator services is defined as access to any automatic or live assistance to a consumer to arrange for billing and/or completion, of a telephone call.
- (7) Access to interexchange service Access to interexchange service is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network.
- (8) Access to directory assistance Access to directory assistance is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings.
- (9) Toll limitation for qualifying low-income consumers Toll limitation or blocking restricts all direct dial toll access.

In addition to providing the above services, ETCs must advertise the availability of such services and the associated charges using media of general distribution.

Additional ETC Certification Requirements

In addition to requiring the above services, the FCC, on March 17, 2005, issued a Report and Order that established additional criteria that all ETC applicants must satisfy in order to be

granted ETC status by the FCC.⁷ In this Order, the FCC determined that an ETC applicant must also demonstrate:

- (1) a commitment and ability to provide the supported services throughout the designated area.
- (2) the ability to remain functional in emergency situations.
- (3) the ability to satisfy consumer protection and service quality standards.
- (4) a provision of local usage comparable to that offered by the incumbent LEC.
- (5) an acknowledgement that the applicant may be required by the FCC to provide equal access if all other ETCs in the designated service area relinquish their designations pursuant to Section 214(e)(4) of the Act.

The FCC encouraged states to also adopt these criteria, and the FPSC has done so in Docket No. 010977-TL, In re: State certification of rural telecommunications carriers pursuant to 47 C.F.R. 54.314, by Order No. PSC-05-0824-FOF-TL, issued August 15, 2005.

Public Interest Determinations

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. Congress did not establish specific criteria to be applied under the public interest tests in Section 214. 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.⁸ The FPSC has determined that before designating a carrier as an ETC, it should 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.⁹

Beyond the principles detailed in the Act, the FCC and state commissions have used additional factors to analyze whether the designation of an ETC is in the public interest. A rigorous ETC designation process ensures that only fully qualified applicants receive designation as ETCs and that all ETC designees are prepared to serve all customers within the designated service area.

Staff recommends that if there is a future change of company ownership, the new owners should be required to file a petition with the FPSC and make a showing of public interest to maintain the company's ETC designation. This will ensure that only carriers that are financially

⁷ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order FCC 05-46, Adopted: February 25, 2005, Released: March 17, 2005.

⁸ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order FCC 05-46 (¶40), Adopted: February 25, 2005 Released: March 17, 2005.

⁹ See Docket No. 100124-TX, In RE: Petition for designation as eligible telecommunications carrier by Sun-Tel USA, Inc., Order No. PSC-10-0634-PAA-TX, issued October 25, 2010.

viable, likely to remain in the market, willing and able to provide supported services throughout the designated service area, and able to provide an evolving level of universal service are designated as ETCs.

Transitional Lifeline

Transitional Lifeline requires that ETCs offer discounted residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline. A Lifeline subscriber who requests such services receives the discounted price for a period of one year after the date the subscriber ceases to be qualified for Lifeline. Global understands that it must provide a 30 percent monthly discount off its local rate to that customer for a period of 12 months at its expense.

Lifeline Advertising

Upon designation as an ETC, Global states that it will participate in, and offer Lifeline and Link-Up programs to qualifying low-income consumers and publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services. Global regularly advertises all product offerings in English and Spanish.

Facilities Requirement

In accordance with 47 C.F.R. 54.201(d)(1), a company must offer the services that are supported by the federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services. A company must prove to the Commission that it has the ability to purchase unbundled network elements (UNEs) or UNE equivalents either through an interconnection agreement or a commercial agreement. Global has shown that it has an active interconnection agreement with AT&T and has the ability to purchase UNEs or UNE equivalents. Global states that it intends to offer all of the supported services enumerated under Section 254(c) of the Act using facilities obtained as UNEs or UNE equivalents. Section 54.201, C.F.R., provides that the term "own facilities" includes facilities obtained as UNEs.

Rule 25-4.0665(20), Florida Administrative Code, requires ETCs offering Link-Up and Lifeline service to submit quarterly reports to the Commission, no later than 30 days following the ending of each quarter. The quarterly reports must include the following data:

- (1) The number of Lifeline subscribers, excluding resold Lifeline subscribers, for each month during the quarter.
- (2) The number of subscribers who received Link-Up for each month during the quarter.
- (3) The number of Lifeline subscribers added each month during the quarter.
- (4) The number of transitional Lifeline subscribers who received discounted service for each month during the quarter.

- (5) The number of residential access lines with Lifeline service that were resold to other carriers each month during the quarter.

Staff recommends that if Global is approved for ETC status, the Commission should also require Global to submit the number of UNEs purchased from AT&T for each month during the quarter when it files its quarterly reports. This will allow staff to confirm that Global is following FCC rules which require that an ETC must offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services.

Conclusion

Based on staff's review, along with Global's commitment to abide by both state and federal rules and procedures (See Attachment A), staff believes that Global's petition for landline ETC status is in the public interest and should be approved. If Global should decide in the future to seek High Cost universal service funds, or ETC status in rural areas, it should be required to file a petition and make a showing that it would be in the public interest to grant such a request. Upon a decision by the Commission, staff will continue the necessary oversight to ensure that Global, along with other ETCs in Florida, are upholding these principles and attaining the goals and objectives of both the state and federal universal service programs. Therefore, staff recommends that Global be granted landline-only ETC designation in the AT&T wire centers listed in Attachment B of this recommendation for the sole purpose of offering Lifeline discounts to qualifying consumers in Florida. If there is a future change of company ownership, the new owners should be required to file a petition with the FPSC and make a showing of public interest to maintain the company's ETC designation. The Commission should also require Global to submit the number of UNEs or UNE equivalents purchased from AT&T for each month during the quarter when it files its quarterly reports.

Docket No. 090514-TX

Date: August 24, 2011

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action within 21 days of the issuance of the Commission Order, this docket should be closed upon issuance of a Consummating Order. (Murphy)

Staff Analysis: If no person who substantial interests are affected files a protest to the Commission's Proposed Agency Action within 21 days of the issuance of the Commission Order, this docket should be closed upon issuance of a Consummating Order.

APPLICANT CERTIFICATION

State of Georgia
County of Gwinnett

My name is David M. Skogen I am employed by Global Connection, Inc., located at 5555 Oakbrook Parkway Suite 620 Norcross GA 30093 as its CEO. I am an officer of the Company and am authorized to provide the following certifications on behalf of the Company. This certification is being given to support the wireline Eligible Telecommunications Carrier petition filed by my Company with the Florida Public Service Commission (PSC).

Company hereby certifies the following:

1. Company will follow all Florida Statutes, Florida Administrative Rules, and Florida PSC Orders relating to Universal Service, Eligible Telecommunications Carriers, and the Florida Link-Up and Lifeline Program.
2. Company will follow all FCC rules, FCC Orders, and regulations contained in the Telecommunications Act of 1996 regarding Universal Service, ETCs, Link-Up and Lifeline, and toll limitation service.
3. Company agrees that the Florida PSC may revoke a carrier's ETC designation for good cause after notice and opportunity for hearing, for violations of any applicable Florida Statutes, Florida Administrative Rules, Florida PSC Orders, failure to fulfill requirements of Sections 214 or 254 of the Telecommunications Act of 1996, or if the PSC determines that it is no longer in the public interest for the company to retain ETC designation.
4. Company understands that if its petition for ETC designation is approved, it will be for limited ETC designation to provide landline-only Link-Up, Lifeline, and toll-limitation service, and the Company will be eligible only to receive low-income support from the Universal Service Fund.
5. Company understands that if its petition for ETC designation is found to be in the public interest and approved by the PSC, it is based upon the information provided to the PSC in its petition. If there is a future change of company ownership, the company understands that the new owners must file a petition with the PSC prior to the change of ownership and make a showing of public interest to maintain the ETC designation.
6. Company understands that it may only receive reimbursement from the Universal Service Administrative company (USAC) for active customer Link-Up and Lifeline access lines which are provided using its own facilities or a combination of its own facilities and access lines obtained as wholesale local platform lines (formerly UNE lines) from another carrier. The Company shall not apply to USAC for reimbursement of any Link-Up and Lifeline access lines obtained from an underlying carrier which already receive a Lifeline and/or Link-Up credit provided by the underlying carrier.
7. Company understands that the PSC shall have access to all books of account, records and property of all eligible telecommunications carriers. Company agrees to maintain records

to document compliance with all federal and state requirements governing the Lifeline/Link-Up programs for as long as the consumer receives Lifeline service plus three years.

8. Company understands that low income support reimbursed by USAC for toll limitation service is available only for the incremental costs that are associated exclusively with toll limitation service.
9. Company understands that Lifeline certification forms must be signed by applicants confirming that they participate in a qualifying Lifeline-eligible program prior to that customer being enrolled in the Florida Lifeline program. If a Lifeline applicant uses income-based eligibility, the company will require documents showing proof of income before customer eligibility is granted.
10. Company agrees that it will not file a request for any low-income reimbursement at USAC without having customer-signed Lifeline certification applications on file at its office supporting amounts requested on USAC's Form 497.
11. Company agrees that upon request, it will submit to the PSC a copy of Form 497 forms filed with USAC, along with supporting signed customer Lifeline certifications to:

Florida Public Service Commission
Division of Regulatory Analysis, Market Practices Section
2540 Shumard Oak Drive
Tallahassee, Florida 32399-0850
12. Company understands that in accordance with the Florida Lifeline program, eligible customers will receive a \$13.50 monthly discount on their phone bills, \$3.50 of which is provided by the ETC, and \$10.00 of which is reimbursable from the Federal Universal Service Fund.

I am aware that pursuant to Section 837.06, F.S., whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree.



Signature
David Skogen
Printed Name

July 5, 2011
Date

Business Address:
5055 Oakbrook Parkway Suite 620
Norcross GA 30093

AT&T Areas

FMTNALMTRSO	FLBHFLMARSO	JCVLFLCLO5T	MIAMFLNSDSO	PAHKFLMARSO	WPBHFLANDSO
ARCHFLMARSO	FRBHFLFPDSO	JCVLFLCLDSO	MIAMFLOLDSO	PCBHFLNTDSO	WPBHFLGADSO
BCRTFLBTDSO	FTGRFLMARSO	JCVLFLFCDSO	MIAMFLPBDSO	PLCSFLMADSO	WPBHFLGR02T
BCRTFLMADS1	FTLDFLCRDSO	JCVLFLIARSO	MIAMFLPLDSO	PLTKFLMADSO	WPBHFLGRDSO
BCRTFLSADSO	FTLDFLCYDSO	JCVLFLJTRSA	MIAMFLPLRSD	PMBHFLCSDSO	WPBHFLHDSO
BGPIFLMARSO	FTLDFLJADSO	JCVLFLLFDSO	MIAMFLRRDSO	PMBHFLFEDSO	WPBHFLHRSO
BKVLFLJFDSO	FTLDFLMRDSO	JCVLFLNODSO	MIAMFLSHDSO	PMBHFLMADSO	WPBHFLLED5O
BLDWFLMARSO	FTLDFLOWDSO	JCVLFLOWDSO	MIAMFLSODSO	PMBHFLNPRSO	WPBHFLRB84E
BLGLFLMADSO	FTLDFLPLDSO	JCVLFLRV38E	MIAMFLWDDSO	PMBHFLTADSO	WPBHFLRPDSO
BNNFLMARSO	FTLDFLSGDSO	JCVLFLSJ73E	MIAMFLWMDSO	PMPKFLMARSO	WWSPFLHDSO
BRSNFLMARSO	FTLDFLSU74E	JCVLFLSMDSO	MICCFLLBR5O	PNCYFLCARSO	WWSPFLSHDSO
BYBHFLMADSO	FTLDFLWND5O	JCVLFLWCDSO	MLBRFLMADSO	PNCYFLMA04T	YNFNFLMARSO
CCBHFLAFR5O	FTPRFLMADSO	JPTRFMADSO	MLTNFLRADSO	PNCYFLMADSO	YNTWFLMARSO
CCBHFLMADSO	GCSPPFLCND5O	KYHGFLMARSO	MNDRFLAVDSO	PNSCFBLBDSO	YULEFLMARSO
CDKYFLMARSO	GCVLFLMARSO	KYLRFLSR5O	MNDRFLLODSO	PNSCFLPD5O	
CFLDFLMARSO	GENVFLMARSO	KYLRFLMARSO	MNDRFLLR5O	PNSCFLHCR5O	
CHPLFLIADSO	GLBRFLMCD5O	KYWSFLMADSO	MNSNFLMARSO	PNSCFLPBDSO	
CNTMFLLED51	GSVFLMA01T	LKCYFLMADSO	MRTHFLVER5O	PNSCFLWA01T	
COCOFLMADSO	GSVFLMADSO	LKMRFLEHDSO	MXVFLMAR5O	PNSCFLWADSO	
COCOFLMED5O	GSVFLMAD51	LYHNFLOHDSO	NDADFLACDSO	PNVDFLMADSO	
COCYFL13AMD	GSVFLLNW33E	MCNPFLMARSO	NDADFLBRDSO	PRRNFLMADSO	
CSCYFLBAR5O	HAVNFLMADSO	MDBGFLPMDSO	NDADFLGG03T	PRSNFLFOR5O	
DBRYFLDLDSO	HBSDFLMADSO	MIAMFLAED5O	NDADFLGGDSO	PTSLFLMADSO	
DBRYFLMARS1	HLNVFLMAD51	MIAMFLAERSO	NDADFLOLD5O	PTSLFLSOCGO	
DELDFLMADSO	HLWDFLHA45E	MIAMFLALDSO	NKLRFLMAR5O	SBSTFLFERSO	
DLBHFLKPDSO	HLWDFLMADSO	MIAMFLAPDSO	NSBHFLMADSO	SBSTFLMADSO	
DLBHFLMA27E	HLWDFLPEDSO	MIAMFLB85E	NWBYFLMAR5O	SGKYFLMAR5O	
DLBHFLMAR5O	HLWDFLWHDSO	MIAMFLBCDSO	OKHLFLMAR5O	SNFRFLMADSO	
DLSPPFLMAR5O	HMSTFLAR5O	MIAMFLBRDSO	OLTWFLLR5O	STAGFLBSRSO	
DNLNFLWMR5O	HMSTFLHMD5O	MIAMFLCAD5O	ORLDFLAPDSO	STAGFLMADSO	
DRBHFLMADSO	HMSTFLNARSO	MIAMFLDBRS1	ORLDFLCLDSO	STAGFLSHRSO	
DYBHFLFNRSO	HTISFLMADSO	MIAMFLFLDSO	ORLDFLMAD4T	STAGFLWGR5O	
DYBHFLMAD5O	HWTHFLMAR5O	MIAMFLGRDSO	ORLDFLMAD51	STRTFMADSO	
DYBHFL0BDSO	ISLMFLMAR5O	MIAMFLGRDS1	ORLDFLPCDSO	SYHSFLCCRSO	
DYBHFL0SR5O	JAYFLMAR5O	MIAMFLHLD5O	ORLDFLPHDSO	TRENFLMAR5O	
DYBHFLPO01T	JCBHFLABRSO	MIAMFLICDSO	ORLDFLSADSO	TTVFLMADSO	
DYBHFLPODSO	JCBHFLMA24E	MIAMFLKED5O	ORPKFLMADSO	VERNFLMAR5O	
EGLLFLBGDSO	JCBHFLSPRSO	MIAMFLME32E	ORPKFLRWDSO	VRBHFLBERSO	
EGLLFLIHDSO	JCVLFLARD5O	MIAMFLMERSO	OVIDFLCADSO	VRBHFLMADSO	
EORNFLMAR5O	JCVLFLBWDSO	MIAMFLNMDSO	PACEFLPVR5O	WELKFLMAR5O	