

May 5, 2010

**Via U. S. Mail and Email**

Chairman, Tennessee Regulatory Authority  
c/o Sharla Dillon, Dockets and Records Manager  
460 James Robertson Parkway  
Nashville, Tennessee 37243

filed electronically in docket office on 05/06/10  
Docket no. 10-00088

Re: dPi Teleconnect, LLC

Dear Ms. Dillon:

Enclosed please find for filing an original and four (4) copies of the Application of dPi Teleconnect, LLC for Designation as an Eligible Telecommunications Carrier under the Telecommunications Act of 1996. Also enclosed is a check in the amount of \$25.00 payable to the Tennessee Regulatory Authority for the filing fees.

Enclosed is an extra copy of the Application which I ask that you stamp "Filed" and return to me in the enclosed, self-addressed, postage prepaid envelope.

Please do not hesitate to call me if you have any questions relating to this matter. Thank you for your courtesy and assistance.

Sincerely,

WATKINS LUDLAM WINTER & STENNIS, P.A.

  
Stanley Q. Smith

SQS/ssb

Enclosures

cc: Stephen Scott

THE FRONT OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

WATKINS LUDLAM WINTER & STENNIS, P.A.

P. O. BOX 427  
JACKSON, MISSISSIPPI 39205  
(601) 949-4900

REGIONS

No: 111878

85-543  
653

PAY \*\*\*TWENTY-FIVE AND 00/100 DOLLARS\*\*\*

DATE

04/20/10

AMOUNT

\$25.00\*\*\*\*\*

TO  
THE  
ORDER  
OF  
TENNESSEE REGULATORY AUTHORITY

*Barclay D. Kays*

⑈111878⑈ ⑆065305436⑆ 5002630200⑈

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WATKINS LUDLAM WINTER & STENNIS, P.A.

PAYEE: TENNESSEE REGULATORY AUTHORITY

DATE: 04/20/10 No: 111878

INVOICE #	DATE	INVOICE DESCRIPTION	AMOUNT
042010SOS	04-20-10	FILING FEES	09673.34250
			25.00

TOTAL FOR THIS CHECK

25.00

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY**

**DPI TELECONNECT, LLC**

**IN RE: APPLICATION OF DPI TELECONNECT,  
LLC FOR DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS  
CARRIER UNDER THE  
TELECOMMUNICATIONS ACT OF 1996**

**APPLICATION**

COMES NOW dPi Teleconnect, LLC ("dPi" or the Company") and, pursuant to Section 214(e) of the Telecommunications Act of 1996 (the "1996 Act") and Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission ("FCC"), hereby requests that the Tennessee Regulatory Authority ("TRA") designate dPi as an Eligible Telecommunications Carrier ("ETC") throughout the BellSouth Telecommunications, Inc. d/b/a AT&T of Tennessee ("AT&T Tennessee") service territories (the "Service Area") for the purpose of receiving federal universal service support for wireline and wireless services. A list of each wire center for which dPi is requesting ETC status in the State of Tennessee is attached hereto as Exhibit "A." In further support of its Application, dPi states as follows:

1. dPi is a Delaware Limited Liability Company with its principal offices located at 3350 Boyington Drive, Suite 200, Carrollton, Texas 75006. A copy of dPi's authorization to transact business in Tennessee is on file with the TRA and is incorporated herein by reference.
2. The TRA has granted dPi a Certificate of Convenience and Necessity ("CCN") to provide Competitive Facilities-Based Local Exchange Telecommunications Services within the State of Tennessee in Case No. 08-00025 per Order issued on June 6, 2008. dPi was previously issued a CCN to provide operator services and/or resell local and interexchange telecommunications service in the State of Tennessee in Docket No. 98-00621 per Order issued on March 2, 1999.

3. As a result of the work and cooperation of federal and state regulators, the FCC has adopted a number of cost recovery policies and mechanisms designed to promote and maintain universal service (the "Universal Service Fund" or "USF"). The Universal Service Fund was established, in part, to provide support to qualifying low-income communications end-users such as those serviced by dPi. Mechanisms were also established in an effort to moderate the amount of costs to be recovered through basic, recurring charges to low-income users, thereby assisting efforts to maintain reasonable basic rate levels.

4. Since January 1, 1998, a competitive local exchange carrier qualifies to receive the universal service support set forth above only if it has been designated by a state regulatory agency as an ETC. The Universal Service Fund therefore represents significant additional resources which could greatly benefit the consumers and businesses of the State of Tennessee upon the designation of dPi as an ETC.

5. dPi requests that the TRA, by order, designate the company as an ETC throughout its Service Area. As described below, dPi seeks ETC status on both a wireline and wireless basis beginning as soon as possible in 2010, upon approval by the TRA.

6. Pursuant to this Application, dPi requests ETC status solely for the purpose of providing the services supported by and participating in the Low Income Programs of the Universal Service Fund. dPi does not request ETC status for the purpose of participating in any High Cost programs of the Universal Service Fund. Such action is entirely consistent with both the 1996 Act and the public interest of the State of Tennessee.

7. dPi provides competitive local exchange services throughout its service area in the State of Tennessee. dPi strives to assist in bringing premier telecommunications services to those areas and is committed to the provision of reasonably priced services. As an ETC, dPi will

also be permitted to participate in the Low Income cost recovery mechanisms established by the FCC.

8. Under dPi's proposed Low Income wireless offering, each eligible wireless customer will receive a handset at no cost to the subscriber. Because dPi has already been certificated to provide service throughout the non-rural service area of AT&T Tennessee, this ETC designation will enhance dPi's ability to provide service to low income consumers within the Service Area, and since this Application is for purposes of receiving low income universal service support, dPi's new wireless offering will supplement and not detract from the provision of supported services in such area. dPi is not seeking ETC designation beyond the geographic area for which it has already received certification. dPi will provide the supported services using a combination of its own facilities and resale of other carriers' services while advertising the availability of those services using media of general distribution.

9. Consistent with the requirements of Section 214 of the Federal Communications Act of 1934, as amended, ("Communications Act"), 47 U.S.C. §214 (e) (6) and Sections 54.101 through 54.207 of the FCC's rules, dPi, in its provision of wireline and wireless services, will rely on a combination of resold services which the Company will obtain from underlying incumbent local exchange carriers ("ILECs") and/or wireless providers that currently operate their own networks and Company-owned facilities, thus allowing dPi to meet the FCC's test that requires an ETC to provide services, at least in part, through a "combination of its own facilities and resale of another carrier's services".<sup>1</sup> Specifically, dPi has an approved interconnection agreement with AT&T Tennessee (Docket No. 10-0002, Order dated March 1, 2010) pursuant to

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<sup>1</sup> See Section 214(e)(1)(A) of the 1996 Act.

which dPi utilizes unbundled network elements or their functional equivalent (“UNEs”) from AT&T Tennessee.

10. These UNEs constitute facilities of dPi used in the provision of its wireline offering and anticipated to be used in conjunction with dPi’s planned wireless offering. In addition, dPi obtains services through commercial mobile radio service (“CMRS”) providers that allow the Company to supplement the services provided through Company-owned facilities. Through these arrangements, dPi is able to offer all of the services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC Rules, throughout its Service Area<sup>2</sup>, thereby allowing the Company to provide service to its customers throughout the geographic area served by non-rural provider AT&T Tennessee.

11. The Company’s facilities through which it provides wireline services are also co-located with other carriers’ facilities, and provide dPi the ability to route interexchange services, which is one of the supported services.<sup>3</sup> Currently, there is no state or federal definition or requirement as to the number of, or the amount of, the supported services that an ETC must offer via its “own facilities.” The ETC merely must provide some portion of the supported facilities through the use of the same, which dPi does. Therefore, dPi is able to meet the federal requirement that an ETC must offer the supported services at least in part through the use of its own facilities. Additionally, Federal law does not require any particular level of facilities. The FCC stated in its Universal Service Order, 12 FCC Rcd 8853, FCC 97-157 (“USF Order”), at para. 169 that:

We adopt the Joint Board's analysis and conclusion that a carrier need not offer universal service wholly over its own facilities in order to be designated as

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<sup>2</sup> See 47 CFR § 54.101(a).

<sup>3</sup> See 47 CFR § 54.101(a)(7).

eligible because the statute allows an eligible carrier to offer the supported services through a combination of its own facilities and resale. Although the Joint Board did not reach this issue, we find that the statute does not dictate that a carrier use a specific level of its "own facilities" in providing the services designated for universal service support given that the statute provides only that a carrier may use a "combination of its own facilities and resale" and does not qualify the term "own facilities" with respect to the amount of facilities a carrier must use. For the same reasons, we find that the statute does not require a carrier to use its own facilities to provide each of the designated services but, instead, permits a carrier to use its own facilities to provide at least one of the supported services.

12. In affirming its own decisions, the FCC chose to continue to define the term "own facilities" as "*any physical components* of the telecommunications network that are used in the transmission of the services that are designated for support"<sup>4</sup> (emphasis added). The Communications Act's definition of "network element" matches that of the FCC and defines a "network element" as "a facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service."<sup>5</sup> All facilities-based carriers – not just ILECs – have and use network elements.<sup>6</sup>

13. Designation of dPi as an ETC on both a wireline and wireless basis is in the public interest of the State of Tennessee and its low-income telecommunications end-users. Under the 1996 Act, "[u]pon request and consistent with the public interest, convenience and

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<sup>4</sup> See 47 CFR § 54.101; 47 CFR § 54.201(e).

<sup>5</sup> See 47 USC § 153(29).

<sup>6</sup> Only ILEC network elements can be designated as "unbundled" under § 251(c)(3) using the criteria in § 251(d)(2), but all facility-based carriers, including nondominant wireline and wireless carriers also have "network elements."

necessity”<sup>7</sup> the TRA shall “designate more than one common carrier as an eligible telecommunications carrier for a service area designated”<sup>8</sup> by the TRA. In doing so, the TRA “shall find that the designation is in the public interest”.<sup>9</sup> FCC Rules require that an ETC application demonstrate that designation would be consistent with the public interest, convenience and necessity and that prior to designating an ETC pursuant to section 214(e)(6), the TRA “shall consider the benefits of increased consumer choice, and the unique advantages...of the applicant’s service offering”.<sup>10</sup> Pursuant to this requirement, dPi provides the following information which clearly demonstrates that dPi’s designation as an ETC for wireline and wireless service is consistent with the public interest, convenience and necessity providing consumers with increased competitive choice through the offering of a unique service.

(a) **Increased Competitive Choice.** The FCC has determined that while designation of competitive ETCs promotes and benefits consumers by increasing customer choice, designation must include “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.”<sup>11</sup> dPi is seeking ETC designation for wireline services in areas that are typically served by wireline carriers, and designation of dPi will increase competitive choice for wireline end-users. In addition, inclusion of its wireless service will provide an additional valuable alternative to the existing telecommunications services currently available in these areas

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<sup>7</sup> 47 C.F.R. § 54.201(c).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> 47 C.F.R. § 54.202(c).

<sup>11</sup> See Federal-State Joint Board on Universal Service, 20 FCC Rcd 6371, ¶ 42 (2005)



and will promote competition and facilitate the provision of advanced communications services to low-income residents of Tennessee.

The public interest benefits of inclusion of the Company's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage in the event that included usage has been exhausted, 9-1-1 service and, where available, E 9-1-1 service in accordance with current FCC requirements.

The inclusion of toll calling as a part of dPi's wireless offering, along with the fact that service is provided without a monthly recurring charge, will allow consumers to avoid the risk of becoming burdened with large and unexpected charges for toll calling and unexpected overage charges.

Designation of the Company as an ETC on both a wireline and wireless basis will also provide the ILECs serving the same area an incentive to improve their existing networks and service offerings in order to remain competitive, which will result in improved consumer services and will also benefit consumers by allowing dPi to offer the services designated for support at rates that are "just, reasonable, and affordable."<sup>12</sup>

The FCC has also identified factors that are to be considered in determining whether designation of additional ETCs will serve the public interest such as whether the benefits of an additional ETC would outweigh potential harms. These factors include: 1) the benefits of

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<sup>12</sup> See 47 U.S.C. § 254(b)(1).

increased competitive choice; and 2) the unique advantages and disadvantages of the company's service offerings.<sup>13</sup> dPi affirms that its ETC designation meets these criteria as described below.

As provided by the Communications Act, the availability of basic telecommunications services to low-income consumers is critical to the provision of public health, safety, and other services. In addition, the FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the resulting variety of telecommunications services they provide.<sup>14</sup> This is of particular interest in cases where wireless providers, such as dPi, seek to provide services as alternatives to those of the traditional ILEC. In the *Highland Cellular*<sup>15</sup> case, the FCC recognized and affirmed that some households may not have access to the public switched network as provided by the incumbent local exchange carrier. The availability of a wireless competitor benefits consumers who routinely drive long distances to attend work or school or to accomplish everyday tasks such as shopping or attending community and social events. The wireless service offered by dPi will provide these consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home.

The Lifeline and Link-Up service offered by dPi also provides important benefits that are especially needed by low-income Tennessee residents in this time of economic downturn. As the TRA is aware, the Dow Jones Average, a primary indicator of the health of the economy, has been at a low ebb for a considerable period of time. Thus, the savings accounts, upon which many depend for emergencies and retirement, have significantly eroded. Since the recession

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<sup>13</sup> See 47 CFR. § 54.202(c).

<sup>14</sup> See e.g., *Specialized Common Carrier Services*, 29 FCC 2d 870 (1971).

<sup>15</sup> Federal-State Joint Bd. on Universal Serv., *Highland Cellular, Inc., Memorandum Opinion and Order*, 19 F.C.C.R. 6422 (2004).

began, 5.1 million jobs have been lost nationally, with nearly two-thirds (3.1 million) of the decrease occurring in the last 5 months.<sup>16</sup> By January of 2010, the number of unemployed persons increased by 14.8 million, and the unemployment rate rose to 9.7 percent.<sup>17</sup> Presently Tennessee's unemployment rate is reported to be 10.6 percent<sup>18</sup>, which has a significant impact on many residents of the state. The availability of a mobile telephone will be critical to the efforts of the unemployed as they search for other employment opportunities. Without a regular paycheck, wireless telephone service would become a luxury beyond the means of many of those persons.

dPi's Lifeline and Link-Up programs will enable thousands of residents to obtain wireless service which would otherwise be unavailable to them. The dire economic circumstances indicate that low-income individuals, now more than ever, can greatly benefit from the advantages offered by dPi's Lifeline and Link-Up service thus allowing those adversely impacted by the failing economy or job loss to have access to a free wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members.

It is also a commonly accepted fact that in today's market, qualified Lifeline and Link-Up customers view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment the ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location.

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<sup>16</sup> *Source* United States Department of Labor Bureau of Labor Statistics.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

Added together, dPi expects these additional competitive advantages to create an atmosphere that will cause many qualified consumers, at their option, to select the Company's low income wireline or wireless Lifeline and Link-Up service in lieu of the more traditional wireline or wireless services.

(b) **The Unique Advantages of dPi's Service Offerings.** dPi will offer a unique, easy to use, competitive and highly affordable wireline and/or wireless telecommunications service, which it will make available to qualified consumers who either have no other service alternatives or who choose a wireless prepaid solution in lieu of more traditional wireline or wireless services.

dPi will announce and advertise telecommunications services as an ETC where it provides service in its Service Area and will publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services. Accordingly, more low-income Tennessee residents will be made aware of the opportunities afforded to them under the Lifeline and Link-Up programs and will be able to take advantage of those opportunities by subscribing to dPi's service. A sample of dPi's planned advertising is attached hereto as Exhibit "B."

dPi will provide universal service as an ETC in all of its Service Area.

dPi is willing to accept carrier of last resort obligations throughout the universal service areas in which dPi is designated as an ETC by the Commission.

dPi will provide equal access to long distance carriers, to the extent to which it is able to do so.

dPi offers a local usage plan comparable to the one offered by the ILEC in the service areas for which it seeks designation.

(c) **dPi's Lifeline Plan (Wireline and Wireless).** Lifeline is a component of one of four separate federal universal service fund mechanisms<sup>19</sup> known as the "low-income support mechanism".<sup>20</sup> and is defined in 47 C.F.R. § 54.401 as "a retail local service offering" "available only to qualified low-income consumers" "for which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support amount" "that includes the services or functionalities enumerated in § 54.401(a)(1) through (a)(9)", which the Company will use to "[m]ake available Lifeline service...to qualifying low-income consumers".<sup>21</sup> Under the Company's Wireless Lifeline plan, dPi will provide qualified Lifeline customers who reside in the State of Tennessee with sixty-eight (68) minutes of free anytime local and long distance minutes each month and will use all low-income universal service support to allow the Company to provide the service with no monthly recurring charge, thus ensuring that the consumer receives 100% of all universal service support funding for which the Company will seek reimbursement of USF Lifeline support necessary to provide the free minutes of airtime above. In the event that all airtime has been used, Lifeline customers will have the capability of purchasing additional airtime replenishment cards in \$20.00, \$30.00, and \$60.00 denominations. Airtime replenishment cards will be made available at retail outlets frequented by low income customers throughout the Service Area.

The wireless plan will also include a free handset and the following Custom Calling features:

- (1) Caller ID;
- (2) Call Waiting;
- (3) Call Forwarding;

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<sup>19</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at second sentence.

<sup>20</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at first sentence.

<sup>21</sup> 47 C.F.R. §§ 54.401(a), 54.401(a)(1), 54.401(a)(2), 54.401(a)(3), 54.405(a).

- (4) 3-Way Calling
- (5) Voicemail.

Wireless handsets will be delivered at no charge to qualifying customers, service will be activated, and the requisite number of minutes will be added upon certification of the customer for Lifeline and Link-Up.

(d) **dPi's Link-Up Plan.** Like Lifeline, Link-Up is also a component of one of four separate federal universal service fund mechanisms<sup>22</sup> known as the “low-income support mechanism”,<sup>23</sup> and is defined in 47 C.F.R. § 54.411 as an “assistance program for qualifying low-income consumers, *which an eligible telecommunications carrier shall offer as part of its obligations set forth in §§ 54.101(a)(9) and 54.101(b)*”<sup>24 25</sup>(emphasis added). Assistance is in the form of a “reduction in the carrier’s customary charge for commencing telecommunications service for a single telecommunications connection” and “shall be half of the customary charge or \$30.00, whichever is less”.<sup>26</sup> Consistent with FCC requirements, dPi will use Link-Up support to reduce the company’s “customary charge for commencing service” by “half of the customary

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<sup>22</sup> 47 C.F.R. § 54.8(a)(1); *See* “Definitions” at second sentence.

<sup>23</sup> 47 C.F.R. § 54.8(a)(1); *See* “Definitions” at first sentence.

<sup>24</sup> 47 C.F.R. § 54.411(a). The plain reading of this definition is that an ETC is obligated to provide this discount to qualifying low-income consumers. In addition, § 54.413(a) stipulates that carriers that provide Link-Up discounts, “may receive universal service support reimbursement for the revenue they forgo in reducing their customary charge for commencing telecommunications service...”

<sup>25</sup> § 54.101(a)(9) is the specific obligation to offer Toll Limitation for qualifying low-income consumers while § 54.101(b) is the requirement that an “eligible telecommunications carrier must offer each of the” services designated for support “in order to receive federal universal service support”. As a part of its application, dPi has demonstrated that it has the capability to and will offer all of the supported services specified in § 54(a)(1) – (9).

<sup>26</sup> 47 C.F.R. § 54.411(a)(1).

charge...”<sup>27</sup>, which will result in a reduction of the Company’s wireline or wireless activation charge by \$30.00.

Qualifying subscribers will have the option of deferring the reduced activation charge over a twelve-month period with no interest, thus allowing subscribers to obtain service without being required to pay any up-front fees to activate service with dPi.

(e) **Designation of dPi as an ETC Will Benefit Low Income Consumers in the State of Tennessee.** Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards<sup>28</sup>; dPi will satisfy all such standards. As part of its certification requirements for providing local exchange services, dPi must abide by the service quality and consumer protection rules. In addition, dPi commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC’s USF Order.<sup>29</sup> dPi in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards.

Under FCC guidelines, an ETC applicant must demonstrate its ability to remain functional in emergency situations<sup>30</sup>. Since dPi is providing service to its customers through the use of ILEC leased facilities, this arrangement allows dPi to provide 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 to ensure

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<sup>27</sup> *Id.*

<sup>28</sup> 47 CFR §54.202(a)(3), 62 FR 15978 at Para 28.

<sup>29</sup> USF Order at Para 4.

<sup>30</sup> 47 CFR § 54.202(a)(2); USF Order at Para 25.

functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

In addition to wireline services mentioned above, inclusion of the Company's wireless service in its ETC designation will make Lifeline and Link-Up discounts available to many more Tennessee residents. This is particularly true in the wireless field, where, to dPi's knowledge, there are a limited number of wireless providers offering USF supported service and even fewer offering the same with absolutely no monthly recurring charge to the end-user. As such, the service for which dPi seeks ETC status is unique.

Inclusion of dPi wireless service will serve the public interest by increasing participation of qualified consumers in the Lifeline and Link-Up programs, thereby contributing to an overall increase in the number of Tennessee residents receiving Lifeline and Link-Up and an increase to the amount of federal USF dollars benefiting Tennessee residents.

Finally, inclusion of dPi wireless service will serve the public interest by furthering the extensive role that dPi believes it will play in the provision of communications service to low-income consumers, transient users, and other consumers who, due to the restrictive credit criteria, deposit requirements, and long-term commitments of wireline and traditional wireless service providers, are off network and, without any viable alternative, are likely to remain so.

(f) **Designation of dPi on Both a Wireline and Wireless Basis Will Impose a Negligible Burden on the USF.** dPi reiterates that it is applying for ETC designation solely for the purpose to provide Lifeline and Link-Up discounts to qualified low-income consumers and to seek reimbursement for the same and will not seek or accept High Cost support. Under FCC guidelines, an ETC applicant must submit a five-year plan that describes with specificity the proposed improvements or upgrades to the applicant's network on a wire-center-by-wire-



center basis throughout its proposed Service Area. The only circumstance warranting deviation from this requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because dPi seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers, submission of a Five-Year Network Improvement Plan is not required at this time. Since Lifeline support is designed to reduce the monthly cost of telecommunication services for eligible consumers, is distributed on a per-customer basis, and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low-income users, which is clearly in the public interest.

As with its wireline service, inclusion of dPi's wireless service will not pose any adverse effect in the growth in the high cost portions of the USF, nor will it create or contribute to an erosion of high cost funding from any rural or non-rural telephone company.

The FCC reaffirmed this position when it recently stated that "the potential growth of the fund associated with high-cost support distributed to competitive ETCs" is not relevant to carriers seeking support associated with the low-income program.<sup>31</sup> Accordingly, total low-income support for 2007 accounted for only 11.8 percent of the total distribution of the USF, with high-cost accounting for over 61 percent of the total.<sup>32</sup>

The FCC also recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that "any increase in the

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<sup>31</sup> Petition of TracFone Wireless, Inc. for Forbearance from 47 U.C.S § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (TracFone Forbearance Order) at ¶ 17.

<sup>32</sup> 2008 Wireline Competition Bureau, FCC, *Trends in Telephone Service*, Chart 19.1.

size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline and Link-Up programs, furthering the statutory goal of providing access to low-income consumers.”<sup>33</sup>

It is also vital to recognize that in the case of Lifeline and Link-Up support, an ETC receives USF support *only* for the customers it obtains. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the “capturing” ETC provides Lifeline discounts and as a result, only the “capturing” ETC receives support reimbursement.

In addition, all providers are required to contribute a portion of the interstate revenues received from their customers to the Universal Service Fund. In accordance with current federal regulations, dPi will make contributions based on that portion of its revenue that is determined to be interstate. As such, approving dPi as an ETC will actually create contributions to the USF that were previously non-existent.

(g) **dPi Has Internal Controls in Place to Prevent Subscribers from Receiving More Than One Lifeline Discount.** Consistent with federal requirements, dPi requires customers to self-certify at the time of service activation and annually thereafter that they: 1) are the head of household; 2) participate in one of the state-approved means tested programs; 3) will be receiving Lifeline-supported services only from dPi; 4) do not currently receive Lifeline support; and 5) will notify dPi if in the event that they no longer participate in the qualifying program. Verification of continued eligibility is accomplished by contacting a statistically valid sample of the Company’s Lifeline customers.

14. In order to be designated as an ETC, the FCC's rules require that carriers must publicize and offer the list of services supported by the federal universal service mechanisms.

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<sup>33</sup> TracFone Forbearance Order, at ¶ 17.

As demonstrated below, dPi satisfies these requirements and should be granted ETC status.

Under federal rules, the ETC must offer the following services:

- a) Voice grade access to the public switched network;
- b) Access to free-of-charge "local usage" defined as an amount of minutes of use of exchange service;
- c) Dual tone multi-frequency signaling or its functional equivalent;
- d) Single-party service or its functional equivalent;
- e) Access to emergency services;
- f) Access to operator services;
- g) Access to interexchange services;
- h) Access to directory assistance; and
- i) Toll limitations services for qualifying low-income customers.

15. As described above, qualified ETCs must offer these services either using their own facilities or a combination of their own facilities and the resale of services of another facilities-based carrier. Further, ETCs must advertise the availability of, and the prevailing prices for, the universal services throughout the area in which they have been designated an ETC. dPi will comply with each of these requirements regarding service provisions and advertisement, and dPi will utilize all universal service support for the provision, maintenance, and upgrading of the supported services.

16. dPi meets all state and federal eligibility requirements in order to be designated an ETC in Tennessee. In addition, dPi upon being designated an ETC, will file with the TRA its tariff service provisions and rates for Lifeline and Link-Up services provided by wireline modality. Attached hereto as Exhibit "C" and incorporated herein by reference are copies of the proposed Lifeline and Link-Up tariff pages.

17. dPi attaches hereto as Exhibit "D" and incorporates herein by reference financial statements showing that it has the financial qualifications to provide the services specified herein. The financial statements of dPi contain confidential proprietary and financial information not generally available to the public. Due to the highly competitive nature of the telecommunications marketplace, dPi deems these materials to be proprietary. The financial statements are therefore being submitted on a confidential basis under seal to be maintained by the TRA and the Tennessee Public Utilities Staff on a confidential basis pursuant to applicable TRA Rules.

18. dPi attaches as Exhibit "E" the current list of its officers, along with biographical information for each.

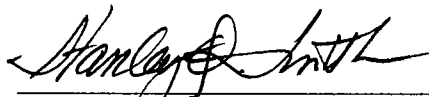
### CONCLUSION

Having demonstrated that dPi satisfies the conditions necessary for designation as an ETC in Tennessee, and having shown that the public and universal service interests of the telecommunications consumers of the State of Tennessee will be properly served, dPi respectfully requests that the TRA designate it as an ETC for the provision of low income support on both a wireline and wireless basis throughout dPi's Service Area.

Respectfully submitted,

**DPI TELECONNECT, LLC**

By:



Stanley Q. Smith  
Attorney

Stanley Q. Smith  
WATKINS LUDLAM WINTER & STENNIS, PA  
190 E. Capitol Street, Suite 800  
Jackson, Mississippi 39201  
Telephone: (601) 949-4863  
Facsimile: (601) 949-4804

## CERTIFICATE OF SERVICE

I, Stanley Q. Smith, hereby certify that I have served a copy of the foregoing Application for designation as an Eligible Telecommunications Carrier under the Telecommunications Act of 1996 on the following via Electronic Mail on this the 5th day of May, 2010

Chairman, Tennessee Regulatory Authority  
c/o Sharla Dillon, Dockets, and Records Manager  
460 James Robertson Parkway  
Nashville, Tennessee 37243  
Sharla.dillon@tn.gov

**dPi TELECONNECT, LLC**

A handwritten signature in black ink, appearing to read "Stanley Q. Smith", written over a horizontal line.

Stanley Q. Smith  
Watkins Ludlam Winter & Stennis, P.A.  
190 E. Capitol Street, Suite 800  
Jackson, Mississippi 39201  
Telephone: (601) 949-4863  
Facsimile: (601) 949-4804

Attorney for dPi Teleconnect, LLC

VERIFICATION

STATE OF TEXAS

COUNTY OF Dallas

PERSONALLY came and appeared before me, the undersigned party in and for the jurisdiction aforesaid, the within named Thomas O'Roark who after being duly sworn by me stated under oath as follows: that I am the CEO of dPi Teleconnect, LLC ("dPi"); that I executed the foregoing pleading for and on behalf of dPi; that I am authorized to execute and file said pleading; and that the matters and things set forth in said pleading are true and correct to the best of my knowledge, information and belief.

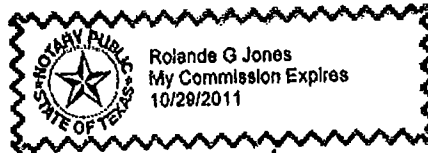
Thomas O'Roark

SWORN TO AND SUBSCRIBED before me on this the 30 day of April, 2010.

NOTARY PUBLIC

My Commission Expires:

10-29-2011



*Rolande G. Jones*

## **EXHIBITS**

- Exhibit A - Wire Centers
- Exhibit B - Advertising
- Exhibit C - Lifeline / Link-Up Tariff pages
- Exhibit D - Financial Information (filed under seal)
- Exhibit E - Officers

## **EXHIBIT “A”**

### **Wire Centers**



## **TN BellSouth Exchanges by Local Access and Transport Area (LATA)**

### **Chattanooga LATA**

Apison Dayton McCaysville, **GA** Spring City  
Benton Decatur Nine Mile Stevenson, AL  
Bridgeport, GA Dunlap Noble, GA Tennega, **GA**  
Charleston Fall Creek Falls Ooltewah Trenton, GA  
Chattanooga Georgetown Pikeville Villanow, GA  
Chickamauga, GA High Point, GA Ringgold, GA West Brow, GA  
Cleveland Jasper Rising Fawn, GA Whitwell  
College Station Kensington, GA Rossville, **GA**  
Collegedale Lafayette, GA Soddy Daisy  
Copper, Basin Liberty South Pittsburg

### **Knoxville LATA**

Athens Halls Cross Roads New Tazewell Sharps Chapel  
Ball Play Harriman Newport Sneedville  
Bean Station Huntsville Niota Solway  
Bent Creek Jefferson City Norris Sunbright  
Bulls Gap Jellico Oak Ridge Surgoinsville  
Chestnut Hill Kingston Oakdale Sweetwater  
Claxton Knoxville Oliver Springs Tate Springs  
Clinton La Follette Oneida Tellico Plains  
Coker Creek Lake City Petros Vonore  
Concord Lenoir City Powell Wartburg  
Dandridge Loudon Riceville Washburn  
Deer Lodge Madisonville Robbins Waterville  
Englewood Maryville Rockwood West Sweetwater  
Etowah Mascot-**Strawberry Plains** Rogersville White Pine  
Gatlinburg Maynardville Rutledge  
Greenback Morristown Sevierville

### **Memphis LATA**

Adamsville Dyer Mason Rutherford  
Alamo Dyersburg Mason Hall Sardis  
Arlington Friendship Maury City Savannah  
Atwood Gibson McKenzie Scotts Hill  
Bells Gleason Medina Selmer  
Bessie Bend Grand Junction Memphis Sharon  
Bethel Springs Greenfield Michigan City, **MS** Shelby Forest  
Big Sandy Halls Middleton Shiloh  
Bolivar Henderson Milan Sidonia  
Bradford Henning Milledgeville Somerville  
Brazil Henry Millington South Moscow  
Brownsville Hernando, **MS** Moscow Stanton  
Bruceton Hornbeak Mount Pleasant Tiptonville  
Byhalia, **MS** Humboldt Munford Trenton  
Camden Huntingdon Newbern Trezevant  
Cedar Grove Jackson Olive Branch, **MS** Trimble  
Chulahoma, **MS** Jordan Palmersville Troy  
Collierville Kenton Paris Union City  
Covington LaGrange Parsons West Whiteville  
Decaturville Latham Ridgely Whiteville  
Dresden Lexington Ripley Yellow Creek  
Drummonds Martin Rosemark Yorkville

### **Nashville LATA**

Adams-Cedar Hill Eagleton Liberty Rock Island  
Alexandri **Eagleville** Linden Sango  
Ardmore, AL East Sango Livingston Santa Fe  
Ashland City Elkton Lobelville Sewanee  
Auburntown Erin Loretto Shelbyville  
Baxter Estill Springs Lyles Smithville  
Beech Grove Ethridge Lynchburg Smyrna

Beersheba Fairview Lynnvile South Cunningham  
Belfast Fayetteville Manchester South Fredonia  
Bethpage Five Points McBurgh South Oak Grove  
Blanche Flat Creek McEwen Sparta  
Bon Decroft Flintville McMinnville Spencer  
Byrdstown Fosterville Milton Spencer Mill  
Carthage Francisco Alabama Minor Hill Spring Hill  
Celina, Franklin Monteagle Springfield  
Centertown Fredonia Monterey St. Joseph  
Centerville Gainesboro Moss Summertown  
Chapel Hill Gallatin Mount Juliet Tansi  
Charlotte Goodlettsville Mount Pleasant Temperance Hall  
Chestnut Mound Gordonsville Murfreesboro Tennessee Ridge  
Clarkrange Granville Nashville Tracy City  
Clarksville Green Grove New Johnsonville Triune  
Clifton Greenbrier Nolensville Tullahoma  
College Grove Hampshire Norene Unionville  
Collinwood Hartsville Normandy Vanleer  
Columbia Hendersonville North Spring Hill Veto  
Cookeville Highland North Springs Viola  
Cookeville South Hillsboro Oak Grove, **KY** Wartrace  
Cornersville Hillsdale Old Hickory Watertown  
Crawford Hohenwald Old Zion Waverly  
Cross Plains Orlinda Huntland Palmyra Waynesboro  
Crossville Jamestown Pelham **West Vanleer**  
Culleoka Kingston Springs Petersburg Westmoreland  
Cumberland City Laager Pleasant Hill White Bluff  
Cunningham Lafayette Pleasant Shade White House  
Defeated Laverne Pleasant View Williamsport  
Dibrell Lawrenceburg Portland Winchester  
Dickson Lebanon Pulaski Woodbury  
Dover Leoma Red Boiling Springs Woodland  
Doyle Lewisburg Rickman

## **EXHIBIT “B”**

### **Sample Advertising**

*For only \$12/mo. Add High Speed Unlimited*

**dPi offers**  
**4 Home Phone \***  
**Service**  
**packages**

**Quality**  
**Home Phone**  
**Service** with no  
 hassles

**Low Weekly & Monthly Rates!!**

AS LOW AS **\$9.99\*\*** per week plus taxes & fees (Lower Rates Available for Qualified Customers.) Call for details.

• **Lifeline**

Includes: Unlimited Local Calling,  
 (For qualified customers only. Not available in all areas. Ask agent for details.)

• **Basic**

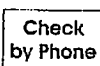
Includes: Unlimited Local Calling,  
 dPi Club Program

• **Advantage**

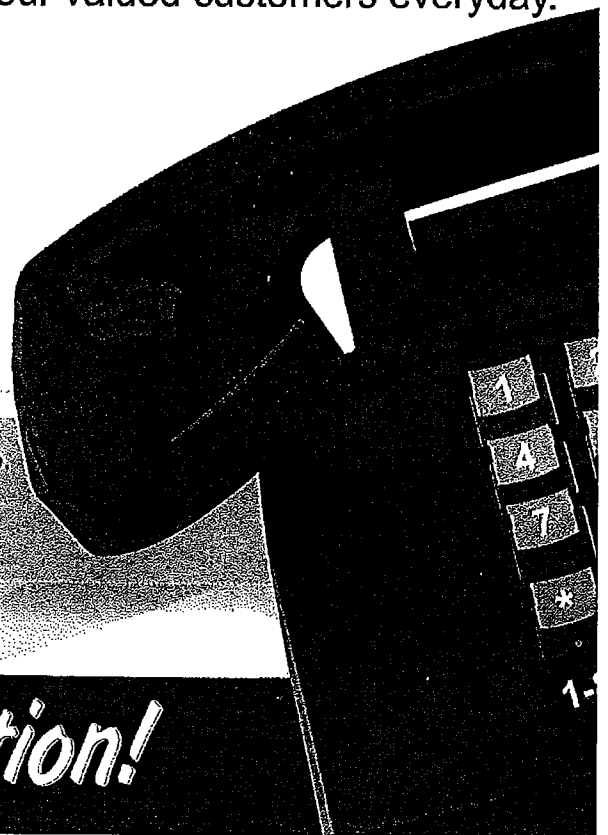
Includes: Unlimited Local Calling, Call Waiting  
 Deluxe & Caller ID Deluxe, dPi club program

• **Premier**

Includes: Unlimited Local Calling, Call Return,  
 Busy Redial, Call Waiting Deluxe, Caller ID Deluxe  
 & 3-Way Calling, dPi club program



Through new advances in technology and communication, we have streamlined our sales systems to make it easier for Rent-A-Center coworkers to assist the customer in hand-picking the home phone services and features they need. Combined with our best class relations, it's easy to see why Rent-A-Center chooses dPi to serve our valued customers everyday.



being used for any reason inconsistent with normal residential telephone use.  
 Prices shown are basic service with 2,000 Long Distance minutes only.  
 \* depending on the package chosen.  
 \*\* the package and features you select.

**d. No Long Term Obligation!**

# **GO Home Phone**

**Pay By The Day! Pay By The Week!**

*Pay as You Go*, provides flexible payment plans with daily, weekly, monthly, and bi-monthly rates.

Just pay your 1st month in advance, then you can *Pay as You Go!*

You can buy home phone service for a day, a week, a month or as long as you need!

## **It's as Easy as 1-2-3!**

**Visit a Rent-A-Center store near you  
or Call Toll-Free 877-JOIN-dPi  
or Visit [www.joindPi.com](http://www.joindPi.com)**



**2 Pick a home phone package  
that best fits your lifestyle.**

**3 Make initial Payment  
and activate your service to start talking.**

Not available in all Rent-A-Center Stores. Check with your local Rent-A-Center store for service availability.

connect reserves the right to terminate, suspend, or restrict any service without notice if it is determined that the calling service is offers only available for new customers. Plans vary by location. Package features may vary by carrier area. Plus taxes and fees. Prices indicate dPi's prompt-pay discount. First month payment usually costs between \$60 to \$100. Your average monthly phone bill after fees and taxes will be from \$49 to \$80. Again, depending on

## **Deposit. No Credit Check. No I.D. Required**

**EXHIBIT “C”**

**Lifeline / Link-Up Tariff Pages**

3.7 Lifeline Program

(N)

A. General

- (i) The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service for qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket No. 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket No. 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the South Carolina Public Service Commission and are as set forth in this tariff.
- (ii) Lifeline is supported by the federal universal service support mechanism.
- (iii) Federal baseline support of eight dollars and twenty-five cents (\$8.25) is available for each Lifeline service and is passed through to the subscriber. An additional three dollars and fifty cents (\$3.50) credit is provided by the Company. Supplemental federal support of one dollar and seventy-five cents (\$1.75), matching one half of the Company contribution, will also be passed along to the Lifeline subscriber. The total Lifeline credit available to an eligible customer in South Carolina is thirteen dollars and fifty cents (\$13.50). The amount of credit will not exceed the charge for local service, which includes the access line, the Subscriber Line Charge and local usage.

B. Regulations

(i) General

- (a) Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
- (b) One low income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in Section B(ii)(a) following.
- (c) A Lifeline customer may subscribe to any local service offering available to other residential customers. Since the Lifeline credit is applicable to the primary residential connection only, it may not be applied to multiple lines in a package for local service.
- (d) Toll blocking, if elected, will be provided at no charge to the Lifeline subscriber.
- (e) No deposit will be required of a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
- (f) Neither the Federal Universal Service Charge nor the South Carolina Intrastate Universal Service Surcharge will be billed to Lifeline customers.

(N)

3.7 Lifeline Program (Cont'd.)

(N)

B. Regulations (Cont'd.)

(i) General (Cont'd.)

(g) A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local calls in accordance with Section 2. Access to toll service may be denied for non-payment of regulated tolls. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges.

(h) At no time shall a customer's Lifeline rate go below zero.

(ii) Eligibility

(a) To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.

1. Temporary Assistance to Needy Families (TAW), previously known as AFDC.
2. Food Stamps
3. Medicaid

(b) All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.

(iii) Certification

(a) Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company within 30 days of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. When eligibility documentation is provided, the Lifeline credit will be provided on a going forward basis.

(b) The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.

(c) When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation within 60 calendar days, the Lifeline credit will be discontinued.

(N)

Issued: \_\_\_\_\_

David Dorwart, President & CEO  
dPi Teleconnect, LLC

Effective: \_\_\_\_\_



(N)

3.7 Lifeline Program (Cont'd.)

B. Regulations (Cont'd.)

(iv) General

- (a) Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
- (b) Service Charges in Section 4 are applicable for installing or changing Lifeline service.
- (c) Link-Up connection assistance in Section 4 may be available for installing or relocating Lifeline service.
- (d) The Service Change Charge in Section 4 is not applicable when existing service is converted intact to Lifeline.

(v) The total Lifeline credit consists of one federal credit plus one (1) Company credit

(a) Federal credit

Monthly Credit

- 1. Temporary Assistance to Needy Families \$10.00
- 2. Food Stamps \$10.00
- 3. Medicaid \$10.00

(b) Company credit

- 1. All programs, one per Lifeline service \$ 3.50

3.8 Link-Up South Carolina

A. General

- (i) Link-Up is a program designed to increase the availability of telecommunications services to low income subscribers by providing a credit to the non-recurring installation and service charges to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the South Carolina Public Service Commission and are as set forth in this tariff.
- (ii) Link-Up is supported by the federal universal service support mechanism.
- (iii) A federal credit amount of fifty percent (50%) of the non-recurring charges for connection of service, up to a maximum of thirty dollars (\$30.00), is available to be passed through to the subscriber.

(N)

Issued: \_\_\_\_\_

David Dorwart, President & CEO  
dPi Teleconnect, LLC

Effective: \_\_\_\_\_

3.8 Link-Up South Carolina (Cont'd.)

(N)

B. Regulations

(i) General

- (a) Customers eligible under Link-Up are also eligible for monthly recurring assistance under the Lifeline program.
- (b) Link-Up connection assistance is available per household and is applicable to the primary residential connection only.
- (c) The Link-Up credit is available each time the customer installs or relocates the primary residential service.
- (d) To receive the credit, proof of eligibility must be provided within 30 days after installation of service.
- (e) The total tariffed charges for connecting service, including service and other installation charges, are considered in the credit calculation.

(ii) Eligibility

- (a) To be eligible for a Link-Up credit, the named subscriber must be a current recipient of any of the following low income assistance programs:
  - 1. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - 2. Food Stamps
  - 3. Medicaid
- (b) All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.

(iii) Certification

- (a) Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company within 30 days of application for service. The Link-Up credit will not be established until proof of eligibility has been received by the Company.
- (b) The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Link-Up plan.

C. Rates and Charges

The federal credit available for a Link-Up connection is thirty dollars (\$30.00) maximum or fifty percent (50%) of the installation and service charges from this Tariff, whichever is less.

(N)

Issued: \_\_\_\_\_

David Dorwart, President & CEO  
dPi Teleconnect, LLC

Effective: \_\_\_\_\_

## **EXHIBIT “D”**

### **Financial Statements**

The financial statements of dPi Teleconnect, LLC (The Financial Statements) contain confidential proprietary and financial information not generally available to the public. Due to the highly competitive nature of the telecommunications marketplace, dPi deems these materials to be proprietary. Accordingly, the Financial Statements have been marked as confidential and are being submitted under seal to be maintained by the TRA and the Tennessee Public Utilities Staff on a confidential basis.

**EXHIBIT “E”**

**List Of Officers**

## **DPI Teleconnect, LLC**

### **Management**

#### **Thomas O’Roark – Chief Executive Officer**

Thomas O’Roark holds a BSBA degree from Pittsburg State University and successfully passed the CPA exam in Oklahoma in 1980. He has over 33 years of experience, including four years of public accounting experience with Arthur Anderson & Co, and 29 years in private industry. His industry experience includes 18 years of Telecom experience with such companies as Proxy Message Center, Vartec Telecom and Covista Communications. Mr. O’Roark joined DPI in 2004 as VP Finance and was promoted to CEO in 2009.

#### **Z. Ed Lateef – Member of the Board of Managers**

Ed attended Houston Baptist University with a focus on Bachelor in Business Administration. He has been an entrepreneur his entire professional career. Aside from founding, he is also a shareholder and CEO of Amvensys Technologies, Inc, a global technology provider with offices in six countries. He is also founder/shareholder and CEO of Amvensys Solar, LLC, a Texas based solar energy integration provider. He is also the founder and Chairman of Amvensys Telecom Holdings, LLC, a telecommunications holding company.

#### **Lubna Lateef – Member of the Board of Managers**

Lubna graduated from Rice University in 1995. From 1995 to 2005, she worked for Hewitt Associates, a Chicago based human resource management and consulting firm. Upon leaving, she held the position of a Senior Manager and directly responsible of over 3,500 Hewitt employees. Since, she has held several management and Board positions, including Himalaya Herbal Healthcare, a herbal pharmaceutical firm. She is a shareholder and Director of Amvensys Technologies, Inc, a global technology provider with offices in six countries. She is also member of the Board of Managers of Amvensys Telecom Holdings, LLC, a telecommunications holding company.

#### **Sunil Kumar – Member of the Board of Managers**

A Management graduate with more than 10 years project management experience in Media, Healthcare and Energy industry. Sunil has served customers and clients worldwide for companies as diverse as DB Corp Ltd (a media conglomerate ) to privately held alternative healthcare pioneer as Himalaya Herbal Healthcare. He has graduate degree in Commerce & Taxation and a Masters in Business Administration with specialization in Marketing from University of Bhopal, India.