

BEFORE THE
TENNESSEE PUBLIC UTILITY COMMISSION

Telrite Corporation d/b/a Life Wireless)
Petition for Designation as an Eligible)
Telecommunications Carrier)
)

Docket No. 22-00041

PREFILED DIRECT TESTIMONY OF JIM CARPENTER

SUBMITTED BY

TELRITE CORPORATION D/B/A LIFE WIRELESS

1 **Q. PLEASE STATE YOUR NAME, PLACE OF EMPLOYMENT AND BUSINESS**
2 **ADDRESS**

3
4 A. My name is Jim Carpenter and I am employed by Telrite Corporation, d/b/a Life Wireless
5 (“Telrite” or the “Company”) as its Division President. My business address is 11100
6 Alcovy Road, Covington, Georgia 30014.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. The purpose of my testimony is to discuss the qualifications of Telrite to be designated as
9 an Eligible Telecommunications Carrier (“ETC”) in the State of Tennessee for the purpose
10 of receiving federal universal service support to provide wireless services to low-income
11 Tennessee households as part of the Lifeline program. Telrite does not request ETC
12 designation for the purpose of receiving support from any other Universal Service Fund
13 (“USF”) programs such as high-cost support or Tribal Link-Up.

14 **Q. PLEASE DESCRIBE TELRITE.**

15 A. Telrite is a Georgia corporation with its principal offices located at 4113 Monticello Street,
16 Covington, Georgia 30014. Documentation of Telrite’s authority to transact business in
17 Tennessee as a foreign corporation was included with Telrite’s Petition as Exhibit A.
18 Telrite is an established provider of both wireline and wireless telecommunications
19 services. The Company has operated as a wireline provider for over twenty years. In
20 Tennessee, Telrite was granted authority to resell (wireline) interexchange long distance
21 telecommunications services in 2005 in Docket No. 05-00195.

22 **Q. IN WHAT OTHER JURISDICTIONS DOES TELRITE OFFER SERVICE?**

23 A. In October 2010, Telrite began offering wireless Lifeline services. For its Lifeline services,
24 Telrite operates as a reseller and uses the networks of its underlying service providers, T-
25 Mobile and AT&T Mobility, to provide service to its subscribers. Telrite is currently

designated as a wireless ETC in the following jurisdictions: Arizona, Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Nebraska, Nevada, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, Washington, Wisconsin, West Virginia, Puerto Rico, and the United States Virgin Islands.

Q. DOES THE TENNESSEE PUBLIC UTILITY COMMISSION HAVE THE AUTHORITY TO DESIGNATE WIRELESS ETCs FOR THE LIFELINE PROGRAM?

A. Yes. It has this authority under federal law. Section 214(e)(2) of the Communications Act provides state public utility commissions such as the Tennessee Public Utility Commission (“Commission”) with the “primary responsibility” for the designation of ETCs. Under the Act, a state public utility commission with jurisdictional authority over ETC designations may, in the case of an area served by a rural telephone company – and shall, in the case of all other areas – designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1) which states:

A common carrier designated as an eligible telecommunications carrier... shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received

(A) offer the services that are supported by the Federal universal service support mechanism under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the service offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefore using media of general distribution.

Section 214(e)(1)(A) of the Act provides that an ETC must provide services “using its own facilities or a combination of its own facilities and resale of another carrier’s services.”

However, pursuant to the FCC’s 2012 Lifeline Reform Order, resellers have been granted

1 blanket forbearance from this facilities requirement in connection with limited ETC
2 designation to participate in the Lifeline program, subject to conditions. The FCC
3 conditioned blanket forbearance on the reseller's compliance with certain ETC obligations,
4 including providing 911 and E911 service regardless of activation status and minutes
5 available, providing E911-compliant handsets, and replacing E911 non-compliant handsets
6 at no charge to the Lifeline customer. In addition, the reseller must adhere to an FCC-
7 approved compliance plan that includes specific information about the measures that the
8 reseller will take to implement the obligations established in the 2012 Lifeline Reform
9 Order. Telrite operates as a wireless reseller and commits to compliance with all of the
10 conditions for ETC designation and forbearance from the facilities requirement.

11 **Q. DOES THE COMMISSION ALSO HAVE THIS AUTHORITY UNDER STATE**
12 **LAW?**

13
14 A. Yes. Newly enacted Tennessee law authorizes the Commission to designate wireless
15 carriers as ETCs. On April 8, 2022, Senate Bill 2443 became effective as Public Chapter
16 789 and provides:

17 SECTION 1. Tennessee Code Annotated, Section 65-4-104, is amended by
18 adding the following as a new subsection: Notwithstanding § 65-4-101
19 (6)(A)(vi), the commission may upon petition designate a provider or
20 reseller of domestic public cellular radio telephone service as an eligible
21 telecommunications carrier pursuant to 47 C.F.R. § 54.201 for purposes of
22 providing Lifeline service.
23

24 Therefore, the Commission has full authority pursuant to federal and state law to designate
25 Telrite as an ETC to provide service in Tennessee under the federal Lifeline program.

26 **Q. DOES TELRITE SATISFY THE REQUIREMENTS FOR DESIGNATION AS AN**
27 **ETC?**

28
29 A. Yes. Section 254(e) of the Act provides that “only an eligible telecommunications carrier
30 designated under section 214(e) shall be eligible to receive specific federal universal

1 service support.” Section 214(e)(2) of the Act provides that, upon request and consistent
2 with the public interest, convenience and necessity, the Commission may designate more
3 than one common carrier as an ETC in areas served by a rural telephone company and shall
4 do so with respect to all other areas, provided that the requesting carrier (i) offers services
5 that are supported by Federal universal service support mechanisms and (ii) advertises the
6 availability of such services. Section 214(e)(1) of the Act and Section 54.201(d) of the
7 FCC’s rules state that applicants for ETC designation must be common carriers that offer
8 all of the services throughout the designated service area supported by universal service,
9 either using their own facilities or a combination of their own facilities and the resale of
10 another carrier’s services, except where the FCC has forbore from the “own facilities”
11 requirement. Telrite satisfies all such requirements for ETC designation.

12 **Q. WILL TELRITE PROVIDE SERVICE VIA RESALE CONSISTENT WITH THE**
13 **FCC’S FORBEARANCE OF THE FACILITIES REQUIREMENT?**
14

15 A. Yes. Section 214(e)(2) of the Act requires that an ETC must provide services “using its
16 own facilities or a combination of its own facilities and resale of another carrier’s services.”
17 As discussed above, although section 214 requires ETCs to provide services using their
18 own facilities, at least in part, the FCC has granted forbearance from enforcement of the
19 facilities requirement to carriers seeking Lifeline-only ETC designation. In the 2012
20 Lifeline Reform Order, the FCC granted forbearance from the “own-facilities” requirement
21 contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only
22 ETCs, subject to the following conditions:

23 (1) the carrier must comply with certain 911 requirements [(a) providing its
24 Lifeline subscribers with 911 and E911 access, regardless of activation
25 status and availability of minutes; (b) providing its Lifeline subscribers with
26 E911-compliant handsets and replacing, at no additional charge to the
27 subscriber, noncompliant handsets of Lifeline-eligible subscribers who

1 obtain Lifeline-supported services; and (c) complying with conditions (a)
2 and (b) starting on the effective date of this Order]; and
3 (2) the carrier must file, and the Bureau must approve, a compliance plan
4 providing specific information regarding the carrier's service offerings and
5 outlining the measures the carrier will take to implement the obligations
6 contained in this Order as well as further safeguards against waste, fraud
7 and abuse the Bureau may deem necessary.
8

9 Telrite intends to provide service in Tennessee via resale of its underlying service
10 providers, T-Mobile and AT&T Mobility. In accordance with the forbearance
11 requirements, Telrite submitted a Compliance Plan and the FCC approved it on December
12 26, 2012. A copy of the FCC-Approved Compliance Plan is attached to Telrite's Petition
13 as Exhibit B. Telrite seeks limited ETC designation to permit it to participate in the Lifeline
14 program.

15 **Q. IS TELRITE A COMMON CARRIER?**

16
17 A. Yes. The FCC consistently has held that providers of wireless services are to be treated as
18 common carriers for regulatory purposes. In addition, section 332(c)(1)(A) of the Act states
19 that CMRS providers will be regulated as common carriers. Telrite provides mobile
20 telecommunications services and, accordingly, is a common carrier.

21
22 **Q. WILL TELRITE PROVIDE ALL SUPPORTED SERVICES?**

23
24 A. Yes. Through its underlying providers, Telrite is able to provide all of the supported
25 services required by Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) as
26 follows:

27

- **Voice Telephony Service**

28 As set forth in 47 C.F.R. § 54.101(a)(1), eligible Voice Telephony Services must provide
29 the following:

1 Voice Grade Access to the Public Switched Telephone Network. The FCC describes
2 “voice grade access” as the ability for a user to make and receive telephone calls within a
3 specified bandwidth. Telrite provides voice grade access via resale of its facilities-based
4 underlying network operators, T-Mobile and AT&T Mobility.

5 Local Usage At No Additional Charge. The FCC’s rules require a petitioner for ETC
6 designation to demonstrate that its proposed local usage plan is comparable to one offered
7 by the incumbent local exchange carrier (“ILEC”) in the same designated service area. The
8 determination of comparability requires a case-by-case review, taking into account value-
9 added capabilities and services included within a service plan. If granted ETC designation,
10 Telrite will provide a Lifeline service package in Tennessee as outlined in Exhibit C to
11 Telrite’s Petition.

12 Access to Emergency Services. Telrite provides 911 and E911 access for all of its
13 customers to the extent that the local government in its service area has implemented 911
14 or E911 systems. As noted, calls to 911 emergency services will always be free and will
15 be available regardless of service activation status or availability of minutes. Telrite also
16 complies with the FCC’s regulations governing the deployment and availability of E911
17 compatible handsets.

18 Toll Limitation. In its Lifeline Reform Order, the FCC provided that toll limitation would
19 no longer be deemed a supported service. Nonetheless, Telrite’s offerings inherently allow
20 Lifeline subscribers to control their usage, as its wireless service is offered to users at no
21 charge until they reach their monthly allowance at which point subscribers can choose to
22 purchase additional service at a low cost. Telrite’s service, moreover, is not offered on a
23 distance-sensitive basis and local and domestic long distance minutes are treated the same.

1 • **Broadband Internet Access Services**

2 Broadband Internet access service (“BIAS”) is a Lifeline supported service as of December
3 2, 2016. The FCC has stated that BIAS consists of the ability for a user to receive “the
4 capability to transmit data to and receive data from all or substantially all Internet
5 endpoints, including any capabilities that are incidental to and enable the operation of the
6 communications service, but excluding dial- up Internet access service.” Telrite provides
7 BIAS to low-income consumers via resale of its underlying providers’ mobile broadband
8 networks.

9 **Q. WILL TELRITE ADVERTISE THE AVAILABILITY OF ITS SERVICES AND**
10 **CHARGES IN A MANNER REASONABLY DESIGNED TO REACH LIFELINE-**
11 **ELIGIBLE CONSUMERS?**
12

13 **A.** Yes. Telrite intends to advertise its Lifeline services using media such as the Internet,
14 social media, newspapers of general circulation, radio and television, as well as at its
15 mobile enrollment events, as a means of reaching those consumers that are likely to qualify
16 for Lifeline services. The Company will use these methods to advertise the availability of
17 its services to Lifeline customers and will expand its advertising efforts as necessary to
18 ensure that Lifeline-eligible customers are aware of the service offerings. Telrite will
19 ensure that all of its Lifeline advertising materials comply with section 54.405(c) of the
20 FCC’s rules.

21 Specifically, Telrite’s advertising materials will state, in easily understood
22 language, that: (i) the service is a Lifeline service; (ii) Lifeline is a government assistance
23 program; (iii) the service may not be transferred to someone else; (iv) consumers must meet
24 certain eligibility requirements before enrolling in the Lifeline program; (v) the Lifeline
25 program permits only one Lifeline discount per household; (vi) that documentation is

1 necessary for enrollment; and (vii) Telrite is the provider of the services. Telrite's
2 advertising materials will be updated, as necessary, in the event any of the requirements
3 change.

4 **Q. WHAT IS TELRITE'S REQUESTED SERVICE AREA?**

5
6 A. Sections 214(e)(2) and 214(e)(5) of the Act provide that ETC designations shall be made
7 for a "service area," defined as a geographic area established by the Commission. The
8 Company seeks designation to operate as an ETC throughout the State of Tennessee. The
9 public interest factors described below justify Telrite's designation throughout Tennessee,
10 especially because the Company seeks ETC designation solely to utilize USF funding to
11 provide Lifeline service to qualified low-income consumers.

12 **Q. THE FCC IMPOSES ADDITIONAL REQUIREMENTS ON A CARRIER**
13 **REQUESTING ETC DESIGNATION IN SECTION 54.202 OF ITS RULES. DOES**
14 **TELRITE SATISFY THESE REQUIREMENTS?**

15
16 A. Yes.

17 **Q. WILL TELRITE PROVIDE SERVICE THROUGHOUT ITS PROPOSED**
18 **DESIGNATED SERVICE AREA?**

19
20 A. Yes. Telrite will provide service in Tennessee by reselling service, which it obtains from
21 its underlying carriers. These providers have extensive networks that are functional and
22 ready to support service immediately. Thus, Telrite will be able to commence offering its
23 Lifeline service to all locations served by its underlying carriers very soon after receiving
24 approval from the Commission. Pursuant to 47 C.F.R. § 54.202(a)(1)(ii), a common carrier
25 seeking designation as a Lifeline-only ETC is not required to submit a five-year network
26 improvement plan as part of its petition for designation as an ETC.

27 **Q. DOES TELRITE HAVE THE ABILITY TO REMAIN FUNCTIONAL IN**
28 **EMERGENCY SITUATIONS?**

1 A. Yes. Telrite currently utilizes the networks of two underlying providers, T- Mobile and
2 AT&T Mobility, to provide Telrite’s mobile services. The Company has access to these
3 extensive and well established networks and facilities and believes that they are capable of
4 managing traffic spikes that may occur during emergency situations and can reroute traffic
5 in the event of damaged facilities. Telrite also has reason to believe that these network
6 operators have sufficient back-up power to ensure functionality if its external power supply
7 is unavailable.

8 **Q. WILL TELRITE SATISFY APPLICABLE CONSUMER PROTECTION AND**
9 **SERVICE QUALITY STANDARDS?**

10
11 A. Yes. Section 54.202(a)(3) of the FCC’s rules states that a wireless applicant’s commitment
12 to comply with the Cellular Telecommunications and Internet Association’s Consumer
13 Code for Wireless Service (“CTIA Consumer Code”) will satisfy this consumer protection
14 and service quality requirement. Telrite fully complies with applicable consumer
15 protection requirements and commits to fully complying with the CTIA Consumer Code.
16 For example, customers can call customer service by dialing 611 from their Telrite handset
17 and no minutes will be used or decremented for the call, or they can call 1-888-543-3620
18 from any phone.

19 **Q. IS TELRITE FINANCIALLY AND TECHNICALLY CAPABLE?**
20

21 A. Yes. As part of the 2012 Lifeline Reform Order, the FCC amended its rules to require a
22 carrier seeking designation as a Lifeline-only ETC to demonstrate that it is financially and
23 technically capable of providing the supported Lifeline service in compliance with all of
24 the low-income program rules. Telrite fully satisfies these criteria. The Company has
25 provided general communications services successfully for more than two decades and has
26 access to sufficient funds to run its business. Significantly, Telrite’s business is not solely

1 dependent on reimbursements from the federal USF as Telrite generates non-Lifeline
2 revenues from Telrite's affiliated companies, Pure Talk Holdings, LLC and Locus
3 Telecommunications, LLC, which do business as PureTalkUSA and h2o® Wireless.
4 Attached as Exhibit D to its petition is a current list of the Company's officers and key
5 management, along with biographical information for each, showing that the Company's
6 management has the expertise necessary to provide the services detailed herein.

7 **Q. PLEASE DESCRIBE TELRITE'S PROPOSED LIFELINE OFFERING FOR**
8 **TENNESSEE.**
9

10 A. Under its ETC designation, Telrite will meet or exceed the FCC's minimum service
11 standards, as currently established as well as any future updates. Telrite proposes initially
12 to offer the following Lifeline offerings in Tennessee under its Life Wireless dba:

13 Tennessee Plan: 500 voice minutes and 4.5 GB of data per month with
14 unlimited texting and multimedia messaging service at no cost to the
15 subscriber. This plan, free to eligible consumers, includes a smartphone.
16 The plan also includes the following custom calling features: Caller ID, Call
17 Waiting, Call Forwarding, 3-Way Calling; and Voicemail.
18

19 Life Wireless subscribers can add to this plan any month they choose by selecting
20 additional service, currently offered as follows: a 100 MB Data PIN for \$5.00, 100
21 additional minutes for \$5.00, 250 additional minutes for \$10.00, one day of unlimited
22 minutes for \$4.95, three days of unlimited minutes for \$7.95, one week of unlimited
23 minutes for \$12.95, two weeks of unlimited minutes \$19.95, and one month of unlimited
24 minutes \$29.95. These additional services can be purchased on the www.lifewireless.com
25 website, from Life Wireless Customer Service or at any MoneyGram location.

26 **Q. DO TELRITE'S PROCESSES COMPLY WITH LIFELINE VERIFICATION AND**
27 **ENROLLMENT PROCESSES?**
28

1 A. Yes. Telrite is committed to preventing waste, fraud and abuse of the Lifeline program.
2 Section 54.410 of the FCC's Rules requires ETCs to certify and verify a Lifeline
3 customer's initial and continued eligibility. Telrite has processes in place to facilitate
4 compliance with federal customer enrollment requirements through use of the National
5 Verifier and the National Lifeline Accountability Database ("NLAD"), each of which is
6 administered by Universal Service Administrative Company ("USAC"). Telrite is
7 connected to both the National Verifier and the NLAD via application programming
8 interfaces ("APIs"), allowing it to help applicants through the standard application form,
9 eligibility verification, duplicate detection, identity verification and address verification,
10 and related resolution processes included within USAC's systems and processes. Telrite
11 thus complies with the disclosure, information collection and certification requirements set
12 forth in Section 54.410(d) of the FCC's rules. For applicants verified as being eligible by
13 USAC's National Verifier and NLAD, Telrite completes enrollment by transmitting the
14 required information into NLAD as required by Section 54.404(b)(6), by informing the
15 customer of his or her need to use the service at least once every thirty (30) days as required
16 by the 2012 Lifeline Reform Order and providing notice to subscribers after 30 days of
17 non-usage that they must use the service within 15 days or their service will be terminated
18 as required by Section 54.405(e)(3), and by requiring the customers to activate their
19 Lifeline service as required by Section 54.407(c)(1) by placing a call.

20 **Q. DOES TELRITE HAVE ADDITIONAL PROCESSES IN PLACE TO GUARD**
21 **AGAINST WASTE, FRAUD AND ABUSE?**
22

23 A. Yes. Telrite has additional processes in place to guard against waste, fraud and abuse, and
24 to ensure compliance with FCC rules designed to achieve that objective, including
25 customer usage, cure period, and de-enrollment requirements set forth in Sections

54.407(c)(2) and Section 54.405(e)(3), general notice and de-enrollment requirements set forth in Section 54.405(e)(1), transmission of information to NLAD and recordkeeping requirements set forth in Section 54.404(b)(6) and Section 54.417, annual certification and reporting requirements set forth in Sections 54.416 and 54.420, and reimbursement claims processes established by USAC consistent with Sections 54.403 and 54.407(a). Telrite also coordinates with USAC's National Verifier and NLAD systems to manage additional de-enrollments related to USAC-administered benefit transfers and annual recertification as required by Sections 54.303 and 54.405. If Telrite receives a request for de-enrollment from a subscriber, it will process the request within two business days in accordance with Section 54.405(e)(5). Consistent with Section 54.406(a), Telrite will require its enrollment representatives to register with USAC before providing information directly to the NLAD or National Verifier, and pursuant to Section 54.406(b), Telrite will not pay an enrollment representative or his or her direct supervisor based on the number of consumers who apply for or are enrolled in the Lifeline program with Telrite. Finally, Telrite has long been at the forefront of developing and deploying internal controls to guard against waste, fraud and abuse. It remains committed to be a good steward of, and partner in, the Lifeline program through continued vigilance against waste, fraud and abuse.

Q. IS GRANTING TELRITE'S PETITION FOR ETC DESIGNATION IN THE PUBLIC INTEREST?

A. Yes. The overarching purpose of the Lifeline program is to ensure that low-income consumers have access to and can afford essential voice and broadband communications services. The Lifeline program began with a focus upon the availability of voice services; however, as technology has expanded and broadband has become increasingly essential to everyday living, the Lifeline program has developed as well. Today, robust levels of

1 broadband service must be offered to eligible subscribers, as a means of effectively
2 bridging the “Digital Divide” that separates Tennessee residents on the basis of income.
3 As regulators and policymakers have recognized since the establishment of the Lifeline
4 program, meeting an evolving set of essential communications needs is overwhelmingly in
5 the public interest and, indeed, is critical to the long-term health and prosperity of each
6 state and to the nation as a whole. Designation of experienced ETCs such as Telrite will
7 directly advance the goals of the Lifeline program in Tennessee.

8 **Q. WHAT ARE THE ADVANTAGES OF TELRITE’S LIFELINE SERVICES?**

9
10 A. Telrite’s experience and longevity as a provider of Lifeline services in many states
11 demonstrates the Company’s commitment and ability to provide quality Lifeline services
12 to eligible, low-income consumers in compliance with program requirements. Authorizing
13 Telrite as a Lifeline ETC in Tennessee will enable it to provide eligible low-income
14 consumers with access to high quality mobile voice, text and data services. This will
15 increase those consumers’ choices in service providers and service options and make
16 essential communications services more affordable and accessible. Importantly, it will also
17 lead to additional competition within the Lifeline market that should help improve the rate
18 of program participation by eligible subscribers and spur other ETCs to improve their own
19 Lifeline service offerings. Telrite’s combined use of online and in-person, real-time
20 distribution methods rely upon Internet-enabled compliance checks that, while meeting
21 (and often exceeding) Lifeline program requirements, have enabled the Company to bring
22 Lifeline service to those eligible consumers that are not easily reached by carriers relying
23 exclusively on one distribution method or another.

1 Mobile services are overwhelmingly preferred by Lifeline-eligible consumers who
2 can often afford only a single connection, may frequently change residences or places of
3 employment, may need the ability to communicate promptly and effectively with
4 prospective employers, and also must manage households and family responsibilities as
5 they do so. Some of these consumers may be homeless, with their Lifeline service being
6 the only reliable contact point they have. For all these consumers, whatever their
7 circumstances, Lifeline services also ensure that they always have the ability to contact 911
8 emergency services should the need arise. “Free” minutes, texts and data are an invaluable
9 resource for cash-strapped consumers in these circumstances.

10 Telrite’s Lifeline service plan is an attractive option for low-income consumers
11 because the Company’s plans are highly competitive. Telrite’s proposed initial Tennessee
12 Lifeline plan includes 500 minutes, unlimited texts, 4.5 GB of data, several of the most
13 popular features and a smartphone, all free of charge. In addition, the Company provides
14 additional consumer-friendly options that enable subscribers to flexibly tailor their wireless
15 services to their variable needs and budgets.

16 Moreover, Telrite’s Lifeline plans alleviate customer concerns regarding deposits,
17 hidden costs, varying monthly charges (including the infamous “bill shock”) and long-term
18 contract issues. Telrite does not impose credit checks, and as such provides an alternative
19 for those low- income consumers unable to obtain credit as is required for post-paid
20 services provided by traditional carriers. Through MoneyGram, Telrite’s Lifeline
21 subscribers have nationwide retail store access to purchase more minutes or data. This
22 flexibility and accessibility provides a viable option for “unbanked” and “underbanked”
23 consumers.

1 **Q. ARE THERE PUBLIC INTEREST BENEFITS OF COMPETITIVE CHOICE?**

2
3 A. Yes. The FCC recognized the interrelationship of ETC designations and competition over
4 a decade ago, concluding that in non-rural areas, designation of multiple ETCs, following
5 demonstration of compliance with eligibility requirements, was so fundamentally
6 beneficial as to warrant characterization as “consistent per se with the public interest.”
7 Similarly, the correlation between increased market choice and lowering of costs, when
8 dealing with competitive services, has been adopted as a “given” by telecommunications
9 industry regulators across the country. In the Lifeline context, this equation takes on new
10 importance, because the entry of additional providers increases competitive choice for
11 lower-income customers who often are less desirable to providers focused on upscale
12 consumer offerings.

13 **Q. WHAT IS THE IMPACT ON THE UNIVERSAL SERVICE FUND?**

14
15 A. In the past, the FCC also recognized that, in contrast to the historic designation of carriers
16 to receive high cost funds, the designation of Lifeline ETCs should not have an adverse
17 effect upon the health of the USF. The Lifeline benefit is provided to each eligible customer
18 that enrolls and, as a result, the USF is unaffected by whether Telrite or another ETC serves
19 that customer. Moreover, with strict compliance to the FCC’s rules concerning prevention
20 of waste, fraud and abuse of the USF, there is greater certainty that no customers served by
21 Telrite or other ETCs are ineligible or are receiving duplicative benefits.

22 There are still many – indeed the majority of – eligible consumers not receiving
23 Lifeline benefits. This is why ETC applicants highlight their ability to reach those
24 consumers. The presence of more Lifeline ETCs, with increasingly sophisticated ways to
25 reach previously unserved eligible consumers, will help to increase the overall numbers of

1 consumers receiving Lifeline benefits. Ensuring the availability of critical
2 communications to Americans in desperate need is precisely why the USF was established.
3 And it has never been more necessary. Any increase in funding demands upon the USF
4 will be directly proportionate to the escalated imperative for the USF to fulfill its function.

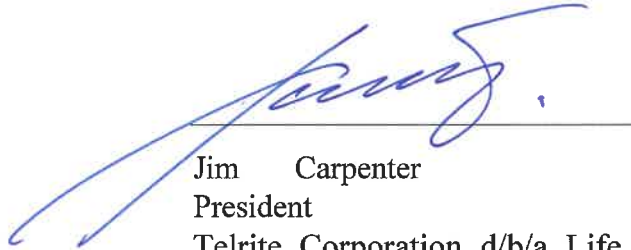
5 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

6
7 **A.** Yes.

Verification

STATE OF GEORGIA §
 §
COUNTY OF NEWTON §

I, Jim Carpenter, state that I am the President of Telrite Corporation d/b/a Life Wireless ("Telrite"); that I am authorized to make this Verification on behalf of Telrite; that the statements in my testimony are true, accurate and correct to the best of my knowledge, information and belief. I declare under penalty of perjury that the foregoing is true and correct.



Jim Carpenter
President
Telrite Corporation d/b/a Life Wireless
4113 Monticello Street
Covington, Georgia 30014

Subscribed and sworn to before me this 9th day of June 2022.



My Commission expires: 3/18/2026

