

konatel

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COMMISSION
CLERK

February 1, 2017

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: KonaTel, Inc. Lifeline Broadband Provider (LBP) and Prepaid Mobile Service Notification

Dear Commission Representative,

Please accept this letter as notification from KonaTel, Inc. to be a Lifeline Broadband Provider (LBP) and Mobile Prepaid Service Provider in the state of **Florida**. Enclosed is FCC Order DA 16-1325 designating KonaTel, Inc. as a Lifeline Broadband Provider (LBP).

KonaTel will provide consumers with access to high quality service and the benefits of a mobile service. The mobility of the service will be particularly attractive to Lifeline-eligible consumers who may frequently change residences or work in migratory jobs. Wireless service offers a stable contact method where traditional landline service would be unavailable or not a viable option. KonaTel's prepaid wireless service is an especially attractive option for low-income consumers because it alleviates customer concerns regarding hidden costs, varying monthly charges and long term contract issues.

Many consumers in **Florida** are faced with making difficult choices about how to allocate and spend their limited resources. The ability to meet their communications needs while at the same time anticipating and controlling the associated costs is critical. KonaTel's prepaid service offerings and rechargeable mobile phone plans will enable customers to tailor their wireless services to their needs and budgets. The prepaid nature of the service also will provide an alternative for "unbanked" and "underbanked" consumers. Further, KonaTel will not require credit checks, thereby providing an alternative for those low-income consumers unable to obtain credit for post-paid services provided by traditional carriers.

KonaTel's prepaid mobile calling service packages will provide low-income consumers in **Florida** with a generous number of anytime minutes at low cost as well as 911 emergency calling. These low-cost minutes and services are an invaluable resource for cash-strapped consumers who may be seeking employment and need a means to contact potential employers. The packages are also useful for those consumers that need to stay in touch with children or other family members and ensure access to 911 emergency services when needed. KonaTel's services will provide consumers with a valuable alternative for obtaining telephone service. This competition, in turn, could spur other service providers to improve their service options.

Within the prepaid wireless industry, KonaTel's commitment to quality service stands out. From the start, KonaTel has recognized that customer service is key to successful and effective provision of communications services, even more so when serving low-income populations. Indeed, the operating plan to primarily engage with customers and prospective customers via storefronts, in addition to availability online or over telephone calls, is central to KonaTel's commitment to engage with its customers. Customers needing information, assistance or to make a payment can obtain all this by walking into a nearby storefront location in their neighborhood. Further, KonaTel seeks to provide service to the widest possible population within each state, going the extra distance to include tribal service plans in its offerings. Where applicable, KonaTel will first reach out to each of the tribal governments to negotiate arrangements for the provision of the Company's Lifeline services to tribal residents. KonaTel is dedicated to maximizing the availability

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of its services and, for this reason, has negotiated arrangements to resell both T-Mobile and Verizon's underlying services, which substantially expands the range of the Company's service territory.

Finally, KonaTel is committed to helping its Lifeline subscribers access the resources of the Internet, consistent with state and federal broadband initiatives. For this reason, KonaTel's menu of service offerings includes data plans at competitive prices. These options provide subscribers with access to the vast wealth of information available online as well as the simplification of tasks achieved by those who can do much to manage their work and family lives online. Considering that many Lifeline subscribers are unemployed or underemployed, broadband access provides a tremendous asset in seeking continued and improved employment as well as related training and education.

If further information is required regarding KonaTel or its product offering, you may contact us via our website at www.konatel.com or by calling 214-323-8410.

Sincerely,

A handwritten signature in black ink that reads "Charles L. Schneider, Jr." The signature is written in a cursive style with a large, prominent initial "C".

Charles L. Schneider, Jr.
CEO

Enclosure: 1

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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
)	
Petitions for Designation as a Lifeline Broadband Provider)	WC Docket No. 11-42
)	

ORDER

Adopted: December 1, 2016

Released: December 1, 2016

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, the Wireline Competition Bureau (Bureau) conditionally designates Spot On Networks LLC (Spot On), Boomerang Wireless LLC (Boomerang), KonaTel Inc. (KonaTel), and STS Media, Inc. (FreedomPop) (collectively, Petitioners) as Lifeline Broadband Providers (LBPs), eligible to receive Lifeline Broadband Internet Access Service (BIAS) support solely in the designated service areas described in each respective petition.¹

II. BACKGROUND

A. Requirements for LBP Designation

2. The Commission has established a framework for federally designating LBPs that will be eligible for reimbursement through the Lifeline program for qualifying BIAS provided to eligible low-income consumers.² A provider seeking designation as an LBP must meet the requirements for designation as an LBP established in section 214(e) of the Act and the accompanying sections of the Commission's rules, including: (1) a description of how the petitioner advertises the availability of the supported services and the charges therefor using media of general distribution; (2) a detailed description of the geographic service area for which it requests to be designated as a LBP from the Commission; and

¹ See Petition of Spot On Networks for Designation as a Lifeline Broadband Provider Eligible Telecommunications Carrier, WC Docket No. 09-197 (filed Oct. 27, 2016) (Spot On Petition); Petition of Boomerang Wireless, LLC for Streamlined Designation as a Lifeline Broadband Provider Eligible Telecommunications Carrier, WC Docket No. 09-197 (filed Oct. 5, 2016) (Boomerang Petition); Petition of KonaTel Inc. for Streamlined Designation as a Lifeline Broadband Provider Eligible Telecommunications Carrier, WC Docket No. 09-197 (filed Nov. 21, 2016) (KonaTel Petition). At this time, all completed petitions for LBP designation received since the effective date of the *2016 Lifeline Modernization Order* and not addressed in this Order remain pending. The Bureau continues to evaluate all such completed petitions carefully, and is maintaining a list online showing each LBP petition received and its processing status at <https://www.fcc.gov/lifeline-broadband-provider-petitions-public-comment-periods> (last visited Nov. 28, 2016).

² See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 4040-68, paras. 217-89 (2016) (*2016 Lifeline Modernization Order*). Unless noted otherwise, all citations to the Lifeline program rules contained in this Order will refer to the rules as amended by the *2016 Lifeline Modernization Order*.

(3) a certification that neither the petitioner nor any party to the application is subject to a denial of federal benefits pursuant to the Anti-Drug Abuse Act of 1988.³

3. In addition, the Commission's rules require that in order to be designated as an LBP, an applicant must: (1) certify that it will comply with the service requirements applicable to the support that it receives, including any applicable minimum service standards;⁴ (2) demonstrate its ability to remain functional in emergency situations;⁵ (3) demonstrate that it will satisfy applicable consumer protection and service quality standards;⁶ (4) demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with subpart E of Part 54 of the Commission's rules;⁷ and (5) describe the terms and conditions of the BIAS plans it will offer to Lifeline subscribers, including details on the speeds offered, data usage allotments, additional charges for particular uses, if any, and rates for each plan.⁸ Prior to designating an LBP pursuant to section 214(e)(6), the Commission must determine whether such designation is in the public interest.⁹

B. Petitions

4. *Spot On Networks Petition.* Spot On filed its petition seeking designation as an LBP, eligible to receive universal service Lifeline BIAS support for its service area in New York—specifically, to provide Lifeline-supported BIAS in the New York Housing Authority Queensbridge multi-tenant residential housing site located within the Borough of Queens in New York City (zip code 11101).¹⁰ Spot On states that it is a privately held company and announced no other affiliated entities.¹¹ Spot On is an Internet Service Provider that maintains its own network capable of providing broadband service throughout its service area.¹² Spot On will offer a fixed wireless broadband offering with speeds of 20 Mbps download and 20 Mbps upload, with no usage limits at a price of \$9.75 per month.¹³ Spot On maintains that it satisfies all the statutory and regulatory requirements for designation as a LBP.¹⁴

5. *Boomerang Petition.* Boomerang filed its petition seeking designation as an LBP, eligible to receive universal service Lifeline BIAS support for the service areas as defined in its petition.¹⁵

³ See *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066-67, para. 283-84 (citing 47 U.S.C. § 214(e), 47 CFR §§ 1.2002, 54.201, 54.202).

⁴ See 47 CFR § 54.202(a)(1)(i); *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066, para. 282; Wireline Competition Bureau Provides Guidance Regarding Designation as a Lifeline Broadband Provider and Lifeline Broadband Minimum Service Standards, Public Notice, DA 16-1118, para. 10 (2016) (*LBP Public Notice*).

⁵ See 47 CFR § 54.202(a)(2); *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066, para. 282; *LBP Public Notice* at para. 10.

⁶ See 47 CFR § 54.202(a)(3); *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066, para. 282; *LBP Public Notice* at para. 10.

⁷ See 47 CFR § 54.202(a)(4); *LBP Public Notice*, at para. 10.

⁸ See 47 CFR § 54.202(a)(6).

⁹ See *2016 Lifeline Modernization Order* 31 FCC Rcd at 4066-67, para. 283-84 (citing 47 U.S.C. § 214, 47 CFR § 54.202).

¹⁰ Spot On Petition at 8, para. 8.

¹¹ *Id.* at 6, para. 5.

¹² *Id.* at 6, para. 6.

¹³ *Id.* at 7-8, para. 7.

¹⁴ *Id.* at 2.

¹⁵ Boomerang Petition at 6. Boomerang has defined its designated service area in the following 49 states and territories: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, (continued . . .)

Boomerang states that it is a resale commercial mobile radio service (CMRS) provider utilizing Verizon, Sprint, AT&T, and T-Mobile.¹⁶ Boomerang's broadband offering will provide 500 MB of mobile BIAS at 3G speeds and 100 units for voice or text services to Lifeline subscribers on non-Tribal lands, and 750 MB of mobile BIAS with unlimited voice and text, to Lifeline subscribers on Tribal lands, at no cost to the consumer after applying the Lifeline discount.¹⁷ Boomerang maintains that it satisfies all the statutory and regulatory requirements for designation as an LBP.¹⁸

6. *FreedomPop Petition.* FreedomPop filed its petition seeking designation as an LBP, eligible to receive universal service Lifeline BIAS support for the service areas as defined in its petition.¹⁹ FreedomPop states that it provides wireless broadband, over-the-top (OTT) VoIP, and non-interconnected VoIP services utilizing the underlying network of Sprint.²⁰ FreedomPop will offer a selection of mobile BIAS plans at 3G speeds, the basic offerings include 500 MB at no cost after applying the Lifeline discount.²¹ FreedomPop will also allow the purchase of data top ups.²² FreedomPop maintains that it satisfies all the statutory and regulatory requirements for designation as an LBP.²³

7. *KonaTel Petition.* KonaTel filed its petition seeking designation as an LBP, eligible to receive universal service Lifeline BIAS support for the service areas as defined in its petition.²⁴ KonaTel states that it provides wireless broadband services to its subscribers through Telispire and Go Technology Management using wholesale agreements with Verizon and T-Mobile.²⁵ KonaTel will offer two non-Tribal mobile BIAS plans: (1) 500 MB of data at 4G or 3G speeds, unlimited voice, and unlimited texting at a cost of \$9.95 per month after the Lifeline discount; (2) 2 GB of data at 4G speeds with unlimited 3G/2G access after usage allotment, unlimited voice, and unlimited texting at a cost of \$19.95 per month after applying the Lifeline discount.²⁶ KonaTel will also offer an unlimited data at 4G speeds, unlimited

(Continued from previous page)

Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well as the District of Columbia, and Puerto Rico, including the Tribal lands within Boomerang's service territory.

¹⁶ *Id.* at 5, 7.

¹⁷ *Id.* at 3-4, 7.

¹⁸ *Id.* at 2-3.

¹⁹ FreedomPop Petition at 3. FreedomPop has defined its designated service area in the following 48 states and territories: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, , Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well as the District of Columbia. Additionally, FreedomPop seeks to serve Tribal Lands in Oklahoma and Hawaii. *Id.*

²⁰ *Id.*

²¹ *Id.* at 10.

²² *Id.*

²³ *Id.* at 2-3.

²⁴ KonaTel Petition at 2. KonaTel has defined its designated service area in the following 15 states: Arizona, California, Florida, Georgia, Illinois, Maryland, Massachusetts, Michigan, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, and Texas including the Tribal lands within KonaTel's service territory. *Id.*

²⁵ *Id.* at 2-3.

²⁶ *Id.* at 6.

voice, and unlimited texting plan to eligible Tribal consumers at \$19.95 per month after applying the Lifeline discount.²⁷ KonaTel maintains that it satisfies all the statutory and regulatory requirements for designation as an LBP.²⁸

III. DISCUSSION

8. As discussed below, we find that Boomerang, FreedomPop, KonaTel, and Spot On, have satisfied the Commission's requirements to be designated as LBPs, eligible only to receive Lifeline BIAS support pursuant to the terms of this Order, and there is no contradictory evidence available to us raising concern as to whether any of these Petitioners will fail to meet its obligations under the Act, Commission rules, this Order, and the representations and commitments made in each respective Petition. Pursuant to the LBP requirements and the Commission's authority to revoke designations in the case of non-compliance with the Act, Commission rules, or the order granting designation,²⁹ Petitioners must comply with sections 214(e) and 254 of the Act, accompanying Commission's rules, and the representations and commitments made in their petitions, as set forth in this Order.

A. Obligations of Federally Designated LBPs

9. *Offering the Supported Services.* In the *2016 Lifeline Modernization Order*, the Commission determined providers seeking designation as an LBP do not have to provide the supported service using their own facilities.³⁰ Accordingly, LBPs are able to offer the supported services using their own facilities or through the resale of another carrier's facilities.³¹ Boomerang,³² FreedomPop,³³ and KonaTel³⁴ certify they will offer Lifeline supported BIAS through the resale of another carrier's service. Spot On certifies that it will offer Lifeline supported BIAS through its own facilities.³⁵

10. *Compliance with Applicable Service Requirements.* Consistent with the Commission's rules,³⁶ Petitioners have certified that they will comply with all service requirements applicable to the support they receive, including any applicable minimum service standards.³⁷ This, coupled with the lack of any contrary evidence, persuades us that Petitioners have demonstrated their commitment to comply with the Commission's Lifeline rules.

11. *Ability to Remain Functional in Emergency Situations.* Applicants for LBP designation must demonstrate their ability to remain functional in emergency situations.³⁸ Petitioners state that they and their underlying carriers have the ability to remain functional in emergency situations, have back-up power sufficient to ensure full functionality in the event of a loss of power or network functionality, and

²⁷ *Id.*

²⁸ *Id.* at 4.

²⁹ 47 U.S.C. § 214.

³⁰ *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066-67, para. 283 & n.739.

³¹ *Id.*

³² Boomerang Petition at 5, 7.

³³ FreedomPop Petition at 5-6.

³⁴ KonaTel Petition at 4-5.

³⁵ Spot On Petition at 6, para. 6.

³⁶ 47 CFR §§ 54.202(a)(1)(i), 54.408(c); *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066, para. 282; *LBP Public Notice*, at para. 10.

³⁷ Boomerang Petition at 6-8; FreedomPop Petition at 6-8; KonaTel Petition at 5-7; Spot On Petition at 2-3, para. 2.

³⁸ 47 CFR § 54.202(a)(2); *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066, para. 282; *LBP Public Notice*, at para. 10.

operate using redundant servers, each with redundant data network and power.³⁹ We find that the Petitioners have demonstrated their ability to remain functional in emergency situations.

12. *Satisfaction of Applicable Consumer Protection and Service Quality Standards.* Applicants for LBP designation must demonstrate that they will satisfy applicable consumer protection and service quality standards.⁴⁰ The Petitioners have committed to providing applicable consumer protection and service quality standards by committing to abide by the CTIA Consumer Code for Wireless Service, which the *2016 Lifeline Modernization Order* expressly recognizes as a means of meeting these standards.⁴¹ Accordingly, we find that the Petitioners have demonstrated they will satisfy the applicable consumer protection and service quality standards.

13. *Financial and Technical Capability.* Applicants for LBP designation must demonstrate that they are financially and technically capable of providing Lifeline-supported services.⁴² Boomerang states that it has provided prepaid wireless telecommunications service since 2008 and has provided broadband service for the last four years.⁴³ Additionally, the company's reliance on the network of its underlying carrier ensures the company is technically capable of providing Lifeline BIAS service.⁴⁴ Boomerang states that it does not rely exclusively on Universal Service Fund (USF) disbursements and that it receives substantial net income from its 108,000 non-Lifeline subscribers.⁴⁵ As a result, we find that Boomerang Wireless has demonstrated that it is financially and technically capable of providing Lifeline-supported services.

14. FreedomPop states that it has provided prepaid wireless telecommunications service since 2013, broadband services since 2012, and currently serves more than 1,100,000 non-Lifeline subscribers.⁴⁶ Additionally, the company's reliance on the network of its underlying carrier ensures the company is technically capable of providing Lifeline BIAS service.⁴⁷ FreedomPop states that it will not rely exclusively on USF disbursements.⁴⁸ As a result, we find that FreedomPop has demonstrated that it is financially and technically capable of providing Lifeline-supported services.

15. KonaTel states that it has provided voice and broadband service for over two years and serves 63,600 non-Lifeline customers.⁴⁹ As a result, KonaTel states that it does not rely exclusively on

³⁹ Boomerang Petition at 9; FreedomPop Petition at 8-9; KonaTel Petition at 7-8; Spot On Petition at 3-4, para. 3.

⁴⁰ 47 CFR § 54.202(a)(3); *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066, para. 282; *LBP Public Notice* at para. 10.

⁴¹ *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066, para. 282, n.732; Boomerang Petition at 9-10; FreedomPop Petition at 9; KonaTel Petition at 8; Spot On Petition at 4, para. 4; CTIA, *Consumer Code for Wireless Service*, <http://www.ctia.org/policy-initiatives/voluntary-guidelines/consumer-code-for-wireless-service> <http://www.ctia.org/policy-initiatives/voluntary-guidelines/consumer-code-for-wireless-service> (last visited Nov. 1, 2016). We note that this commitment includes adherence to any future versions of the CTIA Consumer Code for Wireless Service.

⁴² 47 CFR § 54.202(a)(4); *LBP Public Notice* at para. 10.

⁴³ Boomerang Petition at 10.

⁴⁴ *Id.*; See *LBP Public Notice*, at para. 10 (“...the petitioner’s arrangements to offer BIAS over another entity’s network.”).

⁴⁵ Boomerang Petition at 10.

⁴⁶ FreedomPop Petition at 9-10.

⁴⁷ *Id.*; See *LBP Public Notice*, at para. 10.

⁴⁸ FreedomPop Petition at 10.

⁴⁹ KonaTel Petition at 9.

USF disbursements.⁵⁰ Additionally, the company's reliance on the network of its underlying carrier ensures the company is technically capable of providing Lifeline BIAS service.⁵¹ As a result, we find that KonaTel has demonstrated that it is financially and technically capable of providing Lifeline-supported services.

16. Spot On states that it has provided Wi-Fi services since 2005.⁵² Spot On states it is one of the largest providers of wireless broadband service to multi-tenant residential and commercial buildings.⁵³ Additionally, Spot On states it has made substantial investments in software, equipment, operational support systems, provisioning support systems, and broadband network elements within its service area.⁵⁴ Further, the company submitted audited financial statements demonstrating consistent net income and substantial long-term investment in network infrastructure.⁵⁵ As a result, we find that Spot On has demonstrated that it is financially and technically capable of providing Lifeline supported services.

17. *Information Regarding the Terms and Conditions of Lifeline Plans.* Applicants for LBP designation must describe the terms and conditions of the BIAS plans it will offer to Lifeline subscribers, including details on the speeds offered, data usage allotments, additional charges for particular uses, if any, and rates for each plan.⁵⁶ As summarized above in Section II.B, each petitioner has provided the required information in its petitions.⁵⁷ Accordingly, we find that the Petitioners adequately described their service respective offerings.⁵⁸

18. These service offerings provide subscribers with a choice of BIAS plans ranging in speeds, usage allotments, and additional services at multiple price points.⁵⁹ Importantly, all Petitioners offer plans that meet or exceed the Lifeline minimum service standards set forth in section 54.408 of the Commission's rules.⁶⁰ The Petitioners' commitments to offer service plans that meet, and in some cases exceed, the minimum service standards demonstrate the ability to offer qualifying Lifeline service plans. These commitments will increase the diversity in Lifeline service plans and allow subscribers increased choice in selecting a plan that meets their needs. Accordingly, we find that the Petitioners offer qualifying Lifeline service plans.⁶¹

⁵⁰ *Id.*

⁵¹ *Id.*; *See LBP Public Notice*, at para. 10.

⁵² Spot On Petition at 5, para. 5.

⁵³ *Id.*

⁵⁴ *Id.* at 5-6, paras. 5-6.

⁵⁵ *Id.* at Exhibit A.

⁵⁶ 47 CFR § 54.202(a)(6).

⁵⁷ *See supra* Section II.B. Petitions, paras. 4-7.

⁵⁸ Boomerang Petition at 10-11; FreedomPop Petition at 10; KonaTel Petition at 5-7; Spot On Petition at 7-8, para. 7.

⁵⁹ *See id.*

⁶⁰ *See id.* *See also* 47 CFR § 54.408.

⁶¹ We note that the Petitioners must continue to comply with any future additions to or amendments of the Lifeline program rules unless a provider has relinquished its relevant designation(s) pursuant to section 214(e)(4) of the Act. For example, LBPs must continue to offer plans that include qualifying BIAS throughout their designated service areas even as the minimum service standards for qualifying BIAS are updated annually. 54 CFR § 54.408(c); *LBP Public Notice*, at para. 10.

19. *Advertising Supported Services.* Applicants for LBP designation must advertise the availability of the supported services and the charges in a manner reasonably designed to reach Lifeline-eligible subscribers and provide a description of how they will do so.⁶² Additionally, Commission rules require ETCs to explain in their marketing materials that (1) Lifeline service is a government benefit, (2) the household must be eligible to receive the benefit, and (3) the household may receive no more than one benefit at a time from the program.⁶³ The Petitioners have committed to advertise the availability of the supported services using media of general distribution.⁶⁴ Petitioners have also committed to advertising and promoting the availability of Lifeline services in a manner reasonably designed to reach those likely to qualify for Lifeline.⁶⁵ We accordingly find that Petitioners have demonstrated their commitment to comply with the Commission rules regarding marketing of Lifeline service.

20. *Anti-Drug Abuse Act Certification.* Applicants for LBP designation must provide a certification that neither the Petitioner nor any party to the application is subject to denial of federal benefits pursuant to the Anti-Drug Abuse Act of 1988.⁶⁶ The Petitioners have each provided a certification consistent with the requirements of the Anti-Drug Abuse Act of 1988.⁶⁷ Petitioners' certifications satisfies the requirements of the Anti-Drug Abuse Act of 1988, as codified in sections 1.2001–1.2002 of the Commission's rules.

21. *Public Interest Analysis.* Prior to designating a LBP, the Bureau must determine whether such a designation is in the public interest.⁶⁸ Among other things, Petitioners maintain that granting their respective petitions for designation as LBPs is in the public interest because their service offerings will increase consumer choice and competition, provide customers higher quality services and lower prices, and provide consumers flexibility among plan options.⁶⁹ Based on the record before us, we find that Petitioners' service offerings are likely to provide a variety of benefits to Lifeline-eligible consumers, including increased consumer choice, affordable access to the Internet, qualifying BIAS plans, mobility, and strong protections against waste, fraud, and abuse.

22. In determining whether the Bureau should grant a petition for LBP designation, the Bureau should consider the unique "advantages and disadvantages of the applicant's service offerings."⁷⁰ The Petitioners certify that they will offer Lifeline subscribers a number of BIAS offerings, several of which exceed the Lifeline minimum service standards.⁷¹ These commitments will increase the diversity in Lifeline service plans and allow subscribers increased choice in selecting a plan that meets their needs. The subscribers' ability to choose from a number of competitive service offerings from a single provider or across the Lifeline marketplace furthers the universal service goals of the program.

⁶² 47 U.S.C. § 214(e)(1)(B); 47 CFR §§ 54.201(d), 54.405(b); *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4093-94, paras. 362-65.

⁶³ 47 CFR § 54.405.

⁶⁴ Boomerang Petition at 11-12; FreedomPop Petition at 10-11; KonaTel Petition at 10-11; Spot On Petition at 2-4.

⁶⁵ *Id.*

⁶⁶ *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4066-67, para. 283-84; *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, 12 FCC Rcd 22947, 22949, para. 5 (citing 47 CFR § 1.2002(a) and 21 U.S.C. § 862).

⁶⁷ Boomerang Petition at 15-17; FreedomPop Petition at 18; KonaTel Petition at 17; Spot On Petition at 2.

⁶⁸ 47 U.S.C. § 214(e)(6); 47 CFR § 54.202(b).

⁶⁹ Boomerang Petition at 19; FreedomPop Petition at 15-18; KonaTel Petition at 14-17; Spot On Petition at 8.

⁷⁰ 47 CFR § 54.202(c).

⁷¹ Boomerang Petition at 10-11; FreedomPop Petition at 10; KonaTel Petition at 5-7; Spot On Petition at 7-8, para. 7.

23. We also find it in the public interest to designate providers with offerings that will help combat waste, fraud, and abuse in the Lifeline program. The Bureau's review of the record before us revealed no significant enforcement, investigation, or other regulatory finding concerning the named Petitioners' compliance with applicable laws, rules, or other regulatory guidance. As such, we find that the Petitioners' compliance history promotes the public interest by safeguarding the Fund from potential waste, fraud, and abuse.

24. *Designated Service Areas.* Based on the record before us, we conditionally designate the Petitioners in their requested service areas as described above⁷² and specifically detailed in their petitions.⁷³ We condition these designations on the Petitioners providing the Universal Service Administration Company (USAC) their service area descriptions in a reasonable format determined by USAC to enable appropriate administration of the Fund. Petitioners shall provide this information within 60 days of the release of this Order. Additionally, we condition this designation on the Petitioners filing a notice with the appropriate state Lifeline regulator that the Petitioners have received an LBP designation to operate within the state.

B. Regulatory Oversight

25. Under section 254(e) of the Act, the Petitioners are required to use the specific universal service support it receives "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."⁷⁴ An LBP receiving Lifeline support uses that support as intended when it reduces the price of its BIAS offering by the amount of the Lifeline support for the eligible consumer.⁷⁵ In providing Lifeline services pursuant to the conditional LBP designations granted herein, the Petitioners must comply with the measures described in their filings and the Commission's rules and orders. We find that reliance on the Petitioners' commitments to meet these requirements are reasonable and consistent with the public interest and the Act.

26. Finally, we note that the Commission may institute an inquiry on its own motion to examine the Petitioners' records and documentation to ensure that the universal service support they receive is being used for the purpose for which it was intended.⁷⁶ The Petitioners are required to provide such records and documentation to the Commission or USAC upon request. We further emphasize that, if the Petitioners fail to fulfill the requirements of the Act, the Commission's rules, or the terms of this Order after they begin receiving universal service support, the Commission may exercise its authority to revoke the Petitioners' LBP designation.⁷⁷ The Commission also may assess forfeitures for violations of

⁷² See *supra* Section II.A.4 (listing the requested states and territories).

⁷³ Boomerang Petition at 6, Exhibit; FreedomPop Petition at 2-3, Exhibit; KonaTel Petition at 2, Exhibit; Spot On Petition at 8, para. 8.

⁷⁴ 47 U.S.C. § 254(e).

⁷⁵ See generally *2016 Lifeline Modernization Order*, 31 FCC Rcd 3962 (adding BIAS as a supported service to the Lifeline program); *TracFone Forbearance Order*, 20 FCC Rcd at 15105, para. 26 (imposing a similar requirement on Lifeline-only ETCs).

⁷⁶ 47 U.S.C. §§ 220, 403; 47 CFR § 54.707.

⁷⁷ See *Federal-State Joint Board on Universal Service, Petitions for Reconsideration of Virginia Cellular, LLC and Highland Cellular, Inc. Designations as Eligible Telecommunications Carriers in the Commonwealth of Virginia*, Order on Reconsideration, 19 FCC Rcd 15383, 15385, para. 6 (2012) (citing *Federal-State Joint Board on Universal Service; Western Wireless Corp. Petition for Preemption of an Order of the South Dakota Public Utilities Commission*, Declaratory Ruling, 15 FCC Rcd 15168, 15174, para. 15 (2000); 47 U.S.C. § 254(e)).

Commission rules and orders,⁷⁸ and take other actions as appropriate to protect the Universal Service Fund from waste, fraud, and abuse.⁷⁹

IV. ORDERING CLAUSES

27. ACCORDINGLY, IT IS ORDERED that, pursuant to the authority contained in section 214(e)(6) of the Communications Act of 1934, 47 U.S.C. § 214(e)(6), and pursuant to authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, Public Notice, 12 FCC Rcd 22947, 22947-48 (1997), Spot On Networks LLC, Boomerang Wireless LLC, KonaTel Inc., and STS Media, Inc. DBA FreedomPop are designated Lifeline Broadband Providers, eligible only to receive Lifeline broadband internet access service support in their designated service areas to the extent described in this Order.

28. IT IS FURTHER ORDERED that pursuant to section 1.102 of the Commission's rules, 47 CFR § 1.102, this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Matthew S. DelNero
Chief
Wireline Competition Bureau

⁷⁸ See 47 U.S.C. § 503(b).

⁷⁹ See, e.g., *Total Call Mobile, Inc.*, Order Directing Temporary Hold of Payments, 31 FCC Rcd 7052 (WCB 2016).