



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

OFFICE OF CABLE TELEVISION  
AND TELECOMMUNICATIONS

IN THE MATTER OF PETITION OF TRUCONNECT ) ORDER  
COMMUNICATIONS, INC, FOR DESIGNATION AS AN )  
ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE )  
STATE OF NEW JERSEY. ) DOCKET NO. TO20040285

**Parties of Record:**

**Lance J.M. Steinhart Esq.**, TruConnect Communications, Inc.  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On April 3, 2020 TruConnect Communications, Inc. (“TruConnect” or “the Company”)<sup>1</sup>, filed a Petition with the Board for designation as an Eligible Telecommunications Carrier (“ETC”) with the New Jersey Board of Public Utilities (“Board”) to provide Lifeline<sup>2</sup> service to qualifying New Jersey consumers, It will not seek access to funds from the federal Universal Service Fund (USF) for the purpose of participating in the Link-Up Program of providing high cost support which are separate programs.

TruConnect is a Delaware Corporation formerly Telscape Communications, Inc., which is a subsidiary of TSC Acquisition Corporation (“TSC”), TSC also owns Sage Telecom Communications, LLC d/b/a TruConnect.

To be eligible to participate in the Lifeline program, consumers must either have an income that is at or below 135% of the Federal Poverty Guidelines or participate in certain federal assistance programs, such as the Supplemental Nutrition Assistance Program (SNAP),

<sup>1</sup> TruConnect is a Delaware corporation; formerly Telscape Communications, Inc. TruConnect provides prepaid wireless telecommunications services to consumers by using the underlying wireless network of facilities-bases providers, primarily T-Mobile USA, Inc., Sprint Spectrum, L.P. and Verizon Wireless on a wholesale basis to offer nationwide service.

<sup>2</sup> Lifeline service is a federally funded program that is part of the Universal Service Fund and provides a \$9.25/month subsidy directly to the ETC that serves the qualified low-income consumer. 47 C.F.R. § 54.403(a).

Medicaid, Federal Public Housing Assistance, Supplemental Security Income, the Veterans and Survivors Pension Benefit, or certain Tribal Programs.

The Board has jurisdiction to designate Wireless ETCs in accordance to Section 214(e)(2) of the federal Communications Act of 1934 (“Act”).<sup>3</sup> The Federal Communications Commission (“FCC”) has exclusive jurisdiction to regulate the rates and conditions of market entry of mobile services. 47 U.S.C. § 332(c)(3)(A). However, states are expressly permitted to regulate the “other terms and conditions” of commercial mobile services and approve ETC Designations.

In its Petition, the Company avers that it meets all the statutory and regulatory requirements (the *FCC’s USF/ICC 456 Transformation Order*<sup>3</sup>, *Lifeline and Link Up Reform Order*<sup>4</sup> and *Lifeline Modernization Order*<sup>5</sup>) for designation as an ETC in the State of New Jersey.

Section 214(e)(2) of the Communications Act requires ETCs meet the following criteria for designation as an ETC:

- 1) Common carrier status;
- 2) Offer all the supported services in its Lifeline service offering;
- 3) Offer Lifeline service throughout its designated ETC service area;
- 4) Advertise the availability of Lifeline service; and
- 5) Meet all of requirements for designation as an ETC for purposes of providing Lifeline services.

According to the Company’s petition, it satisfies the existing criteria established under federal law<sup>6</sup>, the FCC rules and orders<sup>7</sup>, and applicable New Jersey requirements. TruConnect states that:

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<sup>3</sup> In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (“USF/ICC Transformation Order”).

<sup>4</sup> In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“Lifeline and Link Up Reform Order”).

<sup>5</sup> In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, WC Docket No. 11-42, WC Docket No. 00-197, WC Docket No. 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2016) (hereinafter, “Third Report and Order” or “Lifeline Modernization Order”).

<sup>6</sup> 47 C.F.R. § 54.202 (a)(1)

<sup>7</sup> 47 C.F.R. § 54.201(d) In its USF/ICC Transformation Order, the FCC modified the required supported services in 47C.F.R. § 54.101 and the additional requirements for designation as an ETC in 47 C.F.R § 54.202. In the Matter of Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, released November 18, 2011 (“USF/ICC Transformation Order”).

1. It is a common carrier.<sup>8</sup>
2. Will provide all supported services required by Section 54. (a) of the FCC's rules (47 C.F.R. §54. (a)).
3. Will advertise the availability of supported services and rates using media of general distribution as required by 47 C.F.R. § 54. 201 (d)(2) of the FCC's regulations.
4. Will provide Lifeline service throughout its designated service area, the entire state of New Jersey subject to the existence of its Underlying Carriers' facilities and corresponding coverage.
5. Will certify and comply with the service requirements applicable to the support that it receives, pursuant to 47 C.F.R. § 54. 202 (a) (1)(i).
6. Has the ability to remain functional in emergency situations, pursuant to 47 C.F.R. § 54. 202 (a)(2).
7. Satisfies consumer protection and service quality standards.
8. Has demonstrated that it is financially and technically capable of providing Lifeline-supported services, pursuant to 47 C.F.R. § 54. 202 (a)(4).
9. Will comply with certification and verification requirements in accordance with Section 54.410 of the FCC's Rules.
10. Will provide the Board a copy of its annual certifications and Lifeline recertifications results pursuant to 47 C.F.R. § 54. 416 as well as a copy of its annual report filed pursuant to 47 C.F.R. § 54. 422.
11. Will comply with rules and regulations imposed by the Board.

As a resale-based Commercial Mobile Radio Service ("CMRS") provider and as a common carrier, TruConnect will provide all supported services through its underlying carriers. TruConnect is able to provide all of the supported services required by Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) as follows:

1. Voice Grade Access to the Public Switched Telephone Network, as set forth in 47 C.F.R. § 54.101(a)(1), TruConnect will provide voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from its facilities-based underlying carriers.

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<sup>8</sup> 47 C.F.R. § 54. 202 (a)(1); 47 C.F.R. § 54. 201(d)

2. Local Usage, at no additional charge. TruConnect will offer rate plans that provide its customers with minutes of use for local service at no additional charge.
3. Access to Emergency Services. TruConnect will provide 911 and E911 access for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems free of charge. TruConnect also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.
4. Toll Limitation, the FCC provided that toll limitation would no longer be deemed a supported service. (Lifeline and Link up Reform at ¶ 367). TruConnect's offerings allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. TruConnect's service, moreover, is not offered on a distance-sensitive basis and local and domestic long-distance minutes are treated the same.

TruConnect recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC's Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier's services. However, the FCC has granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation.

Section 10(e) of the Act (47 U.S.C. § 160(e)) provides: "[a] State commission may not continue to apply or enforce any provision of this chapter that the [Federal Communications] Commission has determined to forbear from applying under subsection (a) of this section." As such, the Board is required by Section 10(e) to act in accordance with the FCC's grant of forbearance, and therefore, may not apply the facilities-based requirement to TruConnect. Therefore, the Board has the authority under Section 214(e)(2) of the Act to grant TruConnect's request for designation as an ETC throughout the State of New Jersey.

Upon designation as an ETC, TruConnect will provide all services supported by the USF program, as detail in Section 43.101(a) of the FCC's Rules (47 C.F.R. § 54.101 (a)) and intends to be the leader in the prepaid marketplace by offering customers value and competitive amounts of voice and broadband usage. TruConnect Lifeline customers will be provided with the same features enjoyed by all other TruConnect prepaid customers, with the exception that Lifeline service will not require payment of an out-of-pocket fee by subscribers. TruConnect commits that its Lifeline-supported voice service will exceed the minimum service standards for broadband internet access services, including for service speed and data usage allowance.

TruConnect proposes to offer its Lifeline customers the following:

- 1) 1,000 voice minutes,
- 2) unlimited text messages, and
- 3) 3 GB of data per month at no cost.

As well as easy-to-use handsets and high-quality customer service. In addition, the Company states that it does not conduct credit checks or require long-term contracts.

Its proposed offering also includes proprietary software “WeFi app” that allows smartphone mobile customers to search for an open WiFi network and connect automatically in order to save on their carrier data usage, a free phone<sup>9</sup> or SIM card, free unlimited international calling to Canada, Mexico, and China (1<sup>st</sup> 10 unique numbers), free calls to Company Customer Service, free calls to 911, free access to Voicemail, Caller-ID, Call Waiting, Call Forwarding, and 3-Way Calling, Free Domestic Long Distance and Data at 3G speed or higher.

Customers will also be able to purchase additional minutes or data as needed. Prices effective as of December 1, 2019:

- 1) 500 minutes: \$5.00
- 2) 1000 minutes: \$10.00
- 3) 150 MB: \$2.00
- 4) 500MB: \$5.00 and
- 5) 1GB: \$10.00.

Customers in New Jersey can apply to the National Verifier<sup>10</sup>, via mail or online. TruConnect will rely on the National Verifier to determine initial and ongoing eligibility of New Jersey Lifeline subscribers as required by the FCC. TruConnect will also comply with the FCC’s Fifth Report and Order, which set forth reforms to strengthen the Lifeline program’s enrollment, recertification, and reimbursement processes, once the rule changes set forth therein become effective.<sup>11</sup>

In order to combat waste fraud and abuse, the Company will comply with the requirements of the National Lifeline Eligibility Accountability Database (NLAD) to determine if a customer is currently receiving a Lifeline benefit.

In addition, TruConnect has developed its own auditing system to process and validate the Company’s subsidy data to prevent abuse through the following measures:

- (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month;
- (2) Inactive lines receiving subsidy: system compares all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines; and
- (3) Subsidies for Deceased subscribers: Death Master search to ensure that subsidies are not requested for deceased subscriber.

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<sup>9</sup> However, in response to Staff discovery and information requests the Company indicates that it no longer offers a free phone, rather, it offers low cost handsets and a free SIM card.

<sup>10</sup> The National Verifier launched in New Jersey on October 11, 2019.

<sup>11</sup> In the Matter of Bridging the Digital Divide for Low-Income Consumers, Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, WC Docket No. 17-287, WC.

According to the Company, its ETC request is consistent with the Board's designation of TracFone and Virgin Mobile as ETCs.<sup>12</sup> Designation of TruConnect would further competition for wireless Lifeline service and would offer eligible consumers an additional choice of providers. The Company also states that they meet FCC requirements for designation as an ETC and such designation would serve the public interest.

## **DISCUSSION**

TruConnect has demonstrated that it meets or exceeds all of the current FCC requirements and has pledged to comply with any existing or proposed federal requirements. The Board, however, requires the Company to adhere to the following:

- 1) To continue to work with the National Verifier and its own auditing system "Lifeline Enrollment Platform" (OEP) in order to prevent waste, fraud and, abuse of the program;
- 2) To comply with all FCC rules and reporting requirements and submit to the Board total federal funds received and the number of customers served in New Jersey. This information must be submitted with a certification made by an officer of the Company attesting to its accuracy;
- 3) To provide any other data or information deemed necessary by Board Staff to evaluate compliance with all federal and state requirements;
- 4) The Company did not seek and it is not granted through this Order access to funds from the Federal Universal Service Fund for the purpose of participating in the Link-Up program or providing service to high cost areas;
- 5) TruConnect's ETC designation may, at any time, be suspended or revoked by order of the Board.

By Letter dated October 28, 2020, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments to the Board and does not oppose approval if the Board determines that TruConnect meets the ETC designation requirements and approval is beneficial to New Jersey consumers.

TruConnect, in its petition and responses to Staff's discovery request, has indicated that it intends to comply with the FCC and Board requirements. The Board is satisfied that TruConnect's petition meets and exceeds the relevant criteria established to receive approval from this Board. Therefore, the Company's petition is **HEREBY APPROVED** as conditioned herein. The Board **DIRECTS** that the Director of the Office of Cable Television and Telecommunications, with the assistance of the Office of the Attorney General, if such assistance is deemed necessary, send the appropriate notice of this Order designating TruConnect as an ETC to the FCC and USAC.

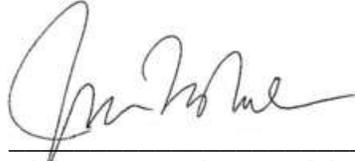
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<sup>12</sup> See TracFone ETC Order; see also Virgin Mobile ETC Order.

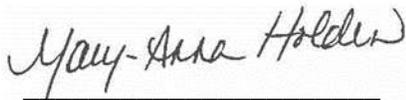
This Order shall be effective on November 28, 2020.

DATED: November 18, 2020

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

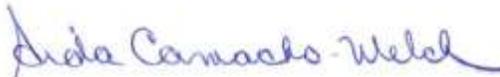


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

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**SERVICE LIST**

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