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April 8, 2019



Via U.S. Mail

North Dakota Public Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480

Re: Application of North American Local, LLC for Designation as an Eligible  
Telecommunications Carrier for Purposes of Lifeline Only in the State of North Dakota.

North Dakota Public Service Commission:

North American Local, LLC hereby files the attached Application for Designation as an Eligible Telecommunications Carrier for Purposes of Lifeline Only in the State of North Dakota pursuant to 47 USC § 214(e)(2), 47 CFR Part 54 of the rules of the Federal Communications Commission ("FCC"), and N.D. Cent. Code § 49-21-01.7(12). An electronic copy of this Application was sent by email to Patrick Fahn, Director, Public Utilities Division, on April 8, 2019.

Please do not hesitate to contact me with any questions concerning this filing.

A handwritten signature in blue ink, appearing to read "Gene DeJordy", written over a horizontal line.

Gene DeJordy  
Counsel to North American Local, LLC

Enclosure

1 **PU-19-127** Filed: 4/8/2019 Pages: 16  
**Application for Designation as Eligible  
Telecommunications Carrier - Lifeline Only**

North American Local, LLC

Gene DeJordy

**BEFORE THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

Application of North American Local, LLC	)	
For Designation as an Eligible	)	
Telecommunications Carrier for Purposes	)	Docket No.
of Lifeline Only in the State of North Dakota	)	

**APPLICATION OF NORTH AMERICAN LOCAL, LLC FOR DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS CARRIER FOR PURPOSES OF  
LIFELINE ONLY IN THE STATE OF NORTH DAKOTA**

North American Local, LLC (“North American” or “Company”) respectfully submits this Application for Designation as an Eligible Telecommunications Carrier for purposes of federal Lifeline only support in the state of North Dakota (“Application”) pursuant to 47 USC § 214(e)(2), 47 CFR Part 54 of the rules of the Federal Communications Commission (“FCC”), and N.D. Cent. Code § 49-21-01.7(12). North American is a facilities-based Commercial Mobile Radio Service (“CMRS”) provider that also uses the facilities of other wireless providers to make available to consumers the best coverage and services to meet their needs. North American requests the North Dakota Public Service Commission (“NDPSC”) designate it as an ETC for the limited purpose of providing Lifeline service in the non-rural telephone company wire centers and the rural telephone company study areas identified in Attachment A (“ETC Service Area”). As discussed herein, North American seeks ETC designation solely for the purpose of obtaining federal Lifeline universal service support to serve eligible low-income customers.

As discussed in more detail herein, North American meets the statutory and regulatory requirements for designation as an ETC to provide Lifeline-supported services throughout its ETC Service Area. Wireless service has become a necessity for low-income consumers who rely on wireless service for their basic communications needs. Granting ETC status to North American

will significantly benefit the public interest and low-income consumers by making available wireless Lifeline services for low-income consumers.

North American demonstrates herein that it meets the requirements for designation as an ETC under the rules of the NDPSC and the FCC. In support of this Application, and pursuant to N.D. Admin. Code § 69-09-05-12, North American provides the following information:

Name, address and telephone number of the applicant and its designated contact person:

North American Local, LLC  
Jorge Bellas, Managing Partner  
13430 Gulf Beach Hwy, Ste. 79  
Pensacola, FL 32507  
Phone: (850) 449-5328  
Fax: (877) 372-2506  
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ETC Service Area. The non-rural telephone company wire centers and the rural telephone company study areas identified in Attachment A comprise North American's proposed ETC Service Area.

ETC Requirements and Public Interest. North American demonstrates herein that it meets all applicable requirements for designation as an ETC for the limited purpose of providing Lifeline service to eligible low-income consumers. The designation of North American as an ETC for the limited purpose of providing Lifeline service is in the public interest because it will make available affordable wireless Lifeline service to eligible low-income consumers. Wireless Lifeline service is critically important for low-income consumers, who use wireless service as a "lifeline" for voice and Internet connectivity. North American has a great history of providing Lifeline service, especially in rural and Tribal areas where consumers do not have access to many of the services available in more urban areas. North American is not requesting a waiver of any requirement for designation as an ETC for purposes of Lifeline support, except the requirement to advertise in its

telephone directory. As a competitive carrier, North American does not produce or use a telephone directory and therefore requests a waiver of the advertising requirement in N.D. Admin. Code § 69-09-05-12.6.a.

Registration and Bond. North American does not currently provide service in North Dakota, but will register as a wireless provider with the NDPSC and will register as a foreign company with the North Dakota Secretary of State office prior to commencing operations. In addition, North American will secure any necessary Telecommunications Reseller's Bond to operate as a prepaid wireless provider.

#### **OVERVIEW OF NORTH AMERICAN AND ITS LIFELINE SERVICE**

1. North American Local, LLC is a Nevada limited liability company with principal offices in Pensacola, Florida. North American has been designated as an ETC in the states of Alabama, Michigan, Minnesota, and Wisconsin.

2. North American offers low-income consumers prepaid wireless service without hidden costs, without varying monthly charges, and no contractual commitments. Consumers are able to customize their mobile phone service to suit their needs depending upon their voice, text and data needs. North American has been providing Lifeline service with a focus on rural and Tribal areas since September of 2010 and has more than 10,000 customers. The Company has never been subject to any complaints, fines or enforcement action, and is in compliance with all applicable Lifeline requirements, including enrollment and eligibility requirements implemented by the Universal Service Administration Company ("USAC").

## NORTH AMERICAN SATISFIES THE REQUIREMENTS FOR ETC DESIGNATION

3. North American meets the requirements for designation as an ETC under the rules of the N.D. Admin. Code § 69-09-05-12 and the FCC.

4. 47 USC § 214(e)(2) provides for the designation of carriers as ETCs for purposes of receiving universal service support, provided the requesting carrier (i) offers services supported by federal universal service support mechanisms and (ii) advertises the availability of such services.<sup>1</sup> The NDPSC and the FCC have also adopted requirements for the designation of carriers as ETCs.<sup>2</sup> As demonstrated below, North American satisfies all applicable requirements for designation as an ETC for purposes of Lifeline only support and the public interest would be greatly served by making available North American's wireless Lifeline service for low-income consumers.

### North American Is a Common Carrier

5. North American operates as a common carrier as defined in 47 USC § 153(10). As a CMRS provider, North American is regulated as a common carrier, subject to all applicable requirements governing common carrier CMRS operations.<sup>3</sup>

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<sup>1</sup> See 47 CFR § 54.201(d).

<sup>2</sup> See N.D. Admin. Code § 69-09-05-12; 47 CFR Part 54.

<sup>3</sup> 47 USC § 332(c)(1)(A); 47 CFR § 20.9.

North American Will Provide the Supported Services For Designation as an ETC

6. Voice telephony services and broadband Internet access services are the supported services under the federal universal service system.<sup>4</sup>

7. North American provides each of the services included in the definition of voice telephony services, including:<sup>5</sup>

- Voice grade access to the public switched network;
- Local usage;
- Access to emergency services; and
- Toll limitation for qualifying low-income consumers.

8. North American will provide voice grade access to the public switched network, enabling North American's customers to make and receive calls on the public switched telephone network.

9. North American will also meet the requirements for local usage by offering a local usage plan comparable to the one offered by the incumbent local exchange carriers.<sup>6</sup>

10. Consumers will have access to emergency services, including access to 911 and E911 service where available. All wireless handsets will be 911/E911 compliant. Moreover, North American will replace, free of charge, any E911 noncompliant handset owned by consumers looking to obtain Lifeline service from the Company. 911 emergency calls will not incur any usage charge and Lifeline customers will be able to make 911 calls regardless of service activation status or availability of minutes.

11. North American does not differentiate between domestic long-distance usage and local usage, so toll limitation service ("TLS") is not necessary to protect customers from incurring

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<sup>4</sup> 47 CFR § 54.101(a).

<sup>5</sup> 47 CFR § 54.101(a)(1).

<sup>6</sup> See N.D. Admin. Code § 69-09-05-12.6.e.

unanticipated toll charges. To the extent toll charges are imposed in the future, North American will implement TLS.

12. North American will also provide Lifeline customers with broadband Internet access service, which the FCC has defined as “the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service.”<sup>7</sup>

13. North American will make available to all eligible Lifeline customers, both Tribal and non-Tribal, different options for Lifeline service with varying voice minutes, text messages, and mobile broadband. All North American Lifeline rate plans will meet the FCC’s minimum standards for voice and data services.<sup>8</sup> North American will not charge an activation fee for Lifeline subscribers and there will be no added charge for domestic toll calls, calls to 911, or calls to customer service, which customers can reach by dialing 611 from their handset or (833) 298-1118 from any phone.

14. North American’s Lifeline service offerings will significantly benefit low-income consumers, who currently may not have access to any comparable Lifeline rate plans.

North American Is A Wireless Provider Qualified To Participate In the Lifeline Program

15. To participate in the Lifeline program, a common carrier must use its own facilities or a combination of its own facilities and resale of another carrier’s facilities to provide the supported services.<sup>9</sup> Consistent with the entry of wireless resellers in the Lifeline market, North

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<sup>7</sup> 47 CFR § 54.101(a)(2).

<sup>8</sup> 47 CFR § 54.408.

<sup>9</sup> 47 USC § 214(d)(1); 47 CFR § 54.201(d)(1).

American has been granted forbearance from the facilities requirement for purposes of federal Lifeline support.<sup>10</sup>

16. North American also owns and maintains many network facilities to provide Lifeline service. These network facilities may result in North American being classified as a facilities-based provider.

17. North American commits to serving all eligible Lifeline consumers throughout its ETC Service Area. North American will provide Lifeline services to end user customers in the state of North Dakota by using its own facilities and the facilities of other wireless carriers serving geographic areas within North American's ETC Service Area.<sup>11</sup> By using the facilities of other carriers, North American is able to provide consumers in different geographic locations with the best coverage and service availability.

#### ETC Service Area

18. North American's ETC Service Area includes some of the most rural and remote areas in of state, including Tribal Lands. Attachment A includes a list of the non-rural telephone

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<sup>10</sup> North American was granted forbearance from the facilities requirement on January 31, 2012. ("Upon the effective date of this Order, we grant forbearance from the facilities requirement of section 214(e)(1)(A) of the Act and section 54.201(d)(1), (i) of the Commission's rules, subject to the conditions contained in this Order, to all carriers seeking to provide Lifeline-only service on a non-facilities basis, including those carriers with petitions for forbearance from the facilities requirement of the Act pending with the Commission, including...North American Local, LLC.") See *In the Matter of Lifeline and Link Up Reform and Modernization, et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 at footnote 982, February 6, 2012.

<sup>11</sup> North American uses the antenna towers and radio equipment of facilities-based wireless carriers to serve end user customers. As a wireless reseller, the service provisioning requirements for adjusting cell sites and associated equipment would not apply. See N.D. Admin. Code § 69-09-05-12.3.a.

company wire centers and the rural telephone company study areas comprising the Company's ETC Service Area.<sup>12</sup>

North American Will Comply With Advertising Requirements

19. North American will advertise the availability of its services and charges in a manner reasonably designed to reach Lifeline-eligible consumers in accordance with all applicable requirements.<sup>13</sup> Consistent with N.D. Admin. Code § 69-09-05-12.6, the Company will use media of general distribution and, in addition to providing information on its website,<sup>14</sup> will use media sources that include, but are not limited to, point of sale materials, customer direct mail, customer brochures, print media, and community events.

20. As a competitive carrier, North American does not produce or use a telephone directory and therefore requests a waiver of the advertising requirement in N.D. Admin. Code § 69-09-05-12.6.a. to provide a "full description of available services in the eligible telecommunications carrier's official telephone directory."

21. North American's marketing materials will state, among other things, in easily understood language, that: (i) the service is a Lifeline service; (ii) Lifeline is a government assistance program; (iii) the service may not be transferred to someone else; (iv) consumers must meet certain eligibility requirements before enrolling in the Lifeline program; (v) the Lifeline program permits only one Lifeline discount per household; (vi) documentation is necessary for enrollment; and (vii) North American is the provider of the services.<sup>15</sup>

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<sup>12</sup> North American's ETC Service Area is consistent with the applicable study areas of the underlying rural telephone companies and wire centers of the non-rural telephone company. *See* N.D. Admin. Code § 69-09-05-12.2.a.

<sup>13</sup> 47 CFR §§ 54.201(d)(2) and 54.405(b).

<sup>14</sup> *See* [www.northamericanlocal.com](http://www.northamericanlocal.com)

<sup>15</sup> 47 CFR § 54.405.

22. North American's Lifeline customer application and certification form will state that Lifeline is a federal benefit and that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program. As required by the FCC and USAC, North American uses the standard Lifeline Program Application Form 5629 for enrolling eligible consumers into the Lifeline program.<sup>16</sup>

North American Complies with the Additional Requirements Under 47 CFR §54.202 and N.D. Admin. Code § 69-09-05-12.6.

23. The FCC adopted additional ETC designation requirements for carriers not subject to state commission jurisdiction,<sup>17</sup> some of which the NDPSC specifically adopted in its rules. Regardless of applicability, North American commits to meeting all of these requirements.

24. 47 CFR § 54.202(a)(1) requires an applicant to "certify that it will comply with the service requirements applicable to the support that it receives." Specific to Lifeline service, 47 CFR § 54.410 requires ETCs to comply with certification of eligibility and verification of continued eligibility requirements for Lifeline participation, which North American will comply with. North American will also comply with all applicable Lifeline requirements, including, but not limited to, not collecting service deposits, not charging a number-portability fee, and meeting all applicable reporting requirements.<sup>18</sup>

25. N.D. Admin. Code § 69-09-05-12.3.c and 47 CFR §54.202(a)(2) requires an applicant to demonstrate that it has the ability to remain functional in emergency situations. North American certifies that its Lifeline services will remain functional in emergency situations. North American's network is redundant with back office facilities located at both 1100 White Street,

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<sup>16</sup> See [https://www.usac.org/\\_res/documents/li/pdf/nv/LI\\_Application\\_UniversalForm.pdf](https://www.usac.org/_res/documents/li/pdf/nv/LI_Application_UniversalForm.pdf).

<sup>17</sup> 47 CFR § 54.202.

<sup>18</sup> See 47 CFR §§ 54.401 and 54.422.

Atlanta, GA, 30310, and 800 Hope Street, Los Angeles, CA, 90017. Backup electrical power is provided by generators at both locations. North American is capable of managing traffic spikes that may occur during emergency situations and can reroute traffic in the event of damaged facilities. North American has sufficient back-up power to ensure functionality if its external power supply is unavailable.

26. N.D. Admin. Code 69-09-05-12.3.d requires a provider to demonstrate that it will satisfy applicable consumer protection and service quality standards.<sup>19</sup> A wireless carrier's commitment to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service ("CTIA Consumer Code") satisfies this requirement. North American certifies that it will comply with the CTIA Consumer Code and any applicable North Dakota consumer protection requirements to ensure the Company offers its subscribers the highest level of protection and quality service. The Company will make every effort to resolve complaints expeditiously and will designate a specific contact person to resolve complaints or other compliance issues. North American's customers will be able to call customer service by dialing 611 from their handset and no minutes will be used or decremented for the call. Customers also will be able to call, toll-free, (833) 298-1118 from any phone to reach customer service.

27. 47 CFR § 54.202(a)(4) requires an applicant for Lifeline only support to demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with applicable requirements. Among the factors to be considered are: (i) a carrier's prior offering of service to non-Lifeline subscribers, (ii) the length of time the carrier has been in business, (iii) whether the carrier relies exclusively on Lifeline reimbursement to operate, and (iv) whether the carrier receives revenues from other sources.

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<sup>19</sup> See also 47 CFR § 54.202(a)(3).

28. North American is a privately held limited liability company that has been in business since September of 2010. North American does not have any holding companies, operating companies, or affiliates. North American's key management personnel have over 20 years of combined telecommunications experience, including experience providing local and long-distance services to residents of rural and urban areas, and in particular, to low income individuals and families. The head of North American's management has extensive experience supporting the provisioning, marketing, fulfillment, and customer service needs of its customer base. Jorge Bellas has been in the telecommunications industry for over 20 years and has been the CEO of various successful telecommunications companies. Mr. Bellas has a proven track record of successfully managing telecommunications companies since 1992 and is committed to developing North American into a profitable enterprise that will serve the public interest. Chief Technology Officer Ravikiran Vadlamudi leads North American's long-term technology vision, and is responsible for wireless and wireline maintenance and expansion. North American Local's Director of Operations, Susie Nguyen, is responsible for the Company's corporate strategy, product innovation, and brand strategy. These members of North American's management are fully capable of fulfilling the requirements necessary to manage the implementation and ongoing support of this ETC designation.

29. North American has demonstrated, over time, its ability to not only provide Lifeline service, but to do so in compliance with all applicable requirements. North American has never been subject to a fine, penalty or enforcement action at the federal or state level related to its provision of Lifeline service.

30. North American does not rely exclusively on Lifeline reimbursement to operate, as it receives revenues from a number of other sources which are completely independent from the

revenue it receives in the form of Lifeline support. The Company's revenue streams include income from the sale of telecommunications services to small business and other residential customers. Because North American generates its revenue from a diverse product portfolio and is both financially stable and profitable, and does not rely exclusively on Lifeline support for its operating revenues, it is financially capable of providing Lifeline service in compliance with all applicable requirements.

31. 47 CFR § 54.202(a)(5) and 54.202(a)(6) requires a provider to submit information describing the terms and conditions of voice telephony service and broadband Internet access service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, speeds offered, data usage allotments, additional charges for particular uses, if any, and rates for each such plan. North American's Lifeline rates plans are found on its web page at [www.northamericanlocal.com](http://www.northamericanlocal.com) and are continuously updated to provide consumers with the best value for their Lifeline service.

32. Consistent with N.D. Admin. Code 69-09-05-12 and the FCC rules, North American will comply with all of the reporting and certification requirements of the NDPSC, the FCC, and USAC.<sup>20</sup>

The Public Interest Will Be Served By Granting ETC Designation to North American

33. The public interest will be served by designating North American as an ETC for the limited purpose of providing Lifeline service to low-income consumers in North Dakota. Consumers will benefit from North American's high-quality service, competitive pricing and a dedicated focus on low-income consumers who are eligible for Lifeline supported services. North

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<sup>20</sup> North American also certifies that it acknowledges that the NDPSC may require it to provide equal access to long-distance carriers pursuant to N.D. Admin. Code 69-09-05-12.3.f.

American offers low-income consumers a competitive option of no contract/no credit check/no deposit service. Consumers will choose North American's service for its high-quality service, value pricing, and overall attention to customer satisfaction. Regulators have long recognized the benefits to consumers of being able to choose from a variety of telecommunications services.<sup>21</sup> The availability of affordable telecommunications services for low income consumers is critical for public health, safety, and other services. Significantly, unlike national carriers, North American's primary focus is on serving rural consumers, including eligible subscribers of Lifeline service. With a long record of serving the needs of rural consumers, including those residing on Tribal lands, North American has established itself as a high-quality, consumer-focused, service provider for rural consumers. By designating North American as an ETC, the NDPSC will be making available an attractive and affordable wireless service for low-income consumers, including those residing on Tribal lands.

34. Recently, the United States Court of Appeals for the District of Columbia overturned an FCC order limiting Tribal Lifeline support to facilities-based carriers, finding that wireless resellers serve a critical role in providing Lifeline service to Tribal low-income consumers, which North American intends to serve through this ETC application.<sup>22</sup> By designating North American as an ETC in North Dakota, including all of the Tribal areas within

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<sup>21</sup> *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, FCC 16-38 (FCC rel. Apr. 27, 2016) (“[W]e expect that increasing provider participation will increase competition among providers in the Lifeline program and incentivize providers to offer better quality services.”).

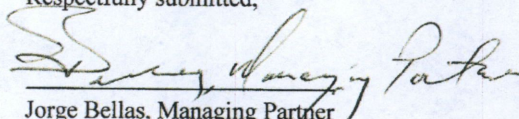
<sup>22</sup> *National Lifeline Association, et al., vs. Federal Communications Commission and the United States of America*, Case No. 18-1026, United States Court of Appeals for the District of Columbia, February 1, 2019. Two Dakota entities were parties to this case. The Crow Creek Sioux Tribe was one of the Petitioners, who appealed the FCC Order that was overturned by the Court, and the Oceti Sakowin Tribal Utility Authority intervened in the case in support of the Petitioners.

the state, the NDPSC will be furthering the public interest by making available affordable wireless Lifeline service for low-income consumers.

**CONCLUSION**

North American Local, LLC respectfully requests that the NDPSC designate North American as an ETC for the limited purpose of providing Lifeline service in the state of North Dakota.

Respectfully submitted,



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## **Attachment A**

### **North American's Proposed ETC Service Area**

North American's Proposed ETC Service Area includes:

- All non-rural telephone company wire centers within the state of North Dakota;
- All rural telephone company study areas within the state of North Dakota; and
- All Tribal areas within the nonrural and rural telephone company areas within the state.