

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**North American Local, LLC  
Designated Eligible Carrier  
Application**

**Case No. PU-19-127**

**ORDER ON ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

**November 21, 2019**

**Preliminary Statement**

On April 8, 2019, North American Local, LLC (North American), a Nevada limited liability company with its principal offices located at 13430 Gulf Beach Hwy, Suite 79, Pensacola, FL 32507, filed an application for designation as an eligible telecommunications carrier (ETC) for the purpose of receiving federal universal service support for low-income consumers under 47 CFR Part 54 Subpart E. This designation is also known as Lifeline-only ETC designation. North American proposes to provide Lifeline universal services to eligible low income customers as a commercial mobile radio service (CMRS) carrier throughout every telephone exchange in North Dakota.

On May 1, 2019, the Commission issued a Notice of Opportunity for Hearing (Notice) providing until June 5, 2019 for comments and requests for hearing. No comments or requests for hearing were received. The Notice identified the issues to be considered in this matter are:

1. Is the applicant qualified under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service funding?
2. What ETC universal service support area should be designated?
3. Is designation of the applicant as an ETC in the public interest?

The Notice stated that the Commission can determine the matter without a formal hearing.

On May 31, 2019, the Commission submitted a certification to North American for its signature. On June 13, 2019 the Company filed a signed Certification Relating to Order Provisions.

On October 2, 2019, the Commission held an Informal Hearing to discuss the issues with North American.

## ETC Designation

The Telecommunications Act of 1996 provides financial support for universal services to common carriers that have been designated as ETCs and that (1) offer the universal services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services and (2) advertise the universal services, advertise the availability of such services, and advertise the charges for such services, using media of general distribution.

In its *Report and Order and Further Notice of Proposed Rulemaking* released February 6, 2012 in Docket No. FCC 12-11 at paragraph 368, the Federal Communications Commission found that it would forbear from the "own-facilities" requirement contained in section 214(e)(1)(A) for carriers that seek to become, Lifeline-only ETCs, subject to the following conditions: (1) the carrier must comply with certain 911 requirements and (2) the carrier must file, and the FCC must approve, a compliance plan providing specific information regarding the carrier's service offerings and outlining the measures the carrier will take to implement Lifeline service obligations as well as further safeguards against waste, fraud and abuse the FCC may deem necessary.

Under 47 CFR 54.201, a carrier seeking Lifeline-only ETC designation must demonstrate that it is financially and technically capable of providing Lifeline service in compliance with 47 CFR Subpart E. North American is seeking Lifeline-only ETC designation.

Both federal law and state law give the Commission the authority to designate a common carrier as an ETC. In areas served by a rural telephone company, the Commission must find that ETC designation is in the public interest.

North American, was organized and incorporated in the Nevada in September 2010. North American is a common carrier and reseller of commercial mobile radio service, and will offer all of the services and functionalities detailed in Section 54.101(a) of the FCC Rules. North American generates revenues from non-Lifeline services and has access to capital from its investors; and currently provides prepaid wireless services to approximately 7,000 customers. Therefore, North American is not solely dependent on reimbursements from the Universal Service Fund. North American has its own facilities and utilizes the last mile facilities of the major GSM wireless carriers such as AT&T, Verizon, T-Mobile and Sprint in order to provide the best coverage and service available for subscribers. North American is currently authorized as a wireless ETC in the states of Minnesota, Michigan, Wisconsin and Alabama. North American has not been subject to any enforcement action at the FCC or in any state.

North American will offer telecommunications services primarily to eligible low-income subscribers.

North American will offer eligible consumers six different plan options ranging from 1000 anytime prepaid minutes per month Lifeline Service Plan for \$9.99 as well as a free handset up to unlimited minutes and 3GB of data for \$54.99 per month. In addition, North American will offer eligible customers who are eligible for the tribal subsidy five Tribal Lifeline Service Plan options ranging from 1000 anytime minutes per month for no charge, up to unlimited minutes and 3GB of data for \$29.99 per month. North American's wireless Lifeline plan also includes custom calling features at no charge, including Caller ID, Call Waiting, Call Forwarding, 3-Way Calling, Voicemail, and free access to Customer Service via 611 from their Lifeline phone or other designated toll-free access dialing from any other phone.

North American seeks only Lifeline support from the low-income mechanism of the federal Universal Service Fund and does not seek support from the high-cost support mechanism. This program is designed to reduce the monthly cost of telecommunication services for eligible consumers, is distributed on a per-customer basis, and is directly reflected in the price that the eligible customer pays. Because North American does not seek support from the high-cost support mechanism, designation of North American as a Lifeline-only ETC will not pose any adverse effect on the growth in the high-cost portions of the Universal Service Fund (USF), nor will it create or contribute to an erosion of high-cost funding from any rural or nonrural telephone company. Increasing the number of designated Lifeline-only ETCs in North Dakota will provide the opportunity for increased participation by eligible consumers in the Lifeline program.

NDAC § 69-09-05-12(6)(a) requires a full description of available services in the ETC's official telephone directory. Since North American is a CMRS provider, it does not have an official telephone directory in North Dakota and requests a waiver from this requirement pursuant to NDAC §§ 69-09-05-12(2)(c) and (d).

The FCC approved North American's Compliance Plan on January 31, 2012, and thereby granted North American forbearance from the statutory requirement that North American provide service using its own facilities in order to be designated as a Lifeline-only ETC.

The Certification Relating to Order Provisions as signed by Jorge Bellas, Managing Partner of North American and filed on June 13, 2019 is incorporated by reference and attached to this order.

Consumers eligible for the Lifeline discounts offered by North American will receive the benefits of nationwide calling areas and the convenience and security of mobile telephone service. North American will bring increased customer choice and the benefits of competition.

## Universal Service Support Area

The Commission must establish a geographic area (service area) for the purpose of determining universal service obligations and support mechanisms for the designated ETC. 47 U.S.C. § 214(e)(5).

The Act defines service area:

**SERVICE AREA DEFINED--** The term "service area" means a geographic area established by a State commission for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, "service area" means such company's "study area" unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.

In its *Memorandum Opinion and Order*, FCC 13-44, released April 15, 2013, the Federal Communications Commission determined that carriers may be designated as a Lifeline-only ETC in partial rural service areas.

In this proceeding, North American is requesting ETC designation in all North Dakota telephone exchanges.

North American has demonstrated that it is financially and technically capable of providing Lifeline service in compliance with 47 CFR Subpart E.

Based on the evidence in this proceeding, North American is qualified under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service support for low-income consumers under 47 CFR Part 54 Subpart E.

It is in the public interest that North American be designated as a Lifeline-only ETC in all North Dakota telephone exchanges.

North American is registered with the Commission to provide commercial mobile radio and long distance services.

North American Local, LLC is registered with the Secretary of State of North Dakota and North American Local, LLC is in good standing.

Having allowed all interested persons an opportunity to be heard and having heard, reviewed and considered all testimony and evidence presented, the Commission makes the following:

## Order

The Commission orders:

1. North American Local, LLC is designated as an eligible telecommunications carrier for the purpose of receiving federal universal service support for low-income consumers under 47 CFR Part 54 Subpart E. The designated service area in this proceeding consists of all study areas in North Dakota.
2. North American Local, LLC shall comply with the applicable annual reporting requirements set forth in North Dakota Administrative Code §69-09-05-12.1.
3. Under North Dakota Administrative Code §69-09-05-12(2)(c) and (d), North American Local, LLC is granted a waiver of the requirements of North Dakota Administrative Code § 69-09-05-12(6)(a) regarding the publication of a full description of its services in an official telephone directory.
4. The June 3, 2019 Certification Relating to Order Provisions is incorporated by reference and attached to this Order.

### PUBLIC SERVICE COMMISSION

		
<b>Julie Fedorchak</b> Commissioner	<b>Brian Kroshus</b> Chairman	<b>Randy Christmann</b> Commissioner

**STATE OF NORTH DAKOTA  
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**NORTH AMERICAN LOCAL, LLC  
CERTIFICATION RELATING TO ORDER PROVISIONS**

I am Jorge Bellas, a representative of North American Local, LLC (North American) with authority to bind North American and I certify that:

1. North American is seeking designation as a Lifeline-Only Eligible Telecommunications Carrier (Lifeline-Only ETC) for 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 non-rural and rural telephone company areas within the state of North Dakota. Which is the entire state of North Dakota.
2. North American understands and agrees to the conditions and criteria set forth in Chapter 49-21 of the North Dakota Century Code and Chapter 69-09-05 of the North Dakota Administrative Code that pertain to Lifeline-Only Eligible Telecommunications Carriers (Lifeline Only ETC) , and North American will be responsible for compliance with this Certification, the Public Service Commission's order in this proceeding, and conditions and criteria set forth in the applicable federal and state laws and rules pertaining to Lifeline-Only ETCs.
3. North American agrees to comply with all statements, processes and procedures set forth in its Application of North American Local, LLC for designation as an eligible Telecommunications Carrier for Purposes of Lifeline Only in the State of North Dakota dated April 8, 2019(Application) in the state of North Dakota. North American agrees that all statements made and matters set forth in its Application are true and correct to the best of North American's knowledge, information, and belief.
4. North American will use the federal low-income universal service support it receives only for the provision of services for which the support is intended.
5. North American meets all of the prerequisites to be designated as a Lifeline-Only ETC throughout the proposed ETC Designated Area in this proceeding.
6. North American provides each of the services supported by federal universal service support mechanisms, specified in Federal Communications Commission's (FCC's) rules, 47 C.F.R. § 54.101, and will offer these supported services in North Dakota upon designation as a Lifeline-Only ETC, including voice grade access, minutes

of use for local service at no additional charge, access to emergency services and toll limitation services.

7. North American will provide service on a timely basis to requesting customers within the applicant's proposed designated service area where the applicant's network already passes the potential customer's premises.
8. North American will provide service within a reasonable period of time, if the potential customer is within North American's proposed designated service area but outside its existing network coverage, if service can be provided at reasonable cost by:
  - (a) Modifying or replacing the requesting customer's equipment;
  - (d) Adjusting network or customer facilities; or
  - (e) Reselling services from another carrier's facilities to provide service.
9. North American will not seek Universal Service Fund high-cost support for the any telephone exchanges in its designated service area in North Dakota.
10. North American will use all available means to ensure customers are eligible for the Lifeline program at the time of sign-up and recertification in accordance with the federal eligibility criteria in 47 C.F.R. § 54.409 and the relevant proof documentation specified in 47 C. F. R. § 54.410. North American will check all available databases including the National Lifeline Accountability Database to prevent duplication and determine eligibility.
11. North American has taken, and will continue to take, steps to work with its underlying carriers to remain functional in emergency situations by: (1) maintaining a reasonable amount of backup power to ensure functionality without an external power source; (2) maintaining the ability to re-route traffic around damaged facilities and to manage traffic spikes resulting from emergency situations; and (3) establishing procedures for employees to follow in an emergency to prevent or minimize interruption or impairment of telecommunications services.
12. North American will meet or exceed applicable consumer protection and quality standards and will comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service
13. North American will advertise the availability of the supported services detailed in its Application, and the corresponding rates and charges, in a manner designed to inform the general public within North Dakota. This advertising will occur through a combination of media channels, such as television and radio, newspaper, magazine and other print advertisements, outdoor advertising, direct marketing, and the Internet.
14. North American will offer the services described in its Application.

15. North American understands and agrees that if North American has not advertised its Lifeline services or signed up any North Dakota customers within 12 months of the effective date of North American's designation as a Lifeline-only ETC, the Public Service Commission may revoke North American's Lifeline-only ETC designation and North American may reapply to be designated as a Lifeline-only ETC In North Dakota.
16. North American will comply with all applicable annual reporting requirements associated with being an ETC in North Dakota. North American will file with the Public Service Commission a copy of each report filed with the FCC, within 30 days of filing with the FCC.
17. North American understands and agrees that its ability to offer service is subject to suspension or revocation for failure to comply with the Public Service Commission's orders, or applicable statutes, rules, regulations, standards, and other authorizations.
18. North American agrees to maintain the records to demonstrate that North American has complied with the requirements of the Public Service Commission's order(s) and that North American will preserve records demonstrating compliance for Public Service Commission inspection at any reasonable time upon reasonable notice.
19. North American understands and agrees that, to the extent there are any conflicts or inconsistencies between North American's Application and the provisions in this Certification, the Certification provisions control.

Dated this 3<sup>rd</sup> day of JUNE, 2019.

NORTH AMERICAN LOCAL, LLC

By: 

Its Managing Partner