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Cintex Wireless (RA-2012-0076)

- Application for eligible telecommunications carrier (ETC) designation – 9/9/11
  - 90 free anytime local and long distance minutes per month
  - Additional usage available for additional fees
- Responses to Staff data requests – 10/5/11
  - Corporate ownership
  - Management structure
  - Affiliated companies
  - ***Describe any disciplinary action taken by the Federal Communications Commission or state regulatory agency in which the company, any person listed in subparagraphs 1 and 2 have been found to have violated any law, regulation or tariff provision, or settled a matter in which an assertion of such a violation was made. Answer – None.***
  - Details about facilities used to provide service
  - Details about marketing efforts (television, direct mail, sales teams)
  - Commitments to abide by MO rules
- Staff recommendation to approve ETC request – 12/16/11
- Order designating Cintex Wireless as an ETC – 12/21/11
  - After receiving all the necessary information, Staff recommends approval
  - The Commission finds the averments in the application and Staff recommendation to be true.
  - The Commission must grant ETC status to Cintex if the company offers the services set out in Section 254 of the Act and if it advertises the availability of those services using media of general distribution.
- DRs sent March 19, 2012 in response to complaints related to mass mailing.
  - Responses 3/27/12
    - Cintex used Infogroup, Inc to obtain a list of low income persons within geographic service area. Mailings were sent to those customers only.
    - Cintex used a vendor called BeQuick to “convert” authorized exchanges to zip codes to ensure it did not send mailings to persons living in areas Cintex is not authorized to provide service.
- Follow-up DRs sent seeking information on various company names which appear to be associated with Cintex Wireless. Response received 3/28/12.
- Staff continues to investigate.

General Information on ETC requests for low income only support

- 1) MoPSC traditionally has had more stringent rules than federal requirements.
- 2) FCC recognizes there are many problems with fund. Released an order in February 2012 significantly reforming the federal Lifeline program over the next several months. (In my

opinion, the FCC did not put enough emphasis on potential carrier fraud, but concentrated on ways to prevent end user fraud.)

- 3) MoPSC is working on modifying its rules in response to recent allegations of fraudulent activity and in response to FCC reform.
  - a. In the meantime, Staff sends more comprehensive data requests to obtain information not required by rule.
- 4) How many eligible providers receive USF for cell phone service in Missouri? 17 providers currently have the authority to receive USF support through the federal Lifeline and/or LinkUp program.

The 17 providers include: Chariton Valley Wireless; Cricket; dPi Tele-Connect; Nexus; NW Missouri Cellular; Telrite; TracFone d/b/a SafeLink Wireless; US Cellular; YourTel America, Inc.; Cintex Wireless, LLC; Assist Wireless; Easy Telephone Service Co. d/b/a Easy Wireless; i-wireless, LLC; Aegis Telecom, Inc. d/b/a Off the Hook Telecom; Global Connection Inc. of America d/b/a Stand Up Wireless; Assurance Home Phone Services, Inc. d/b/a Surety Wireless; and True Wireless.

- 1) How much money was disbursed from the USF in FY 2011?
  - A total of \$1,321,118,337 was disbursed in 2010 from the low income support program for the entire country.
  - Missouri's share for 2010 was \$11,422,534.
  - In the first 9 months of 2011 total disbursements were \$1,013,436,787 from the low income support program for the entire country with Missouri's share \$15,058,755. (data lags)
  - In the first 9 months of 2011 total disbursements for Link Up (discount on connection fees) for Missouri was \$5,148,296 and 256,970,349 for the entire country. This program has been eliminated with the February 2012 FCC order.
- 3) What company received the most USF funds in Missouri?

YourTel with \$6,570,844 for the first 9 months of 2011.