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June 10, 2010

VIA E-DOCKET

Ms. Elizabeth Rolando, Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701

Re: IQ Telecom, Inc.  
Application for Designation as an Eligible Telecommunications Carrier

Dear Ms. Rolando:

Enclosed herewith for filing with the Commission, please find one signed verified original of the above referenced corporation's Application to become a wireless eligible telecommunications carrier within the State of Illinois.

Should you have any questions, please contact me at (269) 381-8893 or [patrick@crockerlawfirm.com](mailto:patrick@crockerlawfirm.com).

Very truly yours,

CROCKER & CROCKER, P.C.

Patrick D. Crocker

PDC/pas

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

IQ Telecom, Inc.	)	
	)	
Application for Designation as an Eligible	)	Docket No.
Telecommunications Carrier for Purposes of	)	
Receiving Federal Universal Service Support	)	
Pursuant to Section 214(e)(2) of the	)	
Telecommunications Act of 1996.	)	

**APPLICATION OF IQTELECOM, INC. FOR DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS CARRIER**

Now Comes IQ Telecom, Inc. (“IQT”) and pursuant to the Telecommunications Act of 1996, 47 U.S.C. §214(e)(2) (the “Act”) and the rules of the Federal Communications Commission (“FCC”) 47 C.F.R. §54.201, hereby requests that the Illinois Commerce Commission (“ICC” or “Commission”) designate IQT as a telecommunications carrier eligible under the provisions of Section 54.201(d) to receive federal universal service support for wireless services that it intends to provide pursuant to authority pending with the Commission in Docket No. 10-0367.<sup>1</sup> IQT seeks ETC designation for its wireless services in order to receive federal Universal Service Support to offer “Lifeline” and “Link-Up” support to its qualifying customers. The service area for which IQT seeks ETC status has not been designated as a high cost area. IQT commits to limit its requested USF support to the federal USF “low Income” support programs. Consistent with 47 CFR §54.403, IQT certifies that all low income USF funding received will be used to support subsidized rates for its Lifeline and Link-Up customers.

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<sup>1</sup> IQT has previously been granted Eligible Telecommunications Carrier (“ETC”) status through the Commission’s Final Order in Docket 08-0453, dated October 8, 2008.

1. Pursuant to Section 214(e)(2) of the Act, a state Commission may, upon its own motion, or upon request, designate a common carrier to be an “eligible telecommunications carrier” for purposes of receiving universal service support under the Act. Section 214(e)(2) also requires that the carrier designated meet the requirements of Section 214(e)(1). Section 214(e)(1) states:

A common carrier designated as an eligible telecommunications carrier... shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received –

(A) offer the services that are supported by the Federal universal service support mechanism under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the service offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefore using a media of general distribution.

2. Regarding non-rural telephone companies, Section 214(c)(5) of the Act and C.F.R. Section 54.207 define the term “service area” to be a “geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms.” In Docket 97-0507, the ICC determined that the “service area” or minimum geographic area that AT&T Illinois must serve to be designated as an ETC is an exchange.

3. This Petition establishes that IQT meets the two criteria set forth in Section 214(e)(1). It also identifies the “service area” that IQT requests the Commission establish for purposes of IQT receiving low income funding assistance for its wireless services.

## **Background**

4. IQT is a telecommunications carrier within the meaning of Section 13-202 of the Illinois Public Utilities Act, 220 ILCS 5/101 et seq., authorized to provide telecommunications services in Illinois. IQT provides unbundled network local exchange and access service over facilities purchased in a wholesale arrangement with AT&T. On December 5, 2001, IQT was certified as a provider of facilities-based and resold local exchange and interexchange service in Docket 01-0333. IQT received designation as an ETC in Docket 08-0453. IQT is designated as an ETC for purposes of receiving universal service support in Illinois.

5. IQT is located at 3221 W Burr Oak Avenue, Blue Island, Illinois. IQT's telephone number is (708) 385-8600.

6. All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed to:

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7. Pursuant to 214(e)(1) of the Act, a telecommunications carrier may be designated as an ETC and thereby receive universal service support if the carrier, throughout its service areas: (a) offers the services that are supported by federal universal service support mechanisms under §254(c) of the Act, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including services offered by another ETC); and (b) advertises the availability of and charges for

such services using media of general distribution. Section 54.201(b) of the FCC's Rules states that the Commission shall, on its own motion or upon request, designate a common carrier an ETC so long as the carrier meets the requirements of Section 54.201(d), which restates the requirements found in Section 214(e)(1) of the Act. Section 214(e)(2) of the Act and Section 54.201(c) of the FCC's Rules state that the Commission may, in the case of an area serviced by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an ETC for a service area the Commission designates, provided each additional requesting carrier satisfies Section 214(e)(1) of the Act and Section 54.201(d) of the FCC's Rules. Before designating an additional ETC for an area serviced by a rural telephone company, the Commission shall find that such designation is in the public interest.

### **IQT Provides the Core Services Required to Qualify for Universal Service Support**

8. Pursuant to Section 54.101(a) of the FCC's Rules, the following core services and functions are to be offered by an ETC and should be supported by federal universal support mechanisms:

a) Voice grade access to the public switched network. "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz;

b) Local usage. "Local usage" means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users;

c) Dual tone multi-frequency signaling or its functional equivalent. "Dual tone multi-frequency" (DTMF) is a method of signaling that facilitates the

transportation of signaling through the network, shortening call set-up time;

d) Single-party service or its functional equivalent. "Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission;

e) Access to emergency services. "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911" to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (AH), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. All IQ Telecom handsets and service will be 911 and E911 compatible;

f) Access to operator services. "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;

g) Access to interexchange service. "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;

h) Access to directory assistance. "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and

i) Toll limitation for qualifying low-income consumers. Toll limitation for qualifying low-income consumers.

9. IQT's wireless offerings, as does its landline offerings, will comply with each of the Federal Telecommunications Act of 1996's ("1996 Act") eligibility requirements for universal service support. Specifically, it will (1) offer the services that are supported by federal universal service support mechanisms under Section 254(c), either through the use of its own facilities or a combination of its own facilities and the resale of another carrier's services (including the services offered by another ETC), and (2) advertise the availability of such services and the charges for those services in media of general distribution.<sup>2</sup> IQT will not seek access to funds from the federal Universal Service Fund for the purpose of providing service to high cost areas. IQT will provide Lifeline and Link-Up wireless services that are eligible for universal service support, as described in 47 CFR § 54.101, including (1) voice-grade access to the public switched network, (2) local usage, (3) dual tone multi-frequency signaling or its functional equivalent, (4) single party service or its functional equivalent, (5) access to emergency services, (6) access to operator services, (7) access to interexchange services, (8) access to directory assistance, and (9) toll limitation for qualifying low income customers.

#### **IQT Will Comply with Advertising Rules and Requirements**

10. IQT's advertising will conform to rules adopted by the ICC. See 83 Illinois Administrative Code Part 757. Specifically, in accordance with Code Part 757, IQT will advertise the general availability of, and charges for, the supported services listed above to all telecommunications customers in the specified geographic area on a quarterly basis. IQT will place those advertisements in a media of general distribution that targets the

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<sup>2</sup> 47 USC § 214(e)(1).

residential customer including newspapers, mail advertisements and radio.<sup>3</sup> With regard to the availability of low-income services, IQT will also advertise in accordance with the Commission's rules. In addition, IQT is willing to provide written notification of universal service programs to the directors of municipal, State and federal governmental agencies within IQT's service territory whose clientele is likely to benefit from the program.

### **IQT's Proposed ETC Service Area**

11. IQT is not a "rural telephone company" as that term is defined by Section 153(37) of the Act. Pursuant to Section 54.207(a) of the FCC's Rules, a "service area" is a "geographic area" established by a state commission for the purpose of determining universal service obligations and support mechanisms." For non-rural service areas, there are no restrictions on how a state commission defines the "service area" for purposes of designating a competitive ETC. Therefore, IQT may be designated as an ETC for its wireless services in all the non-rural wire centers of AT&T Illinois, Inc. IQT does not request ETC designation in any rural area at this time.

For non-wireless services, IQT currently utilizes certification and verification safeguards that ensure that ineligible subscribers are prevented from receiving multiple Link-Up and Lifeline subsidies at the same address in accordance with 47 CFR § 54.411 (c). Should the Commission grant this Application, IQT will maintain those same safeguards with respect to its wireless services. As with its landline customers, IQT only seeks to offer its low income Illinois wireless customers support through the Lifeline and Link-Up programs and does not intend to seek or receive support in Illinois from the USAC's High Cost funds. Some Incumbent Local Exchange Carriers ("ILECs") receive

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<sup>3</sup> See Attachment A

Interstate Access Support, which is one of the FUSF high cost support mechanisms, and therefore their service area is designated as a high cost area. However, IQT is not seeking USF “high cost” support in any ILEC serving area, including funding related to access charges. In the event that in the future any of the AT&T non-rural wire centers are designated as a High Cost area, IQT certifies that it will timely notify the Commission of any future change that would render it eligible to receive USF High Cost support. IQT certifies that it will notify the ICC within three weeks of learning of any potential change in USF support in any AT&T non-rural wire centers. IQT also certifies that in the event of any such future change in USF support, it will timely file a revised five-year spending plan to account for appropriate use of all High Cost USF support received, or certification that that it is not seeking and will not apply to receive such support and will seek additional ETC certification from this Commission before it accepts any such support. IQT will commit to filing this plan within six weeks after notifying the ICC of any change in USF support.

**ETC Designation for IQT Will Greatly Enhance  
Lifeline and Link-up Services Available in Rural Illinois**

12. IQT acknowledges that Section 54.405 of the FCC’s Rules requires all ETC’s to make Lifeline services (as defined in Section 54.401 of the FCC’s Rules) available to qualifying low-income consumers. Lifeline services are available to qualifying low-income consumers in its service areas. Indeed, designation of IQT as an ETC for its wireless services would allow Lifeline and Link-up service to be available to all of IQT’s customers thereby offering telecommunications to a market that often is limited in services and selection.

13. The IQT Application is before this Commission under an established set of rules and statutory requirements.

14. IQT does not have any pending action or final unsatisfied judgment or decisions against it from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the application.

15. IQT is a contributor to and in good standing with the Universal Service Fund and does not have any annual reports or assessment fees that are overdue.

#### **FCC ETC Order**

16. On March 17, 2005, the FCC issued an ETC Order in which it clarified existing ETC requirements and imposed additional requirements.<sup>4</sup> The additional guidelines were codified in 47 C.F.R. §54.202. Although the FCC recommended that state commissions use the FCC guidelines when evaluating ETC applications, state commissions are not bound by the by the FCC's ETC Order.

Paragraph 20 of the ETC Order lists the guidelines for an FCC ETC application: (1) a commitment and ability to provide services, including providing service to all customers within its proposed service area, including a 5-year network improvement plan; (2) how it will remain functional in emergency situations; (3) that it will satisfy consumer protection and service quality standards; (4) that it offers local usage comparable to that offered by the incumbent LEC; and (5) an understanding that it may be required to provide equal access if all other ETCs in the designated service area

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<sup>4</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC-05-46 (March 17, 2005).

relinquish their designations pursuant to section 214(e)(4) of the Act. The following paragraphs discuss the 5 guidelines with more specificity:

**Commitment to Provide Service Throughout ETC-Designated Area**

17. Pursuant to 47 CFR §54.202(a)(1)(i), an ETC applicant must agree to provide service throughout its proposed designated service area to all customers making a reasonable request for service. IQT will commit to satisfy this FCC guideline.

**Five-Year Network Improvement Plan**

18. Pursuant to 47 CFR §53(a)(1)(ii), an FCC ETC applicant must submit a five-year plan that describes with specificity the proposed improvements to the applicant's network on a wire center by wire center basis throughout its proposed designated service area. The FCC recommended that state commissions apply a similar approach and noted that there may be "unique circumstances" and "consideration of fact-specific circumstances of the carrier and the designated service area." FCC ETC Order at ¶¶23-24. The five-year plan is not required where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support.

The submission of a Five-Year Network Improvement Plan is not required because IQT is requesting a designated service area in which high cost support is not currently available and it is seeking ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers. IQT will annually report the amount of USF funding received and the amount of subsidization provided to Lifeline and Link-Up customers. This information is intended to provide the Commission with an accurate accounting of the receipts and disbursements of federal USF support by IQT. Should circumstances change such that

IQT becomes eligible to receive high cost support, it will abide by the multi-year network improvement plan requirement to the extent required to do so by the Commission.

**Ability to Remain Functional in Emergency Situations**

19. With respect to its wireless services, IQT is not required to provide E911 services until a local emergency provider has made arrangements for delivery of ALI and ANI from carriers.<sup>5</sup> In the wireless context, provision of location information is broken down into two phases; Phase I involves providing the PSAP with the location of the cell from which the 911 call originated and Phase II provides the location of the originating subscriber phone to within an FCC-specified accuracy. Applicant's network is capable of providing Phase I and Phase II E911 services, as a function of the capabilities of each PSAP throughout the Applicant service area.

**Consumer Protection and Service Quality Standards.**

20. Pursuant to 47 CFR §54.202(a)(3), an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. Pursuant to its certification, IQT must abide by the service quality and consumer protection rules set forth in 83 Ill. Adm. Code 730, 731, 732 and 735. Further, IQT complies with the slamming and cramming requirements found in Sections 13-902 and 13-903 of the Illinois Act.

**Local Usage**

21. Pursuant to 47 CFR §54.202(a)(4), an ETC applicant must demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation. The FCC has put forth that an ETC's local usage plans should be reviewed on a case-by-case basis to ensure that each ETC provides

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<sup>5</sup> 12 FCC Rcd at 8815-8817.

a local usage component in its universal service offering that is comparable to the plan offered by the incumbent LEC. Importantly, the requirement is that ETCs offer a local usage plan that is "comparable" to that of the ILEC, not that the plans be identical. The FCC has not adopted any minimum local usage requirements. As a designated ETC, IQT will comply with any applicable minimum local usage requirements adopted by the FCC.

IQT offers local usage plans comparable to the service plans offered by AT&T. Wireless and wireline offerings are different from each other, and as such, they are priced differently. Unlike any ILECs' or other ETCs' Lifeline plans, IQT's Lifeline offering goes beyond those of the ILEC in one very important aspect: IQT's Lifeline customers will receive as part of Lifeline service specified amounts of free wireless service with no monthly recurring service charge. That is, IQT's Lifeline customers will receive specified amounts of wireless calling -- local and long distance -- with no charge to the subscriber. IQT offers its Lifeline Wireless Plan that will include twenty five minutes of free local and long distance calling and five features which is comparable to AT&T's packages.<sup>6</sup>

### **Carrier of Last Resort**

22. Pursuant to 47 CFR §54.202(a)(5), an ETC applicant must certify its acknowledgement that the FCC may require it to "provide equal access to long distance carriers in their designated service area in the event that no other ETC is providing equal access within the service area." IQT acknowledges that it may be required to provide equal access to long distance carriers to all its customers in its designated service area.

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<sup>6</sup> See Attachment B.

## **Annual Reporting and Certification Requirements**

23. Pursuant to 47 CFR §54.209, the following are annual reporting requirements for

ETCs:

- a. progress reports on the ETC's five-year service quality improvement plan, including maps detailing progress towards meeting its plan targets, an explanation of how much universal service support was received and how the support was used to improve signal quality, coverage, or capacity; and an explanation regarding any network improvement targets that have not been fulfilled. The information should be submitted at the wire center level;
- b. detailed information on any outage lasting at least 30 minutes, for any service area in which an ETC is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect at least ten percent of the end users served in a designated service area, or that potentially affect a 911 special facility (as defined in subsection (e) of section 4.5 of the Outage Reporting Order). An outage is defined as a significant degradation in the ability of an end user to establish and maintain a channel of communications as a result of failure or degradation in the performance of a communications provider's network. Specifically, the ETC's annual report must include: (1) the date and time of onset of the outage; (2) a brief description of the outage and its resolution; (3) the particular services affected; (4) the geographic areas affected by the outage; (5) steps taken to prevent a similar situation in the future; and (6) the number of customers affected;
- c. the number of requests for service from potential customers within its service areas that were unfulfilled for the past year. The ETC must also detail how it attempted to provide service to those potential customers;
- d. the number of complaints per 1,000 handsets or lines;
- e. certification that the ETC is complying with applicable service quality standards and consumer protection rules, e.g., the CTIA Consumer Code for Wireless Service;
- f. certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas; and

- g. certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

IQT will comply with all of the applicable annual reporting requirements that are required of it as a recipient of low-cost support, and further requirements should it become eligible for high cost support.

### **ETC Designation is in the Public Interest**

24. In its ETC Order, the FCC encouraged state commissions to implement the FCC's public interest analysis in order to promote a consistent approach among the states in applying the universal service principles of preserving and advancing universal service and competitive neutrality, and improving the long-term sustainability of the USF. FCC ETC Order at ¶¶ 19, 58.

25 The FCC balances the following guidelines for a public interest analysis:

Consumer Choice: The Commission takes into account the benefits of increased consumer choice when conducting its public interest analysis. In particular, granting an ETC designation may serve the public interest by providing a choice of service offerings in rural and high-cost areas. The Commission has determined that, in light of the numerous factors it considers in its public interest analysis, the value of increased competition, by itself, is unlikely to satisfy the public interest test.

Advantages and Disadvantages of Particular Service Offering: the Commission also considers the particular advantages and disadvantages of an ETC's service offering. For instance, the Commission has examined the benefits of mobility that wireless carriers provide in geographically isolated areas, the possibility that an ETC designation will allow customers to be subject to fewer toll charges, and the potential for customers to

obtain services comparable to those provided in urban areas, such as voicemail, numeric paging, call forwarding, three-way calling, call waiting, and other premium services. The Commission also examines disadvantages such as dropped call rates and poor coverage.

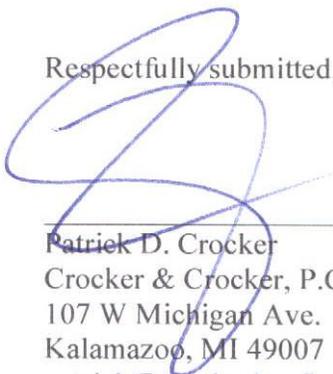
26. Granting IQT ETC status for low income support related to its wireless offerings will promote additional deployment of IQT's offerings to the areas served by AT&T Illinois. IQT offers quality service at affordable prices, and adds another choice of provider for customers in the AT&T Illinois study area. Additionally, ETC status will allow IQT to offer service to many low income customers who may not have been able to have service but for the Company. Finally, ETC status will allow low-income customers access to quality telecommunications service in the AT&T Illinois service territories. IQT will offer calling plans that are comparable to the rate and usage plans offered by the incumbent LEC in its service area. These calling plans will be available in each wire center within IQT's service area.

### Conclusion

WHEREFORE, on the basis of the foregoing, IQT respectfully requests that the Commission: (1) designate IQT as an eligible telecommunications carrier under the provisions of Section 54.201(d) of the FCC's Rules to receive federal universal service support related to its wireless service offerings; (2) grant this Application either by order or minute action without a hearing within ninety (90) days from the date of this Application; (3) send appropriate notice of this order to the Federal Communications Commission; and, (4) issue such other orders as are deemed necessary or convenient in this matter.

DATED: 6-10-10 .

Respectfully submitted,



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Patrick D. Crocker  
Crocker & Crocker, P.C.  
107 W Michigan Ave.  
Kalamazoo, MI 49007  
[patrick@crockerlawfirm.com](mailto:patrick@crockerlawfirm.com)

**VERIFICATION**

This application shall be verified under oath.

**OATH**

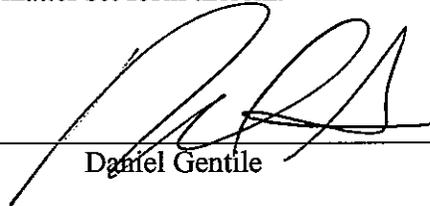
State of Illinois )  
 )  
County of Cook )

ss

Daniel Gentile makes oath and says that he is Vice President  
(Insert here the name of affiant) (Insert the official title of the affiant)

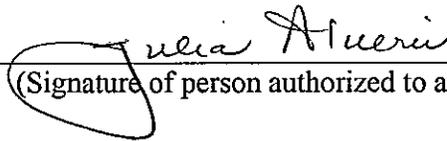
of IQ Telecom, Inc.  
(Insert here the exact legal title or name of the Applicant)

that he has examined the foregoing application and that to the best of his knowledge, information, and belief, all statements of fact contained in the said application are true, and the said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.

  
Daniel Gentile

Subscribed and sworn to before me, a Notary Public/

in the State and County above named, this 7<sup>th</sup> day of June, 2010.

  
(Signature of person authorized to administer oath)

