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CAL COMMUNICATIONS, INC. )  
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)  
Application for Designation as an Eligible )  
Telecommunications Carrier for Purposes Of )  
Receiving Federal Universal Service Support )  
Pursuant to Section 214(e)(2) of the )  
Telecommunications Act of 1996. )

Docket No. \_\_\_\_\_

10-0492

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ILLINOIS  
COMMERCE COMMISSION

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**CAL COMMUNICATIONS, INC.**  
**APPLICATION FOR DESIGNATION AS AN**  
**ELIGIBLE TELECOMMUNICATIONS CARRIER**

Comes Now CAL Communications, Inc. ("CAL Communications") 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 ("Commission") designate CAL Communications as a telecommunications carrier eligible under the provisions of Section 54.201(d) to receive Federal universal service support for both wired and wireless services. CAL Communications seeks ECT designation for both wired and wireless services in order to receive Federal Universal service Support to offer "lifeline" and "Link-Up" support to its qualifying customers. CAL Communications avers that the service area for which it is seeking ETC status has not been designated as a high cost area. CAL Communications commits to limit its requested USF support to the federal USF "low income" support programs. CAL Communications also certifies that all

low income USF funding received will be used to support subsidized rates for its Lifeline and Link-Up customers consistent with 47 CFR section 54.403

1. Section 214(e)(2) of the Act provides that 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. With regard to 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, this Commission determined that the “service area” or minimum geographic area that Ameritech Illinois must serve to be designated as an ETC is an exchange.

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

## Background

4. CAL Communications is a telecommunications carrier within the meaning of Section 13-202 of the Public Utilities Act, 220 ILCS 5/1-101 et seq. authorized by the ICC to provide telecommunications services in Illinois. CAL Communications provides unbundled network local exchange and access service over facilities purchased in a wholesale arrangement with AT&T. CAL Communications was certified 1) to provide resold local and interexchange Telecommunications services; 2) to provide Facilities Based Interexchange telecommunications services; and 3) to provide Facilities Based local telecommunications services. CAL Communications was certified on November 2, 2005 in Docket 05-0620. CAL Communications intends to provide wireless services through Sprint, Verizon, AT&T or other similar providers. CAL Communications is in the final stage of its Applications for Certification to Operate as a Wireless Reseller of Telecommunications Services throughout the State of Illinois. Application filed on June 21, 2010 Docket 10-0393.

5. CAL Communications street address and principal place of business 1572 Barclay Blvd. Buffalo Grove, Illinois 60089. CAL Communications telephone number is 1-847-537-2425

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

Carlos A. Lopez  
President  
CAL Communications, Inc.  
1572 Barclay Blvd.  
Buffalo Grove, IL 60089  
847-537-2425  
Fax 847-537-1613  
[clopez@calcomm.com](mailto:clopez@calcomm.com)

7. Under 214(e)(1) of the Act, a telecommunications carrier may be designated as an ETC and thereby receive universal service support so long as 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 §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 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.

### **CAL Communications 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 9 11 and enhanced 9 11, 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 (ALI), 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;

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. CAL Communications offers all of the supported services enumerated under Section 254(c) using facilities obtained as UNEs from AT&T Illinois. According to FCC Rules, facilities obtained as UNEs satisfy the requirement that an ETC provide the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's services. Accordingly, the Company satisfies the requirement set forth in Section 214(e)(1)(A).

### **CAL Communications Will Comply with Advertising Rules and Requirements**

10. CAL Communications advertising will conform to rules adopted by this Commission. See 83 Illinois Administrative Code Part 757. Specifically, in accordance with Code Part 757, CAL Communications 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. It will place those advertisements in a media of general distribution that targets the residential customer. In addition, if the Commission so requests, CAL Communications will provide proof of its advertising practices to the Commission. With regard to the availability of low-income services, CAL Communications will also advertise in accordance with the Commission's rules. In addition, CAL Communications is willing to provide written notification of universal service programs to the directors of municipal, State and federal governmental agencies within CAL Communications' service territory whose clientele is likely to benefit from the program.

#### **CAL Communications Proposed ETC Service Area**

11. CAL Communications is not a "rural telephone company" as that term is defined by §153(37) of the Act. Under 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, the Commission may designate CAL Communications as an ETC in all the non-rural wire centers of AT&T Illinois. CAL Communications does not request ETC designation in any rural area at this time. CAL Communications proposes a limited service area consisting of each of the AT&T Illinois non rural wire centers in Illinois designated in

#### **Attachment A**

CAL Communications only seeks to offer its low income Illinois 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. If in the event that any of the AT &T Illinois non-rural wire centers were in the future to be designated as a High Cost area, CAL Communications certifies that it will timely notify the Commission of any future change that would render it eligible to receive USF High Cost support. CAL Communications certifies that it will notify the COMMISSION within three weeks of learning of any potential change in USF support in any of the AT &T Illinois non-rural wire centers. CAL Communications 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. CAL Communications will commit to filing this plan within six (6) weeks after notifying the COMMISSION of any change in USF support. CAL Communications proposed tariff revisions for Link-Up and Lifeline are attached hereto as Attachment **B**.

#### **FCC's ETC Order**

12. On March 17, 2005, the FCC issued a Report and Order ("FCC ETC Order") clarifying existing requirements, and imposing additional requirements, which the FCC is to use in evaluating applications for ETC designation on a going forward basis. Federal-State Joint Board on Universal Service, CC Docket No.96-45, Report and Order, FCC-05-46. In Paragraph 1, the FCC referred to these additional guidelines as "the minimum requirements" it would use in designating a carrier as an ETC, and urged that these procedures serve as guidelines for state commissions to follow in their evaluation of ETC applications properly before those commissions. These additional guidelines are codified in 47 CFR§54.202.

State commissions are not bound by the guidelines in the FCC's ETC Order when they evaluate ETC applications. Id. at "158-64.

Generally speaking, the guidelines in Paragraph 20 of the FCC's ETC Order require that the ETC applicant demonstrate: (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 relinquish their designations pursuant to section 214(e)(4) of the Act.

More specifically, the guidelines in the FCC's ETC Order require the following:

#### **Commitment to Provide Service throughout ETC-Designated Area**

13. As noted above, under FCC guidelines, an ETC Applicant must commit to provide service throughout its proposed designated service area to all customers making a reasonable request for service. FCC ETC Order at Para 22; 47 CFR §54.202(a)(1)(i). CAL Communications commits to provide service throughout its proposed ETC-designated service area to all customers making a reasonable request for service.

#### **Five-Year Network Improvement Plan**

14. Under FCC guidelines, an ETC Applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed designated service area. Generally, the FCC requires that the five-year network improvement plan submitted to the FCC specifically describe proposed improvements or upgrades "on a wire center-by-wire center basis throughout its designated service area." The FCC recommended that state commissions apply a similar approach, but did not require absolute uniformity, stating that its approach accounts for "unique circumstances" and "allows consideration of fact-specific circumstances of the carrier and the designated service area." FCC ETC Order at Para 23-24.

The only circumstance warranting deviation from this requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support.

Because CAL Communications is requesting a designated service area in which high cost support is not currently available, and seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers, submission of a Five- Year Network Improvement Plan is not required at this time.

CAL Communications shall report annually the amount of USF funding received.

CAL Communications also shall report annually 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 CAL Communications. Should circumstances change such that CAL Communications becomes eligible to receive high cost support, it shall abide by the multi-year network improvement plan requirement.

### **Ability to Remain Functional in Emergency Situations**

15. As explained above, under FCC guidelines, an ETC Applicant must demonstrate its ability to remain functional in emergency situations. 47 CFR §54.202(a)(2); FCC ETC Order at Para 25.

Since CAL Communications is providing service to its customers through the use of AT&T Illinois leased facilities, this arrangement allows CAL Communications to provide to its customers the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. With respect to its wireless services, CAL Communications is not required to provide E911 services until a local emergency provider has made arrangements for delivery of ALI and ANI from carriers. 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**

16. Under FCC guidelines, an ETC Applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. 47 CFR §54.202(a)(3); FCC ETC Order at Para 28.

CAL Communications will satisfy all such standards. As part of its certification requirements for local and interexchange services, CAL Communications must abide by the service quality and consumer protection rules set forth in Code Parts 730, 731, 732, and 735. CAL Communications was granted a waiver on Part 735.180, regarding the publication of directories. CAL Communications asserts that it complies with the "slamming" and "cramming" requirements found in Sections 13-902 and 13-903 of the PUA. In addition, CAL Communications commits to reporting information on consumer complaints per 1,000 lines on all annual basis consistent with the FCC's ETC Order. CAL Communications in general commits to satisfying all such applicable State and Federal requirements related to consumer protection and service quality standards.

### **Local Usage/Rate Plans**

17. As indicated above, under FCC guidelines, 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 not adopted a specific local usage threshold. FCC ETC Order at Para 32; 47 CFR §54.202(a)(4).

For its wireline services CAL Communications offers local usage plans comparable to the service plans offered by the incumbent LEC, AT&T Illinois. CAL Communications offers its Basic Plan that includes unlimited local calling for \$19.99 per month, which is comparable to AT&T's Illinois' Flat Rate Package. CAL Communications also offers a full feature packages, which includes all features which can be added to unlimited local calling for an additional \$7.00 per month. CAL Communications wireless Lifeline customers will receive as part of Lifeline service specified amounts of free wireless service with no monthly recurring service charge. That

is, CAL Communications wireless Lifeline customers will receive specified amounts of wireless calling—Local and long distance --with no charge to the subscriber. CAL Communications will offer its Lifeline Wireless Plan that will include sixty-eight minutes of free local and long distance calling and five features which is comparable to AT&T's packages.

In terms of comparability with AT&T Illinois, Applicant's local calling packages are offered to all who apply for service regardless of past credit history, which tends to lead to a very large churn and default rate. Consequently, the cost of doing business may be higher for CAL Communications than for the incumbent. In addition, CAL Communications commits to continue to offer a local usage plan comparable to that offered by the incumbent LEC.

### **Carrier of Last Resort -Equal Access Requirement**

18. Under FCC guidelines, an ETC Applicant shall 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." FCC ETC Order at Para 35; 47 CFR §54.202(a)(5).

CAL Communications acknowledges that it may be required to provide equal access to long distance carriers to all its customers in its designated service area, and will abide by such a requirement.

### **Annual Reporting and Certification Requirements**

19. In paragraph 69 of its ETC Order, and in 47 CFR 54.209, the FCC has identified certain annual reporting requirements in connection with the annual certification of ETCs as follows:

- (1) 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;
- (2) 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;

- (3) 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;
- (4) the number of complaints per 1,000 handsets or lines;
- (5) certification that the ETC is complying with applicable service quality standards and consumer protection rules, e.g., the CTIA Consumer Code for Wireless Service;
- (6) certification that the ETC is able to function in emergency situations;
- (7) certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas; and
- (8) 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.

CAL Communications is committed to comply with all of the applicable annual reporting requirements that are required of it as a recipient of low-cost support, and is committed to provide a five-year spending plan (reporting requirement 1 from 47 CFR 54.209) in the event it becomes eligible for high cost support.

### **Public Interest Analysis**

20. In its ETC Order, the FCC encouraged state commissions to implement the FCC's framework for analyzing the public interest so as 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 Para19-58.

The FCC acknowledged that state commissions may use and have used additional factors in their public interest analysis. The FCC indicated that it would continue to balance the following factors in performing its public interest analysis for ETC applicants:

One such factor in the analysis is the benefit of increased customer choice, although that value alone is unlikely to satisfy the public interest test. The designation of CAL Communications as an ETC will increase customer choice for low income consumers eligible for Lifeline and Link-Up support in the areas requested.

Another factor for consideration is the advantages and disadvantages of the particular service offering. In that regard, CAL Communications offering is intended to provide additional rate plan options for low income customers, and increased access to emergency services for the public overall to the extent that additional low income customers are enabled to obtain service.

Also, the specific commitments made by CAL Communications regarding compliance with the federal guidelines described in the FCC's ETC order, support a public interest finding.

Another part of the public interest assessment is a cream skimming analysis. Such an analysis is relevant where a competitive ETC seeks to include only a portion of the study area of a rural ILEC in its ETC service area. A cream skimming analysis is unnecessary for ETC applicants seeking designation below the service area level of non-rural incumbent LECs. CAL Communications only seeks ETC designation in non-rural areas; therefore, no "cream skimming" analysis is required.

CAL Communications 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 CAL Communications 's service areas. Indeed, designation of

CAL Communications as an ETC would also allow Lifeline and Link-up service to be available to CAL Communications customers thereby offering telecommunications to a market that often is limited in services and selection.

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

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

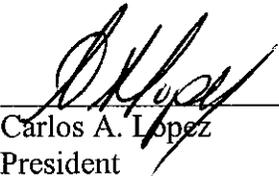
CAL Communications is a contributor to and in good standing with the Universal Service Fund and does not have any annual reports or assessment fees that are overdue, but is not drawing from the fund since it cannot receive federal universal service funds until it is designated an ETC for those areas it serves in Illinois.

## Conclusion

21. WHEREFORE, on the basis of the foregoing, CAL Communications respectfully requests that the Commission: (1) designate CAL Communications as a telecommunications carrier eligible under the provisions of Section 54.201 (d) of the FCC's Rules to receive federal universal service support for its wireline and wireless service offerings; and (2) respectfully requests that the Illinois Commerce Commission either by order or minute action without a hearing within ninety (90) days from the date of this Application; (3) Request that the Executive Secretary to 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 this 3rd day of August 2010.

Respectfully submitted,



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Carlos A. Lopez  
President  
CAL Communications, Inc.  
1572 Barclay Blvd.  
Buffalo Grove, IL 60089  
847-537-2425  
clopez@calcomm.com

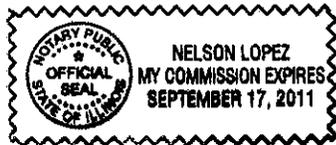
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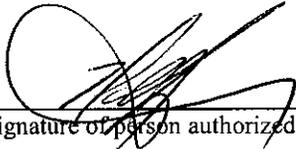
I attest that to the best of my knowledge the above mentioned is true.

  
\_\_\_\_\_  
Carlos A. Lopez  
President of CAL Communications, Inc.

Subscribed and sworn to before me, a Notary Public Nelson Lopez  
(Title of person authorized to administer oath)

in the State of Illinois and the County of Lake this 3rd day of AUGUST 2010



  
\_\_\_\_\_  
Signature of person authorized to administer oath