

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

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Millennium 2000 Inc.	)	
	)	
	)	Docket No. 12-0375
Application for Designation as a Wireless Eligible	)	
Telecommunications Carrier for Purposes of	)	
Receiving Federal Universal Service Support	)	
Pursuant to Section 214(e)(2) of the	)	
Telecommunications Act of 1996.	)	

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**RESPONSE TESTIMONY OF DONNA HARRISON  
PUBLIC VERSION**

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Dated: September 20, 2013

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**I. Background**

**Q. Please state your name and title.**

A. My name is Donna Harrison. I am the President of Millennium 2000 Inc.

**Q. Please describe your experience in the telecommunications industry.**

A. I have been managing Millennium 2000 since 2009. I am a certified Project Management Professional (“PMP®”) with twenty years of experience in IT and project management, which includes initiating, planning and executing strategic telecom initiatives. Prior to Millennium 2000 I worked as a Senior Project Manager Consultant in the Financial, Credit, Legal, Food Manufacturing, and Transportation industries.

**Q. Please describe your managerial responsibilities for Millennium 2000.**

A. My responsibilities for Millennium 2000 are to develop a strategic plan to advance the company's mission and objectives and to promote revenue, profitability, and growth as an organization. In addition, I oversee the company’s operations to insure production efficiency, quality service, and cost-effective management of resources. I plan, develop,

21 and implement strategies for generating resources and/or revenues for the company.  
22 Moreover, I identify partnership opportunities and direct implementation activities and  
23 approve the company operational procedures, policies, and standards. Furthermore, I  
24 review activity reports and financial statements to determine progress and status in  
25 attaining objectives and plans in accordance with current conditions.

26  
27 **II. Description of Millennium 2000**

28  
29 **Q. Please provide an overview of the services Millennium 2000 provides in Illinois.**

30  
31 A. Millennium 2000 is a provider of resold wireline and CMRS and a wireline eligible  
32 telecommunications carrier (“ETC”). Millennium 2000’s service is provided on a  
33 prepaid basis so its customers will not be subject to the credit checks, deposits, contracts,  
34 unexpected usage overages, or early termination penalties, which can sometimes be  
35 barriers to service for low income consumers. The prepaid nature of Millennium 2000’s  
36 service offerings will allow eligible low-income households to select the Lifeline service,  
37 whether landline or mobile, that best meets their needs in order to provide low income  
38 consumers a choice to obtain convenient and affordable wireline or wireless services.  
39 Millennium 2000’s prepaid wireless services for Lifeline customers will provide lower-  
40 income consumers access to emergency services and a reliable means of communication  
41 that can be used to contact potential employers or social service agencies. By marketing  
42 and expanding the availability of wireless services to consumers that otherwise are unable  
43 to afford them and to those who continue to be ignored by traditional carriers,  
44 Millennium 2000 will effectively expand access to wireless services to those consumers

45 who need wireless services the most, that is transient, low-income consumers who are  
46 unable to obtain a fixed Lifeline wireline at a temporary residence.

47  
48 Millennium 2000 provides prepaid wireless telecommunications services to consumers  
49 nationwide by obtaining service, from its underlying carriers, Verizon Wireless  
50 (“Verizon”) and Sprint. Pursuant to agreements between the companies, Millennium  
51 2000 obtains network infrastructure and wireless transmission facilities from its  
52 underlying carriers, which allows Millennium 2000 to provide wireless services to its  
53 end-user customers. Millennium 2000 purchases wireless service from its underlying  
54 carriers for calling and text messaging and will package those services into Millennium  
55 2000’s service plans and pricing. These calling and texting services will be bundled with  
56 Millennium 2000’s handset selection, marketing materials, web interface, and customer  
57 service to produce a complete wireless service offering for low-income consumers.

58 **Q. Where is Millennium 2000’s primary place of business located?**

59  
60 A. Millennium 2000’s principal place of business is located at 2019 W. 95<sup>th</sup> Street, Chicago,  
61 IL 60643.

62 **Q. Is there a particular segment of the population that Millennium 2000 has**  
63 **historically sought to serve?**

64  
65 A. Millennium 2000 offers prepaid local, local and toll, long distance and wireless calling  
66 services to all (i.e. lifeline and traditional customers) who apply for service regardless of  
67 past credit history. Millennium 2000 is ready to serve the areas indicated in its  
68 Application for wireless ETC services. Additionally, the Company has maintained a  
69 solid footing in the Chicago Metro area including many hard to service urban areas.  
70 Millennium 2000 has a good history with customers who have traditionally been

71 underserved by large carriers. Evidence of this fact is Millennium 2000 has not received  
72 any complaints lodged against the company during any time Millennium 2000 has been  
73 authorized to provide local exchange telecommunication services (see data response JZ-  
74 1.02(i)).<sup>1</sup>

75 **Q. Why has Millennium 2000 sought certification as a wireless ETC in this Docket?**

76  
77 A. Millennium 2000's Application for wireless ETC designation is a response to the demand  
78 of its current Lifeline wireline customers, as well as the result of a shift within the  
79 telecommunications industry as a whole. Over the past several years there has been a  
80 dramatic transition – for all customer bases – both traditional and Lifeline – from landline  
81 service to wireless service. A majority of our Lifeline customers has expressed a strong  
82 desire for the convenience and mobility of a Lifeline wireless handset versus a fixed  
83 Lifeline wireline. Our Lifeline customers have expressed that a wireless handset  
84 provides the flexibility and security to place an emergency call at any place and anytime.  
85 This is particularly important for those customers that do not have a permanent residence.  
86 On a broader basis, Millennium 2000 also sees a demand for its proposed wireless ETC  
87 services from consumers within its proposed service area.

88 **Q. Does this Commission support the public policy benefits of the Lifeline program?**

89  
90 A. Yes. In a September 5, 2013 news bulletin the Commission stated:

91  
92 The Illinois Commerce Commission today adopted a resolution  
93 commemorating Lifeline Awareness Week, September 9-15, and encouraged  
94 low income consumers in Illinois without access to telephone service to  
95 consider enrolling in the Lifeline telecommunications assistance program.

96 “In our modern world we tend to take telephone service for granted, but a  
97 telephone is a lifeline in an emergency,” ICC Commissioner John Colgan

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<sup>1</sup> Attached hereto as Confidential Exhibit 1.

98 said, when introducing the resolution today. “It’s important if you want to  
99 apply for work, seek out government services or community resources.”

100 Acting Commissioner Miguel del Valle noted that access to telephone service  
101 is critical to family life as well. “In Illinois five percent of our population  
102 doesn’t have access to telephone service, which we know is vital if you are to  
103 have a job, communicate with your child’s school or contact a doctor in an  
104 emergency.

105 “Lifeline Awareness Week allows us to focus attention on these valuable  
106 services and ensure that all eligible Illinois families take advantage of the  
107 programs that make basic telephone service more affordable,” he said.

108 **Consumers may be eligible for telecommunications assistance if they**  
109 **currently participate in assistance programs including Medicaid, Food**  
110 **Stamps, Supplemental Security Income (SSI), federal public housing**  
111 **assistance, Low-Income Home Energy Assistance Program (LIHEAP),**  
112 **Temporary Assistance to Needy Families (TANF) or the National School**  
113 **Lunch Program’s Free Lunch program or if their household income is at**  
114 **or below 135% of federal Poverty Guidelines.**

115 In 2012, 737,428 Illinois residents were participating in the Lifeline  
116 Assistance Program. Approximately 96 percent of those participants were  
117 using wireless telecommunications service.

118 Illinois joins states throughout the nation in getting the message out to low-  
119 income families and individuals that they can maintain access to vital  
120 telecommunications service by enrolling in the Lifeline telecommunications  
121 assistance program. The federal Lifeline program provides a discount of up to  
122 \$9.25 on one monthly telecommunications service per household.

123 Governor Pat Quinn also recognized the significance of telephone access for  
124 every family and issued a proclamation declaring Lifeline Awareness Week in  
125 Illinois.

126 The ICC is working with the Universal Telephone Assistance Corporation  
127 (UTAC), the National Association of Regulatory Utility Commissioners  
128 (NARUC), the Governor’s Office and other groups to get the word out to  
129 income eligible consumers that the Lifeline programs offer an important link  
130 to emergency services, schools, medical facilities and family.

131 Illinois households may apply for the telecommunications assistance program  
132 by contacting their preferred local telecommunications provider. A list of  
133 telecommunications companies offering the service is on the ICC website  
134 [www.icc.illinois.gov](http://www.icc.illinois.gov). To view a list of providers simply click on telephone  
135 assistance programs listed in the Consumer Section of the website.<sup>2</sup>

136 **Q. Has the FCC supported the public policy benefits of the Lifeline program for**  
137 **wireless services?**

138  
139 A. Yes, it has. In a March 21, 2013 press release Chairman Genachowski of the FCC stated:

140  
141 The Lifeline program has helped some of our most vulnerable citizens connect  
142 to emergency services, doctors, and family in times of crisis. It has been a  
143 literal lifeline for these Americans -- and in today's era, with a third of  
144 Americans having cut the cord to wireline phone service, it's appropriate that  
145 Lifeline supports wireless service. Of course, as in all our Universal Service  
146 programs, waste, fraud, or abuse in this program is unacceptable. This FCC  
147 inherited a number of USF programs that lacked proper controls, but we acted  
148 quickly and aggressively to correct course, saving more than \$200 million last  
149 year in Lifeline and putting us on track to save \$2 billion by the end of 2014.  
150 We took these steps precisely because Lifeline is so vital to millions of  
151 Americans in need.<sup>3</sup>

152  
153 **Q. Does Millennium 2000 hold certification as a wireline provider of**  
154 **telecommunications services in Illinois?**

155  
156 A. Yes, it does. In Docket 07-0273 Millennium 2000 was certified as a local exchange  
157 carrier (LEC) and an interexchange carrier (IXC) by the Illinois Commerce Commission.

158 **Q. When did Millennium 2000 begin providing LEC and IXC services in Illinois?**

159  
160 A. Millennium 2000 began to provide Local Exchange Telecommunications Service to end  
161 users in the state of Illinois in February 2009. Millennium 2000 began to provide Long  
162 Distance Services in April 2013.

163

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<sup>2</sup> See Exhibit 2 (News from the Illinois Commerce Commission, *ICC Urges Eligible Consumers to Sign Up for Lifeline, Link-Up Telecommunications Assistance Services* (September 5, 2013)).

<sup>3</sup> *Statement from FCC Chairman Julius Genachowski on Proposed Senate Lifeline Amendments* (March 21, 2013), attached hereto as Exhibit 3.

164 **Q. Does Millennium 2000 continue to provide those services in Illinois today?**  
165  
166 A. Yes.  
167  
168 **Q. Does Millennium 2000 hold certification as a wireline provider of eligible**  
169 **telecommunications services in Illinois?**  
170  
171 A. Yes, it does. On November 13, 2008, in Docket No. 08-0454 Millennium 2000 was  
172 designated by the Illinois Commerce Commission as a wireline ETC in Illinois.  
  
173 **Q. When did Millennium 2000 begin providing wireline ETC services in Illinois?**  
174  
175 A. Millennium 2000 began to provide wireline ETC services in Illinois beginning in  
176 August 2009.  
  
177 **Q. Does Millennium 2000 continue to provide wireline ETC services in Illinois?**  
178  
179 A. Yes, it does.  
180  
181 **Q. Does Millennium 2000 hold certification as a provider of resold CMRS in Illinois?**  
182  
183 A. Yes, it does. On September 9, 2010, in Docket 10-0477 Millennium 2000 was certified  
184 as a resold provider of CMRS in Illinois.  
  
185 **Q. When did Millennium 2000 begin providing resold CMRS in Illinois?**  
186  
187 A. In December 2011, Millennium 2000 began to provide CMRS to end users in the state of  
188 Illinois.  
  
189 **Q. Does Millennium 2000 currently provide resold CMRS in Illinois?**  
190  
191 A. Yes.  
192  
193 **Q. Does Millennium 2000 hold certifications as a provider of telecommunications**  
194 **services in any other states?**  
195  
196 A. Yes, it does. On March 21, 2011, Millennium 2000 received a certificate of authority to  
197 transact business as a commercial mobile radio service (CMRS) provider in the state of  
198 Wisconsin as a foreign corporation.

199 **Q. Does Millennium 2000 hold certification as a wireless eligible telecommunications**  
200 **carrier in any other state?**

201  
202 A. Yes, it does. On January 5, 2012, Millennium 2000 was designated as a wireless ETC in  
203 the state of Wisconsin in docket 9593-TI-100.

204 **Q. Does Millennium 2000 currently provide wireless ETC services in Wisconsin?**

205  
206 A. Yes, it does. The Wisconsin State Department of Financial Institutions and Public  
207 Service Commission of Wisconsin have welcomed Millennium 2000 to do business in the  
208 state as a foreign corporation. Furthermore, Millennium 2000 has received a positive  
209 response from its wireless Lifeline customers who are being underserved in the state of  
210 Wisconsin.

211  
212 Millennium 2000 utilizes the Wisconsin's CARES system to confirm the customer's  
213 eligibility to receive Lifeline services, in conjunction with reviewing our internal  
214 database for duplicates. The well-defined qualification and verification process in  
215 Wisconsin allows Millennium 2000 to easily eliminate waste, fraud and duplication in the  
216 Lifeline program as well as easily transact its Lifeline services in the state of Wisconsin.

217 **Q. Do you have any comments regarding the general process for vetting a ETC**  
218 **applicant recommended by Dr. Zolnierek in his testimony?**

219  
220 A. Yes. In his testimony Dr. Zolnierek has "recommended" a novel set of rules for ETCs  
221 that he seeks to impose on new applicants for Lifeline-only service. It is my  
222 understanding that Dr. Zolnierek's "recommended" rules have not previously been  
223 applied to another carrier in Illinois. Therefore, I believe it is unfair for Millennium 2000  
224 to be required to expend extraordinary resources to vet "recommended" rules that should  
225 have been developed on an industry-wide basis.

226 **Q. How do you know that Dr. Zolnierrek’s testimony was developed with the intent of**  
227 **applying to all ETC applicants?**

228  
229 A. In the Budget docket, which was withdrawn by the ETC applicant, the Staff stated:

230  
231 The undersigned Staff counsel has now reviewed a draft of Staff’s testimony  
232 and can represent that, although tailored to Budget’s application, it provides a  
233 clear “roadmap” to other ETC Applicants. For instance, it provides a  
234 comprehensive analysis of the statutory, FCC and Staff’s proposed  
235 requirements for ETC designation in Illinois. Thus, Staff testimony (which is  
236 extensive) will be of the utmost importance to those Applicants that have  
237 already filed and pending (17, known to Staff at this time) and those potential  
238 applicants that are contemplating seeking ETC status in Illinois. The roadmap  
239 will also serve to streamline other ETC cases in that it will not only give the  
240 Applicants advance notice of Staff’s proposed requirements, it also will  
241 provide them with notice of the sort of discovery Staff will be requesting.<sup>4</sup>

242 **Q. Did Millennium 2000 have notice of the Staff’s proposed rules prior to filing its**  
243 **Application in this proceeding?**

244  
245 A. No, it did not. The first time Millennium 2000 saw the Staff’s proposed rules was when  
246 it received Dr. Zolnierrek’s testimony.

247 **Q. Do you believe the Staff should have initiated a rulemaking proceeding prior to**  
248 **developing new rules through testimony in a single ETC application proceeding?**

249  
250 A. Yes. Although I am not an attorney, it is my understanding that the Commission  
251 normally pursues a public comment process for updating its rules. The Illinois  
252 Administrative Procedure Act (IAPA) [5ILCS 100] which is often combined with ICC  
253 workshops, is part of the formal public process through which staff would exercise the  
254 authority delegated to the agency by the legislature to create administrative rules  
255 regarding the requirements to receive wireless ETC designation in Illinois.

256

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<sup>4</sup> *In Re Budget Prepay, Inc. d/b/a Budget Phone d/b/a Budget Mobile’s Application for Designation as an Eligible Telecommunications Carrier under the Telecommunications Act of 1996*, Docket 12-0423, Motion to Reconsider ALJ Directive of Staff on Testimonial Filing Requirement (February 4, 2013) at ¶4.

257 **Q. By enacting new “recommended” requirements on carriers to receive wireless ETC**  
258 **designation, were Millennium 2000 and the general public, including other**  
259 **potentially impacted carriers, allowed the opportunity to provide input into the**  
260 **rulemaking process?**

261  
262 A. No.

263  
264 **Q. Would Millennium 2000 and other potentially impacted carriers have had the**  
265 **opportunity to provide input into the rulemaking in a formal public process?**

266  
267 A. Yes. Specifically, the issues related to how the ICC addresses the FCC requirements is  
268 so crucial, I would expect that multiple carriers, including the existing ETCs who are not  
269 currently subjected to these “recommended requirements” would weigh in. Thus, I  
270 believe the public and all interested carriers would have a great deal to add to this  
271 discussion.

272 **Q. Did the Staff initiate a workshop in order to discuss necessary revisions to ETC**  
273 **rules that resulted from the *Lifeline Reform Order*?**

274  
275 A. Yes.

276  
277 **Q. Is it your understanding that the Commission holds workshops to make changes to**  
278 **existing administrative rules?**

279  
280 A. Yes. It is my understanding that the Staff usually seeks to obtain an industry consensus  
281 on draft rules prior to submitting them to the Commission.

282 **Q. Did Millennium 2000 participate in the Staff’s workshops?**

283  
284 A. Yes, I personally participated on behalf of Millennium 2000. Workshops were held in  
285 February and March 2012. Necessary revisions were discussed during the workshops.  
286 However, the workshops did not continue, so there was no resolution on the revisions  
287 required as a result from the *Lifeline Reform Order*.

288

289 **Q. Do you know why the Staff decided to withdraw from making necessary revisions to**  
290 **the existing rules that were impacted by the *Lifeline Reform Order* utilizing the**  
291 **workshop process?**

292  
293 A. No, I do not. However, since that time, the Staff resumed workshops in August 2013 in  
294 an effort to revise existing rules. For example, the Staff has proposed a revision to rule  
295 736.555, which proposed, in part, the following revisions:

296  
297 1. Each WETC shall have on file with the Commission the list of exchanges  
298 for which it is granted ETC status and the names of the ILECs operating in  
299 the exchanges.

300 2. Each map shall show the boundary lines of the area the WETC holds itself  
301 out to serve. Boundary lines shall be located by section lines, waterways,  
302 railroads, or roads if that portion of the boundary line is located on section  
303 lines, waterways, railroads, or roads. Boundary lines shall be located by  
304 appropriate measurement to an identifiable location if that portion of the  
305 boundary line is not otherwise located on section lines, waterways,  
306 railroads, or roads. WETC service area boundaries may also be identified  
307 according to labeled rate exchange areas (“exchanges”) provided all such  
308 exchanges are included in their entirety within the WETC service area.<sup>5</sup>

309  
310 These proposed revisions are some of the same “recommended requirements” that Staff  
311 seeks to impose on Millennium 2000 in this proceeding. This is evidence that the Staff  
312 has imposed “recommended requirements” on Millennium 2000 that indeed are not yet  
313 rules in the State of Illinois. The impact of these impositions has inappropriately delayed  
314 this proceeding and prevented Millennium 2000 from being appropriately evaluated  
315 under existing rules for a true consideration of its eligibility to receive wireless ETC  
316 designation in this state.

317  
318  
319

---

<sup>5</sup> See Exhibit 4, attached hereto.

320 **III. Description of the findings of the Federal Communications Commission**

321  
322 **Q. Can you briefly describe the FCC's recent determinations with respect to wireless**  
323 **ETCs?**

324  
325 A. In February of 2012, the FCC released its *Lifeline Reform Order*. Relevant to this  
326 proceeding that Order (i) granted blanket forbearance from the FCC's 'own facilities'  
327 requirement for carriers that submit a Compliance Plan that is approved by the FCC; and  
328 (ii) established a process by which carriers could demonstrate compliance with the  
329 *Lifeline Reform Order* and thereby establish procedures to reduce waste, fraud and abuse  
330 within the Lifeline program.

331 **Q. Did Millennium 2000 submit a Compliance Plan to the FCC?**

332  
333 A. Yes. On March 2, 2012, Millennium 2000 submitted its first compliance plan for review  
334 by the FCC.

335 **Q. Has Millennium 2000 obtained approval of its Compliance Plan before the FCC?**

336  
337 A. Yes. After the review of its Compliance Plan and a strenuous vetting process by the  
338 FCC, Millennium 2000's Compliance Plan was approved on December 26, 2012. A copy  
339 of Millennium 2000's Compliance Plan was attached to its Amended Illinois ETC  
340 Petition as Exhibit 1A. A copy of the FCC's Public Notice in which it approved the  
341 Company's Compliance Plan was included as Exhibit 1B. Millennium 2000 is one of  
342 only twenty such carriers in the United States to obtain such approval from the FCC.

343 **Q. Please provide an overview of the contents of Millennium 2000's Compliance Plan.**

344  
345 A. The FCC required carriers to submit a Compliance Plan providing specific information  
346 regarding its underlying carrier(s), its service offerings and outlining the measures the

347 carrier will take to implement the obligations contained in the *Lifeline Reform Order*.  
348 Millennium 2000 described its procedures for enrolling and verifying customers.

349  
350 In addition, the content of the Compliance Plan encompasses a detailed explanation on  
351 how Millennium 2000 will comply with the Lifeline Reform Rules with regards to:

- 352 a. 911 and E911 Services;
- 353 b. Terms and Conditions of the *Lifeline Reform Order* related to the FCC's  
354 grant of forbearance;
- 355 c. Additional Measures to Prevent Waste, Fraud and Abuse (i.e. Millennium 2000  
356 will comply with the Non-Usage Policy, Customer Education with Respect to the  
357 Lifeline Program and Duplicates, Cooperation with the State and Federal  
358 Regulators and Other Certifications Required by 47 C.F.R. § 54.202); and\_  
359 d. Technical and financial capacity to provide Lifeline-Only ETC Services.

360  
361 **Q. How does the FCC's approval of Millennium 2000's Compliance Plan impact this**  
362 **proceeding?**

363  
364 A. By virtue of the FCC's approval, Millennium 2000 has obtained forbearance from the  
365 FCC's 'own facilities' requirement, i.e., Section 214(e)(1)(A) of the Communications Act  
366 of 1934, as amended ("Act"), and Sections 54.201 (d)(1) and 54.201(i) of the FCC's rules.  
367 Thus, Millennium 2000 is not required to offer services supported by the universal  
368 service fund ("USF") over its own facilities or a combination of its own facilities and the  
369 resale of another carrier's services.

370  
371 Moreover, as stated above, from March through December 2012, Millennium 2000's  
372 Compliance Plan went through a comprehensive review process with FCC. The FCC  
373 inquired about Millennium 2000's corporate policies, practices, underlying carriers,  
374 financial and technical capabilities and wireless services. The FCC Compliance Plan  
375 process has demonstrated that Millennium 2000 has met the *Lifeline Reform Order's*  
376 requirements to provide Lifeline support to eligible low income customers.

377 **Q. Do you believe the fact that the FCC approved Millennium 2000's Compliance Plan**  
378 **is relevant to this proceeding for other reasons?**

379  
380 A. Yes. Millennium 2000 believes the FCC's vigorous vetting process and ultimate  
381 approval of Millennium 2000's Compliance Plan is evidence that Millennium 2000 has  
382 demonstrated an executable action plan that will allow the expansion of its current  
383 Lifeline services to include wireless services while operating under the rules of the  
384 *Lifeline Reform Order*. This plan includes protections against waste, fraud and abuse of  
385 the Lifeline program.

386  
387 Dr. Zolnierек testified that the driving force behind his new standards was to prevent  
388 fraud and abuse:

389 Thus, to strengthen protections against waste, fraud, and abuse, it is imperative that  
390 the Commission subject ETC applicants to a rigorous upfront vetting process to  
391 ensure that the applicants have the willingness and capability to provide quality  
392 service in compliance with laws, rules, and FCC/ICC requirements before granting  
393 such designation.

394  
395 Staff Ex. 1.0 p. 10.

396  
397 While issues such as technical and financial ability to provide ETC service are important,  
398 the most direct way to determine if an ETC will be able to prevent waste, fraud and abuse  
399 is to examine its procedures for enrolling customers and certifying their continued  
400 eligibility for ETC service. Because Millennium 2000 chose to request forbearance from  
401 the FCC's facilities based requirements, it was subjected to an extensive investigation of  
402 its policies and procedures to prevent fraud and abuse.

403  
404 Within its Compliance Plan, Millennium 2000 demonstrated procedures for enrolling  
405 customers, submitting for reimbursement from USAC, and annually verifying customer

406 eligibility. It described how it will provide service and its proposed Lifeline Plans. It  
407 further demonstrated its procedures for the prevention of waste, fraud and abuse related  
408 to its non-usage policy, customer education with respect to duplicates, customer  
409 education related to the Lifeline rules, and cooperation with state and federal regulators.  
410 Finally, it demonstrated its technical and financial capabilities to provide Lifeline-only  
411 ETC services. Only carriers that wish to be granted forbearance from the FCC's facilities  
412 based requirements are required to produce such an extensive plan.

413  
414 Approval of Millennium 2000's Compliance Plan demonstrates that the company has  
415 taken extensive measures to develop an effective action plan that has been adapted to the  
416 Lifeline Reform rules. After receiving the approval of the FCC, Millennium 2000  
417 immediately began to implement its Compliance Plan with its current Lifeline customers.

418  
419 In evaluating the potential for Millennium 2000 to allow waste, fraud and abuse, this  
420 Commission should grant significant weight to the fact that the FCC approved  
421 Millennium 2000's Compliance Plan. Millennium 2000 believes that the FCC's approval  
422 of its Compliance Plan should alleviate Dr. Zolnierек's concerns expressed during his  
423 testimony regarding Millennium 2000's eligibility to provide wireless Lifeline service in  
424 the state of Illinois.

425 **Procedures for Enrolling and Verifying Customers**

426  
427 **Q. Please describe Millennium 2000's procedures for enrolling and verifying**  
428 **customers.**

429  
430 A. The company's current enrollment and verifying procedures have been explicitly detailed  
431 in its approved Compliance Plan. Millennium 2000 has direct contact with all customers

432 applying for Lifeline service, either in person through its employees, agents or  
433 representatives, or via the telephone (including facsimile) or mail. Consumers who do  
434 not complete the application process in person must return the signed application and  
435 support documentation to the company by mail, fax, email or other electronic  
436 transmission. The company will accept electronic signatures that meet the requirements  
437 of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006,  
438 and any applicable state laws. Processing of consumers' applications, including review  
439 of all application forms and relevant documentation will be performed under Millennium  
440 2000's supervision by managers experienced in the administration of the Lifeline  
441 program.

442  
443 Millennium 2000's application form for its Lifeline service will identify that it is a  
444 "Lifeline" application. To summarize, Millennium 2000's procedures for enrolling and  
445 verifying customers:

- 446 1. The applicant must complete a Lifeline application.
- 447 2. The applicant must provide current documentation to prove participation  
448 in one of the qualifying programs or proof of income eligibility
- 449 3. All documents must have the same name and address as provided on the  
450 application.
- 451 4. The application must certify that the household does not currently receive  
452 Lifeline support.
- 453 5. The applicant must initial various certification and authorization  
454 statements as required by the FCC rules, which includes the one Lifeline  
455 support (i.e. wireless or wireline) per household.
- 456 6. The applicant must certify that it has read and understand the 60 day usage  
457 requirement in order to continue to receive Lifeline services from  
458 Millennium 2000.

459  
460  
461  
462

463 **Q. What will Millennium 2000's procedures be to enroll customers once the National**  
464 **Lifeline Accountability Database (NLAD) is effective?**

465  
466 A. When the National Lifeline Accountability Database ("NLAD") becomes available,  
467 Millennium 2000 will comply with the requirements of new rule section 54.404.  
468 Millennium 2000 will query the National Database to determine whether a prospective  
469 subscriber is currently receiving a Lifeline service from another ETC and whether anyone  
470 else living at the prospective subscriber's residential address is currently receiving  
471 Lifeline service.

472  
473 To ensure protection against waste, fraud and abuse, Millennium 2000 will not enroll a  
474 Lifeline customer or seek to receive Lifeline reimbursement under the following  
475 instances:

- 476 1. If the database indicates that a prospective subscriber, who is not seeking  
477 to port his or her telephone number, is currently receiving Lifeline service,  
478 Millennium 2000 will not provide and will not seek to receive Lifeline  
479 reimbursement for that subscriber.  
480
- 481 2. If the database indicates that another individual at the prospective  
482 subscriber's residential address is currently receiving a Lifeline service,  
483 Millennium 2000 will not seek and will not receive Lifeline  
484 reimbursement for providing service to that prospective subscriber, unless  
485 the prospective subscriber has certified, pursuant to § 54.410(d) that to the  
486 best of his or her knowledge, no one in his or her household is already  
487 receiving a Lifeline service.  
488
- 489 3. If the Database indicates that another individual at the prospective  
490 subscriber's residential address is currently receiving a Lifeline service,  
491 the eligible telecommunications carrier must not seek and will not receive  
492 Lifeline reimbursement for providing service to that prospective  
493 subscriber, unless the prospective subscriber has certified, pursuant to §  
494 54.410(d) that to the best of his or her knowledge, no one in his or her  
495 household is already receiving a Lifeline service.  
496  
497

498 **Q. What procedures does Millennium 2000 use until the national database is**  
499 **functional?**

500 A. Until the national database is functional, Millennium 2000 will continue to use the  
501 enrollment procedures as explicitly defined in its FCC approved Compliance Plan.  
502 Specifically, Millennium 2000 will continue to use certification procedures that enable  
503 consumers to demonstrate their eligibility for Lifeline assistance by contacting  
504 Millennium 2000 in person or via telephone, facsimile, or the internet. At the point of  
505 enrollment, consumers will be provided with printed information describing Millennium  
506 2000's Lifeline program, including eligibility requirements, and instructions for  
507 enrolling.

509 **Q. Please describe the Lifeline-specific training your staff receives.**

510 A. Millennium 2000 provides Lifeline-specific training to all personnel that interact with  
511 actual or prospective consumers, whether employees, agents or representatives, with  
512 respect to obtaining, changing or terminating Lifeline services. The FCC determined in  
513 the *Lifeline Reform Order* that ETCs may permit agents or representatives to review  
514 documentation of consumer program eligibility for Lifeline because "the [Federal  
515 Communications] Commission has consistently found that "[l]icenses and other  
516 Commission regulates are responsible for the acts and omissions of their employees and  
517 independent contractors."<sup>6</sup> Because Millennium 2000 is responsible for the actions of  
518 all its employees and agents, including those enrolling customers in any Millennium 2000  
519 owned or affiliated retail locations, and Millennium 2000's staff is responsible for  
520 overseeing and finalizing every Lifeline enrollment prior to including that customer on an  
521

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<sup>6</sup> *Id.* at ¶110.

522 FCC Form 497 for reimbursement, the Company always “deals directly” with its  
523 customers to certify and verify the customer’s Lifeline eligibility.

524 **Q. Did Millennium 2000 include a copy of its Lifeline Application form with its**  
525 **Compliance Plan?**

526  
527 A. Yes, it did. A copy of its Lifeline Application form can be found at Exhibit 1A to  
528 Millennium 2000’s Amended ETC Petition in this Docket.

529 **Q. What types of information is included on the Application form?**

530  
531 A. In accordance with the *Lifeline Reform Order*, Millennium 2000 will obtain the  
532 consumer’s full name, full residential address, which the consumer must indicate is his or  
533 her permanent address, and a billing address for the service (if the consumer’s billing  
534 address differs from his or her residential address), the subscriber’s date of birth, the last  
535 four digits of the subscriber’s social security number, and the name of the qualifying  
536 assistance program from which the subscriber, his or her dependents, or his or her  
537 household receives benefits (for a program based application) or the number of  
538 individuals in his or her household (for a income based application).<sup>7</sup>

539 **Q. What if a potential customer does not have a permanent address?**

540  
541 A. A consumer who lacks a permanent residential address must provide a temporary  
542 residential service address or other address identifying information that could be used to  
543 perform a check for duplicative support. For applicants that use a temporary address,  
544 Millennium 2000 will attempt to verify every 90 days that the subscriber continues to rely  
545 on that address. If the applicant does not respond to address verification attempts within  
546 30 days, the subscriber may be de-enrolled from Lifeline service.

547

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<sup>7</sup> 47 USC 54.410(d)(2).

548 **Q. Please describe the certification process.**

549  
550 A. The applicant must attest and sign under penalty of perjury that the applicant's  
551 representations are true and correct. Pursuant to the *Lifeline Reform Order* Millennium  
552 2000's certification form will also "explain in plain, easily comprehensible language that:  
553 (1) Lifeline is a federal benefit and that willfully making false statements to obtain the  
554 benefit can result in fines, imprisonment, de-enrollment or being barred from the  
555 program; (2) Lifeline service is available for only one line per household (i.e., either one  
556 land line or one wireless); (3) a household is defined, for purposes of the Lifeline  
557 program, as any individual or group of individuals who live together at the same address  
558 and share income and expenses; (4) a household is not permitted to receive Lifeline  
559 benefits from multiple providers"; (5) violation of the one-per-household limitation  
560 constitutes a violation of the FCC's rules and will result in the subscriber's de-enrollment  
561 from the program; (6) Lifeline is a non-transferable benefit and the subscriber may not  
562 transfer his or her benefit to any other person.

563 **Q. How does Millennium 2000 inform its potential customers about the annual re-**  
564 **certification requirements?**

565  
566 A. Millennium 2000 educates consumers about the annual re-certification requirement  
567 utilizing its Lifeline brochure handout, which explains the Lifeline Program. As  
568 specifically stated in its Lifeline brochure, the consumer is informed:

569       Once you are enrolled in the Lifeline Program, after the initial year, you must  
570       verify annually that you are qualified for continued enrollment in the Lifeline  
571       Program. Furthermore, you must certify that no other person in your  
572       household is receiving Lifeline services. If you fail to re-certify your  
573       eligibility, you will be de-enrolled from the Lifeline program. This means you  
574       will no longer receive the free monthly minutes or discounted home phone or  
575       wireless services. If you should become ineligible for Lifeline enrollment,

576                   you must immediately notify Millennium 2000 that you no longer meet the  
577                   eligibility requirements for enrollment by calling us at 888-961-1907.

578

579 **Q. Please describe the annual re-certification process.**

580

581 A. On May 22, 2013, the FCC released Public Notice DA 13-1188A1, which provides  
582 guidance regarding the 2013 Lifeline recertification process. The Bureau clarifies that all  
583 active Lifeline subscribers enrolled or recertified in a calendar year must be recertified  
584 the next calendar year and in every calendar year thereafter. Pursuant to FCC Public  
585 Notice DA 13-1188A1, each year, Millennium 2000 will re-certify the eligibility of its  
586 Lifeline subscriber base based upon the FCC Form 497 filed in February to be completed  
587 by the end of the year. The results will be reported to USAC by January 31 of the  
588 following year. Where ongoing eligibility cannot be determined through access to a  
589 qualifying database either by the company or the state, and there is no state administrator  
590 verifying the continued eligibility of Lifeline subscribers, the company will re-certify the  
591 continued eligibility of all of its subscribers by contacting them—either in person, in  
592 writing, by phone, by text message, by email, or otherwise through the Internet—to  
593 confirm their continued eligibility. In states where a state agency or a third party has  
594 implemented a database that carriers may query to re-certify the consumer’s continued  
595 eligibility, the company (or state agency or third-party, where applicable) will instead  
596 query the database and maintain a record of what specific data was used to re-certify  
597 eligibility and the date of re-certification. The notice will explain the actions the customer  
598 must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how  
599 to contact Millennium 2000. Millennium 2000 will provide written notice of impending  
600 service termination to subscribers who do not respond to the annual re-certification

601 within 30 days. Anyone who does not respond to the impending termination letter within  
602 30 days to demonstrate that his or her Lifeline service should not be terminated will be  
603 de-enrolled from the company's Lifeline program.

604  
605 **Procedures for Submitting for Reimbursement from USAC**

606  
607 **Q. What procedures does Millennium 2000 use in order to submit for reimbursement**  
608 **from the USAC?**

609  
610 A. Millennium 2000 follows the reimbursement procedures outlined in 47 CFR 54.407,  
611 including, but not limited to: ensuring that its reimbursement amount for each Lifeline  
612 customer equals the federal support amount, including the support amounts described in  
613 §54.403(a) and (c); and certifying when it seeks reimbursement from the USAC that it  
614 has obtained a valid certification form for each consumer for whom it seeks Lifeline  
615 reimbursement.

616 **Measures to Prevent Waste, Fraud and Abuse**

617  
618 **Q. Please describe Millennium 2000's non-usage policy.**

619  
620 A. As required by the *Lifeline Reform Order*, Millennium 2000 will implement a non-usage  
621 policy whereby it will de-enroll Lifeline customers that have not used the company's  
622 Lifeline service for 60 days. Millennium 2000 will notify its subscribers upon enrollment  
623 about the non-transferability of the phone service, its usage requirements, and the de-  
624 enrollment and deactivation that will result following non-usage in any 60-day period of  
625 time. If no usage appears on a Millennium 2000 Lifeline customer's account during any  
626 continuous 60-day period, Millennium 2000 will provide the customer a notice that  
627 failure to use the Lifeline service within a 30-day period will result in de-enrollment. If  
628 the customer fails to use the Lifeline within the 30-day period Millennium 2000 will

629 terminate Lifeline services for that customer. “An account will be considered active if  
630 during any 60-day period the authorized subscriber does at least one of the following:  
631 makes a monthly payment; purchases minutes from the ETC to add to an existing pre-  
632 paid Lifeline account; completes an outbound call; answers an incoming call from anyone  
633 other than the ETC, its representative, or agent; or affirmatively responds to a direct  
634 contact from the ETC confirming that he or she wants to continue receiving the Lifeline  
635 supported service.”<sup>8</sup>

636 **Q. How does Millennium 2000 educate consumers in order to avoid duplicates?**

637  
638 A. To supplement its verification and certification procedures, and to better ensure that  
639 customers understand the Lifeline service restrictions with respect to duplicates,  
640 Millennium 2000 has implemented measures and procedures to prevent duplicate Lifeline  
641 benefits being awarded to the same household. These measures entail additional  
642 emphasis in written disclosures as well as live due diligence, and will help ensure that  
643 only eligible consumers enroll in the program and that those consumers are fully  
644 informed of the limitations of the program, so as to prevent duplicative or otherwise  
645 ineligible service as well as other forms of waste, fraud, and abuse.

646  
647 In its marketing materials, including application forms, and in its direct contact with  
648 applicants, the company will emphasize in plain, easily comprehensible language the  
649 eligibility certifications listed in 47 USC 54.410(d). Millennium 2000 will also include  
650 in its marketing materials the following information in clear, easily understood language:  
651 the offering is a Lifeline-supported service; that only eligible consumers may enroll in the  
652 program; what documentation is necessary for enrollment; and the program is limited to

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<sup>8</sup> *Lifeline Reform Order* at ¶261.

653 one benefit per household, consisting of either wireline or wireless service. Moreover,  
654 Millennium 2000 will disclose the company name under which it does business and the  
655 details of its Lifeline service offerings. In order to reinforce the limitation of one Lifeline  
656 phone per household, the following statement will appear in the company’s marketing  
657 materials and website (www.millennium-2k.com) in a conspicuous place, in bold font  
658 and in an offsetting color to ensure it is not overlooked: Note: By law, the Lifeline  
659 program is only available for one phone per household.

660 **Q. How does Millennium 2000 educate its customers during an inquiry at its office**  
661 **location?**

662 A. Millennium 2000 personnel meet potential Lifeline customers that walk into the  
663 company’s office location and who are addressed by trained staff that carefully explain  
664 the FCC Lifeline program. Potential customers are asked the specific basis for his or her  
665 claim to Lifeline eligibility; participation in a qualifying program, or earning household  
666 income below 135% of the Federal Poverty Guidelines. Staff members will verify the  
667 customer’s program, or income, based eligibility in person. Millennium 2000 provides  
668 the Lifeline Application to its office and field staff as indicated in Exhibit B1 to its  
669 Compliance Plan—which allows its staff to verify the most common forms of proof for  
670 each eligible program and/or income verification (based on the FCC’s definition of  
671 “income” in §54.400(f)). The office staff will then ask for additional documentation  
672 proving identity, and/or address verification. The final step is for the customer to provide  
673 the required information and make the certifications required by §54.410(d)(3).  
674

675 If the customer meets the initial criteria for eligibility, the staff member explains the  
676 FCC’s definition of “household”, defined in rule §54.400(h), as an “economic unit”  
677

678 where related or unrelated people share income and expenses. In the case of multiple  
679 applicants at the same mailing address, the customer will then make the “one per  
680 household” certification required by §54.410(d)(1). Millennium 2000’s will collect the  
681 necessary customer-specific information required under the rules in order that the  
682 company can report the information to USAC for use in the National Lifeline  
683 Accountability Database (“duplicates database”). Millennium 2000’s office staff then  
684 cross-checks the customer’s information with the company’s records system to determine  
685 if the customer is eligible to receive lifeline services. Where states have customer  
686 databases available, Millennium 2000 queries the appropriate state database program to  
687 determine whether or not the customer is eligible for Lifeline. Millennium 2000 trained  
688 staff also witnesses the completion of the eligibility documentation and signs that they  
689 have observed the documentation on the lifeline application.

690 Millennium 2000 will post an enlarged copy of the application in the waiting area for the  
691 customer to review prior to completing the application. If a consumer walks into the  
692 office to inquire about the Lifeline Program, Millennium 2000 will provide assistance  
693 with reviewing and completing the application in person. Once the Customer Service  
694 Representatives are available:

- 696 1. Millennium 2000 will ask the following questions:
  - 697 A. "Did you read the posted Lifeline application?"
  - 698 B. "Are there any questions that we may answer for you?"
  - 699 C. "Do you understand all of the terms of the Lifeline Program as it is  
700 outlined on the application?"
  - 701
  - 702
- 703 2. Millennium 2000 will review each section of the application with the  
704 consumer to provide assistance with completing the application.  
705

- 706 3. Millennium 2000 will request that the consumer provide personal  
707 identification and qualifying documentation to show that they are eligible  
708 to receive service.  
709  
710 4. Millennium 2000 will validate the consumer's documentation.  
711  
712 5. Millennium 2000 will execute duplicate checking process to ensure that  
713 the consumer has not already received Lifeline services from Millennium  
714 2000 and to confirm that no one in the household is a recipient of the  
715 Lifeline Program.  
716  
717 6. Upon confirming that the Applicant is eligible to receive Lifeline service,  
718 Millennium 2000 will provision and provide the handset directly to the  
719 consumer.  
720

721 **Q. How does Millennium 2000 educate its customers during an inquiry via telephone?**

722  
723 A. Where a consumer calls into Millennium 2000's office to inquire about the Lifeline  
724 Program, Millennium 2000 in-house staff will use the telephone script (See Exhibit B-3  
725 to Millennium 2000's Compliance Plan) to educate the customer about the Lifeline  
726 program.

727 **Q. How does Millennium 2000 educate its customers during field marketing for  
728 Lifeline wireline services?**

729  
730 A. Millennium 2000 often works with customers in low income neighborhoods and takes  
731 steps to reach those customers who may be underserved. Millennium 2000 dispatches  
732 company trained employees and independent contractors as field representatives (also  
733 known as "Field Agents") to communities where the Field Agent focuses on underserved  
734 low-income customers. Millennium 2000's Field Agents will receive extensive in-house  
735 training regarding the rules and regulations of the Lifeline Program. Field Agents'  
736 performances are closely managed and monitored by in-house staff. Millennium 2000  
737 will use the field script (See Exhibit B-3 to Millennium 2000's Compliance Plan) to  
738 educate the customer about the Lifeline program.

739  
740 The process for signing up customers in the field is similar to that of signing up  
741 customers in the office in the sense that the Field Agent is able to determine whether the  
742 potential customer is eligible based on program participation or income qualification. The  
743 customer provides the mandatory information and signs the required eligibility  
744 verification from the field. To help explain the Lifeline program, Field Agents are  
745 trained to review the detailed Lifeline application with the applicant and identify  
746 qualifying documentation to support the customer's eligibility. Field Agents will sign the  
747 application as a witness that proof of identity and eligibility documentation has been  
748 provided. All applications are submitted directly to Millennium 2000's office for final  
749 internal verification and approval. The customer receives a follow-up call directly from  
750 Millennium 2000 to confirm the validity of the application. To accurately identify the  
751 applicant over the phone, the customer is asked to answer security questions such as  
752 "What are the last four digits of your social security number, your date of birth and your  
753 middle name?" Internal staff performs the standard cross-checking process of validating  
754 the customer's information against the company's records system to determine if the  
755 customer is eligible to receive lifeline services. Similar to applications that are completed  
756 in-house, where states have customer databases available, Millennium 2000 will query  
757 the appropriate state database program to determine whether or not the customer is  
758 eligible for Lifeline.

759 **Q How will Millennium 2000 educate its customers during field marketing for Lifeline**  
760 **wireless services in Illinois?**

761  
762 A. If Millennium 2000's wireless ETC designation is granted, Millennium 2000 will follow  
763 the same process as described above. Upon confirmation of the customer's eligibility,

764 the standard process of providing the wireless handset in person either at the company's  
765 office or by hand delivery to the customer's home will apply. Once the customer  
766 receives the phone, the customer's account is activated upon the successful completion of  
767 an outbound and inbound call.

768  
769 **Procedures for De-Enrollment**

770  
771 **Q. What are Millennium 2000's procedures for De-Enrollment of a customer?**

772  
773 A. Millennium 2000 will comply with the FCC's rules for de-enrollment.<sup>9</sup> Pursuant to the  
774 FCC's rules, Millennium 2000 will de-enroll a Lifeline customer if it has a reasonable  
775 basis to believe that the subscriber no longer qualifies for the Lifeline program. In such a  
776 case Millennium 2000 will inform its subscriber in writing separate from the subscriber's  
777 monthly bill, if one is provided, and in clear, easily understood language. Millennium  
778 2000 will allow a subscriber 30 days following the date of the impending termination  
779 letter to demonstrate continued eligibility, and will terminate any subscriber who fails to  
780 demonstrate continued eligibility within the 30-day time period.

781  
782 Millennium 2000 will de-enroll a subscriber for duplicative support. Millennium 2000  
783 will de-enroll a subscriber within five business days of determining that a subscriber is  
784 either receiving Lifeline service from another ETC or more than one member of a  
785 subscriber's household is receiving Lifeline service.

786  
787 Millennium 2000 will de-enroll a subscriber for non-usage. If Millennium 2000  
788 determines that a subscriber has not used its Lifeline service for 60 consecutive days, it  
789 will notify that subscriber and provide 30-days notice that the subscriber's failure to use

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<sup>9</sup> See 47 C.F.R. §54.405(e).

790 the Lifeline service within the 30-day notice period will result in service termination for  
791 non-usage. If the subscriber uses the Lifeline service within 30 days of the notice,  
792 Millennium 2000 will not terminate the subscriber's Lifeline service.

793  
794 Millennium 2000 will de-enroll a subscriber for failure to re-certify. A Lifeline  
795 subscriber who does not respond to Millennium 2000's attempts to obtain re-certification  
796 of the subscriber's continued eligibility as required by § 54.410(f) or who fails to provide  
797 the annual one-per-household re-certifications as required by § 54.410(f) or who relies on  
798 a temporary address and fails to respond to the carrier's address re-certification attempts  
799 pursuant to § 54.410(g) will be notified in writing that failure to respond to the re-  
800 certification request within 30 days of the date of the request will trigger de-enrollment.  
801 If a subscriber does not respond to Millennium 2000's notice of impending de-  
802 enrollment, it will de-enroll the subscriber from Lifeline within five business days after  
803 the expiration of the subscriber's time to respond to the re-certification efforts.

804 **Q. Please describe Millennium 2000's Compliance Plan demonstration of its technical**  
805 **and financial capabilities.**

806  
807 A. In its Compliance Plan, Millennium 2000 demonstrated to the FCC that it satisfied the  
808 factors laid out in Paragraph 388 of the *Lifeline Reform Order*. An analysis of those  
809 specific factors will be described in greater detail in Section IV.6, below.

810 **Q. What specific finding did the FCC make in its approval of Millennium 2000's**  
811 **Compliance Plan?**

812  
813 A. On December 26, 2012 the FCC issued a Public Notice in which it approved nine  
814 Compliance Plans, Millennium 2000's being one of them. In its Public Notice (attached  
815 to the Company's Amended ETC Petition as Exhibit 1B) the FCC stated:

816 The Bureau has reviewed the nine plans listed in the Appendix for compliance  
817 with the conditions of the *Lifeline Reform Order* and now approves those nine  
818 compliance plans.

819  
820 Thus, the FCC agreed that Millennium 2000's Lifeline procedures are compliant  
821 with the *Lifeline Reform Order*.

822 **Q. Do you believe the FCC's finding is relevant to this proceeding?**

823  
824 A. Yes. I believe the FCC's finding, coupled with the specific procedures summarized  
825 above (and fully described in the Company's Compliance Plan), is highly relevant to the  
826 Company's ability to provide Lifeline only wireless ETC services in Illinois. This  
827 Commission's most recent wireless ETC Order, *Cricket Communications* at page 9  
828 stated:

829 Consistent with past Commission rulings, the Commission finds that it will  
830 use the guidelines from the FCC's ETC Designation Order, as amended by the  
831 *Lifeline Reform Order* where applicable, as the general framework and  
832 minimal requirements for considering the ETC designation requested by  
833 Cricket and for establishing whether Cricket's application is in the public  
834 interest.

835  
836 Thus, this Commission made clear that compliance with the rules contained in the FCC's  
837 *Lifeline Reform Order* was part of the framework for "considering the ETC designation  
838 requested by Cricket and for establishing whether Cricket's application is in the public  
839 interest." I believe the fact that the FCC has determined that Millennium 2000's  
840 procedures for providing Lifeline-only ETC services are compliant with the *Lifeline*  
841 *Reform Order* is highly relevant to that portion of this Commission's framework.

842  
843  
844  
845  
846  
847

848 **IV. Requirements for ETC Designation**

849

850 **1. Millennium 2000's Proposed Service Area**

851

852 **Q. What is Millennium 2000's proposed service area?**

853

854 A. Millennium 2000 seeks ETC designation for wireless services in all of AT&T Illinois'  
855 non-rural exchange areas. To be clear, Millennium 2000 is not seeking wireless ETC  
856 designation in any rural carrier's Study Area.<sup>10</sup>

857 **Q. Is it your understanding that the entire AT&T service area is classified as non-**  
858 **rural?**

859

860 A. Yes. In Staff's Response to Millennium 2000 data request 1.01(b), it stated: "each and  
861 every exchange within Illinois Bell Telephone Company's incumbent local exchange  
862 carrier study area in Illinois is an exchange that is not served by a rural telephone  
863 company as that term is used in 47 U.S.C. 214(e)(2) and 47 U.S.C. 214(e)(5) and, thus,  
864 each and every such exchange is an exchange that does not overlap with rural areas."<sup>11</sup>

865 **Q. Does Millennium 2000 have an updated list of AT&T exchanges in which it is**  
866 **seeking authorization?**

867

868 A. Yes, it does. Staff's Attachment A to its response to Millennium 2000 data request  
869 1.01(b) contains a listing of all of AT&T's exchanges.<sup>12</sup>

870 **Q. Who are Millennium 2000's underlying carriers?**

871

872 A. Verizon Wireless (Verizon) and Sprint Spectrum LP ("Sprint") are Millennium 2000's  
873 underlying carriers for wireless services. AT&T is Millennium 2000's underlying carrier  
874 for wireline services.

875

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<sup>10</sup> See Exhibit 5 (Millennium 2000 Response to Staff DR JZ 2.03(a)).

<sup>11</sup> See Exhibit 6 (Staff Response to Millennium 2000 data request 1.01(b)).

<sup>12</sup> See Exhibit 7 (Attachment A to Staff's response to Millennium 2000 data request 1.01(b)).

876 **Q. Has Millennium 2000 entered into contracts with its underlying carriers to provide**  
877 **it service in all portions of the identified exchanges in its ETC service area?**

878  
879 A. Yes. In data response JZ-1.04(b), Millennium 2000 provided copies of its third party  
880 agreements as evidence of its technical capability to provide wireless services utilizing  
881 Sprint and Verizon as its underlying carriers. Since that time, Millennium 2000 has  
882 utilized its agreement with Reunion Wireless to obtain Verizon as well as Sprint services.

883 **Q. Do Millennium 2000's underlying carriers provide service in each of the exchanges**  
884 **described above?**

885  
886 A. Yes. Sprint and Verizon provide nationwide wireless coverage. These underlying  
887 carriers are currently providing wireless services in the AT&T non-rural service areas and  
888 in each of the exchanges.

889 **Q. Through its wireless services with its underlying carriers, is Millennium 2000 able to**  
890 **use the facilities of its underlying carriers to provide service?**

891  
892 A. Yes. Pursuant to agreements between the companies, Millennium 2000 obtains network  
893 infrastructure and wireless transmission facilities from its underlying carriers, which  
894 allows Millennium 2000 to provide wireless services to its end-user customers.  
895 Millennium 2000 purchases wireless service from its underlying carriers for calling and  
896 text messaging and will package those services into Millennium 2000's service plans and  
897 pricing. These calling and texting services will be bundled with Millennium 2000's  
898 handset selection, marketing materials, web interface, and customer service to produce a  
899 complete wireless service offering for low-income consumers.

900 **Q. Starting at line 631 of his testimony Dr. Zolnierек states that Millennium 2000's**  
901 **service area is not properly identified. Do you believe that to still be the case?**

902  
903 A. No. Dr. Zolnierек's testimony was submitted prior to the completion of discovery.  
904 Consistent with Millennium 2000's understanding as described above, it is Millennium

905 2000's intent to designate a proposed service area that encompasses the entirety of  
906 AT&T's non-rural service area. Thus, Millennium 2000 seeks authority to provide  
907 Lifeline only services in each of the exchanges listed in the Staff's Attachment A to its  
908 response to Millennium 2000 data request 1.01(b).

909  
910 **2. Millennium 2000 will comply with the requirements of 47 USC 214(e)(1).**

911  
912 **Q. How will Millennium 2000 comply with FCC rule 47 USC 214(e)(1)(A)?**

913  
914 A. The FCC's so called "own facilities" rule normally requires an ETC to provide supported  
915 services "either through the use of its own facilities, resale, or a combination of its own  
916 facilities and the resale of another carrier's services (including the services offered by  
917 another eligible telecommunications carrier)"<sup>13</sup> However, at footnote 982 of its *Lifeline*  
918 *Reform Order*, the FCC granted Millennium 2000's Petition for Forbearance from  
919 Section 214(e)(1)(A) of the Act and Sections 54.201(d)(1) and (i) of the FCC's rules.  
920 Thus, as of the FCC's December 26, 2012 approval of Millennium 2000's Compliance  
921 Plan, Millennium 2000 is no longer bound by the "own facilities" requirement and is  
922 therefore allowed to provide Lifeline ETC services through resale arrangements with its  
923 underlying carriers.

924 **Q. How will Millennium 2000 advertise the availability of its Lifeline service**  
925 **throughout its service area?**

926  
927 A. In accordance with Code Part 757, Millennium 2000 will advertise the general  
928 availability of, and charges for, the supported services listed above to all  
929 telecommunications customers in the specified geographic area on a quarterly basis.

---

<sup>13</sup> 47 CFR 54.201(d)(1).

930 Millennium 2000 will place those advertisements in a media of general distribution that  
931 targets the residential customer.

932 Pursuant to the *Lifeline Reform Order*, Section 54.405 of the FCC's rules was revised  
933 with respect to certain advertising requirements. Specifically, Millennium 2000 commits  
934 to publicize the availability of Lifeline service in a manner reasonably designed to reach  
935 those customers who are likely to qualify for the service.<sup>14</sup> Additionally, Millennium  
936 2000 will indicate on all print, audio, video, and web materials used to describe or enroll  
937 in its Lifeline service program that (i) it is a Lifeline service; (ii) that Lifeline is a  
938 government assistance program; (iii) that the service is non-transferable; (iv) that only  
939 eligible consumers may enroll in the program; and (v) that the program is limited to one  
940 discount per household.<sup>15</sup> Finally, Millennium 2000 commits to disclose its name on all  
941 materials describing the service.<sup>16</sup>

943 **3. Millennium 2000 will offer voice telephony services pursuant to Section 54.101(a) of**  
944 **the FCC's Rules**

945 **Q. Section 54.101(a) of the FCC's Rules define eligibility requirements for universal**  
946 **service support. The rules define voice telephony services as:**  
947

948 **Voice Telephony services shall be supported by federal universal service**  
949 **support mechanisms. Eligible voice telephony services must provide**  
950 **voice grade access to the public switched network or its functional**  
951 **equivalent; minutes of use for local service provided at no additional**  
952 **charge to end users; access to the emergency services provided by local**  
953 **government or other public safety organizations, such as 911 and**  
954 **enhanced 911, to the extent the local government in an eligible carrier's**  
955 **service area has implemented 911 or enhanced 911 systems; and toll**  
956 **limitation services to qualifying low-income consumers as provided in**  
957 **subpart E of this part.**  
958  
959

---

<sup>14</sup> 47 C.F.R. §54.405(b).

<sup>15</sup> Id. at 47 C.F.R. §54.405(c).

<sup>16</sup> Id. at 47 C.F.R. §54.405(d).

960 **Will Millennium 2000 comply with Section 54.101(a) of the FCC's Rules?**

961

962 A. Yes.

963

964 **Q. How will Millennium 2000 provide voice grade access to the public switched**  
965 **network or its functional equivalent?**

966

967 A. By virtue of its Illinois authority to provide resold CMRS and its forbearance order from  
968 the FCC, Millennium 2000 will offer its Lifeline customers voice grade access to the  
969 public switched network.

970 **Q. Will Millennium 2000 provide minutes of use for wireless services provided at no**  
971 **additional charge to Lifeline end users?**

972

973 A. Yes. Millennium 2000's service plans offer its Lifeline customers a set number of  
974 minutes of use for wireless service at no charge to the customer. For each month the  
975 consumer is eligible to receive Lifeline services, Millennium 2000 will provide  
976 Lifeline customers the option of receiving 250 free minutes without the ability to rollover  
977 unused minutes or 125 free minutes with the ability to rollover unused minutes each  
978 month for up to one year. As described below, Millennium 2000 also proposes to offer a  
979 third plan directed to eligible Lifeline consumers.

980 **Q. Will Millennium 2000 provide access to the emergency services provided by local**  
981 **government or other public safety organizations?**

982

983 A. Yes. Millennium 2000 commits to provide all customers with access to emergency  
984 calling services at the time that Lifeline service is initiated, and that such 911 and E911  
985 access will be available from Millennium 2000 handsets, even if the account associated  
986 with the handset has no minutes remaining. Thus, such access will continue regardless of  
987 the status of the customer's account. The Company's existing practices currently provide  
988 access to 911 and E911 services to the extent that these services have been deployed by

989 its underlying carriers. Millennium 2000 currently enables 911 emergency calling  
990 services for all properly activated handsets regardless of whether the account associated  
991 with the handset is active, suspended or terminated. Finally, Millennium 2000 agrees to  
992 abide by any state-specific obligation to obtain either a certification from each PSAP  
993 where it plans to offer service, or a self-certification, confirming that it provides its  
994 subscribers with 911 and E911 access.<sup>17</sup>

995  
996 Millennium 2000 commits to provide only E911-compliant handsets to its Lifeline  
997 customers. In the event that an existing Lifeline customer does not have an E911-  
998 compliant handset, Millennium 2000 commits to replace it with a new 911/E911-  
999 compliant handset at no charge to the customer.

1000 **Q. Will Millennium 2000 comply with rules on toll limitation services for wireless**  
1001 **services?**

1002  
1003 A. Yes. Pursuant to the *Lifeline Reform Order*, ETCs are not required to offer toll limitation  
1004 service to low-income consumers if the Lifeline offering provides a set amount of  
1005 minutes that do not distinguish between toll and non-toll calls.<sup>18</sup> The FCC codified its  
1006 updated toll limitation rules in 47 CFR 54.401(a)(2), stating:

1007 Toll limitation service does not need to be offered for any Lifeline service that  
1008 does not distinguish between toll and non-toll calls in the pricing of the  
1009 service. If an eligible telecommunications carrier charges Lifeline subscribers  
1010 a fee for toll calls that is in addition to the per month or per billing cycle price  
1011 of the subscribers' Lifeline service, the carrier must offer toll limitation  
1012 service at no charge to its subscribers as part of its Lifeline service offering.<sup>19</sup>

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<sup>17</sup> Id. at ¶375.

<sup>18</sup> *Lifeline and Link Up Reform and Modernization Order* at ¶49; See also Id. at ¶230.

<sup>19</sup> 47 CFR 54.401(a)(2).

1013 Lifeline customers will have the ability to make nationwide calls using Millennium  
1014 2000's wireless service. Specifically, Millennium 2000 does not make a distinction in  
1015 price when making a local or toll call on its wireless call plans, therefore Millennium  
1016 2000 meets this requirement.

1017  
1018 **4. Millennium 2000 will remain functional in emergency situations.**

1019  
1020 **Q. Will Millennium 2000 be able to remain functional in emergency situations?**

1021  
1022 A. Yes. In accordance with 47 CFR §54.202(a)(2), Millennium 2000, through its underlying  
1023 carriers, has the ability to remain functional in emergency situations. Through its  
1024 agreements with its underlying carriers, Millennium 2000 provides to its customers the  
1025 same ability to remain functional in emergency situations as currently provided by the  
1026 ILECs to their own customers, including access to a reasonable amount of back-up power  
1027 rerouting of traffic around damaged facilities, and the capability of managing traffic  
1028 spikes resulting from emergency situations.

1029  
1030 **5. Millennium 2000 will satisfy applicable consumer protection and service quality**  
1031 **standards.**

1032  
1033 **Q. Will Millennium 2000 satisfy applicable consumer protection and service quality**  
1034 **standards?**

1035  
1036 A. Yes. Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy  
1037 applicable consumer protection and service quality standards.<sup>20</sup> Millennium 2000  
1038 commits to satisfying all such applicable state and federal requirements related to  
1039 consumer protection and service quality standards, including the Cellular

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<sup>20</sup> 47 CFR 54.202(a)(3).

1040 Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless  
1041 Service.

1042  
1043 Millennium 2000 will abide by rules denominated as 83 Ill. Adm. Code 736, "Service  
1044 Quality and Customer Protection Applicable to Wireless Eligible Telecommunications  
1045 Carriers" ("WETC Rules"). In its Amended Application, Millennium 2000 requests that  
1046 certain provisions in the WETC Rules be waived or declared inapplicable to it because  
1047 the Company provides prepaid wireless service and does not issue bills, or because  
1048 Millennium 2000 will not be seeking high cost support, including the following: 736.610,  
1049 736.620, 736.630, 736.640, 736.650, 736.680, 736.685, and 736.690. Millennium 2000  
1050 will comply with 736.515 by reporting complaints received by it regarding dropped calls  
1051 and signal strength.

1052 **Q. Starting at line 781 Dr. Zolnierek states: "For wireless carriers, these standards**  
1053 **include compliance with Code Part 736 (Consumer Protection and Service Quality**  
1054 **Standards). While Millennium commits to abide by these rules, it commits to do so**  
1055 **'to the extent that such rules are applicable to the Company as a prepaid wireless**  
1056 **provider.'" Do you have a comment?**

1057  
1058 **A.** Yes. Millennium 2000 is aware that the Part 736 rules apply to all wireless ETCs.  
1059 Millennium 2000 believes that Dr. Zolnierek has misinterpreted the intent of Millennium  
1060 2000's request for waivers from Code Part 736 that do not apply to a prepaid business  
1061 model. For example, as a provider of prepaid services, Millennium 2000's customers are  
1062 required to pay in advance of receiving wireless telecommunication services.  
1063 Millennium 2000 is requesting a waiver of Part 736.610 (Customer Billing) because as a  
1064 provider of prepaid services it does not send out monthly bills to its customers. As  
1065 another example, it is requesting a waiver of Part 736.650 (Deposits) because it does not

1066 require deposits of its customers. At line 791 of his testimony, Dr. Zolnierек supports  
1067 these waivers. Furthermore, Staff did not object to these waiver requests for Cricket, as  
1068 noted in Docket 10-0453, provided that the waiver applies only to pay in advance  
1069 wireless telecommunications services. Millennium 2000 believes that these waivers  
1070 apply to the Millennium 2000’s pay in advance wireless service as well and the waivers  
1071 should be granted.

1072  
1073 **6. Financial & Technical Qualifications**

1074  
1075 **Q. Does the FCC require wireless ETC applicants before state Commissions to**  
1076 **demonstrate financial and technical qualifications?**

1077  
1078 A. Yes, it does. FCC rule 47 CFR 54.201(h) states: “A state commission shall not designate  
1079 a common carrier as an eligible telecommunications carrier for purposes of receiving  
1080 support only under subpart E of this part unless the carrier seeking such designation has  
1081 demonstrated that it is financially and technically capable of providing the supported  
1082 Lifeline service in compliance with subpart E of this part.”

1083 **Q. Has the Illinois Commerce Commission previously assessed Millennium 2000’s**  
1084 **financial and technical qualifications?**

1085  
1086 A. Yes, it has. Millennium 2000 received a certificate to provide IXC and LEC  
1087 telecommunications services in ICC Docket No. 07-0273. There, the Commission  
1088 determined that “as required by Section 13-404 of the Act, Applicant possesses sufficient  
1089 technical, managerial, and financial resources to provide resold local and interexchange  
1090 telecommunications services in Illinois.”<sup>21</sup> More recently, Millennium 2000 received  
1091 certification to provide resold CMRS in ICC Docket 10-0477. There, the Commission

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<sup>21</sup> Millennium 2000 Inc., Application for a Certificate to become a Telecommunications Carrier pursuant to 13-404, Docket 07-0273, Order (June 27, 2007) at p. 2.

1092 determined that “Applicant possesses sufficient technical, financial and managerial  
1093 resources and abilities to provide resold commercial mobile radio service in Illinois.”<sup>22</sup>

1094 **Q. Did the FCC provide guidance on the financial and technical qualifications**  
1095 **requirement in its *Lifeline Reform Order*?**  
1096

1097 A. Yes, it did. At paragraph 388 of the *Lifeline Reform Order* the FCC stated:

1098  
1099 Given recent growth in the number of companies obtaining ETC designation,  
1100 we now conclude that it is appropriate to update our rules for federally-  
1101 designated ETCs and extend the requirement to all ETCs to ensure that  
1102 Lifeline-only ETCs have the financial and technical ability to offer Lifeline-  
1103 supported services. Therefore, in order to ensure Lifeline-only ETCs, whether  
1104 designated by the Commission or the states, are financially and technically  
1105 capable of providing Lifeline services, we now include an explicit  
1106 requirement in both 54.202 and 54.203 that a common carrier seeking to be  
1107 designated as a Lifeline-only ETC demonstrate its technical and financial  
1108 capacity to provide the supported service. Among the relevant considerations  
1109 for such a showing would be whether the applicant previously offered services  
1110 to non-Lifeline consumers, how long it has been in business, whether the  
1111 applicant intends to rely exclusively on USF disbursements to operate,  
1112 whether the applicant receives or will receive revenue from other sources, and  
1113 whether it has been subject to enforcement action or ETC revocation  
1114 proceedings in any states. (footnotes omitted)

1115 **Q. Has the FCC previously assessed Millennium 2000’s financial and technical**  
1116 **qualifications?**  
1117

1118 A. Yes, it has. In its Compliance Plan submitted to the FCC, Millennium 2000  
1119 demonstrated its financial and technical qualifications to provide wireless Lifeline-only  
1120 ETC services. The FCC approved Millennium 2000’s Compliance Plan on December 26,  
1121 2012. There, the FCC stated:

1122 The Bureau has reviewed the nine plans listed in the Appendix [of which  
1123 Millennium 2000’s was one of] **for compliance with the conditions of the**

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<sup>22</sup> Millennium 2000 Inc., Application pursuant to Section 13-401 of the Public Utilities Act for a Certificate of Service Authority to provide Resold Commercial Mobile Radio Services in the State of Illinois, Docket 10-0477, Order (September 9, 2010) at p. 2.

1124 ***Lifeline Reform Order* and now approves those nine compliance plans.**  
1125 (emphasis added)

1126  
1127 One such condition of the *Lifeline Reform Order* was the description of financial and  
1128 technical qualifications described at paragraph 388. Thus, the FCC has determined that  
1129 Millennium 2000’s financial and technical qualifications are consistent with the *Lifeline*  
1130 *Reform Order*.

1131 **Q. Does Millennium 2000 positively meet each of the five factors described by the FCC**  
1132 **at paragraph 388 of the *Lifeline Reform Order*?**

1133  
1134 A. Yes, it does.

1135  
1136 **Q. What was the first factor described by the FCC?**

1137  
1138 A. “Whether the applicant previously offered services to non-Lifeline consumers”  
1139

1140 **Q. Does Millennium 2000 positively meet that factor?**

1141  
1142 A. Yes, it does. Millennium 2000 currently offers, and has previously offered, services to  
1143 non-Lifeline customers. The fact that Millennium 2000 has been able to successfully  
1144 operate as a wireline service provider since the year 2009 is a strong indication and proof  
1145 of financial and technical capability to provide wireless services in Illinois. Additionally,  
1146 as previously described, Millennium 2000 provided wireless service in Illinois since  
1147 December of 2011, with its full roll-out of wireless services commencing in April 2013.

1148 **Q. What was the second factor described by the FCC?**

1149  
1150 A. “how long it has been in business”  
1151

1152 **Q. Does Millennium 2000 positively meet that factor?**

1153  
1154 A. Yes, it does. Millennium 2000 has been in business in Illinois since 2007 and providing  
1155 wireline Lifeline service in Illinois since 2009.

1156

1157 **Q. What was the third factor described by the FCC?**  
1158  
1159 A. “whether the applicant intends to rely exclusively on USF disbursements to operate”  
1160  
1161 **Q. Does Millennium 2000 positively meet that factor?**  
1162  
1163 A. Yes, it does. Millennium 2000 does not rely exclusively on USF disbursements to  
1164 operate. Specifically, Millennium 2000 offers prepaid local, local and toll, long distance  
1165 and wireless calling services to all consumers (i.e. lifeline or traditional customers) who  
1166 apply for service regardless of past credit history.

1167 **Q. What was the fourth factor described by the FCC?**  
1168  
1169 A. “whether the applicant receives or will receive revenue from other sources”  
1170  
1171 **Q. Does Millennium 2000 positively meet that factor?**  
1172  
1173 A. Yes, it does. As previously stated, Millennium 2000 provides service to all consumers  
1174 who apply for service regardless of past credit history. Millennium receives revenue from  
1175 other sources.

1176 **Q. What was the fifth factor described by the FCC?**  
1177  
1178 A. “whether it has been subject to enforcement action or ETC revocation proceedings in any  
1179 states”

1180 **Q. Does Millennium 2000 positively meet that factor?**  
1181  
1182 A. Yes, it does. Millennium 2000 has not been subject to an enforcement action or ETC  
1183 revocation proceedings in any state.

1184 **Q. Are your conclusions regarding Millennium 2000 meeting each of the five factors**  
1185 **consistent with the fact that the FCC approved Millennium 2000’s Compliance**  
1186 **Plan?**  
1187

1188 A. Yes. The FCC determined that Millennium 2000’s Compliance Plan (of which financial  
1189 and technical qualifications were part) was consistent with the conditions of the *Lifeline*  
1190 *Reform Order*.

1191 **Q. Did the FCC expressly state that other factors could be taken into consideration?**

1192  
1193 A. Yes, it did. The FCC stated at paragraph 388 that the five factors listed were “among the  
1194 relevant considerations.”

1195 **Q. Are there other factors specific to Millennium 2000 that you believe to be relevant?**

1196  
1197 A. Yes. Millennium 2000 is already licensed as an ETC for wireline services in Illinois. By  
1198 requesting wireless ETC designation, Millennium 2000 is simply seeking to expand its  
1199 Lifeline services to offer its existing Lifeline customer more options and to serve those  
1200 potential Lifeline customers without permanent residency who have no option to receive  
1201 wireline Lifeline support.

1202  
1203 Millennium 2000 demonstrated its managerial, technical and financial capabilities when  
1204 the FCC approved its Compliance Plan. Furthermore, Millennium 2000 has not had any  
1205 complaints lodged against the company since it began its service in 2009. Millennium  
1206 2000 believes these facts support the conclusion that Millennium 2000 should be granted  
1207 wireless ETC designation in Illinois.

1208 **Q. At line 898 Dr. Zolnierek describes Millennium 2000’s technical capabilities to**  
1209 **provide telecommunications services. Do you have a response?**

1210  
1211 A. Yes. With respect to wireless service, Dr. Zolnierek states: “There is very little evidence  
1212 regarding Millennium’s technical capability to provide wireless telecommunications  
1213 services in Illinois. Millennium provided no service record, and, in particular, no quality-  
1214 of-service record, with respect to its wireless services offered in Illinois.”

1215  
1216 First, Dr. Zolnierek ignores that this Commission has previously determined Millennium  
1217 2000's technical and financial ability to provide CMRS in Illinois by virtue of its order in  
1218 ICC Docket 10-0477. In the ICC Order 10-477, it states "Applicant (i.e. Millennium  
1219 2000) possesses sufficient technical, financial and managerial resources and abilities to  
1220 provide resold commercial mobile radio service in Illinois."

1221  
1222 Second, although Dr. Zolnierek apparently seeks a "quality-of-service record" (see Dr.  
1223 Zolnierek's Testimony at line 902) from Millennium 2000, he ignores the fact that this  
1224 Commission specifically does not regulate quality of service of CMRS:

1225 Except to the extent expressly permitted by and consistent with federal law,  
1226 the regulations of the Federal Communications Commission, this Article,  
1227 Article XXI or XXII of this Act, or this amendatory Act of the 96th General  
1228 Assembly, **the Commission shall not regulate the** rates, terms, conditions,  
1229 **quality of service**, availability, classification, or any other aspect of service  
1230 **regarding . . . (iv) wireless services**, including, but not limited to, private  
1231 radio service, public mobile service, or commercial mobile service, as those  
1232 terms are defined in 47 U.S.C. 332 on the effective date of this amendatory  
1233 Act of the 96th General Assembly or as amended thereafter.

1234  
1235 200 ILCS 5/13-504 (emphasis added).

1236  
1237 Third, by obtaining network and wireless transmission facilities from Sprint and Verizon  
1238 as its underlying carrier, Millennium 2000 has shown evidence that it meets the statutory  
1239 requirements of 47 U.S.C. §214(e)(1)(A) of the 1996 Telecommunication Act.

1240  
1241 Fourth, as noted above, Millennium 2000 has not had any complaints lodged against the  
1242 company since it began its service in 2009.

1243  
1244

1245 **Q. Starting at line 392 Dr. Zolnierек states that the Commission should examine an**  
1246 **Applicant’s financial statements. Has the Staff examined Millennium 2000’s**  
1247 **financial statements?**

1248  
1249 A. Yes, it has. In response to Staff Data Request JZ 1.11, Millennium 2000 provided the  
1250 Staff with copies of the Company’s Balance Sheet and Statement of Cash Flows for 2010  
1251 and 2011.

1252 **Q. Starting at lines 396 Dr. Zolnierек indicates that an Applicant should be required to**  
1253 **provide a non-Lifeline service for six months before being allowed to provide the**  
1254 **same service on a Lifeline basis. Do you have any comments?**

1255  
1256 A. Yes. Millennium 2000 does not believe that the standard being imposed by Dr. Zolnierек  
1257 is supported by law, which will be described in its Briefs. Dr. Zolnierек’s  
1258 recommendation of a six month non-lifeline service requirement is inappropriate because  
1259 it appears to only target carriers seeking new ETC authority. Carriers that are not seeking  
1260 new ETC designation would follow the existing Lifeline rules without the imposition of  
1261 following such restrictions. Therefore, Dr. Zolnierек’s recommendations do not apply to  
1262 existing ETCs in Illinois. While I am not a lawyer, it is Millennium 2000’s belief that  
1263 this would violate the requirement of competitive neutrality. Section 253 of the  
1264 Communications Act (47 U.S.C. § 253) states, in part:

1265 (a) In general. No State or local statute or regulation, or other State or local  
1266 legal requirement, may prohibit or have the effect of prohibiting the ability of  
1267 any entity to provide any interstate or intrastate telecommunications service.  
1268

1269 (b) State regulatory authority. Nothing in this section shall affect the ability of  
1270 a State to impose, on a competitively neutral basis and consistent with section  
1271 254 [47 USCS § 254], requirements necessary to preserve and advance  
1272 universal service, protect the public safety and welfare, ensure the continued  
1273 quality of telecommunications services, and safeguard the rights of  
1274 consumers.  
1275

1276 Beyond legal arguments that will be made in brief, as described below, Millennium 2000  
1277 will meet Dr. Zolnierrek’s six month requirement for CMRS. Moreover, Millennium  
1278 2000 meets the spirit of Staff’s “recommended” requirement, since Millennium 2000 has  
1279 provided wireline services for many years and has serviced **all** customers (i.e. lifeline  
1280 and traditional customers) regardless of past credit history.

1281 **Q. Has Millennium 2000 tested its technical ability to provide wireless services to its**  
1282 **customers in Illinois?**

1283  
1284 A. Yes, it has.

1285  
1286 **Q. Please explain.**

1287  
1288 A. Testing is the final step in the software development lifecycle that is completed prior to  
1289 rolling out an application. As a proactive effort, in order to provide the best quality  
1290 service to its customers, Millennium 2000 executed a beta-test to ensure the functionality  
1291 and quality of the software that it acquired. Millennium 2000 performed due diligence  
1292 testing prior to its full roll-out of wireless service in Illinois. As indicated in data  
1293 response JZ 1.08(a), during the period of December 2011 through February 2013,  
1294 Millennium 2000 provisioned 538 handsets to beta-test a newly procured off-the-shelf  
1295 wireless billing and provisioning system. Just as USAC is testing the National Database  
1296 prior to its roll out, Millennium 2000 used best practices known in the software industry  
1297 to test its systems in the same manner that every company uses prior to rolling out a  
1298 service to the general public. Thus, Millennium 2000 has indeed confirmed its technical  
1299 ability to provide wireless services to its customers in Illinois.

1300  
1301  
1302

1303 **Q. Has Millennium 2000 provided wireline services in Illinois for more than six**  
1304 **months?**

1305  
1306 A. Yes. As I described above, Millennium 2000 has provided wireline services in Illinois  
1307 since 2009.

1308 **Q. Why do you believe Dr. Zolnierek’s proposed 6-month requirement for the same**  
1309 **type service is inappropriate?**

1310  
1311 A. Dr. Zolnierek is proposing an arbitrary standard that fails to capture the technical ability  
1312 of a carrier to provide wireless ETC service. As I described, through our due diligence  
1313 testing Millennium 2000 has confirmed its ability to provide wireless services to eligible  
1314 customers. Additionally, Millennium 2000 has demonstrated its technical ability by  
1315 providing wireline service to customers since 2009.

1316  
1317 Furthermore, Dr. Zolnierek’s proposal of a 6 month requirement is inappropriate because  
1318 it targets new ETC carriers only. It appears that existing ETC carriers would follow the  
1319 existing Lifeline rules without the imposition of following such restrictions of the  
1320 proposed 6-month requirement. Millennium 2000 believes that this would violate the  
1321 requirement of competitive neutrality pursuant to Section 253 of the Communications  
1322 Act (47 U.S.C. § 253). Furthermore, this restriction should not be imposed on  
1323 Millennium 2000 because of the fact that Millennium 2000 and the general public did not  
1324 have input into the “recommended requirement.”

1325 **Q. Will Millennium 2000 nevertheless meet Dr. Zolnierek’s proposed 6-month**  
1326 **requirement for offering CMRS prior to offering Lifeline CMRS?**

1327  
1328 A. Yes. As I have discussed, in December 2011, Millennium 2000 began to provide  
1329 wireless services in Illinois. Further, as I stated in response to data request JZ 1.01(k)

1330 (attached hereto as Confidential Exhibit 8), beginning April 1, 2013 Millennium 2000  
1331 began to offer the noted wireless packages to non-lifeline customers in Illinois.<sup>23</sup>

1332 **Q. Thus, has Millennium 2000 complied with Dr. Zolnierek’s proposed 6-month**  
1333 **requirement for the same type of service for both wireline and CMRS?**

1334  
1335 A. Yes, it has.

1336  
1337 **Q. Has Millennium 2000’s staff been trained in the provisioning of both wireline and**  
1338 **wireless services?**

1339  
1340 A. Yes.

1341  
1342 **Q. At line 403 Dr. Zolnierek states that an applicant should not critically rely on**  
1343 **Lifeline services. Does Millennium 2000’s business model in Illinois critically rely**  
1344 **on Lifeline services?**

1345  
1346 A. No, it does not.

1347  
1348 **Q. Please explain.**

1349  
1350 A. As mentioned before, Millennium 2000 offers prepaid local, local and toll, long distance  
1351 and wireless calling services to all (i.e. lifeline or traditional customers) who apply for  
1352 service regardless of past credit history.

1353 **Q. Starting at line 408 Dr. Zolnierek recommends that the Commission should require**  
1354 **an Applicant to demonstrate “that the fraction of non Lifeline wireless to total**  
1355 **(both Lifeline and non Lifeline) wireless customers has not fallen below 20% in each**  
1356 **state each month in the period beginning six months prior to submission of the ETC**  
1357 **petition.” Do you have any comments?**

1358  
1359 A. Yes. I believe it is improper for staff to impose a requirement that dictates the carriers’  
1360 ratio of lifeline versus non-lifeline customer base as a requirement to receive ETC  
1361 designation. Dr. Zolnierek’s “recommended requirement” is also fundamentally unfair  
1362 because he does not intend to regulate other ETCs – both wireline and wireless – in a like  
1363 manner. The aspects of whether or not this is legal will be discussed in brief. Moreover,

---

<sup>23</sup> Since Millennium 2000 responded to Staff Data Request JZ 1.01(k), Millennium 2000 has begun to provide wireless ETC service in Wisconsin.

1364 as I described above, this is a prime example of why the Staff should have initiated and  
1365 completed an IAPA proceeding in order to establish industry-wide rules for ETCs prior to  
1366 imposing such “recommended rules” on carriers seeking wireless ETC designation.

1367 **Q. Did Millennium 2000 submit data requests to the Staff in an attempt to understand**  
1368 **Dr. Zolnierek’s proposed requirement that Applicants demonstrate that the fraction**  
1369 **of non Lifeline wireless to total (both Lifeline and non Lifeline) wireless customers**  
1370 **has not fallen below 20% in each state each month in the period beginning six**  
1371 **months prior to submission of the ETC petition.”?**

1372  
1373 A. Yes, it did. In Millennium 2000 Data Request 1.02 Millennium 2000 requested copies of  
1374 all Documents, studies or analyses Dr. Zolnierek reviewed in order to develop his  
1375 recommendation.<sup>24</sup>

1376 **Q. Did Dr. Zolnierek provide any additional support for his recommendation?**

1377  
1378 A. No. Dr. Zolnierek was unable to provide any additional support for this unprecedented  
1379 regulatory constraint. He simply referred to the FCC’s requirement of a technical and  
1380 financial analysis which upon receiving FCC approval of its Compliance Plan,  
1381 Millennium 2000 has already demonstrated that it meets the FCC technical and financial  
1382 requirement.

1383 **Q. Starting at line 416 Dr. Zolnierek recommends that an Applicant should be required**  
1384 **to demonstrate a six-month record of providing the same type of service prior to**  
1385 **beginning a Lifeline service. Do you have any comments?**

1386  
1387 A. Once again, Dr. Zolnierek’s proposal that an Applicant should demonstrate a six month  
1388 record is inappropriate because it targets new carriers seeking ETC authority only. It  
1389 appears that carriers not seeking new ETC designation would follow the existing Lifeline  
1390 rules without the imposition of following such six month record requirement. Therefore,  
1391 Dr. Zolnierek’s proposed rules would not apply to existing ETCs in Illinois. Millennium

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<sup>24</sup> See Exhibit 9 (Staff Response to Millennium 2000 Data Request 1.02).

1392 2000 believes that this would violate the requirement of competitive neutrality pursuant  
1393 Section 253 of the Communications Act (47 U.S.C. § 253).

1394  
1395 By enforcing a new “recommended” requirement on carriers to receive wireless ETC  
1396 designation, Dr. Zolnierek has again bypassed the Illinois administrative rule making  
1397 process, which denied Millennium 2000 and the general public and opportunity to  
1398 participate in the rulemaking process. Specifically, Millennium 2000 was denied an  
1399 opportunity to have input on the “recommended” rules that will significantly impact its  
1400 business.

1401 **Q. Starting at line 421, Dr. Zolnierek recommends Commission oversight regarding the**  
1402 **fraction of a carrier’s Lifeline to non-Lifeline services. Do you have any comments?**

1403  
1404 A. While I am not a lawyer, the Illinois PUA makes clear that the Commission does not  
1405 regulate the terms and conditions of CMRS. Section 13-804 of the Act states, in part:

1406 Except to the extent expressly permitted by and consistent with federal law,  
1407 the regulations of the Federal Communications Commission, this Article,  
1408 Article XXI or XXII of this Act, or this amendatory Act of the 96th General  
1409 Assembly, the Commission shall not regulate the rates, terms, conditions,  
1410 quality of service, availability, classification, or any other aspect of service  
1411 regarding . . . (iv) wireless services, including, but not limited to, private radio  
1412 service, public mobile service, or commercial mobile service, as those terms  
1413 are defined in 47 U.S.C. 332 on the effective date of this amendatory Act of  
1414 the 96th General Assembly or as amended thereafter.

1415  
1416 Furthermore, as previously mentioned, Dr. Zolnierek’s proposal that an Applicant should  
1417 demonstrate a fraction of a carrier’s lifeline to non-lifeline service is inappropriate  
1418 because it targets new carriers only. Millennium 2000 believes that this would violate the  
1419 requirement of competitive neutrality pursuant Section 253 of the Communications Act  
1420 (47 U.S.C. § 253).

1421 **Q. At line 439 Dr. Zolnierek states that the Commission should review the experience**  
1422 **and background of an applicant's personnel. Did Millennium 2000 provide a**  
1423 **description of its managerial personnel with its wireless ETC Application?**  
1424

1425 A. Yes, it did. The Company's description was included at Section IV.D of its ETC  
1426 Application. Millennium 2000 also provided a copy of my resume in response to Staff  
1427 Data Request JZ 1.15.

1428 **Q. At line 440 Dr. Zolnierek states that an applicant should not have or have had any**  
1429 **enforcement actions or ETC revocation proceedings against it in any states. Has**  
1430 **there been any enforcement action or ETC revocation proceeding levied against**  
1431 **Millennium 2000 in any state?**  
1432

1433 A. No, there has not.  
1434

1435 **Q. At line 451 Dr. Zolnierek states that an applicant should be in compliance with**  
1436 **wireless E-911 surcharge obligations. Does Millennium 2000 remit E-911 taxes with**  
1437 **the state of Illinois?**  
1438

1439 A. Yes, it does.

1440 **Q. Starting at line 794, Dr. Zolnierek testifies regarding Millennium 2000's Part 730**  
1441 **wireline service quality data. In particular, Dr. Zolnierek takes issue with a**  
1442 **disclaimer that the Company inserted in its report. Please explain Millennium**  
1443 **2000's use of the disclaimer.**  
1444

1445 A. Millennium 2000 has complied with Code Part 730 and Code Part 732, by filing its  
1446 quarterly reports as required. Millennium 2000 abides by the FCC and ICC telecom  
1447 rules and takes its contractual agreements with its underlying carrier, AT&T Illinois  
1448 (AT&T) very seriously. In an effort to provide the best quality service to its customers  
1449 in a timely manner, on several occasions Millennium 2000 informally expressed  
1450 concerns to Dr. Zolnierek regarding the performance of its wireline underlying carrier,  
1451 AT&T prior to the filing of its Application in this Docket. Thus, the disclaimer  
1452 described by Dr. Zolnierek at lines 802-806 was related to my earlier discussions with  
1453 Dr. Zolnierek.

1454 **Q. What was your intent when you added the disclaimer to those reports?**  
1455  
1456 A. I intended to inform the Staff that parts of the report were impacted by an ongoing  
1457 dispute with AT&T. Dr. Zolnierek knew about this dispute, so it was my belief that the  
1458 Staff would understand why the disclaimer was inserted in the report. In line 817-821 of  
1459 Dr. Zolnierek's Testimony, Millennium 2000 believes that Dr. Zolnierek has  
1460 misinterpreted the disclaimer included on its Code Part 730/732 reports for filing periods  
1461 10/1/2012 to 12/31/2012 and 1/1/2013 to 3/31/2013. Dr. Zolnierek's interpretation of  
1462 the disclaimer has clearly been taken out of context. The disclaimer should not be  
1463 accepted as evidence that Millennium 2000 does not have the ability to comply with  
1464 service quality requirements. The intent of the disclaimer was simply for Millennium  
1465 2000 to express its disagreement with the performance measurements totals reported by  
1466 AT&T.

1467 **Q. Based on that disclaimer Dr. Zolnierek then concludes that Millennium 2000 is**  
1468 **unable to manage its wireline resale business. Do you have a comment?**  
1469  
1470 A. Yes. Dr. Zolnierek's attempt to link the disclaimer on the 730/732 report to Millennium  
1471 2000's ability to meet service quality requirements exhibits an unjustified broad based  
1472 conclusion and a lack of understanding of managing a wireline resale business.  
1473 Millennium 2000 has had disputes with its underlying carriers in the past and it will  
1474 likely have disputes in the future. Millennium 2000 will resolve the disputes in  
1475 accordance with its contracts and with the assistance of the Staff and the Company's  
1476 counsel.

1477 **Q. Can you provide an example of such a dispute?**  
1478  
1479 A. For example, to ensure service quality standards are met for its wireline customers, on

1480 November 28, 2011, Millennium 2000 submitted a Notice Letter to AT&T, which  
1481 outlined its concerns regarding AT&T's performance and anti-competitive practices that  
1482 was in violation of 220 Ill. Comp Stat. 5/13-515 (See "Millennium 2000 Demand Letter  
1483 11 28 11F", attached hereto as Confidential Exhibit 10). After submitting the Notice  
1484 Letter to AT&T, Millennium 2000 observed significant improvement in the processing  
1485 of its orders and diminished anti-competitive practices from January through September  
1486 2012. However, almost a year later, in October 2012 through March 2013, Millennium  
1487 2000 began to observe similar violations and anti-competitive practices from AT&T as  
1488 outlined in the Notice Letter dated November 28, 2011. As a result, Millennium 2000  
1489 included the disclaimer as noted in lines 802-806 of Dr. Zolnierek's Testimony, to  
1490 indicate that it was not in agreement with the information reported in the performance  
1491 measurement report extracted from AT&T CLEC Online. Furthermore, Millennium  
1492 2000 informally shared these concerns with Dr. Zolnierek in January 2013.

1493 **Q. Does Millennium 2000's working relationships with its underlying carriers impact**  
1494 **the Company's ability to manage its wireline resale business?**

1495 A. No, it does not. Evidence of this fact is that Millennium 2000 has been providing  
1496 wireline service since 2009 and it has never had any customer complaints lodged against  
1497 the company.

1499 **Q. Starting at lines 898, Dr. Zolnierek testifies regarding Millennium 2000's technical**  
1500 **capability with respect to its Part 730 service quality reports. At line 907 Dr.**  
1501 **Zolnierek states that certain information appears to be missing. Do you have any**  
1502 **comment?**

1503 A. Yes. At lines 906-913 Dr. Zolnierek questions why zero's were reported for percentage  
1504 of service installs completed on time; operator answer time, and repair office answer  
1505 time.

1507 **Q. Why Did Millennium 2000 enter ‘zero’s’ on those reports?**

1508  
1509 A. When a Millennium 2000 customer dials ‘0’ for operator assistance from their home  
1510 phone, the calls goes directly to an AT&T operator – not to Millennium 2000. This  
1511 performance measurement is not included on Millennium 2000’s performance  
1512 measurement profile located on CLEC Online. Therefore, Millennium 2000 did not  
1513 report arbitrary information for those performance measurements to the ICC.

1514  
1515 With respect to lines 914-929 regarding service trouble and answer time, when a  
1516 Millennium 2000 customer calls and reports trouble on their wireline, Millennium 2000  
1517 then calls AT&T to request a line test. Once again, this information was not reported  
1518 since AT&T does not return the repair office answer time in its performance  
1519 measurement profile report for Millennium 2000.

1520 **Q. Did the ICC Staff contact Millennium 2000 regarding its 730/732 reports prior to**  
1521 **this proceeding?**

1522  
1523 A. No, it did not. The Staff never inquired nor requested corrections to data relative to  
1524 Millennium 2000’s 730/732 reports.

1525 **Q. Is it your understanding that CLECs will no longer be required to remit 730/732**  
1526 **reports?**

1527  
1528 A. Yes. Millennium 2000 recently received a notice from the ICC that states the following:  
1529  
1530 The enactment of P.A. 98-45, effective June 28, 2013, amended the Public  
1531 Utilities Act. As a result of those amendments, it appears to Commission  
1532 Staff that Competitive Local Exchange Carriers (“CLECs”) are no longer  
1533 subject to Code Parts 730 or 732 and are not required to file Service Quality  
1534 and Customer Credit Quarterly Reports pursuant to Code Part 730/732.  
1535 However, all CLECs are now subject to Code Part 737, Standards of Service  
1536 and Customer Credits for Electing Providers.<sup>25</sup>

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<sup>25</sup> ICC Notice re Service Quality and Customer Credit Reporting changes pursuant to PUA Section 13-501, (August 12, 2013), Viewed at: <http://www.icc.illinois.gov/telecommunications/>, Accessed on September 19, 2013.

1537  
1538 **Q. Starting at line 823, Dr. Zolnierек alleges that Millennium 2000 has not properly**  
1539 **passed through federal subsidies for its wireline ETC service. Is Dr. Zolnierек**  
1540 **correct?**

1541  
1542 A. No, Dr. Zolnierек is incorrect. Millennium 2000 has passed through to its customers an  
1543 amount in excess of that which was required.

1544 **Q. How much was Millennium 2000 required to pass through to its customers?**

1545  
1546 A. Dr. Zolnierек correctly states at line 888 that Millennium 2000 was required to pass  
1547 through **\*\*\* BEGIN CONFIDENTIAL INFORMATION \$\*\*\*\*\* END**  
1548 **CONFIDENTIAL INFORMATION \*\*\*.**

1549 **Q. How much did Millennium 2000 in fact pass through to its customers?**

1550  
1551 A. **\*\*\* BEGIN CONFIDENTIAL INFORMATION**  
1552 **\*\*\*\*\***  
1553 **\*\*\*\*\***  
1554 **\*\*\*\*\***  
1555 **\*\*\*\*\***  
1556 **\*\*\*\*\***  
1557 **\*\*\*\*\* END CONFIDENTIAL INFORMATION \*\*\***

1558 **Q. Do you have sample bills that demonstrate the pass through amount described**  
1559 **above?**

1560  
1561 A. Yes. Exhibit 11, attached hereto, contains sample bills from January 2011 when  
1562 Millennium 2000 provided post-pay service. Those bills demonstrate the pass through  
1563 amount I described above.

1564 **Q. Was the pass through amount contained on all of Millennium 2000's post-pay bills?**

1565  
1566 A. Yes. All bills for Lifeline customers contained the same pass through amount.

1567 **Q. Did Millennium 2000 continue to pass through that amount when it began**  
1568 **providing prepaid services?**

1569  
1570 A. Yes, it did. As a prepay service provider, we do not mail monthly invoices to our prepay  
1571 customers. However, at the customer's request, we will provide a copy of the Statement  
1572 of Service, which will show the customer's service plan, credits and a total amount of  
1573 applicable taxes and fees. Attached Exhibit 12 contains a sample Statement of Services  
1574 from July through August 2012 when Millennium 2000 provided prepaid service.

1575 **Q. During that timeframe did Millennium 2000's effective tariff accurately reflect the**  
1576 **pass through amount?**

1577  
1578 A. No. Due to an oversight, the correct pass through amount of \*\*\* BEGIN  
1579 **CONFIDENTIAL INFORMATION \$\*\*\*\*\* END CONFIDENTIAL**  
1580 **INFORMATION** \*\*\* was not properly reflected in Millennium 2000's tariff.  
1581 Millennium 2000, did, however, pass though an amount in excess of that required by  
1582 law.

1583 **Q. Is Dr. Zolnierек correct in his conclusion that Millennium 2000 failed to supply**  
1584 **customers the full Lifeline support amounts they were entitled to receive from**  
1585 **Millennium 2000?**

1586  
1587 A. No, Dr Zolnierек is incorrect. As noted above, Millennium 2000 did not identify the  
1588 correct pass-through amount for Lifeline customers in its tariff due to an oversight.  
1589 Furthermore, during the five (5) ICC data requests, the staff did not inquire about the full  
1590 amount of support passed-through to Lifeline customers. Therefore, Dr. Zolnierек more  
1591 than likely did not have access to all the pertinent information. As I described above,  
1592 Millennium 2000 passed through federal reimbursements in excess of the amount that  
1593 was required.

1594

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**Q. Starting at line 953, Dr. Zolnierek testifies regarding Millennium 2000’s Part 757 Quarterly Reports for wireline Lifeline services. When did the Company first begin to provide wireline Lifeline service?**

A. As noted in its data response JZ 1.02, Millennium 2000 began to provide Local Exchange Telecommunications Service to end users in the state of Illinois in February 2009 to the present day.

**Q. Did the Staff inspect Millennium 2000’s Part 757 Quarterly Reports?**

A. Yes. The Staff asked several clarifying questions in its fifth set of data requests, specifically, Data Requests JZ 5.05 (a) - (i). Millennium 2000 responded to those questions on April 18, 2013.

**Q. Did the Staff have any substantive questions regarding Millennium 2000’s calculations?**

A. The Staff asked several questions in Data Request JZ 5.05 (a) – (i) regarding Millennium 2000’s calculation of numbers. Millennium 2000 responded to each of those questions, providing an explanation of Millennium 2000’s calculations. It is Millennium 2000’s understanding that Staff’s inquiries have been appropriately answered and resolved.

**Q. Dr. Zolnierek observes that Millennium 2000 has late-filed several of its quarterly reports. Do you have any comments?**

A. Yes. Millennium 2000 untimely 757 reports filings were due to an oversight. Once the oversight was discovered, it was immediately corrected.

**Q. Has Millennium 2000 timely filed its reports in 2012 and 2013?**

1625 A. Yes. We have met the timelines in the last three quarters of 2012 and the 1<sup>st</sup> two quarters  
1626 in 2013. If there is an existing issue with the timeliness of Millennium 2000's 757  
1627 Report filings at this time, it has not been made known to Millennium 2000.

1628 **Q. Moving forward, does Millennium 2000 commit to abide by the Commission's**  
1629 **timelines for its wireline Quarterly Reports?**

1630  
1631 A. Yes. Millennium 2000 commits to filing the 757 quarterly reports in a timely manner.  
1632

1633 **Q. If it obtains authorization, does Millennium 2000 commit to abide by the**  
1634 **Commission's timelines for wireless Quarterly Reports?**

1635  
1636 A. Yes, it does.  
1637

1638  
1639 **7. Public Interest Standard**  
1640

1641 **Q. Did the Illinois Commerce Commission determine that Millennium 2000's**  
1642 **application for designation as a wireline ETC was in the public interest?**

1643  
1644 A. Yes, it did. In its Docket 08-0454 Order, the Commission stated: "[t]he specific  
1645 commitments made by Millennium 2000 regarding compliance with the federal  
1646 guidelines described in the FCC's ETC order, and specifically with Staff's tailoring of  
1647 those guidelines to fit both the Commission's existing rules and precedents, support a  
1648 public interest finding."

1649 **Q. What factors has this Commission determined to be relevant to a public interest**  
1650 **analysis in recent wireless ETC certification dockets?**

1651  
1652 A. Recently in its *Cricket Order* the Commission stated: "Consistent with past Commission  
1653 rulings, the Commission finds that it will use the guidelines from the FCC's ETC  
1654 Designation Order, as amended by the *Lifeline Reform Order* where applicable, as the  
1655 general framework and minimal requirements for considering the ETC designation

1656 requested by Cricket and for establishing whether Cricket’s application is in the public  
1657 interest.” *Cricket Order* at page 9.

1658 **Q. What factors has this Commission reviewed from the 2005 ETC Designation Order?**

1659  
1660 A. In the Cricket Order this Commission referenced the *2005 ETC Designation Order* where  
1661 the FCC indicated that the following factors would be examined in performing its public  
1662 interest analysis for ETC applicants:

1663 (1) Consumer Choice: The [FCC] takes into account the benefits of increased  
1664 consumer choice when conducting its public interest analysis. In particular,  
1665 granting an ETC designation may serve the public interest by providing a  
1666 choice of service offerings in rural and high-cost areas. The [FCC] has  
1667 determined that, in light of the numerous factors it considers in its public  
1668 interest analysis, the value of increased competition, by itself, is unlikely to  
1669 satisfy the public interest test.

1670  
1671 (2) Advantages and Disadvantages of Particular Service Offering: The [FCC]  
1672 also considers the particular advantages and disadvantages of an ETC’s  
1673 service offering. For instance, the [FCC] has examined the benefits of  
1674 mobility that wireless carriers provide in geographically isolated areas, the  
1675 possibility that an ETC designation will allow customers to be subject to  
1676 fewer toll charges and the potential for customers to obtain services  
1677 comparable to those provided in urban areas, such as voicemail, numeric  
1678 paging, call forwarding, three-way calling, call waiting and other premium  
1679 services. The [FCC] also examines disadvantages such as dropped call rates  
1680 and poor coverage.

1681  
1682 *Cricket Order* at p. 14 (citing *ETC Designation Order* at ¶44).

1683  
1684 **Q. Do Millennium 2000’s proposed plans increase customer choice for qualified**  
1685 **customers?**

1686  
1687 A. Yes. Millennium 2000 offers a variety of plans that can be tailored to meet individual  
1688 customers’ needs.

1689 **Q. What are the advantages of Millennium 2000’s proposed wireless plans for Illinois**  
1690 **consumers?**

1691

1692 A. As previously noted, Millennium 2000's current wireline Lifeline customers will have the  
1693 choice to transfer their service to a wireless Lifeline offering or retain their existing  
1694 Lifeline wireline. Furthermore, that ability will be particularly attractive to customers  
1695 who do not have a permanent address to receive wireline Lifeline support. Additionally,  
1696 our plans are affordable in order to meet our customers' needs. \*\*\* BEGIN

1697 **CONFIDENTIAL**

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1698 \*\*\*\*\*

1699 \*\*\*\*\* **END CONFIDENTIAL INFORMATION** \*\*\*\*\*

1700 **Q. Does Millennium 2000 burden its customers with credit checks, long-term**  
1701 **commitments or early termination fees?**

1702  
1703 A. No, it does not.

1704  
1705 **Q. Will Millennium 2000 make Lifeline services available throughout its service area?**

1706  
1707 A. Yes, it will provide Lifeline services to all qualified applicants throughout its designated  
1708 service area.

1709 **Q. Starting at line 546, Dr. Zolnierек recommends that an Applicant demonstrate that**  
1710 **its Lifeline plans offer benefits that are currently unavailable to consumers and will**  
1711 **become available upon designation. Do you have comments?**

1712  
1713 A. Yes. That is a very subjective standard, and on its face it seems to place new entrants at a  
1714 competitive disadvantage against current wireless ETCs in Illinois. Nevertheless,  
1715 Millennium 2000 believes it will offer benefits to Illinois consumers that are not currently  
1716 available. Millennium 2000 is a minority-woman-owned local business with ties to  
1717 economically neglected areas of the state. It is our belief that qualified customers located  
1718 within those areas can be reached and better-served through our community outreach  
1719 efforts. Additionally, as a currently certificated provider of wireline ETC services,

1720 Millennium 2000's current customers that know our company and that have come to rely  
1721 on our service will have the option to switch their wireline service to wireless Lifeline if  
1722 they so choose rather than seek another wireless provider. As I have described  
1723 elsewhere, there has been and continues to be a shift from wireline service to wireless  
1724 service for both Lifeline and non-Lifeline customers.

1725 **Q. Why do you believe Dr. Zolnierek's proposed standard would create a competitive**  
1726 **disadvantage to new entrants?**

1727  
1728 **A.** Pursuant to Dr. Zolnierek's standards, apparently a new Lifeline plan offered by a new  
1729 entrant must be different in some manner from the other plans offered by currently  
1730 certificated carriers. If a plan currently offered by an Illinois ETC is within the Public  
1731 Interest, that same plan, when offered by a new entrant, should also be in the Public  
1732 Interest. The customer and market should dictate what are acceptable plans. Should Dr.  
1733 Zolnierek's "recommended" rule be enforced on Millennium 2000, the company runs the  
1734 risk of loyal customers being unfairly forced to leave and go to a different provider  
1735 because of the regulatory controls imposed on the company to offer different Lifeline  
1736 Plans from other carriers instead of allowing Millennium 2000 to meet our current  
1737 customers' and the market's demand.

1738 **Q. Starting at line 566, Dr. Zolnierek recommends that an Applicant must demonstrate**  
1739 **a meaningful increase in customer choice that include: an offering that is**  
1740 **"substantively distinct or differentiated (from consumers' perspective) from Lifeline**  
1741 **offerings currently available to consumers in the marketplace" (lines 569-71); and**  
1742 **"a reasonable expectation of nontrivial demand" (lines 573-74). Do you have any**  
1743 **comment?**

1744  
1745 **A.** Yes. Dr. Zolnierek developed arbitrary and subjective standards that would only apply to  
1746 new applicants and not to existing ETCs. As a result, I do not believe this "recommended  
1747 requirement" should be imposed on Millennium 2000.

1748 **Q. Did Dr. Zolnierek provide any insight on “consumers’ perspectives”?**  
1749  
1750 A. In response to Millennium 2000 Data Request 1.08, Dr. Zolnierek was unable to provide  
1751 legal authority for his proposed standards. He did state that “the intent with this passage,  
1752 however, was to identify wireless offerings that, measured against Lifeline offerings  
1753 currently available, provide form a considerable amount or quantity of distinctness  
1754 capable of being perceived by consumers.”<sup>26</sup>

1755 **Q. Has Dr. Zolnierek performed any research or studies concerning the perspectives of**  
1756 **Illinois consumers?**

1757  
1758 A. In response to Millennium 2000 Data Request 1.08, Dr. Zolnierek indicated that he had  
1759 not.

1760 **Q. Did Dr. Zolnierek provide insight into his use of the term “nontrivial demand”?**

1761  
1762 A. Yes. In response to Millennium 2000 Data Request 1.14, the Staff stated: “Dr.  
1763 Zolnierek’s intent in using the term nontrivial demand was to convey demand for the  
1764 service that would be beyond demand from employees, relatives of employees, or  
1765 transitory customers added to customer counts for no business purpose other than to  
1766 inflate demand counts for the purposes of making a wireless Lifeline offering appear to  
1767 be generally available and of value to Lifeline customers when it is not.”<sup>27</sup>

1768 **Q. Does Dr. Zolnierek propose that his recommended standards would apply on an**  
1769 **industry-wide basis?**

1770  
1771 A. No. In response to Millennium 2000 Data Request 1.07 Dr. Zolnierek stated that his  
1772 proposed standards would not be applied to ETCs currently authorized to provide service  
1773 in Illinois.<sup>28</sup>

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<sup>26</sup> See Exhibit 13 (Staff Response to Millennium 2000 Data Request 1.08).

<sup>27</sup> See Exhibit 14 (Staff Response to Millennium 2000 Data Request 1.14).

<sup>28</sup> See Exhibit 15 (Staff Response to Millennium 2000 Data Request 1.07).

1774 Q. What proposed Lifeline plans did Millennium 2000 include with its ETC  
1775 Application?

1776  
1777 A. For each month the consumer is eligible to receive Lifeline services, Millennium 2000  
1778 will provide Lifeline customers the option of receiving 250 free minutes without the  
1779 ability to rollover unused minutes or 125 free minutes with the ability to rollover unused  
1780 minutes each month for up to one year.

1781  
1782 Millennium 2000 will offer discounted rates to Lifeline customers for **additional**  
1783 purchases. The proposed wireless plans are noted in the table below:

1784 ILLINOIS WIRELESS PLANS

Plans	Lifeline	Non-Lifeline	Minutes	Text
Basic 100	\$10.00	\$15.00	100	1 text = 1 minute
Basic 125	\$11.00	\$16.00	125	1 text = 1 minute
Basic 150	\$12.00	\$17.00	150	1 text = 1 minute
Basic 200	\$15.00	\$20.00	200	1 text = 1 minute
Basic 250	\$17.00	\$22.00	250	1 text = 1 minute
Basic 500	\$19.00	\$24.00	500	1 text = 1 minute
Basic 750	\$24.00	\$29.00	750	1 text = 1 minute

1785  
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1824

1825 **Q. Do you believe Millennium 2000's proposed plans are substantively distinct from**  
1826 **the consumers' perspective?**

1827

1828 A. Yes. Millennium 2000's plans were developed to be competitive to the offerings that are

1829 currently available to Illinois consumers. We would not offer the above plans if we

1830 believed customers would not choose them. It is my belief that Millennium 2000

1831 proposes to offer a greater variety of plans than most currently authorized ETCs. Our  
1832 strategy will allow a Lifeline customer to tailor its phone services that best meets their  
1833 needs. \*\*\* BEGIN CONFIDENTIAL INFORMATION

1834 \*\*\*\*\*  
1835 \*\*\*\*\*  
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1839 Q. Do you believe Millennium 2000’s proposed plans would create nontrivial demand  
1840 from potential customers?

1841  
1842 A. Yes. As I previously stated, we believe our plans will be attractive to Illinois consumers.  
1843

1844 Q. Are there other concerns related to the public interest standard that are not  
1845 conveyed in Dr. Zolnierek’s standards?

1846  
1847 A. Yes. Millennium 2000 is a minority woman owned Chicago business that is located in  
1848 Chicago, has community ties to Chicago, and is uniquely situated to service eligible  
1849 customers through community out-reach efforts. This is entirely consistent with the  
1850 FCC’s *Lifeline Reform Order*. “ETCs should have the flexibility to market their Lifeline-  
1851 supported services in creative and innovative ways.” (¶277). In another FCC order  
1852 repeatedly referenced in the *Lifeline Reform Order* (for example, at ¶278), the FCC  
1853 stated:

1854 Coordination should also include cooperative outreach efforts with state  
1855 commissions, tribal organizations, carriers, social service agencies,  
1856 community centers, nursing homes, public schools, and private  
1857 organizations that may serve low-income individuals, such as American  
1858 Association for Retired Persons and the United Way. **Cooperative outreach**  
1859 **among those most likely to have influential contact with low-income**

1860 individuals will help to target messages about Lifeline/Link-Up to the  
1861 low-income community.<sup>29</sup>

1862  
1863 **Q. Starting at line 588, Dr. Zolnierек recommends additional reporting requirements**  
1864 **for wireless ETC Applicants. Do you have any comment?**

1865  
1866 A. Yes. Dr. Zolnierек recommends two such reporting requirements: (1) a so called  
1867 “Wireless Customer Report”; and (2) a quarterly report detailing E911 taxes.

1868 **Q. What is your understanding of the so called “Wireless Customer Report”?**

1869  
1870 A. It is my understanding that Dr. Zolnierек intends the “Wireless Customer Reporting”  
1871 requirements to be used to enforce his “recommended” requirements regulating the  
1872 fraction of wireless non-Lifeline to wireless Lifeline customers. As described above,  
1873 Millennium 2000 will argue in its Briefs that the Commission should reject that proposal  
1874 on legal grounds. Moreover, as a matter of fairness, Millennium 2000 should not be  
1875 placed in a competitively unequal position by being forced to report about matters that  
1876 other carriers are not required to similarly report.

1877 **Q. As you understand Dr. Zolnierек’s recommendations, do you believe he intends his**  
1878 **Wireless Customer Report requirements to be applied on an industry-wide basis?**

1879  
1880 A. No. In its response to Millennium 2000 Data Request 1.15(d) the Staff indicated that it  
1881 will not apply Dr. Zolnierек’s recommended reporting requirements to existing wireless  
1882 ETCs.<sup>30</sup>

1883 **Q. Is it your understanding that Dr. Zolnierек intends his E-911 quarterly reporting**  
1884 **requirements to be applied on an industry wide basis?**

1885

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<sup>29</sup> *Lifeline and Link Up*, WC Dkt. No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8328 (April 29, 2004) (footnote omitted) (emphasis added).

<sup>30</sup> See Exhibit 16 (Staff Response to Millennium 2000 Data Request 1.15(d)).

1886 A. No, it is not. In its response to Millennium 2000 Data Request 1.15(d) the Staff indicated  
1887 that it will not apply Dr. Zolnierrek’s recommended reporting requirements to existing  
1888 wireless ETCs.<sup>31</sup>

1889  
1890 **V. Other Factors Described in Dr. Zolnierrek’s Testimony**

1891  
1892 **Q. At lines 1020-1023 of the ICC testimony, Dr. Zolnierrek states “In sum, the vast**  
1893 **majority of Lifeline customers do not stay with Millennium for any length of time.**  
1894 **This evidence is inconsistent with the notion that Millennium is providing**  
1895 **customers “lifeline” service that they depend upon and have available over time.”**  
1896 **Do you have any comments?**

1897  
1898 A. Yes. First, there is no existing rule that requires ETCs to retain its customer for a  
1899 specific amount of time. As evidence, on September 5, 2012, Millennium 2000 agreed  
1900 to an informal discussion with the Board of Directors from UTAC, UTAC’s Counsel  
1901 Gary L. Smith and Jeff Hoagg from the Illinois Commerce Commission. During that  
1902 discussion Jeff Hoagg confirmed that “there is no regulation on the length of time a  
1903 customer must stay on to receive Linkup in Illinois.” (See data response JZ-4.07,  
1904 attached hereto as Confidential Exhibit 17).

1905 **Q. What are some potential reasons why providers of Lifeline service to wireline**  
1906 **customers would experience churn?**

1907  
1908 A. As I have previously noted, there has been an industry-wide shift for both traditional  
1909 wireline and Lifeline wireline customers to wireless offerings.

1910 **Q. What is your understanding of the current demand for a wireless Lifeline offering?**

1911  
1912 A. The broader group of eligible customers often seeks the convenience and mobility of a  
1913 wireless offering. As I also stated previously, a wireless Lifeline offering is better suited  
1914 for eligible customers who do not have a permanent address (or who move from a

---

<sup>31</sup> Id.

1915 permanent address to a temporary one).

1916 **Q. Do you believe the fact that Millennium 2000 proposes to serve both wireline and**  
1917 **wireless Lifeline customers to be a benefit to those eligible customers?**

1918  
1919 A. Yes. Those customers would have a true choice of the service that best meets their  
1920 needs, as opposed to many carriers today that only seek to provide wireless ETC  
1921 services.

1922 **Q. Can the industry-wide shift from wireline to wireless services impact customer**  
1923 **churn?**

1924  
1925 A. Yes. A customer who is otherwise eligible to maintain a wireline Lifeline service could  
1926 choose to transfer to a wireless offering.

1927 **Q. Has this Commission acknowledged churn in the provision of Lifeline?**

1928  
1929 A. Yes. Millennium 2000 offers local calling services to all who apply for service  
1930 regardless of past credit history. As noted in the Tennessee Telephone Service, LLC  
1931 d/b/a Freedom Communications USA LLC Order 09-0403, section 5(2)(e) Evidence  
1932 Regarding ETC Requirements, the ICC states in its Commission Analysis and  
1933 Conclusion,

1934 Applicant's local calling packages are offered to all who apply for service  
1935 regardless of past credit history. This tends to lead to a large churn and  
1936 default rate. Consequently, the cost of doing business may be higher for  
1937 Tennessee than for Illinois Bell.

1938  
1939 **Q. What did the Commission conclude in that docket?**

1940  
1941 A. The Commission expressed an understanding of the challenges and the impact a carrier  
1942 faces when providing services to all customers regardless of credit history, which  
1943 includes higher cost to the carrier. Regardless of the carrier's challenge for high churn,  
1944 the ICC showed support of the carrier in Docket No. 09-0403 stating that:

1945 In the instant proceeding, the designation of Tennessee as an ETC for the  
1946 limited purpose of offering Lifeline and Link-up service will increase  
1947 customer choice for low income consumers eligible for Lifeline and Link-up  
1948 support in the areas requested.

1949  
1950 Another factor for consideration is the advantages and disadvantages of the  
1951 particular service offering. Tennessee's offering is intended to provide  
1952 additional options for low income customers and increased access to  
1953 emergency services for the public overall, to the extent that it enables low  
1954 income customers to obtain service.

1955  
1956 **Q. Does Millennium 2000's proposed wireless Lifeline service address the factors**  
1957 **described in that docket?**

1958  
1959 A. Yes. Millennium 2000's offerings are intended to provide additional service options and  
1960 access to emergency services to their existing wireline Lifeline customers as well as  
1961 other low income consumers. Furthermore, by offering the Lifeline customer more  
1962 choices at competitive rates, Millennium 2000 believes it will allow it to increase its  
1963 customer's retention.

1964 **Q. Can the FCC's policies on the prevention of waste, fraud and abuse lead to an**  
1965 **increased churn rate?**

1966  
1967 A. Yes. Millennium 2000 takes its responsibility to eliminate waste, fraud and abuse very  
1968 seriously. As discussed above, those considerations were the driving force behind  
1969 Millennium 2000's Compliance Plan which was approved by the FCC on December 26,  
1970 2012. Furthermore, as evidence of Millennium 2000's commitment to eliminate waste,  
1971 fraud and abuse, Millennium 2000 voluntarily attends and participates in the USAC's  
1972 Connectivity Workshops to develop the National Lifeline Accountability Database  
1973 (NLAD). In addition, just as it internally tested its own billing and provisioning system,  
1974 Millennium 2000 has volunteered to test its data during the development of NLAD in the  
1975 Release Testing phases.

1976  
1977 With respect to its current wireline Lifeline customers, in order to eliminate waste, fraud  
1978 and abuse Millennium 2000's wireline Lifeline customers were de-enrolled for one of  
1979 the following reasons:

1980 If Millennium 2000 discovered that the customer had received Lifeline  
1981 wireless service with another carrier, Millennium 2000 de-enrolled the  
1982 customer from its wireline Lifeline service.

1983  
1984 If Millennium 2000 discovered that the customer had received more than one  
1985 Lifeline support per household, Millennium 2000 de-enrolled the customer  
1986 from its wireline Lifeline service. For example, if the husband requested a  
1987 wireline Lifeline service from Millennium 2000 and a wife received a wireless  
1988 Lifeline services from another carrier, Millennium 2000 de-enrolled the  
1989 customer from its wireline Lifeline services.

1990  
1991 If Millennium 2000 discovered that the customer had received Lifeline  
1992 benefits at more than one address, Millennium 2000 de-enrolled the customer  
1993 from its wireline Lifeline service.

1994  
1995 Furthermore, if a customer did not re-certify their eligibility to continue to  
1996 receive Lifeline support, Millennium 2000 de-enrolled the customer from its  
1997 wireline Lifeline service.

1998  
1999 **Q. Is churn caused by a customer's de-enrollment pursuant to one of those policies**  
2000 **mandated?**

2001  
2002 A. Yes. Under one of those situations the customer is in fact ineligible to receive Lifeline  
2003 service. Therefore, that customer must be de-enrolled regardless of the impact on  
2004 customer churn.

2005 **Q. Are Millennium 2000's procedures for the prevention of waste, fraud and abuse**  
2006 **consistent with its procedures contained in its Compliance Plan?**

2007  
2008 A. Yes. Millennium 2000 is committed to ensuring the FCC requirements and the  
2009 Company's practices have always been aligned with the goals of the *Lifeline Reform*  
2010 *Order* to eliminate waste, abuse and fraud.

2011 **Q. Does this conclude your testimony?**

2012

2013 A. Yes, it does.