

REBUTTAL TESTIMONY

OF

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FEDERAL POLICY DEPARTMENT

POLICY DIVISION

ILLINOIS COMMERCE COMMISSION

Q LINK WIRELESS LLC

APPLICATION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS
CARRIER FOR PURPOSES OF RECEIVING FEDERAL UNIVERSAL SERVICE FUNDS
PURSUANT TO SECTION 214(E)(2) OF THE TELECOMMUNICATIONS ACT OF 1996

ICC DOCKET NO. 12-0095

PUBLIC DESIGNATION

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1 **I. Introduction**

2 **Q. Please state your name and business address.**

3 A. My name is Qin Liu, and I am employed by the Federal Policy Department of the
4 Policy Division at the Illinois Commerce Commission (“Commission”). My
5 business address is 160 North LaSalle, Suite C-800, Chicago, Illinois, 60601.

6 **Q. Have you previously submitted testimony in this proceeding?**

7 A. Yes, I submitted direct testimony in this proceeding on October 30, 2013. My
8 direct testimony is ICC Staff Exhibit 1.0.

9 **Q. What is the purpose of your testimony?**

10 A. Q Link Wireless LLC (“Q Link” or “the Company”) submitted its rebuttal testimony
11 on December 11, 2013. The purpose of my testimony is to respond to Q Link’s
12 rebuttal testimony.

13 **Q. Do you continue to recommend that Q Link’s ETC petition be denied?**

14 A. Yes. In order to be designated as an ETC, Q Link has the burden of proof to
15 demonstrate that it meets Illinois Section 214(e)(2) evaluation criteria and that its
16 designation is consistent with the public interest, convenience and necessity.¹
17 But, it has failed to meet that burden. Staff’s Section 214(e)(2) evaluation of its
18 ETC petition is summarized as follows:

- 19 1. Q Link has failed to properly identify its proposed ETC service area.
- 20 2. Q Link has demonstrated its inability to meet Section 214(e)(1).
- 21 3. Q Link has failed the Illinois Section 54.201(h) evaluation.

¹ 47 USC Section 214(e)(2).

- 22 4. Q Link has demonstrated a lack of willingness to make a basic effort to
23 protect consumers' interest.
- 24 5. Q Link has failed to establish that its designation will produce concrete
25 benefits to consumers in Illinois.
- 26 6. Q Link has failed to comply with FCC rules.
- 27 7. Q Link has failed to establish that it is able to comply with Commission
28 rules.
- 29 8. Q Link has failed to establish that it is able to meet its wireless 9-1-1
30 surcharge obligations.

31 Each of the above findings is sufficient to support the conclusion that Q Link does
32 not satisfy Illinois Section 214(e)(2) evaluation criteria and its designation is not
33 consistent with the public interest, convenience and necessity. Accordingly, I
34 continue to recommend that Q Link's ETC petition be denied.

35 **II. Responses**

36 **A. Identification of Proposed ETC Service Area**

37 **Q. In rebuttal testimony, Q Link states that "[Staff] suggested that the**
38 **Commission should find that the minimum geographic area Q LINK must**
39 **serve to receive designation in a non-rural area is an exchange and that**
40 **exchanges should form the building blocks of Q LINK's ETC service area in**
41 **non-rural areas in Illinois."**² **Is this a complete description of your position?**

42 **A.** No. I recommend in direct testimony that the minimum geographic area Q Link
43 must serve to receive designation should be an exchange and that, in order to be
44 designated as an ETC in Illinois, Q Link should provide an exchange-based
45 identification of its proposed ETC service area (i.e., identifying its proposed ETC

² Q Link Ex. 1.0 at 6.

46 service area by exchange).³ My recommendation is not limited to non-rural
47 portions of Q Link's proposed ETC service area.⁴

48 **Q. You conclude in direct testimony that Q Link has not properly identified its**
49 **proposed ETC service area in its petition as it should and has pledged to.**⁵
50 **How does Q Link respond?**

51 A. In response to the conclusion that it has not provided an exchange-based
52 identification of its proposed ETC service area in its petition, Q Link asserts:

53 Q LINK never failed to comply with what it pledged under Condition
54 5. Q LINK did provide a list of exchanges in which it seeks wireless
55 ETC designation, including but not limited to the names of the
56 exchanges and the names of the ILECs operating in the
57 exchanges. ... ICC Staff never stated that the list of exchanges
58 and coverage maps provided were not sufficient and never
59 requested another list or more detailed coverage maps. Q LINK
60 was only made aware that the list of exchanges and coverage
61 maps were insufficient when it received Staff's Direct Testimony.⁶

62 **Q. Please comment on Q Link's assertion that "ICC Staff never stated [before**
63 **Staff's direct testimony] that the list of exchanges and coverage maps**
64 **provided were not sufficient and never requested another list or more**
65 **detailed coverage maps" and "Q LINK was only made aware that the list of**
66 **exchanges and coverage maps were insufficient when it received Staff's**
67 **Direct Testimony."**

68 A. In formal Commission proceedings such as this instant proceeding, Staff's
69 responsibility is to perform analyses and reach findings and present them to the
70 Commission. Staff's direct testimony, as the term conveys, is the place where
71 Staff presents, for the first time, its analyses, findings and recommendations to
72 the Commission. It should not come as a surprise to Q Link that it receives and
73 has the opportunity to review Staff's evaluation for the first time upon the filing of

³ Staff Ex. 1.0 at 18-20.

⁴ Id. at 19.

⁵ Id. at 46 and 68.

⁶ Q Link Ex. 1.0 at 20.

74 Staff's direct testimony. Its implied notion that Staff should somehow have
75 presented its evaluation, or a portion of it, to the Company and should have done
76 so before presenting it to the Commission (i.e., presenting it, or a portion of it, to
77 the Company for its preview) is utterly without a basis in fact or law.

78 Q Link's assertion that it was not made aware of that "the list of exchanges [in
79 Exhibit 6 of its amended petition]" is insufficient (until Staff's direct testimony) is
80 disingenuous. To begin with, it is not that the "list of exchanges" Q Link provided
81 in its amended petition is insufficient but it is that Q Link did not provide
82 exchanges in its amended petition and Q Link, instead, provided 638 8-digit wire
83 center ("WC") CLLI codes (and associated ILECs), a fact it is aware of.⁷ It is
84 disingenuous of Q Link to claim that it was not aware of what was, and what was
85 not, included in its own petition and, in particular, the fact that it included a list of
86 638 WC CLLI codes, not any list of exchanges, in its petition. What is absurd is
87 the implied notion that it is somehow Staff's responsibility to inform it of (i.e.,
88 make it aware of) the content of its own petition and, in particular, the fact that it
89 included 638 WC CLLI codes, not any exchanges, in Exhibit 6 of its amended
90 petition.

91 After feigning ignorance of the content of Exhibit 6 of its amended petition, Q Link
92 asserts that Staff "never requested another [exchange] list." By this, it implies that
93 it is somehow Staff's responsibility to seek information to establish Q Link's
94 fitness for designation in Illinois. This is not so. As the entity seeking designation,
95 it is incumbent upon Q Link to present information and evidence in its petition to

⁷ Q Link amended petition at 12 and Staff Ex. 1.0 at 39-40.

96 establish its fitness for designation in Illinois. Staff's responsibility in this
97 proceeding is to evaluate its petition, not to perfect or improve upon it, and
98 presents Staff's assessment to the Commission in testimony.⁸

99 **Q. Please comment on Q Link's claim that it "never failed to comply with what**
100 **it pledged under Condition 5 [of its petitions]" and "did provide a list of**
101 **exchanges in which it seeks wireless ETC designation, including but not**
102 **limited to the names of the exchanges and the names of the ILECs**
103 **operating in the exchanges."**

104 A. Q Link's claim is incorrect. It has repeatedly pledged in its petitions to provide an
105 exchange-based identification of its proposed ETC service area, which entails a
106 2-column table with one column identifying each exchange for which it seeks
107 designation and the other identifying the ILEC operating in the exchange.⁹ Q Link
108 has had three opportunities to fulfill this pledge: petition (February 3, 2012),
109 amended petition (December 13, 2012), and rebuttal testimony (December 11,
110 2013). But, it has failed at each opportunity to do so.¹⁰

111 **Q. Please describe how Q Link identified its proposed ETC service area in its**
112 **petition (submitted on February 3, 2012).**

⁸ Q Link had the opportunity to make its case in its petition and the opportunity to respond to Staff's evaluation in testimony.

⁹ Q Link petition (February 3, 2012) at 17 and amended petition (December 13, 2012) at 17.

¹⁰ Q Link has similarly failed in its responses to Staff Data Requests to identify any portion of its proposed ETC service area by exchange. In its response to Staff DR-3.05A, Q Link identified the portions of its proposed ETC service area located within AT&T Illinois' service area by a 2-column table, with one column identifying 8-digit WC CLLI codes and the other column identifying the names of the ILECs associated with identified WCs (i.e., AT&T Illinois). Staff Ex. 2.01a. In its response to Staff DR-3.05B, Q Link identified the portions of its proposed ETC service area located within Frontier North and Frontier Communications of the Carolinas service territories by a 3-column table, with the first column (titled "CLLI") identifying 8-digit WC CLLI codes, the second column (titled "Company Names in Wire Center") identifying the types of the ILECs (RBOC or otherwise) associated with the identified WCs and the third column (titled "ILEC") identifying the ILECs operating in the WCs. Staff Ex. 2.01b. In its response to Staff DR-3.06, Q Link identified additional portions (i.e., portions associated with ILECs not named in Exhibit 6 of its amended petition) with a 3-column table, with the first column (titled "SHORT SWITCH") identifying 8-digit WC CLLI codes, the second column (titled "OCN_NAME") identifying the names of the ILECs associated with identified WCs and the third column (titled "ABBRE_OCN_NAME") identifying the abbreviated names of the ILECs operating in the identified WCs. Staff Ex. 2.01c.

113 A. In its petition (February 3, 2012), Q Link identified its proposed ETC service area
114 with a 1310 x 7 table, with the seven columns titled “Zipcode,” “Zip_Postal_City,”
115 “State,” “Zipcode_Area,” “Mkt_Name,” “CSA_Leaf,” “CSA_Desc,” respectively.¹¹
116 None of the columns identifies exchanges (or wire centers). This appears to be a
117 ZIP code-based (or some variation of a ZIP code-based) identification of its
118 proposed ETC service area. In any event, Q Link did not provide any list of
119 exchanges, much less an exchange-based identification of its proposed ETC
120 service area. This refutes the claim that Q Link “never failed” to fulfill what it has
121 pledged under Condition 5 (of its petitions), one of which is to provide an
122 exchange-based identification of its proposed ETC service area, which it failed to
123 fulfill in its petition submitted on February 3, 2012.

124 **Q. Please describe how Q Link identified its proposed ETC service area in its**
125 **amended petition (submitted on December 13, 2012).**

126 A. As I have noted in direct testimony, Q Link provided in its amended petition 638
127 WC CLLI codes associated with AT&T Illinois, Frontier North and Frontier
128 Communications of the Carolinas.¹² In other words, it identified its proposed ETC
129 service area using a 638 x 2 table, with the first column (“CLLI”) identifying 638 8-
130 digit WC CLLI codes and the second column (“ILEC”) identifying the ILECs
131 operating in the respective wire centers.¹³ Q Link thus provided a WC-based
132 identification of its proposed ETC service area. It did not provide the names of
133 any exchanges, much less an exchange-based identification of its proposed ETC
134 service area. This rebuts the claim that Q Link “never failed” to fulfill what it

¹¹ Exhibit 6 of Q Link petition (February 3, 2012) (titled “Coverage Area”).

¹² Staff Ex. 1.0 at 39-40.

¹³ Exhibit 6 of Q Link amended petition (December 13, 2012) (titled “Coverage Area”).

135 pledged under Condition 5 (of its petitions), one of which is to provide an
136 exchange-based identification of its proposed ETC service area, which it failed to
137 do in its amended petition.

138 **Q. Aside from its discredited claims discussed above, has Q Link remedied in**
139 **its rebuttal testimony its failings pertaining to the identification of its**
140 **proposed ETC service area?**

141 A. No. Q Link has failed not only in petitions but also in rebuttal testimony to provide
142 an exchange-based identification of its proposed ETC service area. Regarding its
143 proposed ETC service area, Q Link states the following in rebuttal testimony:

Q. Please identify Q LINK's proposed ETC service area.

A. Please see Q LINK Ex. 1.2 for a list of names of the exchanges
in which Q LINK seeks designation with the names of the ILECs
operating in those exchanges.¹⁴

148 Based upon this, I understand that Q Link claims to have provided an exchange-
149 based identification of its proposed ETC service area in Q Link Ex. 1.2 of its
150 rebuttal testimony. But, examination of this exhibit shows that it has not provided
151 an exchange-based identification of its proposed ETC service area.

152 Instead of identifying its proposed ETC service area by exchange, in Q Link Ex.
153 1.2 Q Link simply expands the 638 x 2 table from Exhibit 6 of its amended
154 petition into a 979 x 7 table by adding 341 rows and 5 columns. One of the added
155 columns is titled "Exchange," which purports to contain the names of exchanges
156 associated with wire centers identified in the first column (titled "WC_Code").¹⁵ In

¹⁴ Q Link Ex. 1.0 at 6.

¹⁵ In Exhibit 6 of its amended petition, the column containing 8-digit WC CLLI codes is titled "CLLI" and the column containing the names of the ILECs associated with 8-digit WC CLLI codes is titled "ILEC." In contrast, the respective columns in Q Link Ex. 1.2 are titled "WC_Code" and "CompanyName."

157 short, in Q Link Ex. 1.2, Q Link adds a column titled “Exchange” to an otherwise
158 WC-based identification of its proposed ETC service area.

159 Identifying a proposed ETC service area by exchange is not tantamount to
160 adding an “exchange” column to an otherwise non-exchange-based (e.g., WC-
161 based) identification of the proposed ETC service area. Q Link does not and
162 cannot transform its otherwise WC-based identification of proposed ETC service
163 area into an exchange-based identification of proposed ETC service area by
164 simply adding a column titled “Exchange” in Q Link Ex. 1.2, even if it had
165 correctly identified the associated exchanges in column Exchange (and the
166 associated ILECs in column CompanyName), which it has not. In fact, the
167 identification of its proposed ETC service area in Q Link Ex. 1.2 is neither WC-
168 based nor exchange-based; the associated building blocks are not exclusively
169 wire centers or exclusively exchanges. Instead, the building blocks associated
170 with Q Link’s identification of proposed ETC service area in Q Link Ex. 1.2 are a
171 mixture of wire centers, exchanges, and areas below the wire center and
172 exchange levels, depending on the row (or more precisely, how the wire center
173 serving area identified in column WC_Code on the row is associated with the rate
174 exchange area identified in column Exchange on the same row).¹⁶

175 Therefore, Q Link has failed for the third time to provide an exchange-based
176 identification of its proposed ETC service area.

¹⁶ As I understand it, generally speaking, the wire center serving area associated with the wire center CLLI code identified in column WC_Code may be identical to, encompass (or be encompassed by), bifurcate (or be bifurcated by) the rate exchange area identified in column Exchange (assuming the associated exchange is correctly identified) on the same row, depending on the specific wire center CLLI code identified.

177 **Q. You conclude that Q Link’s proposed ETC service area as specified by the**
178 **638 WC CLLI codes in its amended petition contains partial exchanges.¹⁷**
179 **Does its proposed ETC service area as specified in Q Link Ex. 1.2 suffer**
180 **similar flaws?**

181 A Yes. Like its proposed ETC service area as specified in its amended petition, Q
182 Link’s proposed ETC service area in its rebuttal testimony also contains partial
183 exchanges. For example,¹⁸

184 ▪ Arlington Heights exchange: Q Link’s proposed ETC service area includes the
185 portion of Arlington Heights exchange served by Arlington Heights WC
186 (ARLHILAH), but not the portion of Arlington Heights exchange served by
187 Schaumburg North WC (SCBGILRS).¹⁹

188 ▪ Bensenville exchange: Q Link’s proposed ETC service area includes the
189 portion of Bensenville exchange served by Bensenville WC (BNSVILBV), but
190 not the portion of Bensenville exchange served by Elk Grove
191 WC(EGVGILEG).²⁰

192 ▪ Naperville exchange: Q Link’s proposed ETC service area includes the
193 portions of Naperville exchange served by Naperville WC (NPVLILNA) and
194 Naperville Northeast (H) WC (NPVLILNE), but not the portion of Naperville
195 exchange served by Naperville NE (R) WC (NPVLILBJ).²¹

196 ▪ Palatine exchange: Q Link’s proposed ETC service area includes the portion
197 of Palatine exchange served by Palatine WC (PALTILPA), but not the portion
198 of Palatine exchange served by Willowcrest WC (HFESILWL), Libertyville -
199 Motorola - Customer Premise WC (LBVLILAQ) or Schaumburg North WC
200 (SCBGILRS).²²

¹⁷ Staff Ex. 1.0 at 40.

¹⁸ Exchange verification is based upon the Local Exchange Routing Guide (“LERG”).

¹⁹ Q Link Ex. 1.2 and Staff Ex.2.01f. Note that the area for which, by its own admission, Q Link has not sought and thus does not have the authority to provide wireless services includes the following AT&T Illinois WCs: ELWDILAW, ELWOOD, LBVLILAQ, PALATINE, NPVLILBJ, NAPERVILLE, and SCBGILRS. Staff Ex. 1.2. That is, by its own admission, Q Link has not sought and thus does not have the authority to provide wireless services in portions of (and thus throughout) Arlington Heights exchange. Staff Ex. 1.2.

²⁰ Q Link includes in its proposed ETC service area the portion of Elk Grove exchange served out of Elk Grove WC.

²¹ Q Link Ex. 1.2 and Staff Ex.2.01f. Note that the area for which, by its own admission, Q Link has not sought and thus does not have the authority to provide wireless services includes the following AT&T Illinois WCs: ELWDILAW, ELWOOD, LBVLILAQ, PALATINE, NPVLILBJ, NAPERVILLE, and SCBGILRS. Staff Ex. 1.2. That is, by its own admission, Q Link has not sought and thus does not have the authority to provide wireless services in portions of (and thus throughout) Naperville exchange. Staff Ex. 1.2.

²² Q Link Ex. 1.2 and Staff Ex.2.01f. Note that the area for which, by its own admission, Q Link has not sought and thus does not have the authority to provide wireless services includes the following AT&T Illinois WCs: ELWDILAW, ELWOOD, LBVLILAQ, PALATINE, NPVLILBJ, NAPERVILLE, and SCBGILRS.

201 As shown by these examples, Q Link’s proposed ETC service area in its rebuttal
202 testimony includes partial exchanges and is thus not identified by exchange.

203 **Q. Has Q Link created additional problems in the identification of its proposed**
204 **ETC service area in its rebuttal testimony?**

205 A. Yes. Aside from the problems discussed above, Q Link has created additional
206 problems with the identification of its proposed ETC service area in its rebuttal
207 testimony.

208 **Q. Has Q Link correctly identified ILECs that operate in the wire centers in**
209 **column WC_Code in Q Link Ex. 1.2?**

210 A. No, it has not. For example,

211 ▪ CLLI code “BLTNILXD” is associated with Bloomington Main WC, which is
212 Frontier North WC; the name to be entered in column CompanyName should
213 be “Frontier North” but Q Link enters “Sprint Communications Company.”
214

215 ▪ CLLI code “CHCHILWB” is associated with Chicago Wabash WC, which is
216 AT&T Illinois WC; the name to be entered in column CompanyName should
217 be “AT&T Illinois” but Q Link enters “Bandwith.com.”

218 ▪ CLLI code “JOLTILJO” is associated with Joliet WC, which is AT&T Illinois
219 WC; the name to be entered in column CompanyName should be “AT&T
220 Illinois” but Q Link enters “MCC Telephony of the Mid-West.”

221 ▪ CLLI code “RCFRILRT” is associated with Rockford Main WC, which is AT&T
222 Illinois WC; the name to be entered in column CompanyName should be
223 “AT&T Illinois” but Q Link enters “New Cingular Wireless PCS, LLC – IL.”

224 As shown by these examples, Q Link has not correctly identified ILECs operating
225 in the wire centers in column WC_Code in Q Link Ex. 1.2.

226 **Q. Has Q Link correctly provided the names of exchanges associated with**
227 **wire centers in column WC_Code of Q Link Ex. 1.2?**

Staff Ex. 1.2. That is, by its own admission, while including the portion of Palatine exchange served out of Palatine WC in its proposed ETC service area, Q Link has not sought and thus does not have the authority to provide wireless services in this portion of Palatine exchange. Staff Ex. 1.2.

- 228 A. No, it has not. For example,
- 229 ▪ CLLI code “BLTNILXD” is associated with Bloomington Main WC, which
230 serves a portion of Bloomington exchange; the exchange name to be entered
231 in column Exchange should be “Bloomington” but Q Link enters
232 “Waynesville.”
- 233 ▪ CLLI code “CHCGILWB” is associated with Chicago Wabash WC, which
234 serves a portion of Chicago Rate Zone 1; the exchange name to be entered
235 in column Exchange should be “Chicago Rate Zone 1” but Q Link enters
236 “Gary.”
- 237 ▪ CLLI code “JOLTILJO” is associated with Joliet WC, which serves a portion of
238 Joliet exchange; the exchange name to be entered in column Exchange
239 should be “Joliet” but Q Link enters “Lowell.”
- 240 ▪ CLLI code “RCFRILRT” is associated with Rockford Main WC, which serves a
241 portion of Rockford exchange; the exchange name to be entered in column
242 Exchange should be “Rockford” but Q Link enters “Rockford Main.”

243 As shown by these examples, Q Link has not correctly provided the names of
244 exchanges associated with wire centers in column WC_Code in Q Link Ex. 1.2.

245 **Q. You note in direct testimony Q Link’s inability to accurately describe its**
246 **proposed ETC service area.²³ Has it continued to manifest such failing with**
247 **its proposed ETC service area in its rebuttal testimony?**

248 A. Yes. In response to Staff DR-5.04(B)(2), Q Link provides the list of AT&T Illinois
249 wire centers for which it does not seek ETC designation: Libertyville-Motorola-
250 Customer Premise (LBVLILAQ), Naperville NE (NPVLILBJ), Schaumburg North
251 (SCBGILRS), and West Dana (DANAIN01).²⁴ Based on this, Q Link tacitly claims
252 to seek designation in each AT&T Illinois exchange not served by the four “not
253 included” wire centers. But, this is inconsistent with the exchange list in column
254 Exchange of Q Link Ex. 1.2. Take the example of the following AT&T Illinois

²³ Staff Ex. 1.0 at 44-46.

²⁴ Staff Ex. 2.01f. These four “not included” AT&T wire centers collectively serve all or portions of the following exchanges: Arlington Heights, Naperville, Palatine and West Dana.

255 exchanges: Berwyn, Brookfield, Franklin Park, and Mundelein. These AT&T
256 Illinois exchanges are not served by the four “not included” AT&T Illinois wire
257 centers and should be, according to its response to Staff DR-5.04(B)(2), among
258 the exchanges for which Q Link seeks ETC designation. But, these exchanges
259 are not included in column Exchange in Q Link Ex. 1.2, which suggests that Q
260 Link does not seek designation in these exchanges. This apparent contradiction
261 shows that Q Link has maintained its inability to consistently describe its
262 proposed ETC service area. This inability, as I have pointed out, casts doubt on
263 Q Link’s ability to offer supported services throughout, but not beyond, its
264 proposed ETC service area if designated in Illinois.²⁵

265 **Q. Please provide a summary comment regarding Q Link’s identification of its**
266 **proposed ETC service area.**

267 A. Q Link has had three opportunities (petition, amended petition, and rebuttal
268 testimony) to provide an exchange-based identification of its proposed ETC
269 service area, which entails a 2-column table with one column identifying each
270 exchange for which it seeks designation and the other identifying the ILEC
271 operating in the exchange. Q Link has failed at each opportunity to do so.

272 **B. Ability to Offer Supported Services throughout ETC Service Area**

273 **Q. You find in direct testimony that Q Link included in its proposed ETC**
274 **service area as specified in its amended petition wire centers in which,**
275 **according to the Company, it has not sought and thus does not have the**
276 **authority to provide wireless services.²⁶ Has Q Link included these “no**
277 **authority” wire centers in its proposed ETC service area in Q Link Ex. 1.2?**

²⁵ Staff Ex. 1.0 at 44-46.

²⁶ Id. at 41-42 and Staff Ex. 1.2.

278 A. Yes. As I have discussed, Q Link included in its proposed ETC service area as
279 specified in its amended petition Naperville and Palatine wire centers for which,
280 by its own admission, it has not sought and thus does not have the authority from
281 the Commission to provide resold wireless services.²⁷ Q Link has included in its
282 proposed ETC service area as specified in Q Link Ex. 1.2 not only these two “no
283 authority” wire centers but also at least one additional “no authority” wire center,
284 Elwood wire center (ELWDILAW).²⁸

285 In order for it to offer resold wireless services throughout an area in Illinois, Q
286 Link must have the authority from the Commission, and the ability to use its
287 underlying carrier’s wireless network, to provide resold wireless services
288 throughout the area. By including in its proposed ETC service area wire center
289 serving areas for which, by its own admission, it has not sought and thus does
290 not have the authority to provide resold wireless services, Q Link has established
291 that it does not have the authority, and thus is not able, to provide resold wireless
292 services throughout its proposed ETC service area in Q Link Ex. 1.2.

293 **Q. Has Q Link included in its proposed ETC service area as specified in its**
294 **rebuttal testimony other wire centers throughout which it is not able to**
295 **provide wireless services?**

296 A. Yes. In its response to Staff DR-3.06, Q Link identified sixteen wire centers
297 associated with carriers other than the three ILECs identified in its amended

²⁷ Staff Ex. 1.0 at 41-42. In total, the non-rural wire centers for which, by its own admission, Q Link has not sought and thus does not have the authority from the Commission to provide resold wireless services include not only the AT&T Illinois wire centers identified in its response to Staff DR-3.03B (see Staff Ex. 1.2) but also the seventeen Frontier North wire centers specified in its response to Staff DR-3.03C (see Staff Ex. 2.01e).

²⁸ Q Link Ex. 1.2. See also Staff Ex. 1.2 (according to its response Staff DR-3.03B, Q Link has not sought and thus does not have the authority to provide resold wireless services in the Elwood wire center serving area).

298 petition that are located in whole or in part outside its underlying carrier's wireless
299 network coverage area.²⁹ It has included all but two of these "partial" wire centers
300 in its revised proposed ETC service area in its rebuttal testimony.³⁰ Of the
301 fourteen included "partial" wire centers, its underlying carrier's wireless network
302 coverage reaches about 4% of the wire center serving area in one case and less
303 than 50% of the wire center serving area in seven cases.³¹ Nevertheless, Q Link
304 includes these "partial" wire center serving areas in its proposed ETC service
305 area in its rebuttal testimony. By doing so, it has provided sufficient evidence that
306 it does not have the technical capability, and thus is not able, to provide resold
307 wireless services throughout its proposed ETC service area as specified in its
308 rebuttal testimony.

309 **Q. You find in direct testimony that Q Link has not provided evidence that it**
310 **provides, or has the ability to provide, wireless services throughout its**
311 **proposed ETC service area as specified in its amended petition.³² How**
312 **does Q Link respond?**

313 A. Q Link claims that it "never failed to comply with what it pledged under Condition
314 5 [of its petitions]" and "provided evidence that it provides supported services to
315 wireless customers throughout the requested ETC areas."³³ But, Q Link does not
316 provide wireless services in Illinois.³⁴ It will not provide wireless services in Illinois

²⁹ Staff Ex. 2.01c. The three ILECs identified in Exhibit 6 of its amended petition are AT&T Illinois, Frontier North and Frontier Communications of the Carolinas. The wire centers Q Link included in its response to Staff DR-3.06 are wire centers of carriers other than AT&T Illinois, Frontier North and Frontier Communications of the Carolinas.

³⁰ The two "not-included" "partial" wire centers are: Renshaw (RNHWILXE) and Simpson (SMSNILXE).

³¹ Staff Ex. 2.01d.

³² Staff Ex. 1.0 at 46 and 68.

³³ Q Link Ex. 1.0 at 20.

³⁴ Id. at 10 ("Q LINK does not currently provide wireless service to non-Lifeline customers in Illinois") and Staff Ex. 2.02 (stating that Q Link does not offer wireless services to non-Lifeline consumers in Illinois).

317 without access to subsidies.³⁵ Thus, for obvious reasons, Q Link cannot possibly
318 present, and has not presented, evidence that it provides wireless services in any
319 part of Illinois, let alone throughout its proposed ETC service area in Illinois. Its
320 claim that it never failed to fulfill what it pledged and did present evidence that it
321 provides support services (i.e., wireless voice telephony services) throughout its
322 proposed ETC service area is refuted by information it has itself supplied.

323 **Q. You find in direct testimony that Q Link has failed to provide evidence that**
324 **it is able to provide supported services throughout its proposed ETC**
325 **service area as specified in its amended petition.³⁶ What assertions has Q**
326 **Link made regarding its ability to provide supported services throughout**
327 **its proposed ETC service area as specified in its rebuttal testimony?**

328 A. Regarding its ability to provide supported services throughout its proposed ETC
329 service area as specified in rebuttal testimony, Q Link asserts:

330 **Q: Does Q LINK have the ability to offer supported services**
331 **throughout its proposed ETC service area?**

332 A: Yes.

333 **Q: Please demonstrate how Q LINK has the ability to offer**
334 **supported services throughout its proposed ETC service**
335 **area.**

336 A. Q LINK is a wireless reseller and provides wireless services
337 using Sprint's wireless network. Q LINK is able to provide
338 wireless services throughout the coverage area for Sprint's
339 wireless network. Please see Q LINK Ex. 1.3 for coverage maps
340 that display the exchanges in the proposed ETC service areas
341 that are encompassed by Sprint's wireless network. These
342 maps correspond with the list of exchanges provided in Q LINK
343 Ex. 1.2.³⁷

344 Based upon this, Q Link claims that it is able to provide supported services
345 throughout its proposed ETC service area as specified in Q Link Ex. 1.2 and that

³⁵ Q Link amended petition at 17, Staff Ex. 1.0 at 47-48 and 67, Staff Ex. 1.3a-c and Staff Ex. 2.02.

³⁶ Staff Ex. 1.0 at 46.

³⁷ Q Link Ex. 1.0 at 6-7.

346 the maps in Q Link Ex. 1.3 display the exchanges for which it seeks designation.

347 Both claims are erroneous.

348 **Q. Has Q Link shown that it is able to provide supported services throughout**
349 **its proposed ETC service area as specified in Q Link Ex. 1.2?**

350 A. No. On the contrary, Q Link has presented sufficient evidence that it is unable to
351 provide supported services throughout its proposed ETC service area as
352 specified in Q Link Ex. 1.2. As noted above, Q Link has included in its proposed
353 ETC service area wire centers for which, by its own admission, it has not sought
354 and thus does not have the authority from this Commission to provide resold
355 wireless services as well as wire centers that are located at least in part outside
356 its underlying carrier's wireless network coverage area. This means that Q Link
357 does not have the authority or technical capability, and thus is unable, to provide
358 resold wireless services throughout its proposed ETC service area.

359 **Q. Has Q Link provided additional evidence that it is unable to provide**
360 **supported services throughout its proposed ETC service area?**

361 A. Yes. For each wire center identified in column WC_Code of Q Link Ex. 1.2, Q
362 Link provides the size of the wire center serving area, and the size and
363 percentage of the wire center servicing area that is located within its underlying
364 carrier's wireless network coverage area.³⁸ Examination of this information shows
365 that only 269 (or 27%) of the 979 wire centers in column WC_Code are located
366 entirely within its underlying carrier's wireless network coverage area, throughout

³⁸ Q Link Ex. 1.2. See also Staff Ex. 2.03a (column "total area" measures, in square mile, the size of the wire center serving area identified in column WC_Code; column "covered area" measures, in square mile, the size of the portion of the wire center serving area identified in column WC_Code that is located within Sprint wireless coverage area; column "percentage" measures the portion (%) of the wire center serving area identified in column WC_Code that is located in Sprint wireless network coverage area).

367 which Q Link has the technical capability to provide resold wireless services, and
368 the remaining 710 (or 73%) of the 979 wire centers are located in whole or in part
369 outside its underlying carrier's wireless network coverage area, throughout which
370 Q Link does not have the technical capability to provide resold wireless services.
371 Therefore, Q Link has presented additional sufficient evidence that it does not
372 have the technical ability, and is thus unable, to provide resold wireless services
373 throughout its proposed ETC service area as specified in its rebuttal testimony.

374 **Q. Is Q Link correct in the claim that the maps in Q Link Ex. 1.3 display the**
375 **exchanges in which it seeks designation?**

376 A. No. This claim is erroneous. In Q Link Ex. 1.2, Q Link provides wireless coverage
377 information by wire center and for each WC CLLI code identified in column
378 WC_Code; it does not provide wireless coverage information by exchange.³⁹ Q
379 Link Ex. 1.3 contains 979 map files corresponding to the 979 WC CLLI codes in
380 column WC_Code of Q Link Ex. 1.2, respectively. In fact, Q Link uses the 979
381 WC CLLI codes from column WC_Code of Q Link Ex. 1.2 to name the 979 map
382 files, respectively. Not surprisingly, each map in Q Link Ex. 1.3 shows the 8-digit
383 WC CLLI code and boundary of the wire center associated with the 8-digit WC
384 CLLI code in the map file name, but not the names and boundaries of the
385 exchanges served out of the wire center. For example,

386 ▪ Map File BLWDILBW.PNG, Q Link Ex. 1.3 ("Bellwood WC Map").⁴⁰ CLLI code
387 BLWDILBW is associated with Bellwood wire center, which serves a portion of
388 Bellwood exchange and a portion of Maywood exchange. Bellwood wire center
389 is bifurcated by the boundaries of Bellwood/Maywood exchanges. While it
390 shows the 8-digit WC CLLI code and boundary of Bellwood wire center,
391 Bellwood WC Map does not show the names and boundaries of the exchanges

³⁹ Q Link Ex. 1.2 and Staff Ex. 2.03a.

⁴⁰ Staff Ex. 2.03b (Bellwood WC Map).

392 served out of Bellwood wire center; in particular, it does not show the
393 boundaries of Bellwood/Maywood exchanges bifurcating Bellwood wire center.

394 ▪ Map File LGRCILLG.PNG, Q Link Ex. 1.3 (“LaGrange WC Map”).⁴¹ CLLI code
395 LGRCILLG is associated with La Grange wire center, which serves Brookfield,
396 La Grange, and Western Springs exchanges. La Grange wire center is
397 bifurcated by the boundaries of all three exchanges. While it shows the 8-digit
398 WC CLLI code and boundary of La Grange wire center, La Grange WC Map
399 does not show the names and boundaries of the exchanges served out of La
400 Grange wire center; in particular, it does not show the boundaries of these
401 three exchanges bifurcating La Grange wire center.

402 ▪ Map File LEMTILLN.PNG, Q Link Ex. 1.3 (“Lemont North WC Map”).⁴² CLLI
403 code LEMTILLN is associated with Lemont North wire center, which serves a
404 portion of Lemont exchange and a portion of Downers Grove exchange.
405 Lemont North wire center is bifurcated by Lemont and Downers Grove
406 exchanges. While it shows the 8-digit WC CLLI code and boundary of Lemont
407 North wire center, Lemont North WC Map does not show the names and
408 boundaries of the exchanges served out of Lemont North wire center; in
409 particular, it does not show the boundaries of Lemont/Downers Grove
410 exchanges bifurcating Lemont North wire center.

411 ▪ Map File WLNIGILWG.PNG, Q Link Ex. 1.3 (“Wheeling WC Map”).⁴³ CLLI code
412 WLNIGILWG is associated with Wheeling wire center, which serves Half Day
413 and Wheeling exchanges. Wheeling wire center is bifurcated by the boundaries
414 of Half Day/Wheeling exchanges. While it shows the 8-digit WC CLLI code and
415 boundary of Wheeling wire center, Wheeling WC Map does not show the
416 names and boundaries of the exchanges served out of Wheeling wire center; in
417 particular, it does not show the boundaries of Half Day/Wheeling exchanges
418 bifurcating Wheeling wire center.

419 As illustrated by these examples, while each map in Q Link Ex. 1.3 displays the
420 8-digit WC CLLI code and boundary of the wire center associated with the 8-digit
421 WC CLLI code in the map file name, it does not display the names and
422 boundaries of the associated exchanges.

423 **Q. You note in direct testimony that Sprint has made clear in the parties’**
424 **wholesale contract that “[it] does not guaranty the accuracy of the maps**
425 **[i.e., maps furnished to Q Link pursuant to the parties’ wholesale**

⁴¹ Staff Ex. 2.03c (LaGrange WC Map).

⁴² Staff Ex. 2.03d (Lemont North WC Map).

⁴³ Staff Ex. 2.03e (Wheeling WC Map).

426 **contract].”⁴⁴ Has Q Link provided information regarding the degree of**
427 **accuracy of the maps it supplies in Q Link Ex. 1.3?**

428 A. No. Q Link has not provided any information regarding the degree of accuracy of
429 the maps it supplies in Q Link Ex. 1.3. Instead, it presents a statement from
430 Sprint stating that these maps are more current and accurate than all previous
431 versions of Sprint wireless coverage maps in Illinois.⁴⁵ One would generally
432 expect the current version of any map to be more current and accurate than all
433 previous versions of the map. But, the fact that a map is more current and
434 accurate than all previous versions of it provides no information on the degree of
435 accuracy of the map. For example, the fact that a coverage map in Q Link Ex. 1.3
436 is more current and accurate than all previous versions of it does not inform
437 whether the map has a degree of accuracy of 90% (i.e., a margin of error of 10%)
438 or whether it has a degree of accuracy of 40% (i.e., a margin of error of 60%).
439 Therefore, Q Link has not provided any information regarding the degree of
440 accuracy of the maps it supplies in Q Link Ex. 1.3.

441 **Q. Please provide a summary comment regarding Q Link’s ability (or inability)**
442 **to provide supported services throughout its proposed ETC service area.**

443 A. Q Link has had three opportunities to provide an exchange-based identification of
444 its proposed ETC service area and to demonstrate its ability to provide supported
445 services throughout the identified area: petition, amended petition and rebuttal
446 testimony. It has failed at each opportunity to do so. Instead, it has supplied
447 sufficient evidence that it does not have the authority or technical ability, and is

⁴⁴ Staff Ex. 1.0 at 43-44.

⁴⁵ Q Link Ex. 1.4 and Q Link Ex. 1.0 at 7.

448 thus unable, to provide supported services throughout its proposed ETC service
449 area as specified in Q Link Ex. 1.2.

450 **C. Section 54.201(h) Evaluation**

451 **Q. On pages 9-10 of its rebuttal testimony, Q Link attempts to describe Staff's**
452 **recommendation for how the Commission should conduct Illinois Section**
453 **54.201(h) evaluations. Is Q Link's description complete?**

454 **A.** No. Q Link states in rebuttal testimony:

455 ICC Staff notes that to evaluate Q LINK's financial and technical
456 capability to provide services for which it seeks designation under
457 §54.201(h), the Commission should consider the following: (1)
458 enforcement actions and ETC revocation proceedings against Q
459 LINK in any state; (2) Q LINK's experience of providing services for
460 which it seeks designation to non-Lifeline customers in Illinois; (3)
461 how long Q LINK has been in business in Illinois; and (4) Q LINK's
462 ability to generate non-USF-sourced revenues in Illinois. ICC Staff
463 also notes that the Commission should introduce additional
464 considerations and/or specific standards the Commission deems
465 appropriate and reasonable, consistent with the FCC Guidelines.⁴⁶

466 Q Link's description of Staff's recommendation for how the Commission should
467 conduct its Section 54.201(h) evaluation is incomplete. What it states are the
468 general guidelines the Commission should follow when performing its Section
469 54.201(h) evaluation, consistent with the Lifeline Reform Order.⁴⁷ As I state after
470 enumerating these guidelines, the objective of the Commission's Section
471 54.201(h) evaluation should be to "determine, based on its wireless service
472 record in Illinois, whether Q Link has proven that it has the ability to profitably and
473 legitimately maintain a wireless telecommunications operation in Illinois
474 independent of access to subsidies."⁴⁸ Consistent with FCC guidelines (provided

⁴⁶ Q Link Ex. 1.0 at 9-10.

⁴⁷ Staff Ex. 1.0 at 23-25 and Lifeline Reform Order (FCC 12-11) at ¶388.

⁴⁸ Staff Ex. 1.0 at 24-25 (emphasis added).

475 in the Lifeline Reform Order), Staff recommends six specific factors to be
476 considered for the Commission's Section 54.201(h) evaluation.⁴⁹ In order to pass
477 the Illinois Section 54.201(h) evaluation (that Staff recommends based on FCC
478 guidelines), Q Link must satisfy each of the evaluation criteria and demonstrate,
479 based upon its wireless track record in Illinois, that it is able to compete for
480 wireless end user customers in Illinois without access to subsidies. Q Link has
481 failed at this and thus the Illinois Section 54.201(h) evaluation.⁵⁰

482 **Q. You state in direct testimony that Q Link has not provided, and has pledged**
483 **not to provide unless and until it is granted access to subsidies, wireless**
484 **services to consumers in Illinois.⁵¹ How does Q Link respond?**

485 A. Q Link reiterates what it has previously conveyed: it does not provide wireless
486 services to non-Lifeline consumers in Illinois⁵² and it promises to provide wireless
487 services to non-Lifeline consumers in Illinois when and if it is granted access to
488 subsidies.⁵³ This is consistent with what I have stated in direct testimony.⁵⁴

489 **Q. Q Link claims that “[it] has been providing wholesale telecommunications**
490 **services in Illinois since 2012.”⁵⁵ Is there any evidence to support its claim?**

491 A. No. Q Link made no such claim in its compliance plan or petition.⁵⁶ It asserts this
492 for the first time in rebuttal testimony.⁵⁷ Such a claim, even if substantiated, which

⁴⁹ Id. at 28-31.

⁵⁰ Id. at 47-48.

⁵¹ Id. at 47-48 and Staff Ex. 1.3a-c. See also Staff Ex. 2.02.

⁵² Q Link Ex. 1.0 at 10.

⁵³ Id. at 11 and 14.

⁵⁴ Staff Ex. 1.0 at 47-48 and Staff Ex. 1.3a-c. See also Staff Ex. 2.02.

⁵⁵ Q Link Ex. 1.0 at 11 (emphasis added).

⁵⁶ Q Link compliance plan (<http://apps.fcc.gov/ecfs/document/view?id=7021995283>) at 22 and Q Link amended petition (December 13, 2012) at 15-16.

⁵⁷ In addition, Q Link does not specify whether the “wholesale telecommunications services” it claims to provide in Illinois are wireless or wireline services or prepaid calling card services. However, according to its response to Staff DR-5.07, the only products and services it offers aside from its primary activity (i.e.,

511 xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx ***.⁶⁰ According to its third response to Staff DR-2.06, it
512 has not provided wholesale telecommunications services in Illinois.⁶¹ Hence, Q
513 Link's claim that it has been providing wholesale telecommunications services in
514 Illinois since 2012 is not only unsupported but refuted by evidence in the record.

515 **Q. Do you have additional comment regarding Q Link's claim that it has been**
516 **providing wholesale telecommunications services in Illinois since 2012?**

517 A. Yes. According to its 2012 audit report, Q Link's primary activity is the provision
518 of prepaid wireless services to Lifeline consumers.⁶² Based upon its response to
519 Staff DR-5.07, aside from its primary activity, the only products and services it
520 offers are "wholesale prepaid calling cards services."⁶³ By the claim of providing
521 wholesale telecommunications services in Illinois, I presume that Q Link claims to
522 have been providing prepaid calling card services at wholesale in Illinois since
523 2012.

524 Section 13-404.1(b) of the Illinois Public Utilities Act ("IPUA") states:

525 Sec. 13-404.1. Prepaid calling service authority; rules.

526 (b) On and after July 1, 2005, it shall be unlawful for any prepaid
527 calling service provider to offer or provide or seek to offer or provide
528 to any distributor, prepaid calling service reseller, prepaid calling
529 service retailer, or end user any prepaid calling service unless the
530 prepaid calling service provider has applied for and received a

⁶⁰ Staff Ex. 2.04b. I have also found no evidence on Q Link's website (<https://qlinkwireless.com>) or the website of its managing member Quadrant Holdings (<http://quadrantholdings.com>) that Q Link provides or provided wholesale telecommunications services in any state, in particular, in Illinois.

⁶¹ Staff Ex. 1.3c. According to the Company (Q Link Ex. 1.0 at 14), the customer counts provided in its third response to Staff DR-2.06 (i.e., Staff Ex. 1.3c) are the numbers of its wholesale customers. This response shows that Q Link has not served any wholesale customers in Illinois. I will address Q Link's erroneous assertion that it should include wholesale customer counts in its response to Staff DR-2.06 later in this testimony.

⁶² Q Link Ex. 1.6 (Public) at 8.

⁶³ Staff Ex. 2.06.

531 Certificate of Prepaid Calling Service Provider Authority from the
532 Commission.⁶⁴

533 Thus, before it may provide prepaid calling services at wholesale or/and at retail
534 in Illinois, Q Link must obtain a certificate of prepaid calling service authority from
535 this Commission under Section 13-404.1 of the IPUA. To my knowledge, it has
536 not done so.⁶⁵ If Q Link has been providing (wholesale) prepaid calling services
537 in Illinois since 2012, it has done so in violation of Section 13-404.1 of the PUA
538 since 2012.

539 **Q. Q Link refers to the prior experiences of its management in Illinois. Does**
540 **this alter your finding that Q Link has failed the Illinois Section 54.201(h)**
541 **evaluation?**

542 A. No. The Company states:

543 Q LINK management has successfully provided
544 telecommunications services in Illinois for over 15 years.⁶⁶

545 Issa Asad and Mariane Fahmy have over 15 years of experience in
546 marketing and providing non-Lifeline telecommunications services
547 throughout the United States, including without limitation Illinois.⁶⁷

548 Issa Asad has successfully marketed and serviced
549 telecommunications products and services in the state of Illinois for
550 over 15 years.⁶⁸

551 Q Link was incorporated in August 2011.⁶⁹ It did not provide wireless services
552 prior to August 2012 and has not provided any services for over 15 years in any
553 state.⁷⁰ In particular, it has not provided wireless services in Illinois for any length

⁶⁴ 220 ILCS 5/13-404.1(b).

⁶⁵ <http://www.icc.illinois.gov/utility/default.aspx?n=Q+LINK> (accessed January 27, 2014).

⁶⁶ Q Link Ex. 1.0 at 10.

⁶⁷ *Id.* at 11 and 15.

⁶⁸ *Id.* at 14.

⁶⁹ Staff Ex. 1.0 at 38.

⁷⁰ *Id.* at 58.

554 of time, much less for over 15 years.⁷¹ Based upon this, I understand that, by the
555 “over 15 years” claims, Q Link claims that individual members of its management
556 worked for other entities, collectively, for over 15 years, which, according to it,
557 provided telecommunications services in Illinois. In other words, after failing to
558 present its own track record of providing wireless services to consumers in
559 Illinois, Q Link attempts to borrow track records of other entities for which
560 individual members of its management worked in the past.

561 There is no evidence to suggest that Mr. Asad, in his capacity of working for
562 other entities, has marketed and provided telecommunications services to end
563 user customers in Illinois for any length of time, much less for over 15 years.⁷²
564 Mr. Asad’s work history includes: Quadrant Holdings (2011-present), Q Link
565 (2011-present), IPrepay (2000-2008), X Change Communications (2000-2008),
566 Reliable Telecard (2000-present), Prepaid Technologies (1996-2001), WorldCom
567 (Miami, Florida) (1995-1996), and Fine Food Supermarkets (1991-1999).⁷³ With
568 the exceptions of WorldCom and Q Link, none of these companies has ever
569 been certified to provide telecommunications services in Illinois. WorldCom was
570 certified to provide local and interexchange services in Illinois during Mr. Asad’s
571 brief’s stay with WorldCom’s Miami office.⁷⁴ Mr. Asad’s particular achievement

⁷¹ Id. at 47-48.

⁷² In response to Staff’s request to provide copies of its officers’ resumes, Q Link provided resumes of Mr. Asad, its CEO, and Mr. Ron Rechtman, its Chief Technical Officer. Staff Ex. 2.07. Mr. Rechtman’s work history includes: Quadrant Holdings, Q Link Wireless, Kaplan, Money4Gold, Bureau Veritas, JMSolutions, CorlukaLink, Oxonia Insurance, gMed, Veretech/Intelliprice, Citrix, the Eagle Force Associates, UPSGI/NHRX/Nations Health, and NuMind. See Staff Ex. 2.07. With the exception of Q Link, none of the entities Mr. Rechtman has worked for has been certified to provide telecommunications services in Illinois. .

⁷³ Staff Ex. 2.07.

⁷⁴ <http://www.icc.illinois.gov/utility/profile.aspx?id=1384> (accessed January 17, 2014).

572 with WorldCom appears to be, according to his resume, helping to secure “[an]
573 exclusive prepaid phone card deal with Michael Jordon.” There is no evidence
574 that, during his brief stay with WorldCom’s Miami office, Mr. Asad was involved in
575 WorldCom’s telecommunications operation in Illinois and, in particular, in
576 marketing and providing WorldCom’s telecommunications services to consumers
577 in Illinois. While certified to provide resold wireless telecommunications services
578 in Illinois, Q Link has not offered (and will not offer unless granted access to
579 subsidies) wireless services to end user customers in Illinois; it has, therefore,
580 not marketed and provided wireless (non-Lifeline) services to end user
581 customers in Illinois. All in all, there is no evidence that Mr. Asad has marketed
582 and provided telecommunications services to end user customers in Illinois at all,
583 let alone for over 15 years.

584 More importantly, the objective of the Illinois Section 54.201(h) evaluation is to
585 determine the ETC applicant’s ability to compete for wireless end user customers
586 in Illinois without access to subsidies. The numbers of years its individual
587 employees have worked for other entities are not, by themselves, proof that Q
588 Link has – or has not – the ability to compete for wireless end user customers in
589 Illinois without access to subsidies. To the extent that the numbers of years these
590 individuals worked for other entities in the telecommunications services sector
591 bear on Q Link’s wireless operation in Illinois, the impact should be reflected in Q
592 Link’s wireless services and wireless performance record in Illinois. As Q Link,
593 not any other entity, is seeking designation, the Commission’s Section 54.201(h)
594 evaluation should directly examine Q Link’s track record of providing wireless

595 services to end user customers in Illinois and determine, based upon such
596 record, whether Q Link has established that it is able to compete for wireless end
597 user customers in Illinois without access to subsidies.

598 Last but not least, notwithstanding the numbers of years individual members of
599 its management have worked for other entities, the fundamental fact remains: Q
600 Link has not successfully competed for wireless end user customers in Illinois
601 and has not proven, based on its wireless track record in Illinois, that it is able to
602 compete for wireless end user customers in Illinois without access to subsidies.

603 **Q. Q Link states: “In each of the jurisdictions where Q LINK has been granted**
604 **ETC designation, the state commissions have determined that Q LINK is**
605 **technically and financially capable of providing service.”⁷⁵ Does this alter**
606 **your finding that Q Link has failed the Illinois Section 54.201(h) evaluation?**

607 **A.** No. Q Link seems to argue that it should be deemed to pass this Commission’s
608 Section 54.201(h) evaluation because other state commissions have reached an
609 affirmative finding in their Section 54.201(h) evaluations. This argument is ill-
610 founded. Each state commission, including this Commission, determines its own
611 eligibility criteria for ETC designation, consistent with rules and laws. Whether a
612 carrier would or should be found to be financially and technically capable under
613 Section 54.201(h) of the FCC rules in a state depends on the evaluation criteria
614 the state commission uses and facts and circumstances specific to the carrier in
615 the state. This Commission decides evaluation criteria for Illinois Section
616 54.201(h) evaluations, consistent with FCC guidelines, and determines whether
617 each applicant has met Illinois evaluation criteria. It is irrelevant how many other

⁷⁵ Q Link Ex. 1.0 at 10.

618 state commissions have – or have not – found, based upon their own evaluation
619 criteria and facts and circumstances specific to Q Link in the respective states,
620 that it is financially and technically capable in their respective states. What is
621 pertinent in Illinois is whether Q Link has met each evaluation criterion for the
622 Illinois Section 54.201(h) evaluation and established, based upon its Illinois
623 wireless track record, that it is able to compete for wireless consumers in Illinois
624 without access to subsidies, which it has failed to do.⁷⁶

625 **Q. In rebuttal testimony, Q Link asserts that “[it] has a direct agreement with**
626 **Sprint to provide wireless service over the Sprint network”⁷⁷ and “[t]here is**
627 **no reason to suggest that Q LINK lacks the adequate experience to provide**
628 **wireless services to customers in Illinois.”⁷⁸ Please comment.**

629 A. Having a resale agreement is, for obvious reasons, necessary for a reseller to
630 provide resold wireless services. However, it is not proof that the reseller has the
631 ability to compete for wireless end user customers in Illinois without access to
632 subsidies. For example, Q Link’s agreement with Sprint, entered into on March 7,
633 2012, has not transformed Q Link into a viable wireless telecommunications
634 carrier in Illinois; despite its agreement with Sprint, Q Link has not successfully
635 competed for wireless end user customers in Illinois without access to subsidies.

636 Q Link contends that there is no reason to suggest that it is unable to compete
637 for wireless consumers in Illinois. But, this is not the question Q Link has the
638 burden of proof to answer. For the Illinois Section 54.201(h) evaluation, the
639 fundamental question is not whether there is evidence to establish Q Link’s

⁷⁶ Staff Ex. 1.0 at 47-48.

⁷⁷ Q Link Ex. 1.0 at 10.

⁷⁸ Id.

674 account with the Company) or provides for prospective non-Lifeline customers to
675 sign up online for its wireless non-Lifeline services.⁹¹ To the question “How do I
676 apply for Q LINK Wireless?” Q Link states:

677 **How do I apply for Q Link Wireless?**

678 You can apply for Lifeline service with Q Link Wireless:

679 **Online:** This is the easiest and best way to apply. Simply visit
680 www.qlinkwireless.com/register and then enter your email address
681 and home zip code in the sign up area. You will be guided through
682 the application process. Please be sure and send us documents
683 that prove your eligibility. We cannot complete your application and
684 send out your free cell phone until we receive your proof
685 documents.

686 **By Mail:** If you prefer to apply by mail, you can download and print
687 an application here.

688 **Over the Phone:** You may also call us, Toll-Free, at 1-888-680-
689 3663.⁹²

690 That is, on its website, applying for Q Link’s wireless services means applying for
691 Q Link’s wireless Lifeline services. The web link “www.qlinkwireless.com/register”
692 leads to a webpage where a prospective Lifeline customer may sign up online for
693 Q Link’s Lifeline services. The web link “here” under the “By Mail” option also
694 leads to a webpage (<https://www.qlinkwireless.com>) where a prospective Lifeline
695 customer may initiate the online Lifeline enrollment.⁹³

⁹¹ But, it appears that Q Link permits its former Lifeline customers (i.e., customers that were but are no longer on its Lifeline roll) to add minutes to the customers’ existing accounts or “Lifeline” phones. (<http://qlinkwireless.com/faq/other-questions/do-i-have-to-return-phone-if-de-enroll.aspx>, accessed January 14, 2014).

⁹² <http://qlinkwireless.com/faq/applying/how-to-apply.aspx> (accessed January 16, 2014).

⁹³ <https://www.qlinkwireless.com> (accessed January 15, 2014). In the past, the “here” link would lead to the “download application” webpage <http://qlinkwireless.com/download-application.aspx> (accessed on August 20, 2013) where a prospective customer could select its residence state and then download a Lifeline application form, which it could complete, sign and mail in to apply for Q Link’s Lifeline services.

696 Q Link's customer service toll free lines (1-855-754-6543 and 1-888-680-3663)
697 provide nine options: the first option is for prospective Lifeline customers to sign
698 up for Q Link's wireless Lifeline services; the sixth option is for adding minutes to
699 a customer's existing account; none of the nine options is for prospective non-
700 Lifeline customers (i.e., customers not currently maintaining an account with the
701 Company) to sign up for Q Link's wireless non-Lifeline services.⁹⁴

702 In sum, Q Link's claim that it has been providing wireless services to non-Lifeline
703 (and Lifeline) end user customers in its ETC states is refuted by evidence in the
704 record and unsupported by its website and customer service toll free lines.

705 **Q. Has Q Link supplied additional evidence to refute the claim that it will**
706 **provide wireless services to non-Lifeline (and Lifeline) consumers in a**
707 **state after receiving designation in the state and the claim that it has**
708 **provided wireless services to non-Lifeline (and Lifeline) consumers in its**
709 **ETC states?**

710 A. Yes. According to its 2012 audit report, Q Link's primary activity is "prepaid
711 wireless telecommunications carrier designated as an Eligible
712 Telecommunications Carrier ('ETC') solely for the purpose of participating in the
713 Lifeline Program."⁹⁵ In short, its primary activity is the provision of prepaid
714 wireless services to Lifeline customers. According to the Company, aside from its
715 primary activity, the only products and services it offers are "wholesale prepaid
716 calling cards services."⁹⁶ This means that Q Link does not offer wireless
717 telecommunications services to non-Lifeline end user customers. This contradicts

⁹⁴ The customer service toll free lines additionally provide the options of pressing "0" and "*", both of which lead to the repeat of the nine options (accessed January 15, 2014).

⁹⁵ Q Link Ex. 1.6 (Public) at 8.

⁹⁶ Staff Ex. 2.06.

718 its claim that it will launch wireless services to non-Lifeline (and Lifeline) end user
719 customers after receiving designation in a state (including Illinois) and its claim
720 that it has been providing wireless services to non-Lifeline end user customers in
721 its ETC states.

722 **Q. Had its claim of providing wireless services to non-Lifeline (and Lifeline)**
723 **consumers in its ETC states been credible, which it is not, would it alter**
724 **Staff’s recommendation that the Commission find that Q Link has failed the**
725 **Illinois Section 54.201(h) evaluation?**

726 A. No. In order to pass the Illinois Section 54.201(h) evaluation outlined in Staff’s
727 direct testimony, Q Link must satisfy all evaluation criteria enumerated therein
728 and demonstrate, based upon its track record of providing wireless services to
729 end user customers in Illinois, that it is able compete for wireless end user
730 customers in Illinois without access to subsidies.⁹⁷ Q Link has failed to satisfy
731 these evaluation criteria and thus the Illinois Section 54.201(h) evaluation.⁹⁸ Its
732 claim of providing wireless services to non-Lifeline (and Lifeline) consumers in its
733 ETC states, even if it were credible, which it is not, does not change this fact or
734 Staff’s finding that it has failed the Illinois Section 54.201(h) evaluation as
735 outlined in Staff’s direct testimony.

736 **Q. Q Link promises to provide wireless telecommunications services to non-**
737 **Lifeline (and Lifeline) end users in Illinois if it is granted access to (Lifeline)**

⁹⁷ Staff Ex. 1.0 at 22-31 and 47-54. Under the Illinois Section 54.201(h) evaluation (outlined in Staff’s direct testimony), the Commission should also consider Q Link’s post-designation performance record (e.g., non-Lifeline ratio) in its ETC states in limited circumstances in which it has passed other preliminary considerations, and in particular, preliminary considerations of its wireless performance record in Illinois (and, where its wireless performance record in Illinois is marginally inadequate, its comparable non-Illinois wireless performance records). Staff Ex. 1.0 at 27-28. Such limited circumstances do not arise in this proceeding, because Q Link has failed the preliminary consideration of its Illinois track record of providing wireless services to end user customers.

⁹⁸ Staff Ex. 1.0 at 22-31 and 47-54.

738 **subsidies.⁹⁹ Should the Commission afford any weight to such promise for**
739 **the Illinois Section 54.201(h) evaluation?**

740 A. No. Q Link claims in its compliance plan that it will provide wireless services to
741 non-Lifeline (and Lifeline) consumers in a state after receiving designation in the
742 state.¹⁰⁰ As shown above, this promise, contrary to its claim, has not been borne
743 out in its ETC states. There is no basis to believe that its promise for Illinois is
744 more credible than its promises for other states have been. Most importantly,
745 consistent with FCC guidelines, the Commission's Section 54.201(h) evaluation
746 should be based upon an applicant's record of providing supported services to
747 end user customers in Illinois, not its willingness to make promises and
748 assertions. Therefore, the Commission should not afford any weight to this Q
749 Link promise for the Illinois Section 54.201(h) evaluation.

750 **Q. In discussing its third response to Staff DR-2.06, you state that Q Link**
751 **provides no explanation, credible or not, for its creation of more than *****
752 **xxxxxx *** wireless non-Lifeline end user customers and that its third**
753 **response to Staff DR-2.06 is inconsistent with its certified statements to the**
754 **FCC.¹⁰¹ How does Q Link respond?**

755 A. Regarding its third response to Staff DR-2.06, Q Link asserts:

Q: Please explain what Staff notes as the reversal of non-Lifeline customer information.

A: Q LINK interpreted the term "non-Lifeline customers" improperly and limited its response to identifying wireless customers in Illinois – for which Q LINK has none. As such, Q LINK's initial response was zero.

⁹⁹ Q Link Ex. 1.0 at 11 and 14, Q Link amended petition at 15 and 17, Staff Ex. 2.02 and Staff Ex. 1.0 at 47-48.

¹⁰⁰ Q Link compliance plan (<http://apps.fcc.gov/ecfs/document/view?id=7021995283>) at 22 ("Q LINK will provide service to both Lifeline and non-Lifeline customers. Q LINK intends to launch its retail and Lifeline wireless service simultaneously").

¹⁰¹ Staff Ex. 1.0 at 54-59.

762 Once Q LINK realized that the term “non-Lifeline customers”
763 only excluded Lifeline customers, therefore, it should identify its
764 wholesale customer base, it took corrective action and provided
765 its customer line count for same [i.e., its wholesale
766 customers].¹⁰²

767 Based upon this, Q Link claims that it misinterpreted Staff DR-2.06 and the term
768 “non-Lifeline customers” and it should not have limited but did limit its first/second
769 responses to Staff DR-2.06 to wireless non-Lifeline end user customers and that,
770 because of its new found realization (of Staff DR-2.06 and the term “non-Lifeline
771 customers”), it took the “corrective action” to insert into its third response to Staff
772 DR-2.06 customers that are not wireless non-Lifeline end user customers, i.e.,
773 wholesale customers. However, its claim of the new found realization that the
774 term “non-Lifeline customers” should not be limited to end user customers and
775 the new found realization that its response to Staff DR-2.06 should not be limited
776 to wireless or end user customers is not credible. Its justification for its “corrective
777 action” serves to confirm that it has improperly inflated the requested customer
778 counts from the level of *** xxxx *** in its third response to Staff DR-2.06.

779 **Q. Has Q Link provided any valid basis for its new found realization of the**
780 **term “non-Lifeline customers”?**

781 A. No, it has not and cannot. By claiming this new found realization (that the term
782 “non-Lifeline customers” should also include wholesale customers) as a basis for
783 its revising up the requested customer counts in its third response to Staff DR-
784 2.06, Q Link tacitly admits that it interpreted the term “non-Lifeline customers” to
785 mean end user customers when preparing its first and second responses to Staff
786 DR-2.06 but it then somehow came to this new found realization that the term

¹⁰² Q Link Ex. 1.0 at 14.

787 “non-Lifeline customers” somehow should not be limited to end user customers
788 and should instead include wholesale customers as well.

789 Lifeline services are, by definition, services subsidized by the federal Lifeline
790 program and Lifeline customers are, accordingly, end user customers who qualify
791 for and purchase Lifeline services. Non-Lifeline customers are the counterpart of
792 Lifeline customers, i.e., end user customers that are not Lifeline customers. In
793 short, the term “non-Lifeline customers” is used to distinguish end user
794 customers not purchasing Lifeline services from end user customers purchasing
795 Lifeline services. To my knowledge, wholesale customers have never been
796 referred to by the FCC or this Commission as “non-Lifeline customers;” or
797 conversely, the term “non-Lifeline customers” has never been used by the FCC
798 or this Commission to refer to wholesale customers. Notably, this Commission’s
799 wireless ETC rules specifically state that the term “customers” means end users
800 (i.e., end user customers), who purchase telecommunications services for their
801 own consumption and not for resale to other entities.¹⁰³

802 Not surprisingly, while claiming the so-called new found realization of the term
803 “non-Lifeline customers,” Q Link has not identified a single FCC’s rule or Order or
804 this Commission’s rule or Order that uses the term “non-Lifeline customers” to
805 refer to wholesale customers, thereby triggering its new found realization and
806 ensuing switching in interpretation of the term “non-Lifeline customers.”¹⁰⁴ While

¹⁰³ 83 Ill. Adm. Code Part 736, Section 736.105 and 220 ILCS 5/13-217.

¹⁰⁴ The FCC used the term “non-Lifeline customers” once in its Lifeline Reform Order and used it to refer to end user customers who do not purchase Lifeline/Linkup services and are thus not subsidized by federal Linkup program: “Indeed, as noted above, we are concerned that Link Up support may act as an

807 self-serving, Q Link’s claim of this new found realization of the term “non-Lifeline
808 customers” is utterly without a basis in fact or law.

809 **Q. Does Q Link’s new found realization of the term “non-Lifeline customers,”**
810 **if it were credible, justify its revising up the requested customer counts in**
811 **its third response to Staff DR-2.06?**

812 A. No. Q Link’s so-called new found realization of the term “non-Lifeline customers,”
813 even if it were credible, does not in any way justify its revising up the requested
814 customer counts in its third response to Staff DR-2.06 from the level of *** xxxx
815 ***. Staff DR-2.06 requests that Q Link provide the numbers of its wireless non-
816 Lifeline end user customers by state by month:

817 Staff DR-2.06

818 For each state in which Q Link offered wireless service to non-
819 Lifeline end user customers in any month between August 2011
820 and March 2013, please report the following information in
821 spreadsheet format:

822 A. Please identify the state and the month/year in which Q Link
823 began providing wireless service to non-Lifeline end user
824 customers in the state.

825 B. Please provide, by month, the total number of Q Link wireless
826 non-Lifeline end user customers in the state for the period
827 beginning August 2011 and ending March 2013.

828 C. For each wireless plan offered to non-Lifeline end user
829 customers in the state,

830 1. Please identify the month/year in which Q Link began
831 offering the wireless plan to non-Lifeline end user customers
832 in the state; and

833 2. Please provide, by month, the number of Q Link wireless
834 non-Lifeline end user customers subscribing to the wireless
835 plan in the state for the period beginning August 2011 and
836 ending March 2013.¹⁰⁵

incentive for ETCs that focus primarily or exclusively on the low-income market to charge higher activation fees to Lifeline consumers than typically are charged by other ETCs to non-Lifeline customers” (emphasis added). Lifeline Reform Order at ¶249.

¹⁰⁵ Staff Ex. 1.3 (emphasis added).

837 Staff DR-2.06 is clear and unmistakable: the requested customer counts are the
838 numbers of Q Link’s wireless non-Lifeline end user customers and do not include
839 wholesale customers or non-wireless (wholesale or end user) customers.

840 Q Link provided its first and second responses to Staff DR-2.06 on May 6 and
841 May 13, 2013, respectively.¹⁰⁶ According to these responses, the numbers of its
842 wireless non-Lifeline end user customers in each state and in each month are ***
843 xxxx ***.¹⁰⁷ On June 20, 2013, Q Link informed that “[it] is running their customer
844 count numbers again.”¹⁰⁸ On July 22, 2013, it revised up the requested customer
845 counts from the level of *** xxxx *** in its third response to Staff DR-2.06.¹⁰⁹
846 According to its rebuttal testimony, it did so (i.e., revising up the requested
847 customer counts) because of its new found realization that it should not have
848 limited (but did limit) its first and second responses to Staff DR-2.06 to wireless
849 end user customers and it should not have interpreted (but did interpret) the term
850 “non-Lifeline customers” to mean end user customers.¹¹⁰ But, as shown above,
851 Staff DR-2.06 is clear and unmistakable and leaves no room for such erroneous
852 new found realization: the requested customer counts are wireless non-Lifeline
853 end user customers and do not include wholesale customers or non-wireless
854 (wholesale or end user) customers. Hence, Q Link’s claim of this new found

¹⁰⁶ Staff Ex. 1.0 at 54-55 and Staff Ex. 1.3a-b.

¹⁰⁷ Id.

¹⁰⁸ Staff Ex. 2.08. See also Staff Ex. 1.0 at 55 and fn. 76. I note that, about two weeks before Q Link’s notice of running its customer numbers again, Staff submitted testimony in a different ETC proceeding (Global Connection ETC proceeding, ICC Docket No. 11-0579) in which Staff recommends that, for the Illinois Section 54.201(h) evaluation, the Commission should consider, among other things, whether Global Connection has maintained a non-Lifeline ratio of 20% or above (i.e., with wireless non-Lifeline end user customers making up for 20% or more of its wireless end user customers) in each of its ETC states. Staff Ex. 1.0, ICC Docket No. 11-0579, at 39.

¹⁰⁹ Staff Ex. 1.0 at 55-58 and Staff Ex. 1.3c.

¹¹⁰ Q Link Ex. 1.0 at 14.

855 realization (of Staff DR-2.06 and the term “non-Lifeline customers”) as the basis
856 for inflating the requested customer counts in its third response to Staff DR-2.06
857 is simply not credible. By taking the so-called “corrective action” of inserting
858 wholesale customers, Q Link has improperly inflated the requested customer
859 counts in its third response to Staff DR-2.06 from the level of *** xxxx ***.

860 **Q. In direct testimony, you discuss the discrepancy between Q Link’s Lifeline**
861 **customer counts provided in May and July 2013 and the mismatch between**
862 **its May 2013 response to Staff DR-2.07 and FCC Form 497.¹¹¹ How does Q**
863 **Link respond?**

864 A. Regarding discrepancies in its Lifeline customer counts, Q Link asserts:

865 **Q: Please explain what Staff notes as the discrepancy in**
866 **Lifeline customer counts between the numbers provided in**
867 **May 2013, the numbers provided in July 2013, and the**
868 **numbers claimed on FCC Form 497.**

869 A: As to the May and July 2013 customer counts, see Q LINK’s
870 answer to the question above. As to the FCC Form 497, Q LINK
871 is not required to identify its wholesale customer count and,
872 therefore, did not include those lines on that form.¹¹²

873 By referring to its “answer to the question above,” Q Link tacitly claims that, like
874 Staff DR-2.06, it misinterpreted Staff DR-2.07 and should not have limited (but
875 did limit) its first/second responses to Staff DR-2.07 to wireless Lifeline end user
876 customers and that, because of this new found realization, it inserted wholesale
877 customers into the requested customer counts in its third response to Staff DR-
878 2.07, which, according to it, accounts for the discrepancy in the requested
879 customer counts provided in May and July 2013 and the mismatch between its
880 response to Staff DR-2.07 and FCC Form 497. However, Q Link’s claim of the

¹¹¹ Staff Ex. 1.0 at 59-66.

¹¹² Q Link Ex. 1.0 at 14-15.

881 new found realization of Staff DR-2.07 is simply not credible; the alleged insertion
882 of wholesale customers into the requested customer counts in its third response
883 to Staff DR-2.07 not only is improper but also fails to account for the mismatch
884 between its response to Staff DR-2.07 and FCC Form 497.

885 **Q. Why Q Link's claim of the new found realization that its response to Staff**
886 **DR-2.07 should not be limited to wireless end user customers is simply not**
887 **credible?**

888 A. Staff DR-2.07 requests that Q Link provide the numbers of its wireless Lifeline
889 end user customers by month and by state:

890 Staff DR-2.07

891 For each state in which Q Link has been designated as a wireless
892 ETC, please report the following information in spreadsheet format:

893 A. Please identify the month/year in which Q Link was designated
894 as a wireless ETC in the state.

895 B. Please provide, by month, the total number of Q Link wireless
896 Lifeline end user customers in the state for the period beginning
897 August 2011 (or the month in which Q Link was designated as a
898 wireless ETC in the state, whichever comes later) and ending
899 March 2013.

900 C. For each wireless plan offered to Lifeline end user customers in
901 the state,

902 1. Please identify the month/year in which Q Link began
903 offering the wireless plan to Lifeline customers in the state;
904 and

905 2. Please provide, by month, the number of Q Link wireless
906 Lifeline end user customers subscribing to the wireless plan
907 in the state for the period beginning August 2011 (or the
908 month in which Q Link was designated as a wireless ETC in
909 the state, whichever comes later) and ending March 2013.¹¹³

910 Staff DR-2.07 is clear and unmistakable, leaving no room for misinterpretation:

911 the requested customer counts are wireless Lifeline end user customers and do

¹¹³ Staff Ex. 1.4 (emphasis added).

912 not include wholesale customers or non-wireless (wholesale or end user)
913 customers. Contrary to its implied notion that Staff DR-2.07 requires it to include
914 wholesale customers,¹¹⁴ not only Staff DR-2.07 does not require Q Link to
915 include wholesale customers but it requires Q Link to exclude wholesale
916 customers by specifying the customer type as (Lifeline) wireless end user
917 customers. Q Link's claim of this new found realization that its response to Staff
918 DR-2.07 should not be limited to wireless end user customers is clearly not
919 credible.

920 **Q. Why Q Link's alleged insertion of wholesale customers into the customer**
921 **counts in its response to Staff DR-2.07 does not account for the mismatch**
922 **between its response to Staff DR-2.07 and FCC Form 497?**

923 A. Lifeline services are, by definition, services subsidized by the federal Lifeline
924 program and Q Link's Lifeline customer counts are, accordingly, the numbers of
925 end user customers to whom it has provided Lifeline-discounted services and for
926 whom it has claimed Lifeline support from the federal Lifeline program.¹¹⁵ Its
927 Lifeline customer counts in its response to Staff DR-2.07 should, but do not,
928 match those on its FCC Form 497.¹¹⁶ The alleged insertion of wholesale
929 customers into its third response to Staff DR-2.07 cannot account for the
930 mismatch between its second response to Staff DR-2.07 and its FCC Form 497
931 discussed in Staff direct testimony.¹¹⁷ Were it attributed to the alleged insertion of
932 wholesale customers, the mismatch, which occurs in 46% of the cases, should

¹¹⁴ Q Link Ex. 1.0 at 14-15 (in explaining the mismatch between its response to Staff DR-2.07 and FCC Form 497, the Company claims that "[a]s to the FCC Form 497, Q LINK is not required to identify its wholesale customer count and, therefore, did not include those lines on that form [i.e., FCC Form 497]").

¹¹⁵ Staff Ex. 1.0 at 59-60.

¹¹⁶ Id. at 60.

¹¹⁷ Id.

933 have occurred in one direction, with Lifeline customer count in its response to
934 Staff DR-2.07 exceeding that on its FCC Form 497 in each of the 46% cases; but
935 it is not so.¹¹⁸ Therefore, the alleged insertion of wholesale customers (for whom
936 Q Link claims it did not claim Lifeline support on FCC Form 497) into its (third)
937 response to Staff DR-2.07 not only is improper but fails to explain the mismatch
938 between its response to Staff DR-2.07 and FCC Form 497 discussed in Staff
939 direct testimony.

940 **Q. What assertions has Q Link made in its rebuttal testimony regarding its**
941 **ability to produce revenues from sources other than Lifeline support?**

942 A Q Link claims that it has never relied, and will not rely, exclusively on Lifeline
943 support for its revenue sources and it produces revenues primarily from sources
944 other than Lifeline support:

945 Q LINK's total non-USF-sourced revenues for all jurisdictions
946 account for over 70% of its total revenues. Q LINK does not rely,
947 and will not rely, [exclusively] on the USF to operate.¹¹⁹

948 Q LINK generates substantial revenues from non-Lifeline services;
949 more than 70% of Q LINK's total revenues are generated from non-
950 Lifeline products and services.¹²⁰

951 [T]he Company has never relied, and will not be relying, either in
952 Illinois or in any other state, exclusively on Lifeline reimbursements
953 for its operating revenues.¹²¹

954 Among the most relevant considerations for such a showing would
955 be whether the applicant receives or will receive revenue from other
956 sources. Q LINK has shown that it does, and will continue to,
957 receive revenue from other sources in servicing 22 other

¹¹⁸ Staff Ex. 2.09.

¹¹⁹ Q Link Ex. 1.0 at 11.

¹²⁰ Id.

¹²¹ Q Link Ex. 1.0 at 12.

958 jurisdictions [i.e., its ETC states] with its Lifeline and retail prepaid
959 wireless service.¹²²

960 **Q. Does the claim that Q Link has never relied, and will not rely, exclusively on**
961 **Lifeline support for its revenue sources in its ETC states alter Staff's**
962 **finding that Q Link has failed the Illinois Section 54.201(h) evaluation?**¹²³

963 A. No. Q Link's claim that it has never relied, and will not rely, exclusively on Lifeline
964 support for its revenue sources in its ETC states, even if credible, which is not,
965 does not alter Staff's finding that it has failed the Illinois Section 54.201(h)
966 evaluation. The Illinois Section 54.201(h) evaluation (that Staff recommends
967 based upon FCC guideline) considers, among other things, whether Q Link has
968 provided wireless services to end user customers in Illinois and, in particular,
969 whether Q Link has proven, based upon its wireless track record in Illinois, that it
970 is able to compete for wireless end user customers in Illinois without access to
971 subsidies. Its alleged ability to produce revenues from sources other than Lifeline
972 support in its some other states (i.e., those other states in which it has received
973 designation), even if credible, which is not, does not alter the fundamental fact
974 that it has not created any wireless track record in Illinois and has not
975 established, based upon its wireless track record in Illinois, that it is able to
976 compete for wireless end user customers in Illinois without access to subsidies.
977 Accordingly, the alleged ability (in some other states) does not alter the finding
978 that Q Link has failed the Illinois Section 54.201(h) evaluation.

¹²² Id.

¹²³ According to Q Link, it does not offer wireless services to non-Lifeline customers in its non-ETC states (i.e., states in which it has not been designated as an ETC). Staff Ex. 1.3a-b and Staff Ex. 1.4a-b. Accordingly, I assume that its assertion of not relying exclusively on Lifeline support for its revenue sources pertains to its ETC states.

979 **Q. Aside from claiming that it has never relied, and will not rely, exclusively on**
980 **Lifeline support for its revenue sources in its ETC states, what revenue**
981 **information has Q Link supplied?**

982 A. Q Link has provided in its rebuttal testimony its income statements for 2012 and
983 2013.¹²⁴ It has also provided to Staff its income statement for 2012¹²⁵ and its
984 FCC revenue reporting for 2011 and 2012.¹²⁶ There are differences between its
985 2012 income statement provided to Staff and its 2012 income statement provided
986 in its rebuttal testimony. In the former, Q Link reports four categories of revenue:
987 “bankcard deposit-test,” “Lifeline (Federal) income,” “Lifeline (State) income,” and
988 “sales revenue” of ***** \$xxxxx, \$xxxxxxx, \$xxxxxxx, and \$xxxxxxxxxxx *****,
989 respectively.¹²⁷ In the latter, it reports one category of revenue: “wholesale carrier
990 revenue” of ***** \$xxxxxxxxxxx *****.¹²⁸ A comparison of the two 2012 income
991 statements reveals:

- 992 ▪ Q Link has removed the “bankcard deposit-test” revenue of ***** \$xxxxx *****
993 from its 2012 income statement provided in its rebuttal testimony.¹²⁹
- 994 ▪ Q Link has relabeled as “wholesale carrier revenue” in its 2012 income
995 statement provided in its rebuttal testimony the revenue of ***** \$xxxxxxxxxxx *****

¹²⁴ Q Link Ex. 1.6 at 5 (Statement of Operations) and Q Link Ex. 1.5 (Income Statement). Q Link’s 2013 income statement provided is for January-September of 2013. Mr. Asad, Q Link’s CEO, certifies, through a notarized verification, to the truthfulness “in substance and in fact” of the contents of its rebuttal testimony, which include, but are not limited to, its income statements in Q Link Ex. 1.5 and Q Link Ex. 1.6. Mr. Issa Asad Notarized Verification (December 11, 2013).

¹²⁵ Staff Ex. 2.10a (Audited Profit Loss). Q Link has additionally provided Quadrant Holdings’ balance sheet and income statement for January-September of 2011. Staff Ex. 2.05d. Revenues on Quadrant Holdings’ income statement (Statement of Operations, Profit & Loss) are revenues generated from Quadrant Holdings’ “wholesale non-wireless telecommunications operations.” Staff Ex. 2.05b.

¹²⁶ Staff Ex. 2.04a-b.

¹²⁷ Staff Ex. 2.10a (Audited Profit Loss). I noted the Lifeline support revenue Q Link reports on its 2012 income statement provided to Staff (***** \$xxxxxxxx (= \$xxxxxxxx federal Lifeline support + \$xxxxxx State Lifeline support) *****) is different from the Lifeline support amount it reports on 2013 FCC Form 499-A (***** \$xxxxx *****). Staff Ex. 2.10a (Audited Profit Loss) and Staff Ex. 2.04b. The latter is slightly different from Lifeline support amounts provided in the responses to Staff Data Requests (***** \$xxxxxxxx (= \$xxxxxxxx federal Lifeline support + \$xxxxxx State Lifeline support) *****). Staff Ex. 2.10c. All three different amounts of 2012 Lifeline support revenues are less than ***** \$xxxxx *****.

¹²⁸ Q Link Ex. 1.6 at 5 (Statement of Operations).

¹²⁹ *Id.* and Staff Ex. 2.10a (Audited Profit Loss).

996 that is labeled as “sales revenue” in its 2012 income statement provided to
997 Staff.¹³⁰

998 ▪ Q Link has removed the federal/state Lifeline support revenues of ***
999 \$xxxxxxxx (= \$xxxxxxxx + \$xxxxx) *** from its 2012 income statement
1000 provided in its rebuttal testimony;¹³¹ by this action, it tacitly claims in its 2012
1001 income statement provided in its rebuttal testimony that it did not receive
1002 Lifeline support revenues in 2012, which is inconsistent with Lifeline
1003 disbursement information on USAC website and its 2013 FCC Form 499-A.¹³²

1004 According to Q Link, aside from its primary activity of providing prepaid wireless
1005 services to Lifeline customers, the only products and services it offers are
1006 wholesale prepaid calling cards services.¹³³ Based upon its 2012 income
1007 statements provided in its rebuttal testimony and in its response to Staff’s Data
1008 Request, Q Link claims to have more than *** \$xx million *** (or more than ***
1009 xx.xx% ***) of its revenues in 2012 from sources other than Lifeline support (e.g.,
1010 wholesale prepaid calling cards services) and less than *** \$xxxxx *** (or less
1011 than *** x.xx% ***) of its revenues in 2012 from Lifeline support.

1012 **Q. Why Q Link’s claim that it has never relied exclusively on Lifeline support**
1013 **for its revenue sources and has produced revenues primarily from sources**
1014 **other than Lifeline support is not credible?**

1015 A. According to its 2012 audit report, Q Link’s primary activity is the provision of
1016 prepaid wireless services to Lifeline customers,¹³⁴ from which it has produced

¹³⁰ Id.

¹³¹ Id.

¹³² See <http://www.usac.org/li/tools/disbursements/default.aspx> (accessed January 15, 2014) and Staff Ex. 2.04b.

¹³³ Staff Ex. 2.06. See also Q Link Ex. 1.6 at 8 (“[t]he Company’s primary activity is prepaid wireless telecommunications carrier designated as an Eligible Telecommunications Carrier solely for the purpose of participating the Lifeline program”).

¹³⁴ Q Link Ex. 1.6 at 8 (“[t]he Company’s primary activity is prepaid wireless telecommunications carrier designated as an Eligible Telecommunications Carrier solely for the purpose of participating the Lifeline program”).

1017 revenues exclusively (or almost exclusively) from Lifeline support.¹³⁵ In other
1018 words, Q Link's revenues from its primary activity are exclusively (or almost
1019 exclusively) Lifeline support revenues. This contradicts its assertion that it has
1020 produced revenues primarily from sources other than Lifeline support.

1021 Q Link's claim it has never relied exclusively on Lifeline support for its revenue
1022 source is directly refuted by its own certified statements to the FCC. Its claim (on
1023 its 2012 income statements) that it had more than *** \$xxx million *** (or more
1024 than *** xx.xx% ***) of its revenues in 2012 from sources other than Lifeline
1025 support is contradicted its 2013 FCC Form 499-A, the truthfulness, accuracy and
1026 completeness of which Mr. Asad, its CEO, has certified to.¹³⁶

1027 A telecommunications carrier must report its revenues on FCC Form 499-A for
1028 the purpose of determining its federal universal service contribution
1029 obligations.¹³⁷ Revenues a carrier must report include "revenues from all
1030 sources, including non-regulated telecommunications offerings, information

¹³⁵ Q Link's prepaid wireless Lifeline services (68-Minute Plan, 150-Minute Plan and 250-Minute Plan) are offered to Lifeline consumers free of charge; it collects \$0.00 from its Lifeline consumer and \$9.25 from the federal Lifeline program (plus amount from state Lifeline program, wherever available) from sale of its FREE prepaid wireless Lifeline services. See <http://qlinkwireless.com/faq/lifeline-service/type-of-plans.aspx> and <http://qlinkwireless.com/lifeline/lifeline-plans.aspx>, accessed January 27, 2014). That is, it produces revenues from sales of its FREE wireless Lifeline services exclusively from Lifeline support. Q Link also offers its Lifeline customers top-off minutes at additional charges. But, no Lifeline customers purchased any top-off minutes in 2012. Few or no Lifeline customers have purchased top-off minutes in 2013 (January-March), the months in 2013 for which it has provided such information. (On nationwide combined basis, about *** xxxx%, xxxx% and xxx% *** of its Lifeline customers purchased top-off minutes in January-March 2013, respectively.) Staff Ex. 2.10d.

¹³⁶ Q Link did not produce any revenue in any state in 2011. Staff Ex. 2.04a and Staff Ex. 2.05b. It has not submitted its 2014 FCC Form 499-A (reporting 2013 revenues), which is due on April 1, 2014. Therefore, my comparison of its income statement and FCC Form 499-A is limited to its 2012 revenues.

¹³⁷ 2013 Instructions to the Telecommunications Reporting Worksheet (FCC Form 499-A) at 1 and 47 CFR Section 54.711(a).

1031 services, and other non-telecommunications services.”¹³⁸ Altogether, revenues
1032 reported should include all revenues on the filer’s book of account.¹³⁹ All prepaid
1033 calling card revenues are classified as “end-user revenues” and should be
1034 reported on line 411 of 2013 FCC Form 499-A, regardless of whether prepaid
1035 calling cards are provided to end users or to distributors and retail
1036 establishments.”¹⁴⁰ Q Link submitted its 2013 FCC Form 499-A (reporting 2012
1037 revenues) on April 1, 2013 and Mr. Asad, its CEO, certified to the truthfulness,
1038 accuracy and completeness of revenues reported on 2013 FCC Form 499-A.¹⁴¹
1039 Examination of this 2013 FCC Form 499-A shows that the only 2012 revenues it
1040 reported to the FCC is *** \$x,xxx.xx *** Lifeline support revenues on line 308 of
1041 FCC Form 499-A.¹⁴² Hence, according to its certified statements to the FCC:

- 1042 ▪ Q Link received *** \$x,xxx.xx *** Lifeline support revenues in 2012 from sales
1043 of free prepaid wireless Lifeline services, from which it receives \$0.00 from
1044 Lifeline consumers and *** \$x,xxx.xx *** from federal/state Lifeline programs
1045 in 2012.
- 1046 ▪ Q Link did not make sales of top-off minutes to Lifeline consumers and thus
1047 did not receive revenues from Lifeline consumers for top-off minutes in
1048 2012.¹⁴³
- 1049 ▪ Q Link did not make sales of prepaid calling cards services at wholesale or
1050 retail and thus did not have revenues from sales of prepaid calling cards
1051 services in 2012.¹⁴⁴

¹³⁸ 2013 Instructions to the Telecommunications Reporting Worksheet (FCC Form 499-A) at 13.

¹³⁹ Id. at 22.

¹⁴⁰ Id. at 18-19.

¹⁴¹ Q Link 2013 Form 499-A at 8. Staff Ex. 2.04b.

¹⁴² Line 308 of 2013 Form 499-A includes all federal/state universal service support revenues. According to its responses to Staff Data Requests, it did not receive federal or state universal service support revenues other than Lifeline support revenues in 2012. Staff Ex. 2.10c. The universal service support revenues reported on line 308 of its 2013 FCC Form 499-A are thus its 2012 Lifeline support revenues.

¹⁴³ Staff Ex. 2.10d. Top-off minutes refer to additional minutes a customer purchases on top of the free airtime allotment included in the prepaid wireless Lifeline plans. See, <https://www qlinkwireless.com/members/cart/quickpurchase.aspx> (accessed January 27, 2014).

¹⁴⁴ Q Link’s certified representation to the FCC that it did not have any revenues other than Lifeline support revenues is consistent with information on its website and that of its managing member Quadrant

1052 ▪ Q Link did not make sales of any other telecommunications or non-
1053 telecommunications services at wholesale or at retail and thus did not have
1054 revenues from sales of other telecommunications or non-telecommunications
1055 services in 2012.¹⁴⁵

1056 Therefore, according to its certified statements to the FCC, Q Link did not have
1057 any revenues other than Lifeline support revenues in 2012; it relied exclusively
1058 on Lifeline support for its revenue sources in 2012. This refutes its claim that it
1059 has never relied exclusively on Lifeline support for its revenue sources.

1060 **Q. Do you have other comments regarding Q Link’s 2012 revenues?**

1061 A. From discussion above, on one hand, Q Link certifies to the FCC that, aside from
1062 the less than *** \$xxxxx *** Lifeline support revenues, it did not have any
1063 revenues, let alone more than *** \$xxx million *** revenues, in 2012 from sources
1064 other than Lifeline support.¹⁴⁶ On the other hand, Q Link claims in its response to
1065 Staff’s Data Request and in its sworn testimony that, aside from the less than ***
1066 \$xxxxx *** Lifeline support revenues, it had more than *** \$xxx million ***
1067 revenues in 2012 from sources other than Lifeline support (presumably from

Holdings. For example, under “What We Do,” Q Link states: “Our company’s mission is to wirelessly connect people to their world, regardless of their income. We are fulfilling this vision by consistently providing reliable, economical and high-quality Lifeline cell phones and service to qualified low-income individuals within the United States” (<http://www.qlinkwireless.com/about-q-link-wireless.aspx>, accessed January 17, 2014). Staff Ex. 2.11a. According to its managing member Quadrant Holdings’ portfolio webpage: “Q Link Wireless provides low-income families and individuals their basic need to stay connected” by offering “federally-assisted wireless services under the Lifeline and Link-Up America programs” (<http://quadrantholdings.com/portfolio>, accessed January 14, 2014). Staff Ex. 2.11b. Quadrant Holdings’ news and events webpage lists news and events pertaining to Q Link Wireless starting August 2011 with the news and event of “Acquisition of Q LINK Wireless, LLC;” none of the Q Link Wireless news and events pertains to its offering of prepaid wireless services to non-Lifeline customers, prepaid calling cards or other non-wireless services (<http://quadrantholdings.com/news>, accessed January 14, 2014). Staff Ex. 2.11c.

¹⁴⁵ Id.

¹⁴⁶ Staff Ex. 2.04b.

1068 wholesale prepaid calling cards services).¹⁴⁷ Its treatment of this more than ***

1069 \$xxx million *** can be suitably summed up as:

1070 ▪ For the purpose of determining the amount it must pay into the federal
1071 universal service program, Q Link certifies that, aside from the less than ***
1072 \$xxxxx *** Lifeline support revenues, it did not have any revenues, let alone ***
1073 \$xxxxxxxxxxx *** revenues, in 2012 from sources other than Lifeline support:
1074 i.e., *** xxxx *** of its revenues in 2012 are from Lifeline support and *** xx%
1075 *** of its revenues in 2012 are from sources other than Lifeline support.

1076 ▪ For the purpose of gaining eligibility to draw (Lifeline) support from the federal
1077 universal service program, Q Link claims that, aside from the less than ***
1078 \$xxxxx *** Lifeline support revenues, it had *** \$xxxxxxxxxxx *** revenues from
1079 sources other than Lifeline support (e.g., prepaid calling cards services): i.e.,
1080 less than *** xxxx% *** of its revenues in 2012 are from Lifeline support and
1081 more than *** xxxxx% *** of its revenues in 2012 are from sources other than
1082 Lifeline support.

1083 Under its fluid approach, Q Link labels the more than *** \$xx million *** according
1084 to the occasion: it is not Q Link's revenues if the purpose is to determine the
1085 amount it must pay into the federal universal service system; it is Q Link's
1086 revenues if the purpose is to gain eligibility to draw (Lifeline) support from the
1087 federal universal service system. Its fluid approach (to label a dollar amount as Q
1088 Link's revenue or not Q Link's revenue according to the occasion) undermines its
1089 credibility and creates a loss of confidence in the truthfulness and accuracy of
1090 information it provides.

1091 **Q. Aside from the credibility problem, do you have other comments regarding**
1092 **Q Link's 2012-2013 income statements?**

1093 **A.** Yes. Putting aside for the moment Q Link's credibility problem, a comparison of
1094 its 2012-2013 income statements reveals the following:

¹⁴⁷ Staff Ex. 2.10a and Q Link Ex. 1.6 at 5 (Statement of Operations).

1095 ▪ Q Link’s Lifeline support revenues have increased by *** xxxxxx% *** in
1096 2013, from less than *** \$xxxx* in 2012 to more than *** \$xxx million *** in
1097 2013.¹⁴⁸

1098 ▪ Q Link’s operating income has declined by *** xxx% *** in 2013, from ***
1099 \$xxxxxx *** in 2012 to (prorated) *** \$xxxxxx *** in 2013.¹⁴⁹

1100 ▪ Q Link’s net income has declined by *** xxx% *** in 2013, from a net profit of
1101 *** \$xxxxxx *** in 2012 to a (prorated) net loss of *** (\$xxxxx) *** in 2013.¹⁵⁰

1102 Q Link was organized in August 2011 and did not produce revenues in 2011.¹⁵¹

1103 During the two years in which it has produced revenues, while its Lifeline support
1104 revenues have increased by *** xxxxxx% ***, its operating income has declined
1105 by *** xxx% *** and its net income has declined by *** xxx% *** (i.e., turning from
1106 a net profit to a net loss).

1107 **Q. Q Link claims that “[it] has shown that it does, and will continue to, receive**
1108 **revenue from other sources [i.e., sources other than Lifeline support] in**
1109 **servicing 22 other jurisdictions with its Lifeline and retail prepaid wireless**
1110 **service.”¹⁵² Please comment.**

1111 **A. By this claim, Q Link seems to assert that it has provided wireless services to**
1112 **non-Lifeline (and Lifeline) end user customers in its ETC states, an assertion it**
1113 **reiterates in its rebuttal testimony,¹⁵³ and has produced revenues from wireless**
1114 **non-Lifeline end user customers (and thus from sources other than Lifeline**
1115 **support) in its ETC states. As discussed above, the claim that Q Link has**
1116 **provided wireless services to non-Lifeline (and Lifeline) end customers in its ETC**

¹⁴⁸ Its 2013 state Lifeline support amount is prorated based upon Q Link’s state Lifeline support revenues provided on its 2013 (January-September) income statement (Q Link Ex. 1.5, Income Statement). Staff Ex. 2.10b.

¹⁴⁹ Its 2013 operating income is prorated based upon Q Link’s operating income provided on its 2013 (January-September) income statement (Q Link Ex. 1.5, Income Statement). Staff Ex. 2.10b.

¹⁵⁰ Its 2013 net income is prorated based upon Q Link’s net income provided on its 2013 (January-September) income statement (Q Link Ex. 1.5, Income Statement). Staff Ex. 2.10b.

¹⁵¹ Staff Ex. 1.0 at 38, Staff Ex. 2.04a and Staff Ex. 2.05b.

¹⁵² Q Link Ex. 1.0 at 12 (emphasis added).

¹⁵³ See, for example, Q Link Ex. 1.0 at 10 and 14.

1117 states is refuted by information and evidence in this proceeding and not
1118 supported by information from its websites. It is, therefore, not credible.

1119 **Q. In arguing that it should be deemed to pass the Illinois Section 54.201(h)**
1120 **evaluation, Q Link claims that it has access to Quadrant Holdings' capital**
1121 **and has a credit line over five million.¹⁵⁴ Does this alter Staff's finding that**
1122 **it has failed the Illinois Section 54.201(h) evaluation?**

1123 A. No. For obvious reasons, access to capital and credit line may be necessary for
1124 a carrier's operation. However, it is not proof of the carrier's viability as a wireless
1125 telecommunications carrier or its ability to compete for wireless end user
1126 customers in Illinois. For example, despite its access to capital and credit line, Q
1127 Link has not successfully competed for wireless end user customers in Illinois. As
1128 a result, it has not established, based upon its wireless track record in Illinois,
1129 that it is able to compete for wireless end user customers in Illinois without
1130 access to subsidies and, therefore, it has failed the Illinois Section 54.201(h)
1131 evaluation.

1132 **Q. In direct testimony, you note that Q Link's balance sheet shows negative**
1133 **working capital.¹⁵⁵ How does it respond?**

1134 A. Q Link responds to the finding of negative working capital by relabeling its
1135 balance sheet. In particular, it has relabeled as "paid in capital" items that were
1136 previously labeled as "shareholder loans."¹⁵⁶ By this maneuver, it has eliminated
1137 negative working capital from its 2013 balance sheet.¹⁵⁷

¹⁵⁴ Q Link Ex. 1.0 at 11-12.

¹⁵⁵ Staff Ex. 1.0 at 53-54.

¹⁵⁶ Q Link Ex. 1.0 at 13.

¹⁵⁷ Staff Ex. 2.10a (2012 Balance Sheet), Q Link Ex. 1.6 at 4 (2012 Balance Sheet) and Q Link Ex. 1.5 (2013 Balance Sheet).

1138 **Q. Q Link concurs that “[t]he financial and technical capability requirement [of**
1139 **Section 54.201(h) of the FCC rules] was intended to strengthen protections**
1140 **against waste, fraud and abuse by filtering out carriers that have not made**
1141 **a business case and are therefore more likely to commit waste, fraud and**
1142 **abuse of the federal low-income program”¹⁵⁸ but asserts that “[it] is not one**
1143 **of those carriers.”¹⁵⁹ Do you agree that Q Link is not one of those carriers**
1144 **that have not made a business case in Illinois?**

1145 **A.** No. Quite the contrary, Q Link is a wireless telecommunications carrier that has
1146 not made its business case in Illinois (i.e., has not established, based upon its
1147 wireless track record in Illinois, that it is able to compete for wireless end user
1148 customers in Illinois without access to subsidies).

1149 A profit-maximizing entity makes its entry decision based on its assessment of its
1150 ability to profitably compete in the market. Q Link has made its business decision
1151 that it will not enter the Illinois market without access to subsidies.¹⁶⁰ Such an
1152 unequivocal decision suggests an underlying assessment or belief that it does
1153 not have a business case in Illinois (i.e., it would not be able to operate and
1154 maintain a profitable wireless operation in Illinois without access to subsidies).
1155 Therefore, not only Q Link has not made its business case in Illinois, but its
1156 unequivocal decision not to enter the Illinois market without access to subsidies
1157 suggests an underlying assessment or belief that it does not have a business
1158 case in Illinois.

1159 As Q Link correctly observes, Section 54.201(h) evaluations are intended to filter
1160 out carriers that have not made their business case. In accordance with that, the
1161 objective of the Illinois Section 54.201(h) evaluation (Staff proposes based upon

¹⁵⁸ Q Link Ex. 1.0 at 12-13.

¹⁵⁹ Id. at 13.

¹⁶⁰ Staff Ex. 1.0 at 47-48 and Q Link amended petition at 17.

1162 the FCC guidelines) is to determine whether Q Link has made its business case
1163 in Illinois (i.e., whether it has established, based upon its wireless track record in
1164 Illinois, that it is capable of competing for wireless end user customers in Illinois
1165 without access to subsidies). Q Link has had a two-year opportunity to create a
1166 wireless track record in Illinois and demonstrate, based upon such Illinois track
1167 record, that it has a wireless business case in Illinois. It has failed to do so and
1168 has, therefore, failed the Illinois Section 54.201(h) evaluation.

1169 **Q. Q Link claims that you allege on page 49 of your direct testimony that its**
1170 **market entry strategy is an engineered “market entry of a ‘low capability’**
1171 **carrier, which, due to its inability to profitably compete in Illinois**
1172 **independent of access to subsidies, would otherwise have remained (and**
1173 **thus been left) outside the Illinois telecommunications market in Illinois.”¹⁶¹**
1174 **Has Q Link provided an actual quote from your direct testimony stating**
1175 **exactly that?**

1176 **A.** No, it has not and cannot. What I have stated on page 49 of my direct testimony
1177 are the following:

- 1178 ▪ Lifeline support is not a form of corporate welfare; the intended beneficiaries
1179 are low income consumers, not ‘low capability’ carriers.¹⁶²
- 1180 ▪ Lifeline support is not intended to provide a profitable business plan for a
1181 carrier.¹⁶³
- 1182 ▪ Lifeline support is not intended to engineer market entry of a “low capability”
1183 carrier, which, due to its inability to profitably compete in Illinois independent
1184 of access to subsidies, would otherwise have remained (and thus been left)
1185 outside the Illinois telecommunications market in Illinois.¹⁶⁴

¹⁶¹ Q Link Ex. 1.0 at 13.

¹⁶² Staff Ex. 1.0 at 49.

¹⁶³ Id.

¹⁶⁴ Id.

1186 Q Link replaces the phrase “Lifeline support is not intended to engineer” in the
1187 above statement with its own phrase “Q LINK’s market entry strategy is an
1188 engineered” to create the following claim and then attributes it to “ICC Staff:”

1189 Q LINK’s market entry strategy is an engineered “market entry of a
1190 ‘low capability’ carrier, which, due to its inability to profitably
1191 compete in Illinois independent of access to subsidies, would
1192 otherwise have remained (and thus been left) outside the Illinois
1193 telecommunications market in Illinois.”¹⁶⁵

1194 Regardless, the crux of the Illinois Section 54.201(h) evaluation is not to
1195 determine whether Staff or the Commission has proven that Q Link is unable to
1196 compete for wireless end user customers in Illinois without access to subsidies;
1197 rather, it is to determine whether Q Link has met its burden of proof to establish,
1198 based upon its wireless track record in Illinois, that Q Link is able to compete for
1199 wireless end user customers in Illinois without access to subsidies.¹⁶⁶ Q Link has
1200 failed to meet that burden and has, therefore, failed the Illinois Section 54.201(h)
1201 evaluation.

1202 **Q. Q Link alleges that you draw the conclusion “that because a carrier has not**
1203 **entered the Illinois telecommunications market that the carrier is incapable**
1204 **of competing in the Illinois telecommunications market.”¹⁶⁷ Has it**
1205 **presented an actual quote from your testimony stating exactly that?**

1206 **A.** No. Q Link’s alleged “Staff conclusion” essentially contends that each and every
1207 telecommunications carrier that is not in the Illinois market today (i.e., has not
1208 entered) is incapable of competing in the Illinois market, including but not limited

¹⁶⁵ Q Link Ex. 1.0 at 13 (emphasis added).

¹⁶⁶ Of course, evidence of its inability would constitute proof of its failure to establish its ability to compete for wireless end user customers in Illinois without access to subsidies. But, a lack of evidence of its inability does not mean that it has the ability, or has established the ability, to compete for wireless end user customers in Illinois without access to subsidies, which is the crux of the Illinois Section 54.201(h) evaluation as outlined in Staff direct testimony.

¹⁶⁷ Q Link Ex. 1.0 at 14 (emphasis added).

1209 to carriers that are viable telecommunications carriers and have decided to enter
1210 the Illinois market but are in the process of obtaining the necessary service
1211 authority from the Commission. In the portion of its testimony where it makes
1212 such allegation, Q Link refers to page 49 of my testimony;¹⁶⁸ but, it does not
1213 supply such actual quote from my direct testimony stating such conclusion. And,
1214 it cannot supply such a quote from my direct testimony because I have not even
1215 attempted to draw, much less have drawn, such an overly broad conclusion
1216 about each and every carrier that is not in the Illinois market today. Therefore, it
1217 is not that ICC Staff has drawn such an overly broad conclusion, but it is that Q
1218 Link has crafted such an overly broad conclusion and attempted to attribute it to
1219 ICC Staff.

1220 What ICC Staff has opined in direct testimony is that a viable telecommunications
1221 carrier in Illinois is a carrier that is capable competing for end user customers in
1222 Illinois without access to subsidies and such a carrier would not condition its
1223 entry into the Illinois market on the grant of access to subsidies.¹⁶⁹ Not only Q
1224 Link has not entered the Illinois market, but it has decided (and declared) that it
1225 will not enter the Illinois market without access to subsidies. Such an unequivocal
1226 decision suggests an underlying assessment or belief that Q Link would not be a
1227 viable telecommunications carrier in Illinois (i.e., Q Link would not be able to
1228 compete for wireless end user customers in Illinois without access to subsidies).

¹⁶⁸ Q Link Ex. 1.0 at 13-14 and fn. 8.

¹⁶⁹ Staff Ex. 1.0 at 27.

1229 What ICC Staff has concluded is that Q Link has failed to meet Illinois Section
1230 54.201(h) evaluation criteria and that Q Link has failed to establish, based upon
1231 its wireless track record in Illinois, that it has a business case in Illinois (i.e.,
1232 capable of competing for wireless end user customers in Illinois without access to
1233 subsidies). Accordingly, ICC Staff has reached the finding that Q Link has failed
1234 the Illinois Section 54.201(h) evaluation as outlined in Staff's direct testimony.

1235 **Q. What other assertions have Q Link made regarding its ability to compete**
1236 **without access to subsidies?**

1237 A. Not only Q Link has not entered the Illinois market, but Q Link has decided (and
1238 declared) that it will not enter the Illinois market without access to subsidies.¹⁷⁰ It
1239 does not dispute this. It, however, seems to argue that its decision not to enter
1240 the Illinois market without access to subsidies does not mean that it is unable to
1241 compete for wireless end user customers in the Illinois market without access to
1242 subsidies.¹⁷¹ First, its decision not to compete for wireless end user customers in
1243 Illinois without access to subsidies is definitely not proof that it is able to compete
1244 for wireless end user customers in Illinois without access to subsidies. Moreover,
1245 as noted earlier, its decision (not to enter the Illinois market without access to
1246 subsidies) suggests an underlying assessment or belief that it does not have a
1247 business case in Illinois (i.e., it would not be able to compete for wireless end
1248 user customers in Illinois without access to subsidies). Most importantly, the
1249 reasons behind its decision not to enter the Illinois market without access to

¹⁷⁰ Staff Ex. 1.0 at 47-48.

¹⁷¹ Q Link Ex. 1.0 at 13 (“[t]here is no basis for this contention [that it is unable to compete without access to subsidies]”) and Q Link Ex. 1.0 at 14 (“it [i.e., the reasoning that having not entered the Illinois market without access to subsidies means that a carrier is incapable of competing in the Illinois market without access to subsidies] is simply not true in the case of Q LINK”).

1250 subsidies – i.e., whether it is due to its inability to compete without access to
1251 subsidies or due to its preference to shun profits that do not involve subsidies or
1252 else – are immaterial. The crux of the Illinois Section 54.201(h) evaluation is to
1253 determine whether Q Link has established, based upon its wireless track record
1254 in Illinois, that it has a wireless business case in Illinois, not why it has not made
1255 its wireless business case. By not entering the Illinois market, Q Link has failed to
1256 create a wireless track record in Illinois and has failed to establish, based upon
1257 its wireless track record in Illinois, that it has a business case in Illinois (i.e., able
1258 to compete for wireless end user customers in Illinois without access to
1259 subsidies) and has, therefore, failed the Illinois Section 54.201(h) evaluation as
1260 outlined in Staff direct testimony.

1261 **D. Benefit-Cost Analysis**

1262 **Q. Q Link alleges that “ICC Staff seems to discount the benefits of increased**
1263 **consumer choice and the unique advantage of Q LINK’s service**
1264 **offerings.”¹⁷² Is that correct?**

1265 **A.** No. The claim is erroneous and refuted by my direct testimony. After noting that
1266 state commissions “have never been required by rule or law to include these
1267 considerations [of benefits of increased consumer choice and advantages and
1268 disadvantages of an applicant’s Lifeline offerings]” in their Section 214(e)(2)
1269 evaluations, I state that this (i.e., not required by rule or law) “does not mean that
1270 the Commission should disregard the impact of increased consumer choice or
1271 advantages and disadvantages of an applicant’s service offering” for the

¹⁷² Q Link Ex. 1.0 at 33.

1272 Commission's Section 214(e)(2) evaluations."¹⁷³ I prescribe how the Commission
1273 should determine whether Q Link has demonstrated that its Lifeline offerings
1274 represent a meaningful increase in consumer choice and will thus produce the
1275 benefits of increased consumer choice.¹⁷⁴ I further show in direct testimony that
1276 Q Link has not met its burden of proof to demonstrate that its Lifeline services
1277 represent a meaningful increase in consumer choice in its proposed ETC service
1278 area.¹⁷⁵ Therefore, it is not that ICC Staff discounts the benefits of increased
1279 consumer choice; but, it is that Q Link has failed its burden of proof to establish
1280 that its Lifeline-supported services represent a meaningful increase in consumer
1281 choice in its proposed ETC service area.

1282 **Q. Has Q Link provided evidence to cause you to alter the finding that it has**
1283 **failed to show that its Lifeline-supported services represent a meaningful**
1284 **increase in consumer choice in its proposed ETC service area?**

1285 A. No. Lifeline (or Lifeline-supported) services are, by definition, supported services
1286 provided to low income consumers at Lifeline-discounted prices.¹⁷⁶ Supported
1287 services are services supported by federal universal service support fund under
1288 Section 254(c) of the 1996 Act and defined in 47 CFR Section 54.101(a). Q Link
1289 has not provided evidence to cause me to alter the finding that it has failed to
1290 establish that its Lifeline-supported services represent a meaningful increase in
1291 consumer choice and will produce benefits to consumers that are currently
1292 unavailable in the marketplace in its proposed ETC service area.

¹⁷³ Staff Ex. 1.0 at 76.

¹⁷⁴ Id. at 76-78.

¹⁷⁵ Id. at 79-89.

¹⁷⁶ ETCs charge Lifeline subscribers Lifeline-discounted prices (which would be zero if the pre-discount prices are set at the Lifeline support amount) and are reimbursed for the Lifeline discount provided to Lifeline subscribers.

1293 **Q. Q Link alleges that, unlike many other ETCs, it includes international**
1294 **calling in its 68-Minute package and free-of-charge directory assistance**
1295 **calling in its 68-, 150- and 250-Minute packages and this shows that its**
1296 **Lifeline services represent a meaningful increase in consumer choice. Do**
1297 **you agree?**

1298 A. No. In its rebuttal testimony, the Company asserts:

1299 Q LINK offers international long distance calling included as part of
1300 its 68 Minute Lifeline Plan offering. Many other Lifeline-only
1301 wireless providers do not include international calling as part of its
1302 Lifeline Plan minutes; in fact, many Lifeline-only wireless providers
1303 do not offer international calling at all, not even as an additional
1304 paid option. Q LINK understands that many low-income consumers
1305 may be from other countries and need to contact their families that
1306 live abroad. These Lifeline consumers could capture the benefits of
1307 increased consumer choice with the addition of Q LINK's
1308 offerings.¹⁷⁷

1309 Additionally, unlike many other Lifeline-only wireless providers, Q
1310 LINK offers 411 directory assistance free of charge. Such
1311 assistance enables consumers to obtain the directory assistance
1312 needed to contact employers, healthcare providers, social aid
1313 organizations, etc. This is a benefit especially to those consumers
1314 that do not have the luxury of affording a smartphone with data
1315 capability and internet searching functions.¹⁷⁸

1316 While some consumers may make international calls and others may call
1317 directory assistance, international calls and directory assistance calls are,
1318 nonetheless, unsupported services. Q Link seeks designation for the purpose of
1319 offering Lifeline-supported services. After failing to establish incremental benefits
1320 from its Lifeline-supported services in its petition, Q Link attempts to satisfy the
1321 consumer benefit criterion of the Illinois Section 214(e)(2) evaluation through its
1322 unsupported services. Nevertheless, as it seeks designation for the purpose of

¹⁷⁷ Q Link Ex. 1.0 at 33-34.

¹⁷⁸ *Id.* at 34 (emphasis added). For directory assistance calls, Q Link's website states: "Minutes [included in its 68-, 150-, and 250-Minute packages] can be used for 411 calling at no additional cost" (emphasis added) (<https://qlinkwireless.com/lifeline/lifeline-plans.aspx>, accessed January 29, 2014). Thus, Q Link's claim of offering directory assistance calling free of charge is inaccurate and misleading: it does not offer directory assistance calling free of charge; instead, it offers it at no additional charge (i.e., no charge on top of the charge for airtime).

1323 offering Lifeline-supported services, it should meet the consumer benefit criterion
1324 first and foremost for its Lifeline-supported services in its proposed ETC service
1325 area.¹⁷⁹ Its unsupported services should not be, by themselves, sufficient for it to
1326 meet the consumer benefit criterion of the Illinois Section 214(e)(2) evaluation.

1327 Besides, an incremental benefit from an additional designation is a benefit that it
1328 is currently unavailable (i.e., not offered by any carriers) in the marketplace. A
1329 benefit not offered by some carriers does not constitute an incremental benefit.
1330 While making such vague and general assertion, Q Link has not identified the
1331 carriers which it claims do not include international and directory assistance
1332 calling in their service packages, much less has supplied concrete evidence that
1333 these carriers in fact do not include international and directory assistance calling
1334 in their service packages. Above all, Q Link does not claim or provide concrete
1335 evidence that there is no ETC in its proposed ETC service area that includes
1336 international and directory assistance calling in its service packages, or
1337 conversely, that, if designated, Q Link would be the only carrier in its proposed
1338 ETC service area in Illinois including international and directory assistance calling
1339 in its service packages.

1340 In addition, by its own admission, Q Link does not know the identities of ETCs
1341 operating in its proposed ETC service area.¹⁸⁰ It cannot credibly to claim to know

¹⁷⁹ See, for example, Staff Ex. 1.0 at 76-78.

¹⁸⁰ Staff Ex. 2.13 (Q Link responses to Staff DR-1.32A/DR-1.33A:“Q LINK does not have or keep detailed research and information on all ETCs designated by the Illinois Commerce Commission,” Q Link response to Staff DR-1.33B: “Q LINK does not have or keep detailed research and information on all post-paid wireless ETCs and their respective available Lifeline plans,” and Q Link response to Staff DR-1.33D-E: “Q LINK does not have or keep detailed research and information on all prepaid wireless ETCs operating in Illinois or their respective business operations”).

1342 each and every service offered by each and every ETC in its proposed ETC
1343 service area when it is not able to even identify all such entities. Thus, its claim
1344 that many ETCs do not include international and directory assistance calling in
1345 their service packages is little more than an unsubstantiated claim designed to
1346 gain ETC status. Even if the claim were supported by concrete evidence, which it
1347 is not, it is nonetheless insufficient to establish that its designation will produce
1348 incremental benefits (i.e., benefits not offered by any ETC) from its unsupported
1349 services, much less from its Lifeline-supported services.¹⁸¹

1350 **Q. What other assertions has Q Link made in the attempt to argue that its**
1351 **designation will benefit consumers in Illinois?**

1352 A. Q Link claims that, unlike many other carriers, it performs certain functions by
1353 itself (as opposed to outsourcing them):

1354 [U]nlike many other Lifeline-only wireless providers that contract
1355 with third-parties, Q LINK performs all the following functions in-

¹⁸¹ In addition, as noted in my direct testimony (Staff Ex. 1.0 at 76-78), for a “feature” to be an incremental benefit, it must meet both the differentiation and non-trivial demand criteria. Whether a service produces significant incremental benefits for a consumer is also determined by the consumer’s valuation of it. Inclusion of unsupported services (such as directory assistance calling and international calling) in its service package does not, by itself, mean that the carrier is providing significant benefits to consumers. For instance, consumers who do not use such unsupported services would not benefit from the inclusion of them in the service packages; consumers who do not purchase the service package that includes such unsupported services would not benefit from the inclusion of them in the service package either. Q Link has not provided any concrete evidence that its inclusion of directory assistance calling in its service packages produces significant incremental benefits to low income consumers; in particular, it has not identified the numbers of Lifeline customers that have signed up for its Lifeline services because of its inclusion of directory assistance calling in its service packages or provided, by month and by state, the numbers of directory assistance calls its Lifeline consumers have made at no additional costs. Thus, it has not presented concrete evidence to establish that the inclusion of directory assistance calling represents significant incremental benefits in its proposed ETC service area in Illinois from this unsupported service. Also, its alleged importance of international calling in its 68-Minute package is not borne out by Lifeline customer information it has supplied. For example, for the first three months of 2013, only about or less than ***** x% ***** of its Lifeline customers subscribed to its 68-Minute package, which includes the unsupported service (international calling) that Q Link asserts qualifies it for ETC designation. (It is unclear how many of the 68 minutes included in the 68-Minute package, to which about or less than ***** x% ***** of its Lifeline consumers subscribed, are even used for international calls.) Staff Ex. 2.14a. Therefore, Q Link has similarly failed to provide concrete evidence that its inclusion of international calling (in its 68-Minute package) represents significant incremental benefits in its proposed ETC service area in Illinois from this unsupported service.

1356 house: billing, marketing, sales, accounting, Customer Service,
1357 representative training, enrollment and verification processes,
1358 shipping, and compliance infrastructure design, build, and
1359 operation. Q LINK is consumer-oriented and wants to provide the
1360 best service possible to all of its customers, both retail and Lifeline.
1361 Q LINK prides itself on providing technology that results in better
1362 consumer experiences and customer service with its Q LINK
1363 Company Kiosks.¹⁸²

1364 While making such vague and general assertion, Q Link does not identify the
1365 carriers which it claims do not perform all the cited functions in-house, much less
1366 provides concrete evidence that these carriers in fact do not perform all the cited
1367 functions in-house. By its own admission, it does not know the identities of ETCs
1368 in its proposed ETC service area¹⁸³ and does not have “detailed information on
1369 other carriers’ internal business decisions or operations.”¹⁸⁴ It cannot credibly
1370 claim to know the detailed business plan (e.g., what functions are performed in-
1371 house and what functions are outsourced) of each ETC in its proposed ETC
1372 service area when it is not able to even identify all such entities. As a result, its
1373 claim is little more than an unsupported assertion.

1374 More importantly, each carrier designs its own business model according to its
1375 specific needs. Some outsource more or different functions than others. There is
1376 no demonstrated correlation between the degree of outsourcing and the extent to
1377 which a carrier’s supported (or unsupported) services will benefit consumers or

¹⁸² Q Link Ex. 1.0 at 34 (emphasis added).

¹⁸³ Staff Ex. 2.13 (Q Link responses to Staff DR-1.32A/DR-1.33A: “Q LINK does not have or keep detailed research and information on all ETCs designated by the Illinois Commerce Commission,” Q Link response to Staff DR-1.33B: “Q LINK does not have or keep detailed research and information on all post-paid wireless ETCs and their respective available Lifeline plans,” and Q Link response to Staff DR-1.33D-E: “Q LINK does not have or keep detailed research and information on all prepaid wireless ETCs operating in Illinois or their respective business operations”).

¹⁸⁴ Staff Ex. 2.13 (Q Link responses to Staff DR-1.35A-D: “Q LINK does not have or keep detailed information on other carriers’ internal business decisions and operations”).

1378 the extent to which the carrier is more consumer-oriented. Not only Q Link's
1379 claim that many carriers do not perform all the cited functions in-house is
1380 unsupported, but it is not proof that its supported (or unsupported) services will
1381 produce incremental benefits to consumers in its proposed ETC service area or
1382 proof of its suitability for ETC designation in Illinois.

1383 **Q. Q Link also presents its Kiosk enrollment as evidence that it should be**
1384 **designated as an ETC. Do you agree?**

1385 A. No. Q Link claims:

1386 Q LINK will have electronic Company Kiosks placed at/in various
1387 retail areas frequented by low-income consumers, such as
1388 shopping centers, grocery stores, income assistance facilities, flea
1389 markets, etc. In addition, where possible, Q LINK will place its
1390 kiosks at/near social service organizations where low income
1391 consumers frequent, such as Medicaid offices, HRS offices, food
1392 distribution centers, etc. Q LINK will promptly begin contract
1393 negotiations to ensure kiosk placement where it will best meet the
1394 needs of Illinois customers to apply for the Lifeline program or
1395 purchase additional (retail or Lifeline) minutes. There will be ample
1396 user-friendly, easy-to-read instructions both on the kiosk itself as
1397 well as when the customer begins using the touchscreen interface.
1398 Kiosks act as a method of advertising and outreach about Lifeline
1399 allowing customers to sign up for service if they qualify. All kiosks
1400 are networked and controlled automatically and electronically from
1401 Q LINK headquarters 24-hours a day.¹⁸⁵

1402 Q Link makes ample promises pertaining to its kiosk enrollment in Illinois, which,
1403 according to it, is a form of online enrollment that "is exactly the same" as online
1404 enrollment via Internet by computer:

1405 Q LINK considers enrollments by kiosk machines as part of online
1406 enrollment. The enrollment process at a kiosk is exactly the same
1407 as via the internet with the only difference being whether the
1408 consumer is using a Home PC, Public PC, or a Q LINK kiosk.¹⁸⁶

¹⁸⁵ Q Link Ex. 1.0 at 34-35 (emphasis added).

¹⁸⁶ Staff Ex. 2.14b (emphasis added).

1409 Despite the promises, Q Link has not enrolled a single Lifeline customer in any
1410 state using a kiosk. With very few exceptions in which enrollments are done by
1411 phone, its enrollments of Lifeline customers have been performed exclusively
1412 using non-kiosk online enrollment.¹⁸⁷ It remains to be seen whether Q Link will
1413 ever commence kiosk enrollment in any ETC state and, if so, whether consumers
1414 will ever find its kiosk an appealing form of enrollment.

1415 Moreover, Q Link has not provided copies of detailed enrollment procedures of
1416 ETCs operating in its proposed ETC service area and has not presented a
1417 detailed fact-based comparison between its enrollment procedure and those of
1418 existing ETCs in its proposed ETC service area. In short, Q Link has not
1419 presented any concrete evidence that its enrollment procedure is superior to
1420 those of existing ETCs. In fact, by its own admission, Q Link does not know the
1421 identities of ETCs operating in its proposed ETC service area¹⁸⁸ and does not
1422 have “detailed information on other carriers’ internal business decisions or
1423 operations.”¹⁸⁹ It cannot credibly claim that its enrollment procedure is superior to
1424 those of ETCs in its proposed ETC service area when it is not able to even name
1425 all such ETCs and does not have information on these carriers’ “internal business
1426 decisions and operations.” Therefore, Q Link has not met its burden of proof to
1427 demonstrate that its enrollment process should qualify it for ETC status in Illinois.

¹⁸⁷ Staff Ex. 2.14b.

¹⁸⁸ Staff Ex. 2.13 (Q Link responses to Staff DR-1.32A/DR-1.33A: “Q LINK does not have or keep detailed research and information on all ETCs designated by the Illinois Commerce Commission,” Q Link response to Staff DR-1.33B: “Q LINK does not have or keep detailed research and information on all post-paid wireless ETCs and their respective available Lifeline plans,” and Q Link response to Staff DR-1.33D-E: “Q LINK does not have or keep detailed research and information on all prepaid wireless ETCs operating in Illinois or their respective business operations”).

¹⁸⁹ Staff Ex. 2.13 (Q Link responses to Staff DR-1.35A-D: “Q LINK does not have or keep detailed information on other carriers’ internal business decisions and operations”).

1428 **Q. What other assertions has Q Link made in the attempt to argue that it**
1429 **should be designated as an ETC in Illinois?**

1430 A. Q Link claims that its marketing strategy sets it apart from other ETCs and thus
1431 should qualify it for ETC designation:

1432 Q LINK utilizes online marketing strategies that sets it aside from
1433 other ETCs and will be able to reach those who have no access to
1434 the service in the their area offering more consumer choice and
1435 coverage area.¹⁹⁰

1436 Despite its claim, Q Link has not provided concrete evidence that its marketing in
1437 fact sets it apart from ETCs in its proposed ETC service area. It has provided a
1438 copy of its marketing plan in its rebuttal testimony.¹⁹¹ But, it has not provided
1439 copies of detailed marketing plans of ETCs operating in its proposed ETC service
1440 area or a detailed fact-based comparison of its marketing plan with those of
1441 ETCs in its proposed ETC service area. By its own admission, it does not even
1442 know the identities of all ETCs operating in its proposed ETC service area¹⁹² and
1443 does not have “detailed information on other carriers’ internal business decisions
1444 or operations.”¹⁹³ It thus cannot credibly claim that its marketing plan sets it apart
1445 from existing ETCs in its proposed ETC service area. Not surprisingly, Q Link
1446 has not presented concrete evidence to support the claim that its marketing plan
1447 sets it apart from ETCs in its proposed ETC service area or to establish that its
1448 marketing plan should somehow qualify it for ETC designation in Illinois.

¹⁹⁰ Q Link Ex. 1.0 at 35.

¹⁹¹ Q Link Ex. 1.1.

¹⁹² Staff Ex. 2.13 (Q Link responses to Staff DR-1.32A/DR-1.33A: “Q LINK does not have or keep detailed research and information on all ETCs designated by the Illinois Commerce Commission,” Q Link response to Staff DR-1.33B: “Q LINK does not have or keep detailed research and information on all post-paid wireless ETCs and their respective available Lifeline plans,” and Q Link response to Staff DR-1.33D-E: “Q LINK does not have or keep detailed research and information on all prepaid wireless ETCs operating in Illinois or their respective business operations”).

¹⁹³ Staff Ex. 2.13 (Q Link responses to Staff DR-1.35A-D: “Q LINK does not have or keep detailed information on other carriers’ internal business decisions and operations”). See also Staff Ex. 2.14c-d.

- 1449 **E. Ability to Comply with Rules, Laws and FCC/ICC Requirements**
- 1450 **Q. You find in direct testimony that Q Link has not provided a compliance**
1451 **record pertaining to its wireless operation in Illinois and has not**
1452 **established, based upon its Illinois record, that it is able to meet its**
1453 **wireless E9-1-1 surcharge obligation.¹⁹⁴ Does this remain your finding?**
- 1454 A. Yes. My finding is unaltered because the underlying facts are unchanged.¹⁹⁵
- 1455 **Q. You find in direct testimony that Q Link has not established that is able to**
1456 **meet the Commission's wireless ETC rules.¹⁹⁶ Does this remain your**
1457 **finding on this subject matter?**
- 1458 A. Yes. My finding on this subject matter remains the same as the underlying facts
1459 are unchanged.¹⁹⁷
- 1460 **Q. Q Link claims that its wireless wholesale agreement with Sprint is evidence**
1461 **of its ability to satisfy the Commission's wireless ETC rules.¹⁹⁸ Do you**
1462 **agree?**
- 1463 A. No. Q Link has had ample opportunities to present concrete evidence that its
1464 wholesale agreement proves it is able to meet the Commission's wireless ETC
1465 rules. Nonetheless, it has had not identified any specific provision of its wireless
1466 wholesale contract and any specific provision of the Commission's wireless ETC
1467 rule to demonstrate that the former proves it has the ability to comply with the
1468 latter. Most tellingly, Sprint has declined to certify on behalf of Q Link that the
1469 wireless network Q Link plans to use to provide wireless services in Illinois meets

¹⁹⁴ Staff Ex. 1.0 at 113-114.

¹⁹⁵ Q Link Ex. 1.0 at 28-29.

¹⁹⁶ Staff Ex. 1.0 at 94-110.

¹⁹⁷ Q Link Ex. 1.0 at 29.

¹⁹⁸ Id.

1470 the Commission's wireless ETC rules.¹⁹⁹ This refutes its claim that its wholesale
1471 contract is evidence of its ability to meet the Commission's wireless ETC rules.

1472 **Q. In the attempt to argue that it is in compliance with the Commission's 9-1-1**
1473 **rules (other than 9-1-1 surcharge rules), Q Link claims: "Through the**
1474 **Company's interconnection with Sprint, all customers have 911 and E911**
1475 **access, and all 911 traffic is handled in accordance with 83 Illinois**
1476 **Administrative Code 725 and the Emergency Telephone System Act".²⁰⁰**
1477 **Please comment.**

1478 A. Q Link's claim implies that it serves wireless customers in Illinois and has 9-1-1
1479 traffic (originating from its wireless customers in Illinois) to handle. But, this is
1480 incorrect. Q Link does not provide wireless services in Illinois and does not have
1481 9-1-1 traffic (originating from its wireless customers in Illinois) to handle.²⁰¹

1482 Its claim also calls into question its ability to comply with rule and law in Illinois in
1483 general. A commitment to comply with a rule entails more than the willingness to
1484 make promises. It entails, at minimum, the ability to attain an understanding of
1485 the rule the carrier pledges to meet and knowledge of how it is going to meet it. Q
1486 Link has shown no understanding of specific requirements of 83 Ill. Adm. Code
1487 Part 725 ("Part 725") and the Emergency Telephone System Act ("ETSA") that it
1488 implies govern wireless carriers' handling of wireless 9-1-1 traffic, in accordance
1489 with which it claims its (nonexistent) wireless 9-1-1 traffic is handled. Section
1490 2.12(c) of the ETSA states that "[f]or the purposes of this Act [i.e., ETSA],
1491 'telecommunication carrier' does not include a cellular or other mobile

¹⁹⁹ Staff Ex. 1.0 at 106 and Staff Ex. 1.9c ("Sprint has not taken the steps to measure compliance with the various subsections of Part 736 and cannot at this time certify compliance with Code Part 736" (emphasis added)).

²⁰⁰ Q Link Ex. 1.0 at 4 (emphasis added).

²⁰¹ Staff Ex. 1.0 at 47-48 and Q Link Ex. 1.0 at 10.

1492 communication carrier.”²⁰² Part 725 of the Commission rules implementing
1493 Section 10 of the ETSA expressly provides that Part 725 “does not apply to a
1494 cellular or other mobile communication carrier as defined in Section 10 of the
1495 Wireless Emergency Telephone Safety Act [50 ILCS 751/10].”²⁰³ Declaring
1496 compliance with whatever rules it believes it is required to meet without making
1497 the least effort to understand the applicability of such rules not only reflects its
1498 excessive willingness to make assertions to gain ETC status but also calls into
1499 question of the credibility of its pledges.

1500 **Q. Q Link claims that it is able to comply with rules and laws and FCC**
1501 **requirements and there is no basis to suggest otherwise. Do you agree?**

1502 **A.** No. Q Link asserts that it is able to comply with and has been in compliance with
1503 rules, laws, and FCC requirements:

1504 There is no basis supporting a contention to the contrary [i.e., a
1505 contention that it is unable to comply with all FCC requirements] as
1506 Q LINK is in compliance with all FCC requirements and no
1507 enforcement actions have been taken or, to my knowledge, are
1508 pending against Q LINK. In addition, Q LINK regularly submits the
1509 following reports in compliance with FCC requirements: FCC Form
1510 499, FCC Form 481, and FCC Form 555. Q LINK has timely
1511 satisfied all FCC reporting requirements and submitted all
1512 applicable forms.²⁰⁴

1513 Q LINK is in compliance with the FCC and all state regulatory
1514 authorities in all 22 jurisdictions in which it operates. To date, Q
1515 LINK has remitted all requisite fees and filed all requisite reports
1516 with the FCC and all state regulatory authorities in all 22
1517 jurisdictions in which it operates.²⁰⁵

²⁰² 50 ILCS 750/2.12(c) (emphasis added).

²⁰³ 83 Ill. Adm. Code Part 725, Section 725.100(emphasis added).

²⁰⁴ Q Link Ex. 1.0 at 8.

²⁰⁵ Id. at 28.

1518 Q LINK has complied with all applicable rules and laws and
1519 FCC/state requirements existing in all other jurisdictions in which
1520 the Company operates.²⁰⁶

1521 Q LINK is able to and has committed to comply with all applicable
1522 rules and laws and FCC/ICC requirements currently existing.²⁰⁷

1523 There is no evidence to suggest that Q LINK is unable to comply
1524 with all applicable rules and laws and FCC/ICC requirements
1525 currently existing.²⁰⁸

1526 However, meeting the FCC's reporting requirements entails more than submitting
1527 all requisite reports. It necessarily entails truthfully and accurately furnishing the
1528 required information. For instance, concealing (or not reporting) revenues it has
1529 produced does not demonstrate compliance with the FCC's reporting
1530 requirements. While it may have submitted its FCC Form 499-A, Q Link has
1531 provided evidence that it has failed to comply with the FCC's revenue reporting
1532 requirements.

1533 **Q. Please explain.**

1534 A. As discussed earlier, according to its 2012 income statements provided in its
1535 response to Staff Data Request and in its sworn testimony, Q Link claims that,
1536 aside from the less than *** \$xxxxx *** Lifeline support revenues, it had ***
1537 \$xxxxxxxxxxx *** revenues from sources other than Lifeline support in 2012. In
1538 other words, it claims that less than *** xxx% *** of its revenues in 2012 are from
1539 Lifeline support and more than *** xxxx% *** of its revenues in 2012 are from
1540 sources other than Lifeline support. In contrast, when reporting its 2012 revenues
1541 to the FCC (on FCC Form 499-A), it claims that, aside from the less than ***

²⁰⁶ Id.

²⁰⁷ Id.

²⁰⁸ Id.

1542 \$xxxx *** Lifeline support revenues, it did not have any revenues, much less ***
1543 \$xxxxxxxxxxx *** revenues, in 2012 from sources other than Lifeline support. In
1544 other words, it claims that *** xxx% *** of its revenues in 2012 are from Lifeline
1545 support and *** xx% *** of its revenues in 2012 are from sources other than
1546 Lifeline support.

1547 In sum, based upon its 2012 income statements provided in its response to Staff
1548 Data Request and sworn testimony, Q Link has failed to report to the FCC the ***
1549 \$xxxxxxxxxxx *** revenues, which it claims it had in 2012 from sources other than
1550 Lifeline support. In other words, based upon its 2012 income statements, Q Link
1551 has failed to report to the FCC a great majority (or more than *** xxxxx% ***) of
1552 its 2012 revenues, which it claims are from sources other than Lifeline support,
1553 and has therefore failed to comply with the FCC's revenue reporting rules.²⁰⁹

1554 **Q. Has Q Link provided other evidence that it has not been in compliance**
1555 **with federal rules?**

1556 A. Yes. Q Link places a recorded message on its customer service line (1-855-754-
1557 6543): "Please note that, due to a change in federal regulation, you are required
1558 to make at least one call per month to keep your Q Link wireless phone service
1559 active".²¹⁰ This notice misrepresents federal rules and has the effect of requiring
1560 consumers to make calls they might not otherwise have made. The FCC has
1561 imposed a "no usage" rule: a carrier that does not assess and collect from end

²⁰⁹ 47 CFR Section 54.711(a).

²¹⁰ Customer service toll free line 1-855-754-6543 (accessed January 15 and February 6, 2014)(emphasis added). Q Link also reiterates this one-call-per-month requirement on its "Lifeline Service and Plans" website ("[a]s long as you remain eligible and continue to use your phone at least once every 30 days, you will continue to receive this service at no cost to you" (emphasis added)). Staff Ex. 2.11d (<http://www.qlinkwireless.com/faq/lifeline-service/qlinkwireless-cost.aspx> (accessed January 30, 2014)).

1562 users a monthly charge will not receive Lifeline support for Lifeline subscribers
1563 that have not used the services for 60 consecutive days.²¹¹ Section 54.405 of
1564 the FCC rules states:

1565 (3) De-enrollment for non-usage. Notwithstanding paragraph (e)(1)
1566 of this section, if a Lifeline subscriber fails to use, as “usage” is
1567 defined in §54.407(c)(2), for 60 consecutive days a Lifeline service
1568 that does not require the eligible telecommunications carrier to
1569 assess or collect a monthly fee from its subscribers, an eligible
1570 telecommunications carrier must provide the subscriber 30 days’
1571 notice, using clear, easily understood language, that the
1572 subscriber’s failure to use the Lifeline service within the 30-day
1573 notice period will result in service termination for non-usage under
1574 this paragraph. If the subscriber uses the Lifeline service within 30
1575 days of the carrier providing such notice, the eligible
1576 telecommunications carrier shall not terminate the subscriber’s
1577 Lifeline service.²¹²

1578 Clearly, under the FCC rules, a Lifeline customer does not need to make at least
1579 one call per month (as Q Link claims) in order to maintain Lifeline services. In
1580 fact, a customer’s Lifeline services cannot be terminated simply because it has
1581 not made one call per month (or every 30 days); its Lifeline services cannot be
1582 terminated simply because it has not made a call for 60 consecutive days. The
1583 customer’s service cannot be terminated if it has not used the services for 60
1584 consecutive days but has used it during the subsequent 30-day notice period. In
1585 other words, a customer can only be de-enrolled for non-usage if the customer
1586 has not used its Lifeline services for 60 consecutive days and if the customer
1587 has not used the services during the subsequent 30-day notice period.

²¹¹ Lifeline Reform Order (FCC 12-11) at ¶257. “Usage” of Lifeline services is defined in 47 CFR Section 54.407(c)(2).

²¹² 47 CFR Section 54.405(e)(3)(emphasis added).

1588 Q Link's recorded message misrepresents the FCC rule and has the effect of
1589 requiring customers to make calls they would not otherwise have made. In
1590 misrepresenting FCC rules to consumers, Q Link cannot be considered to be in
1591 full compliance with FCC rules or have acted in consumers' best interest.

1592 **F. Additional Commitments**

1593 **Q. Q Link claims that its additional commitments enumerated on pages 17-24**
1594 **of its petitions "were taken from" the Commission's document authored by**
1595 **Staff witness Mr. Jeff Hoagg and that this per se invalidates Staff's finding**
1596 **of its lack of good faith effort in pledging commitments.²¹³ Do you agree?**

1597 **A.** No. The conditions in Q Link Ex. 1.8 were in fact drafted by Staff before the
1598 issuance of the FCC's USF/ICC Transformation Order on November 18, 2011.²¹⁴
1599 Some of the conditions represented additional requirements at the time and
1600 others have been preempted by the Lifeline Reform Order. Nonetheless, they are
1601 not and have never been the Commission's requirements.

1602 Q Link's additional commitments enumerated on pages 17-24 of its petition are
1603 not literally copied from Staff-drafted conditions. Q Link completely replaced
1604 some of the conditions with its own "condition" and substantially revised others.
1605 For instance, under Staff-drafted Condition 1, a carrier must have provided
1606 wireless services to consumers in Illinois for at least six months prior to the
1607 submission of its ETC petition.²¹⁵ Q Link replaced Staff's condition with its
1608 declaration that it will not provide wireless services in Illinois prior to ETC
1609 designation and thus prior to the submission of its petition, a total reversal of

²¹³ Q Link Ex. 1.0 at 19.

²¹⁴ USF/ICC Transformation Order (FCC 11-161).

²¹⁵ Q Link Ex. 1.8 at 1.

1610 Staff-drafted Condition 1. Also, Q Link's Conditions 9-10 enumerated on pages
1611 18-19 of its Petition were not literally copied from Staff-drafted conditions. In sum,
1612 Q Link's additional commitments enumerated on pages 17-24 of its petition are a
1613 mixture of Staff-drafted conditions, Q Link-revised Staff conditions and Q Link-
1614 created condition.

1615 Its claim that it showed good faith effort in making pledges because it inserted
1616 into its petitions a list of conditions some of which were copied from the list
1617 drafted by Staff in the past is ill-founded. Blindly copying and pasting does not
1618 represent a good-faith effort. In particular, pledging not to seek unavailable
1619 support (e.g., federal Link-Up support) not only does not reflect a good faith effort
1620 but casts doubt on Q Link's ability to understand current rule and regulation and
1621 thus its ability to comply with them. Above all, a good faith effort entails more
1622 than copying and pasting a passage to its petition. At minimum, it entails the
1623 ability, and a showing of the ability, to meet the commitment. While pledging
1624 commitments in the attempt to gain ETC status, Q Link has not shown that it has
1625 the ability to meet its commitments; in fact, it has already demonstrated non-
1626 compliance with some of its commitments, e.g., commitments under Condition
1627 5.²¹⁶ Contrary to its claim, Q Link did not show a good faith effort pertaining to
1628 commitments enumerated on pages 17-24 of its Petition.

²¹⁶ Staff Ex. 1.0 at 67-72. Q Link pledges under Condition 5 to provide an exchange-based identification of its proposed ETC service area, evidence that it provides supported services throughout its proposed ETC service area and a map of its proposed ETC service area. As shown in this testimony and in my direct testimony, Q Link has repeatedly failed to provide what it pledges under Condition 5.

1629 **Q. Q Link claims that it “has consistently exhibited its willingness to comply**
1630 **with” Commission requirements.²¹⁷ Do you agree?**

1631 A. No. Q Link has shown its willingness to make assertions. But, it has not provided
1632 wireless services in Illinois and has not established a track record of compliance
1633 in Illinois as a wireless telecommunications carrier. Thus, it has not established
1634 its ability to meet Commission requirements. Its willingness to make assertions is
1635 not proof of, or tantamount to, its ability to comply with rule and law.

1636 **Q. Please comment on Q Link’s response to your discussion of its Condition**
1637 **5.²¹⁸**

1638 A. As I have discussed earlier, Q Link’s claim that it never failed to comply with what
1639 it pledged under Condition 5 and has provided (in its petitions) information it
1640 promised to provide under Condition 5 is categorically incorrect.

1641 **Q. Please comment on Q Link’s discussion of its Conditions 9-10.²¹⁹**

1642 A. While it does not dispute that its pledge under Condition 9 is inconsistent with the
1643 FCC rules, Q Link does not revise the portion of its petition containing its
1644 Condition 9 to address Staff’s concerns. Instead, it provides a lengthy description
1645 of its initial enrollment and annual verification procedures, as if it is not obligated
1646 to meet its commitments pledged in the petition. A comparison of its description
1647 with its commitments under Conditions 9-10 indicates that it has no intention to
1648 meet its commitments under Conditions 9-10 or to address Staff’s concern that
1649 its practice of retaining proof of identity (e.g., copies of government-issued
1650 identification) violates the spirit, if not the letter, of the FCC document prohibition.

²¹⁷ Q Link Ex. 1.0 at 19.

²¹⁸ Id. at 19-20.

²¹⁹ Id. at 20-26.

1651 Example 1: Q Link commits in its petition (under Conditions 9-10) to retain
1652 documentation required under Section 54.4120(d)-(f) until three years after the
1653 customers terminate services with it.²²⁰ The description of Q Link's procedures
1654 does not include such a commitment.²²¹ By this, I understand that Q Link has no
1655 intention to meet this portion of its commitment under Conditions 9-10 of its
1656 petition.

1657 Example 2: According to its description of its enrollment procedures, in certain
1658 circumstances, Q Link requires Lifeline applicants to provide "copies of the
1659 applicant's proof documentation and government-issued ID" and will "destroy
1660 copies of proof documentation and deliver phones to the eligible customers by
1661 mail" upon completion of enrollment.²²² It makes no mention of destroying copies
1662 of government-issued identification. While retaining copies of government-issued
1663 identification is consistent with its commitment under Condition 9 of its petition, it
1664 violates the spirit, if not the letter, of the FCC's document prohibition.²²³

1665 Example 3: under its Condition 9 of its petition, Q Link permits prospective
1666 Lifeline subscribers to qualify for Lifeline services only through program-based
1667 criterion, not income-based criterion.²²⁴ But, in the description of its enrollment
1668 procedures, Q Link asserts that "[it] determines eligibility utilizing the income and
1669 program criteria currently utilized by federal default states."²²⁵ That is, it has no

²²⁰ Staff Ex. 1.0 at 70.

²²¹ Q Link Ex. 1.0 at 21-26.

²²² Id. at 21-24.

²²³ Staff Ex. 1.0 at 69-70.

²²⁴ Id. at 69.

²²⁵ Q Link Ex. 1.0 at 22.

1670 intention to follow its own commitment made in the petition. If a commitment in
1671 the petition is inconsistent with rule, Q Link should amend the portion of the
1672 petition containing this commitment and comply with the revised commitment. Q
1673 Link, however, simply ignores its own commitments in its petition.

1674 In sum, as to its commitments under Conditions 9-10 of its petition, Q Link
1675 appears to have no intention to meet them or to address Staff's concerns. Its
1676 treatment of its commitments under Conditions 9-10 calls into question of the
1677 credibility of its commitments in general.

1678 **Q. Do you have a comment on Q Link's discussion of its own Condition 13?**²²⁶

1679 A. No. I have discussed its non-compliance with its own commitment under
1680 Condition 13 of its petition. The facts underlying my finding are unchanged and
1681 so is my finding on the subject matter.

1682 **Q. Is Q Link correct in asserting that the 30-minute customer call requirement**
1683 **is the Commission-suggested minimum standard?**²²⁷

1684 A. No. Neither the Commission nor Staff suggests such a minimum standard in this
1685 proceeding. It is my understanding that customer service calls are generally free
1686 of charge. If there is a need to impose a minimum standard in this proceeding,
1687 the minimum standard should be that customer service calls be free of charge.

1688 **Q. Q Link describes the conditions in Q Link Ex. 1.8 as "the Commission's**
1689 **then-existing requirements."**²²⁸ **Is this correct?**

²²⁶ Id. at 26-27.

²²⁷ Id. at 27.

²²⁸ Id.

1690 A. No. As I have noted earlier, the conditions in Q Link Ex. 1.8 are not and have
1691 never been the Commission's requirements and were drafted by Staff prior to the
1692 issuance of the FCC's USF/ICC Transformation Order. Staff has not proposed
1693 them in any ETC proceeding in the past more than two years since the release of
1694 the USF/ICC Transformation Order. It is incorrect and improper to describe them
1695 as the Commission's (or Staff's) requirements that existed at the time when Q
1696 Link submitted its amended petition (i.e., "then-existing requirements").

1697 **G. Miscellaneous**

1698 **Q. Q Link promises that, if ordered by the Commission, it will comply with**
1699 **additional reporting requirements outlined on pages 37-38 of your direct**
1700 **testimony.²²⁹ Does this alter your recommendation regarding its petition?**

1701 A. No. In order to be designated as an ETC, Q Link must satisfy all Illinois Section
1702 214(e)(2) evaluation criteria. But, it has failed to do so and it, therefore, should
1703 not be designated as an ETC in Illinois. Its promise to follow the Commission's
1704 Order does not alter that.

1705 **Q. In describing how it satisfies the requirement of Section 214(e)(1)(A) of the**
1706 **1996 Act, Q Link asserts that it "offers the services that are supported by**
1707 **Federal universal service support mechanisms under section 254(c)" and**
1708 **"does so using its own facilities and resale of another carrier's**
1709 **services."²³⁰ Is this correct?**

1710 A. No. Q Link's claim is erroneous and refuted by its own action.²³¹ A facilities-
1711 based carrier, which, by definition, provides supported services using its own

²²⁹ *Id.* at 18.

²³⁰ *Id.* at 3.

²³¹ In its wireless certification proceeding, Q Link states that it "will provide certain services utilizing its, or an affiliate's facilities to provide some services, including, but not limited to, international calls, operator services and directory assistances." Attachment D to Q Link Wireless Certification Application (ICC Docket No. 11-0739). None of these services are supported services (i.e., services supported by the federal universal service mechanisms under Section 254(c) of the 1996 Act). Providing these services

1712 facilities or a combination of its own facilities and resale of another carrier's
1713 services, meets the facilities requirement of Section 214(e)(1)(A) and need not
1714 seek forbearance from this statutory requirement in order to be designated as an
1715 ETC. In contrast, a non-facilities-based carrier (i.e., reseller), which, by definition,
1716 does not provide supported services using its own facilities or a combination of
1717 its own facilities and resale of another carrier's services, must obtain forbearance
1718 from this statutory requirement in order to be designated as an ETC. A non-
1719 facilities-based carrier or reseller seeking designation as a Lifeline-only ETC may
1720 avail itself of the blanket forbearance (from the facilities requirement) the FCC
1721 provided in the Lifeline Reform Order.²³² Q Link has availed itself of this blanket
1722 forbearance by submitting, for FCC's approval, a forbearance-related compliance
1723 plan.²³³ Its action to avail itself of the blanket forbearance from the facilities
1724 requirement of Section 214(e)(1)(A) is a tacit admission that it is not a facilities-
1725 based carrier and does not provide supported services "using its own facilities
1726 and resale of another carrier's services" in the meaning of Section 214(e)(1)(A).
1727 Q Link's claim that it provides supported services "using its own facilities and
1728 resale of another carrier's services" appears to be erroneous and refuted by its
1729 own action.

1730 **Q. You state in direct testimony that Q Link's website problem and its**
1731 **handling of it show its lack of effort to protect consumers' interest and its**
1732 **lack of credibility.²³⁴ How does Q Link respond?**

using its own (or affiliate's) facilities does not constitute offering or providing supported services using its own facilities (or a combination of its own facilities and resale of another carrier's services) as the term is used in Section 214(e)(1) of the 1996 Act.

²³² Lifeline Reform Order (FCC 12-11) at ¶368.

²³³ Q Link Ex. 1.0 at 5.

²³⁴ Staff Ex. 1.0 at 89-94.

1733 A. Q Link responds by first reiterating the claim that its website problem was fixed
1734 immediately after it was made aware of it (i.e., on July 26, 2013).²³⁵ This claim is
1735 utterly false.²³⁶ Staff Ex. 2.15a-b to this testimony contain printouts of Q Link's
1736 "download application" webpage. As these printouts show, as of July 31 and
1737 August 20, 2013, the ETC state dropdown menu on the "download application"
1738 webpage shows Illinois as one of Q Link's ETC states and there is the Illinois-
1739 specific link "Illinois Q LINK Wireless Application" next to the arrow on Step 2, the
1740 click of which would cause the download of a Lifeline application form.²³⁷ Staff
1741 Ex. 2.15c to this testimony contains a printout of the online enrollment I
1742 performed on July 31, 2013, which I initiated with the e-mail address of
1743 monk@msn.com and the ZIP code of 60601; Staff Ex. 2.15d to this testimony
1744 contains a printout of the online enrollment I performed on August 20, 2013,
1745 which I initiated with the e-mail address of fake@yahoo.com and the ZIP code of
1746 60601.²³⁸ As these printouts show, not only Q Link did not fix its website problem
1747 on July 26, 2013 immediately after it was made aware of it, but it also did not fix it
1748 three weeks after it claims it was fixed. By reiterating such untruth (that it fixed
1749 the problem on July 26, 2013), Q Link further undermines its credibility.

1750 Q Link also claims that it "has always been ready, able and willing to make the
1751 necessary effort to protect consumers' interest."²³⁹ Such claim is undermined by

²³⁵ Q Link Ex. 1.0 at 30.

²³⁶ Staff Ex. 1.0 at 89-94.

²³⁷ Staff Ex. 2.15a-b.

²³⁸ Staff Ex. 2.15c-d. As noted in Staff direct testimony, I completed all four steps of the online enrollment process with the exception of "E-Sign and Submit" without receiving an error message stating that Q Link does not offer Lifeline services in Illinois. Staff Ex. 1.0 at 92-93 and fn. 128.

²³⁹ Q Link Ex. 1.0 at 32.

1752 its failure to make the basic effort to ensure that its website does not mislead
1753 consumers.²⁴⁰ It is further discredited by its conduct after it was made aware of
1754 its website problem: rather than immediately fixing the problem, it immediately
1755 and wrongly claims that the problem was fixed. It is also discredited by its
1756 misrepresentation of the FCC rules to consumers discussed earlier.

1757 **Q. Has Q Link fixed the “dropdown menu” problem on its “download**
1758 **application” webpage (<http://qlinkwireless.com/download-application.aspx>)**
1759 **after August 20, 2013?**²⁴¹

1760 A. No. Instead of fixing the “dropdown menu” problem on its “download application”
1761 webpage, what Q Link has done (after August 20, 2013) is disable this “download
1762 application” webpage and thus deny interested parties access to this
1763 webpage.²⁴² Its claim of having fixed the “dropdown menu” problem is untrue as
1764 of August 20, 2013.²⁴³ It remains untrue as of January 30, 2014: preventing
1765 parties from reaching this “download application” webpage (containing the ETC
1766 state dropdown menu and state-specific links for downloading application) does
1767 not qualify as fixing the “dropdown menu” problem on this webpage.

²⁴⁰ Staff Ex. 1.0 at 89-91.

²⁴¹ Staff Ex. 1.8 at 1 (“the issues have been resolved by the Company manually deactivating from the drop-down menu all states or jurisdictions in which the Company is still awaiting ETC designation” (emphasis added)) and Q Link Ex. 1.0 at 30 (726-729)(“[Q Link] now manually activates any new jurisdictions in the drop-down menu when the Company receives new ETC designations” (emphasis added)).

²⁴² A click of the “Download Application” link at the bottom of its homepage used to lead to the “download application” webpage (<http://qlinkwireless.com/download-application.aspx>) where a prospective Lifeline customer can select its residence state from the ETC state dropdown menu and then download a Lifeline application via the state-specific link appearing upon selection of residence state. Staff Ex. 1.0 at 89-90. But, as of January 30, 2014, a click of the “Download Application” link at the bottom of its homepage leads back to its homepage <https://www.qlinkwireless.com> (accessed January 30, 2014), no longer to the “download application” webpage (<http://qlinkwireless.com/download-application.aspx>). In addition, the address “<http://qlinkwireless.com/download-application.aspx>” also leads back to its homepage (accessed January 30, 2014).

²⁴³ Staff Ex. 1.0 at 89-94, Staff Ex. 1.8 at 1 and Q Link Ex. 1.0 at 30-31.

1768 **Q. You raise concerns in direct testimony over the credibility and capability of**
1769 **Q Link’s management system.²⁴⁴ Has Q Link presented any evidence to**
1770 **ease your concerns?**

1771 A. No. Q Link spends more than two pages of its rebuttal testimony attempting to
1772 show that it is credible and capable.²⁴⁵ However, none of it alters the basis
1773 underlying my findings and concerns and thus does not change my findings or
1774 ease my concerns. For example, Q Link claims that individual members of its
1775 management have worked in the telecommunications sector for more than 15
1776 years. However, there is no established correlation between one’s credibility and
1777 the number of years one is in the telecommunications service sector. Q Link also
1778 points to a reference letter of Mr. Chuck Campbell, Principal of GCM (“CGM”).²⁴⁶
1779 But, Mr. Campbell has not presented anything to alter the facts underlying my
1780 concerns and findings. Therefore, my findings and concerns are unaltered.

1781 **Q. Do you have a summary comment regarding Q Link’s credibility?**

1782 A. Yes. As shown throughout this testimony, Q Link has made numerous assertions
1783 in this proceeding that are unsupported, contradicted, refuted, discredited or
1784 utterly false. In doing so, Q Link has demonstrated its lack of credibility and has,
1785 therefore, created a loss of confidence in the truthfulness and accuracy of
1786 information it provides.

1787 **III. Conclusion**

1788 **Q. Do you continue to recommend that Q Link’s ETC petition be denied?**

²⁴⁴ See, for example, Staff Ex. 1.0 at 54-67.

²⁴⁵ Q Link Ex. 1.0 at 15-16.

²⁴⁶ Q Link Ex. 1.7 and Q Link Ex. 1.0 at 16-17. CGM is Q Link’s third party contractor and provides Lifeline editing services for Q Link (see Staff Ex. 2.12). Needless to say, CGM would benefit from Q Link’s designation in Illinois.

1789 A. Yes. In order to be designated as an ETC, Q Link has the burden of proof to
1790 demonstrate that it meets Illinois Section 214(e)(2) evaluation criteria and that its
1791 designation is consistent with the public interest, convenience and necessity.²⁴⁷
1792 But, it has failed to meet that burden. Staff's Section 214(e)(2) evaluation of its
1793 ETC petition is summarized as follows:

- 1794 1. Q Link has failed to properly identify its proposed ETC service area.
- 1795 2. Q Link has demonstrated its inability to meet Section 214(e)(1).
- 1796 3. Q Link has failed the Illinois Section 54.201(h) evaluation.
- 1797 4. Q Link has demonstrated a lack of willingness to make a basic effort to
1798 protect consumers' interest.
- 1799 5. Q Link has failed to establish that its designation will produce concrete
1800 benefits to consumers in Illinois.
- 1801 6. Q Link has failed to comply with FCC rules.
- 1802 7. Q Link has failed to establish that it is able to comply with Commission
1803 rules.
- 1804 8. Q Link has failed to establish that it is able to meet its wireless 9-1-1
1805 surcharge obligations.

1806 Each of the above findings is sufficient to support the conclusion that Q Link does
1807 not satisfy Illinois Section 214(e)(2) evaluation criteria and its designation is not
1808 consistent with the public interest, convenience and necessity. Accordingly, I
1809 continue to recommend that Q Link's ETC petition be denied.

1810 **Q. Does this conclude your rebuttal testimony?**

1811 A. Yes.

²⁴⁷ 47 USC Section 214(e)(2).