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070348-TX

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**Subject:** Swiftel, LLC ETC Designation Filing  
**Attachments:** Florida ETC Filing.doc

Please find attached electronic filing for ETC Designation within the State of Florida.

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5/30/2007

DOCUMENT NUMBER-DATE

04436 MAY 30 6

FPSC-COMMISSION CLERK

Before the  
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of )  
Swiftel, LLC )  
For the Designation as an Eligible )  
Telecommunications Carrier )

Docket No. 070348-TX

PETITION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS  
CARRIER IN THE STATE OF FLORIDA

Swiftel, LLC , pursuant to § 214(e)(2) and § 214 (e)(6) of the Communications Act of 1934, as amended (the “Act”)<sup>1</sup> , §§ 54.101 through 54.207 of the Rules of the Federal Communications Commission (“FCC”)<sup>2</sup>, § 364.10(2), and §364.025(5), Florida Statutes<sup>3</sup>, hereby petitions the Florida Public Service Commission (“Commission”) for designation as an Eligible Telecommunications Carrier (“ETC”) in exchanges served by Bellsouth Telecommunications, Inc. as described herein (“Designated Area”) for the purpose of receiving universal service support As demonstrated below, Swiftel, LLC satisfies all of the statutory and regulatory requirements for designation as an ETC in the Designated Area. Furthermore, designation of Swiftel, LLC in the designated area will serve the public interest. Accordingly, Swiftel, LLC respectfully requests that the Commission grant this Petition.

I. Swiftel, LLC

1. The company is a Limited Liability Company organized under the laws of the State of Florida on August 18, 2006 under the name Swiftel, LLC. The company currently is licensed in the State of Florida Certificate number 8682. The principal office of the Company is located at 3048 Cobblestone Drive Pace, Florida 32571.

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2. Correspondence and Communications regarding this Application and ongoing company operations should be directed to:

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3. The Company has executed documentation for the adoption of a new Interconnection agreement with BellSouth and expects such documentation to be filed with the commission in due course. The interconnection Agreement covers resale services and UNEs. Company is also currently seeking negotiation for a commercial agreement with BellSouth. Company expects to begin serving Lifeline and Link-up eligible customers within four (4) months after designation as an ETC by the Commission.
4. The Company will be providing local exchange and exchange access Services in Florida using a combination of unbundled network elements (“UNEs”), consisting of the local loop, ports and transport, provided by BellSouth and resale of BellSouth’s services. The company is currently filing application for ETC in the following states:, Montana, South Carolina, and Alabama.
5. Swiftel, LLC has not been denied designation in any jurisdiction where it

has applied therefore.

6. Company will provide service to low-income residential customers in the States of Florida, Alabama, South Carolina, Mississippi, Montana, and California.

II. Requested Designated Area

7. Swiftel requests that it be Designated as an ETC in Bellsouth and Verizon Service area.

III. Requirements for Eligible Telecommunications Service Designation

8. As set forth in § 214(e)(2) of the Act, the state commission “shall upon it’s own motion or upon request designate a common carrier that meets the requirements of [Section 214(e)(1)] as an eligible telecommunications carrier for a service area designated by the State commission.” □ § 214(e)(2) of the Act further provides, in the case of areas not served by a rural telephone company, that the state commission shall designate more than one common carrier as a eligible telecommunications carrier, consistent with public interest, convenience and necessity. Upon designation as an ETC, the carrier shall be eligible to receive universal support in accordance with § 254 of the Act. □
9. The requirements for designation as an ETC set forth in § 214(e)(1) and 47 C.F.R. 54.501(d)(1) and (2) are that the carrier must be a “common carrier” and
  - (A) offer the services that are supported by Federal universal support mechanisms under section 254( c ), either using it’s facilities or a combination of it’s own facilities and resale of another carrier’s services (including the services offered

by another eligible telecommunications carrier); and

- (B) advertise the availability of such services and the charges therefore using the media of general distribution.<sup>6</sup>

10. Additional proposed requirements for ETC Designation were adopted by the FCC in the March 17, 2005 Order, which are codified at 47 C.F.R. 54.202(a)(1)-(5).

The additional requirements provide that a carrier requesting ETC Designation as an ETC must:

- (A) Commit to provide service throughout its proposed Designated service area to all customers making a request for service 47 C.F.R. 54.202(a)(1)(i);
- (B) Provide service on a timely basis to requesting customers Within the applicants service area where the applicants network already passes the potential customers premises. (47 C.F.R. 54.202(a)(1)(i)(A));
- (C) Provide service within a reasonable period of time, if the Potential customer is within the applicant's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost by:
  - (1) Modifying or replacing the requesting customer's equipment;
  - (2) Deploying a roof-mounted antenna or other equipment;
  - (3) Adjusting the nearest cell tower;
  - (4) Adjusting the network or customer facilities;
  - (5) Reselling services from another carrier's facilities to provide service; or
  - (6) Employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment. 47 C.F.R.54.202(a)(1)(i)(B).
- (D) Submit a five-year plan that describes with specificity Proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed designated service area. Each applicant shall demonstrate how signal quality, coverage or capacity will

improve due to the receipt of high-cost support; the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; the specific geographic areas where the improvements will be made; and the estimated population that will be served as a result of the improvements. If an applicant believes that service improvements in a particular wire center are not needed, it must explain its basis for this determination and demonstrate how funding will otherwise be used to further the provision of supported services in that area (47 C.F.R. 54.202(a)(1)(ii));

- (E) Demonstrate its ability to remain functional in emergency Situations, including a demonstration that it has made reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations (47 C.F.R. 54.202(a)(2));
- (F) Demonstrate that it will satisfy applicable consumer protection and service quality standards. A commitment by wireless applicants to comply with the Cellular Telecommunications and Internet Association's Consumer Code for wireless service will satisfy this requirement. Other commitments will be considered on a case-by-case basis (47 C.F.R. 54.202(a)(3));
- (G) Demonstrate that it offers a local usage plan comparable to The one offered by the incumbent LEC in the service areas for which it seeks Designation. (47 C.F.R. 54.202(a)(4)); and
- (H) Certify that the carrier acknowledges that the commission may require it to provide equal access to long distance carriers in the event that no other eligible tele-communications carrier is providing equal access within the service area. (47 C.F.R. 54.202(a)(5)).

11. Pursuant to the FCC's Order released August 10, 2000, section 214(e)(1)

of the Act does not require a carrier to provide supported services

throughout a service area prior to being designated an ETC.

IV. Swiftel, LLC SATISFIES THE REQUIREMENTS SET FORTH IN SECTION 214 (E)(1) AND C.F.R. 54.501 (D)(1) AND (2) FOR DESIGNATION AS AN ETC TO SERVE THE DESIGNATED AREA.

12. Swiftel, LLC is a common carrier as that term is defined in the Act.

Having just received its certification from the Commission on May 22, 2007, the Company is not yet providing Competitive Local Telecommunications services in the state of Florida; however, the Company provides local exchange telecommunications services in other states as indicated in paragraph 6 above.

13. Swiftel will offer all of the supported services enumerated under Section 254(c) of the “Act” using a combination of its “own facilities” and resale of another carrier’s services. The term “facilities” under 47 C.F.R. Section 54.201 is defined as “any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part.”, 47 C.F.R. Sec. 54.201 (f) provides that “the term ‘own facilities’ includes, but is not limited to, facilities obtained as unbundled network elements...<sup>10</sup> The Company’s use of BellSouth UNEs meets this definition of “facilities.” Accordingly, the Company satisfies the requirement set forth in Section 214(e)(1)(A) of the Act.

14. The services are supported by Federal universal support mechanisms under Section 254 (c) are enumerated in the FCC's rules.<sup>1</sup>□ These services are:

- a) Voice grade access to the public switched network.
- b) Local Usage
- c) Dual tone multi-frequency signaling or its functional equivalent
- d) Single party service or its functional equivalent
- e) Access to emergency services
- f) Access to operator services
- g) Access to interexchange service
- h) Access to directory assistance
- i) Toll limitation for qualifying low-income consumers.

15. The Company will provide the supported services as follows:

- a) Voice Grade Access to the Public Switched Network. The FCC has concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth of approximately 2700 Hertz within the 300 to 3000 range. There is no requirement to support high-speed data transmissions.<sup>1</sup>□ The Company meets this requirement by providing voice-grade access to the public switched telephone network (PSTN). Through its interconnection arrangements with BellSouth, all customers of the Company are able to make and receive calls on the PSTN within the specified bandwidth.
- b) Local Usage. Although the FCC requires an ETC applicant to demonstrate that it offers a local usage plan comparable to the one offered by BellSouth in the service area for which the applicant seeks designation, the FCC has not adopted a specific local usage threshold.<sup>16</sup> Swiftel offers unlimited local service permitting the customer to make an unlimited amount of local calls within his/her local calling area.
  - a. Dual Tone Multi-Frequency ("DTMF") is a method of signaling that facilitates the transportation through the network, shortening call set-up time. Swiftel, LLC currently uses out-of-band digital signaling and in-band multi-frequency signaling that it is functionally equivalent to "DTMF".
  - (d) Single-Party Service. Single-Party Service is tele-



communications service that permits users to have exclusive use of a wire-line subscriber loop or access line for each call placed. Swiftel, LLC meets the requirement of single-party service by providing its customers with exclusive use of a wire line subscriber loop for each call placed, through its interconnection agreement with BellSouth.

16. The company will provide the supported services as follows (cont'd):

- (e) Access to emergency services. "Access to emergency Services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three digit code "911", to call emergency services through a public service access point (PSAP) operated by the local government. "enhanced 911" is defined a 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information, which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. Swiftel, LLC currently provides all of it's customers with access to emergency services by dialing 911 through its interconnection agreement with BellSouth in satisfaction of this requirement.
  
- (f) Access to operator services. "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion or both of a telephone call. Swiftel, LLC meets this requirement by providing all of its customers with access to operator services provided by BellSouth through its interconnection agreement with BellSouth.
  
- (g) Access to interexchange service. "Access to inter-Exchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user to access an interexchange carrier's network. Swiftel, LLC meets this requirement by providing all of

its customers with the ability to connect with the interexchange carrier of their choice.

- (h) Access to Directory Assistance. "Access to directory Assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Swiftel, LLC meets this requirement by providing its customers with access to directory assistance by dialing "411" or "555-1212".
- (i) Toll limitation for qualifying low-income customers. Toll limitation service is defined as either "toll customers" or "toll blocking" services pursuant to 47 C.F.R. Sec. 54-400(d). Swiftel, LLC will provide the toll limitation service that BellSouth has the technological capability to provide. Currently, Swiftel, LLC provides toll blocking services to requesting lifeline eligible customers free-of-charge in those states where it currently serves Lifeline eligible customers.

17. The Company will advertise the supported services in media of general distribution as required in 47 U.S.C. Sec. 214(e)(1). Furthermore, the Company is in compliance with the outreach guidelines adopted by the FCC in its report and order and Further Notice of Proposed Rulemaking released April 29, 2004, including 1) utilizing outreach materials and methods designed to reach households that do not currently have telephone service; 2) developing outreach advertising that can be read or accessed by any sizeable non-English speaking populations within a carrier's service area; and 3) coordination of outreach efforts with governmental agencies/tribes that administer relevant government assistance programs.

18. In States where the company is currently providing service as a designated ETC, the company advertises the availability of Lifeline and Link-up service via television advertisements. In addition, the Company has developed brochures in English and Spanish which are displayed in government agency offices and offices of organizations that provides services to low-income consumers, such as state departments of social service, housing offices, and food banks. Finally, the Company advertises its services in newspapers and fliers in Native American communities and also works directly with some tribal coordinators. The Company's advertising plan is designed to provide notification of the existence of low-income programs to the widest possible audience. Swiftel will cooperate with the Commission and Public Counsel in their advertising and outreach efforts.
19. Many, if not all, of the additional requirements set forth in the March 17, 2005 Order and 47 C.F.R. 54.202(a) apply to wireless carriers or carriers requesting reimbursement from the federal high cost fund.<sup>1</sup>, Nevertheless, Swiftel, LLC will comply with all applicable requirements set forth in the March 17, 2005 Order and adopted by the Commission, and addresses each requirement as follows:
  20. Swiftel commits to provide service throughout its proposed designated service area to all customers making a reasonable request for service.
  21. Swiftel will provide service on a timely basis within its designated service area. As Swiftel does not own, operate or manage a network, whether

Swiftel is able to serve a particular subscriber is dependant on where BellSouth's network is located or where Bellsouth builds out its network. Service outside of BellSouth's existing network coverage, in Swiftel's designation.

22. Swiftel proposes to provide Lifeline and Link-Up services in the Service area where BellSouth is a certified local exchange carrier. BellSouth is not a rural carrier. Swiftel does not request reimbursement from any state or federal high cost fund, thus, Swiftel cannot provide a 5-year plan indicating how high-cost funding will be used.
23. The FCC has determined that Lifeline providers utilize Federal universal Service support for the purpose it was intended when the carrier reduces the price of access to telecommunications services for the eligible customer by the amount of that support. <sup>20</sup> Swiftel will pass through all applicable state and federal service discounts to its end-user customers, thus reducing the price of access to telecommunications services for the Lifeline and Link-Up eligible Customer.
24. Swiftel invests in Florida's telecommunications infrastructure through payment of rates and charges to BellSouth for services purchased or leased from BellSouth, which rates and charges include costs for maintenance and upgrade of BellSouth's facilities.
25. Swiftel's ability to remain functional in an emergency situation is dependant on that of BellSouth, its underlying network based carrier, including the supply of reasonable amount of back-up power to ensure

functionality without an external power source, ability to reroute traffic around damaged facilities, and capability of managing traffic spikes resulting from emergency situations.

26. Swiftel will comply with all applicable consumer protection and service quality standards in Florida.
27. Swiftel offers a local usage plan with unlimited calling within the customer's local calling area for a flat monthly fee, which is comparable to the one offered by BellSouth in the service area for which it seeks designation. The FCC did not adopt a specific local usage threshold in the March 17, 2005 Order, contemplating that such service would vary from carrier to carrier.<sup>21</sup>
28. Swiftel certifies that it acknowledges that the Florida Public Service Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access with the service area.

V. Swiftel's Proposed Lifeline Service Rates and Charges and Tariffed Regulations

A. Lifeline and Link-Up Discounts

29. Swiftel will pass through all federal and state mandated service support<sup>22</sup> to its Lifeline and Link-Up customers, and may provide additional company discounts that encompass additional support required by state commissions, as follows:

B. Lifeline Support

Tier I – waiver of the Federal Subscriber Line Charge (SLC)	\$6.50.
Tier II -	\$1.75
Tier III -	\$1.75
<u>Florida Support</u>	<u>\$3.50</u>
	\$7.00

Total Support = \$13.50

30. Pursuant to 47 U.S.C. 54.411(a)(1)(2), Swiftel will reduce it's connection fee by ½ or \$30.00, whichever is less, and permit the customer to pay the remaining connection fee, up to \$200, over a 12 month period without interest.

31. Swiftel will comply with all applicable Florida regulations governing the provision of service to low-income consumers not eligible for Lifeline/Link-Up services.

C. Swiftel's Lifeline and Link-Up Rates

32. Swiftel proposes to provide basic local exchange service to Lifeline eligible customers for a monthly fee of \$14.00, after the service discounts are applied. Swiftel's service connection fee, after reduction by \$30.00, is expected to be \$120.00, payable at \$10.00 per month over a 12 month period. The Lifeline and Link-Up eligible customer's telephone bill is expected to be \$24.00 per month for the first year of service and \$14.00 per month thereafter, plus all applicable taxes and surcharges. Swiftel's Lifeline and Link-Up eligible customers pay \$24.00 per month for basic local service and service connection in all states that do not limit, by rule or order, the basic monthly service fee for Lifeline Service.

33. With respect to Swiftel's service connection fee, Swiftel does not require customers who have been disconnected from Company's services, but are subsequently reconnected, to pay any remaining amount of the service connection fee. Customers who reconnect service with the Company are required to pay the past due bill and a \$30.00 reconnection fee.
34. Swiftel's proposed Lifeline and Link-Up regulations to be included in its *price list* are attached here as *Exhibit D*.
35. Swiftel is aware that under § 364.105 F.S., the Company will be required to offer Lifeline subscribers, who no longer qualify for Lifeline service, local service at a discount of 70% off of residential rates for a period of one year after the date the subscriber ceases to be Lifeline qualified.

V. Carrier of Last Resort Obligations

36. Swiftel understands that a 'carrier of last resort' is obligated to provide service to all customers within its service area making reasonable requests for service. While Swiftel is not seeking designation as a 'carrier of last resort' under § 364.025, Florida Statutes, Swiftel currently provides service to all Lifeline and Link-Up eligible customers requesting service in its designated service areas in all states where it is providing telecommunications service, and commits to doing so in Florida.

37. Furthermore, Swiftel will provide high-quality, reliable service as required in Ch. 364.025(5) F.S. Swiftel's service will live up to the Commission's standards and will be as reliable as Bellsouth's network will permit.

#### VI. Public Interest Analysis

38. In the March 17, 2005 Order, the FCC adopted, and encouraged the states to utilize, a cost-benefit analysis methodology of determining whether an application for ETC designation is in the public interest.<sup>23</sup>

39. According to the FCC, the public interest analysis should take into account the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable and affordable rates, and the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.<sup>24</sup>

40. Because the FCC's rules indicate that a state commission shall designate more than one ETC in an area served by a non-rural incumbent, the FCC indicated that the public interest analysis may be conducted differently, certain factors may be given more weight than others, and that state commission may reach a different outcome in applying the test to carriers serving in a non-rural area.<sup>25</sup> The FCC also indicated that the public interest inquiry need not be as rigorous for carriers seeking ETC designation in non-rural carrier areas.<sup>26</sup>



41. The FCC's cost benefit analysis consists of the weighing and consideration of such factors as 1) the benefits of increased consumer choice; and 2) the advantages and disadvantages of an applicant's service offering.<sup>2</sup>□ Among the advantages may be that an ETC designation will permit consumers to be subject to fewer toll charges, and to obtain access to premium services, such as voice mail, call forwarding, three-way calling and call waiting. Disadvantages might include dropped call rates and poor coverage.<sup>2</sup>□

VII. Swiftel's Designation in Florida is in the Public Interest

42. Swiftel's designation as an ETC in the State of Florida Fulfills the FCC's goals for the reasons set forth below:

A. Swiftel's Designation will Lead to Increased Consumer Choice

43. Competitive Carriers do not often request ETC designation or offer Lifeline and Link-Up Services. Designation of Swiftel as an ETC will increase the low-income consumer's choice of carriers.

44. For those carriers who have been disconnected from Bellsouth or other competitive carriers for non payment of bills, Swiftel will provide an alternative to higher priced pre-paid local exchange carriers.

B. Swiftel's Designation Would lead to Increased Subscriber ship

45. According to the FCC, in 2004<sup>2</sup>, only one third of households eligible

For Lifeline and Link-Up service to subscribed to these programs, at a time when poverty rates were increasing.<sup>30</sup> Swiftel's aggressive advertisement of lifeline and link-up services, at a cost of approximately \$10,000.00 per state per month, ensures that a significant portion of the eligible population is aware of the availability of low-income telephone service programs. Increased awareness leads to increased subscriber ship in these programs for all carriers.

46. Swiftel's customers generally have poor credit and have had service disconnected by BellSouth or another competitive local exchange carrier because of unpaid bills. These consumers may be without telephone service altogether because of an inability to bring their accounts current and comply with other requirements for being reconnected to the telephone network, such as the payment of a deposit and/or reconnection fee. Company removes significant barriers to telephone subscriber ship by providing service to all Lifeline and Link-Up eligible consumers within its designated service area without credit checks or the imposition of a deposit, and despite the customer having been disconnected by another carrier.

C. Company's Designation Would Result in a Significant Reduction in Toll Charges, thereby making Telephone Service More Affordable

47. Swiftel provides Toll Restriction services throughout its designated service area, free of charge, as required by the FCC's rules. In addition, Swiftel's customer service personnel are trained to and do actively educate Swiftel's potential customers on the benefits of toll

limitation service in reducing the customer's telephone bill. Swiftel's customer service staff recommends the use of prepaid long distance calling cards as an alternative to subscription to Interexchange telephone service. As a result, the majority of Swiftel's customers choose toll restriction service and/or prepaid long distance telephone cards, which leads to affordable telephone service for the low-income consumer.

D. Company's Designation Would Make Premium Services Available to Low Income Consumers

48. Swiftel's service offering includes premium services, such as Caller ID, Call Waiting and Three-Way Calling. Where economically feasible, Swiftel offers premium service to its customer's free-of-charge for the first year of service.

E. Company's Procedures and Processes are geared toward the Low Income Customer

49. Swiftel bills its low-income customers at the beginning of each month, when the customer is likely to have funds available for payment of bills. In addition, Swiftel keeps telephone service simple. Swiftel only offers flat rated, unlimited local exchange service and a few custom calling features. Swiftel does not up sell its low-income customer's features and services the customer cannot afford. As a result, the customer pays one, consistent monthly rate.

VIII. Swiftel's Designation will have Minimal Impact on the Federal Universal Service Fund or any State Universal Service Fund

50. Swiftel requests reimbursement from the low-income Division of the USAC only. Swiftel does not request reimbursement from any state Universal Service Fund, or from the High Cost Division of the USAC.

51. Swiftel's typical customer is one that was previously a customer of another carrier, such as BellSouth. Thus, Swiftel's reimbursement from the USAC is transferred from previous carrier to Swiftel. The only increase in demand on the Federal Universal Service Fund would be for those consumers who subscribe to telephone service for the first time.

XI. Conclusion

52. For all the foregoing reasons, Swiftel respectfully requests that the Florida Public Service Commission grant this Petition for Designation as an Eligible Telecommunications Carrier for the Service areas designated herein.

Respectfully Submitted this 30 day of May, 2007.

Swiftel, LLC

\_\_\_\_s/Angie M Franco

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