



Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: December 30, 2024

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Samuel Day, Public Utility Analyst III, Office of Industry Development & Market Analysis *SD*

RE: Docket No. 20240146-TP – Initiation of show cause proceeding against Q LINK WIRELESS LLC for apparent violation of Order No. PSC-2024-0201-PAA-TP.

Attached are two FCC filings related to Q LINK WIRELESS LLC's (Q LINK) guilty plea for defrauding federal government programs, which also note that T-Mobile was Q LINK's wholesale provider. Attachment A includes T-Mobile's FCC request for designation of funds. Attachment B includes the FCC's Order in response to T-Mobile's request. Please add to docket file.

If you have any questions, please contact Samuel Day at (850) 413-6734.

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CLERK

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	WC Docket No. 09-197
)	
Q LINK WIRELESS LLC)	
)	
Lifeline Compliance Filings)	WC Docket No. 14-171
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
In the Matter of Federal-State Joint Board on Universal Service Lifeline and Link Up Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Bridging the Digital Divide for Low-Income Consumers)	WC Docket No. 17-287
)	

REQUEST FOR DESIGNATION OF FUNDS

T-Mobile USA, Inc. (“T-Mobile”),^{1/} pursuant to Section 1.41 of the Commission’s rules,^{2/} requests that the Commission direct the Universal Service Administrative Company (“USAC”) to pay to T-Mobile funds that Q LINK WIRELESS LLC (“Q LINK”) has agreed to relinquish pursuant to a Plea Agreement with the U.S. Department of Justice (“DoJ”) regarding the provision of service under the Commission’s Lifeline program. Q LINK has pleaded guilty to, among other things, defrauding Federal government programs.^{3/} The Plea Agreement provides for Q LINK to provide restitution to the Commission for fraud committed through its participation in the Lifeline program. But it makes no provision for Q LINK to make T-Mobile,

^{1/} T-Mobile USA, Inc. is a wholly owned subsidiary of T-Mobile US, Inc., a publicly traded company.

^{2/} See 47 C.F.R. § 1.41.

^{3/} See Plea Agreement, *United States of America vs. Q Link Wireless LLC*, No. 24-20363-CR-RUIZ/LOUIS (S.D. Fla. 2024) (“Q LINK Plea Agreement”); Plea Agreement, *United States of America vs. Issa Asad*, No. 24-20363-CR-RUIZ/LOUIS (S.D. Fla. 2024) (“Asad Plea Agreement”).

to whom it owes tens of millions of dollars for services T-Mobile provided to Q LINK during the term of its wholesale commercial agreement, whole for the underlying services provided to Q LINK customers.^{4/} The Commission can remedy that outcome by designating the funds USAC currently holds that are otherwise due to Q LINK as payable to T-Mobile, which has continued to provision service to Q LINK customers during this controversy.^{5/}

I. BACKGROUND

Q LINK has been operating as a wireless mobile virtual network operator (“MVNO”) and a participant in the Commission’s Lifeline program.^{6/} In particular, Q LINK resold T-Mobile’s network-based mobile voice and data services to Q LINK’s customers, offering Lifeline discounts to eligible low-income customers, and seeking reimbursement from the Universal Service Fund (“USF”) for those discounts.^{7/} Q LINK’s participation in the Lifeline program began when its Compliance Plan was approved by the Commission in 2012 and it received the necessary ETC designations by the relevant State Public Utility or Public Service Commissions.^{8/}

^{4/} *See id.*

^{5/} These efforts include T-Mobile undertaking extraordinary considerations to ensure the continuation of Lifeline program benefits for Q LINK customers while seeking to uphold the integrity of the Lifeline program.

^{6/} Eligible Telecommunications Carriers (“ETCs”) with compliance plans approved by the Wireline Competition Bureau may provide Lifeline service without using their own facilities. *See Lifeline and Link Up Reform and Modernization, et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, ¶¶ 379-81 (2012).

^{7/} *See* Sixth Amended Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Connecticut, Delaware, Florida, New Hampshire, North Carolina, and the District of Columbia of Q LINK WIRELESS LLC, WC Docket No. 09-197, at 2-3 (filed Apr. 15, 2024) (“Sixth Amended Petition”).

^{8/} *See* Q LINK WIRELESS LLC’s Third Amended Compliance Plan, WC Docket No. 09-97 and 11-42 (filed July 30, 2012) (“Compliance Plan”); *Wireline Competition Bureau Approves the Compliance Plans of Birch Communications, Boomerang Wireless, IM Telecom, Q Link Wireless and TAG Mobile*, Public Notice, 27 FCC Rcd 9184 (2012) (“*Compliance Plan Approval Public Notice*”).

Q LINK remains designated as an ETC in 39 states and U.S. territories, reportedly providing Lifeline-supported services in those states to hundreds of thousands of subscribers.^{9/}

On October 15, 2024, Q LINK and its CEO Issa Asad pleaded guilty to conspiring to defraud and commit offenses against the United States through the Lifeline program.^{10/} The DoJ found that from as early as 2012, Q LINK submitted “false and fraudulent claims” as part of the Lifeline program for Q LINK customers who did not comply with the program’s usage rules.^{11/} The DoJ explained that Q LINK manufactured customers’ cell phone activity and cell phone records and found that 21 percent of the Lifeline payments that Q LINK received resulted from that fraudulent behavior.^{12/} To settle the DoJ’s findings, Q LINK entered into a Plea Agreement with the DoJ, under which Q LINK must pay \$109,637,057 in restitution to the Commission.^{13/}

^{9/} See Sixth Amended Petition at 4. Since it filed the Sixth Amended Petition, Q LINK has been granted ETC status in Florida by the Florida Public Service Commission. See News Release, *Florida PSC Grants ETC Designations to Ten Telecommunication Carriers*, State of Florida Public Service Commission (June 18, 2024), <https://www.floridapsc.com/news-links/12187>; Florida Public Service Commission, *Memorandum, Petition for Designation as Eligible Telecommunications Carrier in the State of Florida, by Q LINK WIRELESS*, Docket No. 20240065-TP (June 6, 2024), https://www.floridapsc.com/pscfiles/library/filings/2024/04634-2024/04634-2024_20240065-TP%20Q%20Link%20ETC%20Recommendation.docx. Q LINK has represented to the Commission that it “serves millions of customers.” Q LINK WIRELESS, Annual 64.2009(e) CPNI Certification for 2024, EB Docket No. 06-36, at 1 (filed Mar. 1, 2024). However, the specific number of non-Lifeline (retail) customers to which Q LINK provides service is not easily ascertainable. See, e.g., Illinois Commerce Commission, *Q LINK Wireless LLC, Application for Designation as an Eligible Telecommunications Carrier in the State of Illinois*, 12-0095, Order, at 38 (May 13, 2019), <https://www.icc.illinois.gov/docket/P2012-0095/documents/286156/files/498870.pdf> (“*ICC Q LINK Order*”) (“Q Link highlights its non-Lifeline revenue but glosses over its lack of non-Lifeline customers and, indeed, Q Link has refused to provide the number of non-Lifeline customers that it serves.”).

^{10/} See Q LINK Plea Agreement ¶ 2; Asad Plea Agreement at ¶ 2; see also News Release, *Chairwoman Rosenworcel Statement on Guilty Plea in Lifeline Fraud Case*, FCC (Oct. 16, 2024), <https://docs.fcc.gov/public/attachments/DOC-406645A1.pdf>.

^{11/} See Factual Proffer, *United States of America vs. Q Link Wireless LLC*, No. 24-20363-CR-RUIZ/LOUIS, ¶ 7 (S.D. Fla. 2024) (“Factual Proffer”).

^{12/} See *Id.* ¶¶ 13-14, 18; 47 C.F.R. § 54.407(c)(2).

^{13/} See Q LINK Plea Agreement ¶ 7; Asad Plea Agreement at ¶ 7.

Q LINK must also relinquish all claims to all currently held Lifeline funds.^{14/} The Plea Agreement is simply the latest in a long history of determinations by the Commission and other Federal and state authorities finding that Q LINK has engaged in misconduct.^{15/}

Because, under the Plea Agreement, Q LINK may not “participate in any program administered by the FCC” at the time of sentencing,^{16/} T-Mobile expects that, in due course, the Commission may take further action to prevent Q LINK from participating in Lifeline, including (i) dismissing with prejudice Q LINK’s pending Sixth Amended Petition for Limited Designation as an ETC;^{17/} and (ii) otherwise revoking Q LINK’s Compliance Plan, which may

^{14/} See *id.*

^{15/} The Commission has found that Q LINK violated its rules multiple times and subjected Q LINK to significant penalties related to its participation in Lifeline and other FCC-support programs. Last year, the Commission issued a Notice of Apparent Liability for Forfeiture and Order against Q LINK and its affiliate for violating their duty to protect certain information provided by Lifeline subscribers and proposed a joint penalty of \$20 million. See *Q Link Wireless LLC and Hello Mobile Telecom LLC*, Notice of Apparent Liability for Forfeiture, Order, 38 FCC Rcd 7022 (2023). Earlier this year, the Commission issued a Notice of Apparent Liability for Forfeiture and Order against Q LINK for “overclaiming support for hundreds of thousands of computer tablets” under the Emergency Broadband Benefit Program (“EBBP”), which allowed Q LINK to obtain more than \$20.7 million in improper disbursements under the EBBP. See *Q Link Wireless LLC*, Notice of Apparent Liability for Forfeiture and Order, 38 FCC Rcd 677 (2023). In addition, two states – Illinois in 2019 and California in 2014 – have *denied* Q LINK’s request to be designated as an ETC because Q LINK could not show that it is financially qualified to provide Lifeline services. See *ICC Q LINK Order* at 39, California Public Utilities Commission, Resolution T-17463, at 15 (Nov. 20, 2014), <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M122/K760/122760404.PDF>.

^{16/} See Q LINK Plea Agreement ¶ 8; Asad Plea Agreement at ¶ 8. Even if Q LINK did not agree to cease participating in any program administered by the FCC, it was no longer eligible for an ETC designation. Section 54.202(a)(4) of the rules requires a common carrier applying for ETC designation to “demonstrate that it is financially and technically capable of providing the Lifeline service.” 47 C.F.R. § 54.202(a)(4). For several years, Q LINK has shown that it is financially *irresponsible* by engaging in financial misconduct and mismanaging the USF support that it has received. Q LINK has a level of outstanding debt indicative of financial mismanagement, including millions of dollars owed to T-Mobile. In the Sixth Amended Petition, Q LINK acknowledges its lack of financial stability, stating that “it was able to provide Lifeline service fully without any financial issues *until* the FCC began withholding a portion of its reimbursements in June 2021.” Sixth Amended Petition at 15 n.27 (emphasis added). And if simply withholding a *portion* of Q LINK’s reimbursements causes it to be unable to make *any* payments to T-Mobile, then Q LINK should not have been offering Lifeline services in the first place.

^{17/} On April 15, 2024, Q LINK submitted the Sixth Amended Petition seeking designation as an ETC in Connecticut, Delaware, D.C., Florida, New Hampshire, and North Carolina “for all areas served by

and Q LINK got what they bargained for in that transaction, T-Mobile did not. To the contrary, Q LINK has been able to retain over \$500 million of USF support *without* fully compensating T-Mobile for the services it provided to Q LINK and indirectly to consumers. Re-directing the funds to T-Mobile would simply allow it to receive the Federal benefits for the service that it ultimately provided during the term of its agreement with Q LINK and for the services that it continues to provide to Q LINK's Lifeline program customers.^{21/}

The Commission has transferred USF benefits from one provider to another when circumstances warrant. For instance, the Commission has permitted the transfer of Lifeline support (including associated obligations) from one entity to another when a Lifeline service provider has entered into bankruptcy and become no longer financially capable of providing Lifeline services.^{22/} The Commission has also permitted the transfer of USF support when requested by a USF support recipient,^{23/} including when the USF support recipient is no longer able to fulfill its commitments related to that support.^{24/} Like those cases, Q LINK will no longer

^{21/} Nor would directing those benefits to T-Mobile undermine the integrity of Lifeline program controls nor invite waste, fraud, and abuse. To the contrary, absent Commission action, T-Mobile would suffer significant financial penalty. *See Emergency Broadband Benefit Program*, Order, 37 FCC Rcd 1313, ¶ 7 (2022).

^{22/} *See Wireline Competition Bureau Approves the Amended Compliance Plan of TAG Mobile*, Public Notice, 37 FCC Rcd 10786 (2022); *Wireline Competition Bureau Approves Further Revised Compliance Plan of AirVoice Wireless, LLC*, Public Notice, DA 24-209 (rel. Mar. 6, 2024).

^{23/} *See Domestic Section 214 Application Granted for the Acquisition of Certain Assets of Computer 5 Inc. DBA LocalTel Communications to Northwest Fiber, LLC, Zply Fiber Northwest, LLC, and Zply Wireless, LLC*, Public Notice, DA 24-946 (rel. Sept. 13, 2024) (approving the acquisition of LocalTel, including the transfer of its Lifeline support).

^{24/} *See Domestic Section 214 Application Granted for the Acquisition of Certain Assets of BroadLife Communications, Inc. by Yellowhammer Networks*, Public Notice, 38 FCC Rcd 5078 (2023) (approving the transfer of BroadLife's Rural Digital Opportunity Fund ("RDOF") service areas, along with its RDOF support, to Yellowhammer in order to avoid default); *see also Wireline Competition Bureau Announces Lumen Technologies, Inc.'s Defaults on Its RDOF Obligations in Four States and Also Announces Broadband Deployment Alignment Plan Procedures*, Public Notice, DA 24-899 (rel. Sept. 9, 2024) (describing the procedures for finding a replacement provider in the event that a provider defaults on its RDOF commitments).

result in the revocation of its ETC status.^{18/} Such action would be appropriate under Commission rules and precedent. Those actions, however, will not address Q LINK's debt to T-Mobile – a debt that allowed Q LINK to perpetrate the fraud.

II. THE COMMISSION SHOULD DESIGNATE Q LINK'S USF PAYMENTS TO T-MOBILE

The Commission should direct USAC to divert the USF support that would otherwise be used to offset the \$109,637,057 restitution payment that Q LINK is required to make to the Commission – *i.e.*, the greater of \$19,606,868 or the amount held at the time of sentencing – to T-Mobile.^{19/} T-Mobile recognizes that the Commission's rules require Lifeline support to be provided “directly” to an ETC.^{20/} However, T-Mobile was Q LINK's wholesale provider, which means Q LINK was leveraging T-Mobile's network for which it should have been paying T-Mobile (but was not) to provide service to end users and receive USF support. Indeed, Q LINK could not have operated without T-Mobile. T-Mobile provided Q LINK access to its network, which was necessary to support and manage Q LINK's customer base. While end users

T-Mobile” so that Q LINK's Affordable Connectivity Program (“ACP”) customers in these states have a “Lifeline alternative” now that the ACP has ended. *See* Sixth Amended Petition at iv-v.

^{18/} Q LINK filed its initial petition to be designated as an ETC by the FCC on January 5, 2012, and it has made several amendments to that petition, resulting in its current Sixth Amended Petition. *See* Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia of Q LINK Wireless LLC, WC Docket No. 09-197 (filed Jan. 5, 2012); *Wireline Competition Bureau Seeks Comment on Petitions for Designation as a Low-Income Eligible Telecommunications Carrier Filed by Q Link, Total Call and True Wireless*, Public Notice, 27 FCC Rcd 4390 (2012); Compliance Plan; *Compliance Plan Approval Public Notice*; Sixth Amended Petition at 4.

^{19/} T-Mobile notes that the Plea Agreement allows Q LINK to credit this amount, owed to it by the FCC, toward the approximately \$110 million of the restitution it is required to pay. The U.S. Attorney charges state that Q LINK received approximately \$618 million from the Lifeline program, meaning that some or all of the approximately \$20 million owed to Q LINK is for services it legitimately provided, based on its use of T-Mobile's network. Those funds should therefore be used to compensate T-Mobile for the services that consumers enjoyed by using its network.

^{20/} 47 C.F.R. § 54.407(a).

provide Lifeline services because it is no longer permitted to provide those services pursuant to the Plea Agreement. Therefore, Q LINK's Lifeline support should be diverted to another party who can. In this case, because it was T-Mobile's network on which the services were provided and which generated the payments USAC continues to hold, it follows that those payments should be transferred to T-Mobile.

The Commission has already utilized a wide array of regulatory tools to address violations of its USF programs. For instance, the Commission has proposed penalties for providers that include requiring providers to reimburse the USF,^{25/} suspending payments to providers,^{26/} initiating inquiries about or revoking providers' ETC status,^{27/} removing providers from support programs,^{28/} and barring providers from participating in future programs.^{29/} Requiring USAC to divert Q LINK's Lifeline disbursements to T-Mobile would be another one of these mechanisms appropriately tailored to address the determinations made by the DoJ and the Plea Agreement.

Using the regulatory tool that T-Mobile proposes and diverting Q LINK's USF funds to T-Mobile would further send a clear message that Lifeline providers cannot take advantage of the Commission's USF programs while failing to pay for the network used to provide the services. Allowing Q LINK to credit the \$19,606,868 being held by USAC (or the amount held at the time of sentencing) against Q LINK's restitution obligation without paying T-Mobile the millions of

^{25/} See *TracFone Wireless, Inc.*, Order, 38 FCC Rcd 10895 (2023).

^{26/} See *Total Call Mobile, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 31 FCC Rcd 4191 (2016).

^{27/} See *American Broadband & Telecommunications Company*, Notice of Apparent Liability for Forfeiture and Order, 33 FCC Rcd 10308 (2018).

^{28/} See *City Communications, Inc.*, Notice of Apparent Liability for Forfeiture and Order Initiating Removal Proceeding, 39 FCC Rcd 801 (2024).

^{29/} See *K20 Wireless LLC and Krandon Wenger*, Removal Order, DA 24-655 (rel. July 10, 2024).

dollars it owes for providing services to Q LINK would effectively allow Q LINK to receive a double payment. Instead of allowing that outcome to occur, the Commission should, as the Plea Agreement contemplates, apply the amount withheld to Q LINK's restitution obligation, but provide those withholdings to T-Mobile. Designating that support to T-Mobile would deter others who participate in the Lifeline program from engaging in similar practices.

III. CONCLUSION

T-Mobile provisioned the commercial network services to Q LINK consumers under the term of its agreement with Q LINK and continues to provide service to its customers, yet Q LINK has not paid T-Mobile tens of millions of dollars for those services. T-Mobile therefore requests that the Commission pay the approximately \$20 million of funds that USAC is withholding and will credit toward Q LINK's financial obligations to T-Mobile.

Respectfully submitted,

/s/ Michele Thomas
Michele K. Thomas
Indra Sehdev Chalk

T-MOBILE USA, INC.
601 Pennsylvania Avenue, N.W.
Washington, DC 20004

November 21, 2024

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
Lifeline and Link Up Reform and Modernization) WC Docket No. 11-42
Telecommunications Carriers Eligible for) WC Docket No. 09-197
Universal Service Support)

ORDER

Adopted: November 22, 2024

Released: November 22, 2024

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, the Wireline Competition Bureau (Bureau) takes emergency action to ensure continuity of Lifeline service for the Lifeline households formerly served by Q Link Wireless LLC (Q Link) prior to its suspension.

2. In the extraordinary circumstances before us, we find good cause exists to temporarily waive certain Lifeline requirements to prevent disruption to certain Lifeline subscribers' service in the wake of Q Link's suspension from the Lifeline program. The waiver of these rules will allow T-Mobile USA, Inc. (T-Mobile), with which Q Link contracted as an underlying service provider for its previous Lifeline offering, to provide the Lifeline-discounted service on an emergency basis to persons who would otherwise abruptly lose that service. Most recently, despite non-payment by Q Link, T-Mobile has provided, and continues to provide, the impacted Lifeline subscriber base with service. However, T-Mobile has indicated that it cannot do so indefinitely and these customers will remain at imminent risk for loss of service. With these temporary waivers, the impacted consumers will continue to have access to the Lifeline-supported voice and broadband service on which they rely, provided by T-Mobile through its Lifeline eligible telecommunications carrier (ETC), Assurance Wireless (Assurance), unless and until they choose to opt-out and select a different Lifeline provider.

II. BACKGROUND

3. The Federal Communications Commission's (FCC or Commission) rules contain several protections to help ensure that households eligible for Lifeline are not enrolled or transferred in the program without their consent, and that the program does not make duplicate payments to multiple Lifeline providers for service provided to the same household. In particular, the Lifeline rules require providers to obtain subscribers' consent prior to submitting their personal information to the NLAD to

1 See 47 CFR §§ 54.201(a)(1), 54.400(k), 54.401(a), 54.404(b)(9), 54.404(c)(5), 54.405(e)(3), 54.407(a), 54.407(e), 54.410(b)(1)(ii), 54.410(b)(2), 54.410(c)(1)(ii), 54.410(c)(2), 54.416(b), 54.417(a).

2 See T-Mobile USA, Inc., Request for Designation of Funds, WC Docket Nos. 09-197 et al., at 8 (filed Nov. 21, 2024).

3 Assurance is T-Mobile's primary ETC across Q Link's former service footprint. In Puerto Rico, however, Lifeline offerings are provided by T-Mobile Puerto Rico. This Order treats that entity similarly, and any references made to "Assurance" are meant to include the T-Mobile Puerto Rico ETC.

enroll or transfer the subscriber.⁴ The program rules also limit Lifeline reimbursement to the provider that directly serves the Lifeline household, to prevent duplicate support being sent to both a direct Lifeline service provider and a wholesale provider for the same household.⁵ The rules also require Lifeline providers to de-enroll Lifeline households that do not pay a monthly fee for their service and have not used their service for a 30-day period and have not cured their non-usage.⁶

4. *Q Link Suspension from the Lifeline Program.* On October 15, 2024, Q Link pleaded guilty to conspiring to defraud and commit offenses against the United States in connection with a years-long scheme to fraudulently claim over \$100 million from the Lifeline program.⁷ Q Link and its owner admitted to engaging in conduct designed to mislead the FCC as to how many of Q Link's Lifeline subscribers were continuing to use their Lifeline service, and to prevent subscribers who sought to de-enroll from ending their relationship with Q Link, which would have prevented Q Link from billing the Lifeline program for these households.⁸ Based on Q Link's guilty plea and factual proffer in *United States v. Q Link Wireless, LLC*, on November 8, 2024, the Commission's Enforcement Bureau suspended Q Link from participation in Lifeline or other universal service support programs and began a proceeding to debar Q Link from future participation in all federal universal service support mechanisms.⁹

⁴ See 47 CFR § 54.404(b)(9) (requiring ETCs to obtain consent from subscribers to transmit to NLAD the consumer information necessary to receive Lifeline support). See also *Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of NLAD Processes Regarding Benefit Transfers, Exceptions Management and Dispute Resolution*, Public Notice, 29 FCC Rcd 11443, 11444 (WCB 2014) (summarizing procedures for benefit transfers in NLAD—including requiring the ETC initiating the benefit transfer transaction to obtain the affirmative consent of the subscriber to transfer the Lifeline benefit prior to the initiation of the transfer in NLAD and requiring the ETC to keep a record of all communications made with the subscriber when obtaining consent, including records documenting the subscriber's affirmative consent).

⁵ 47 CFR §§ 54.201(a)(1), 54.400(k), 54.401(a), 54.407(a). See also *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, 30 FCC Rcd 7818, 7899-7901, paras. 244, 249 (2015). In establishing the direct service requirement, the Commission was concerned with the possibility of over-recovery by both wholesalers and resellers seeking reimbursement from USAC for the same Lifeline subscriber and the lack of direct oversight of non-ETC resellers by state and federal regulators. *Id.* at 7899, para. 246. At that time, where both the wholesaler and the reseller were ETCs, there was no way for USAC to determine whether both the wholesaler and the reseller were seeking reimbursement for the same subscriber. *Id.* The Commission's subsequent decision to require all Lifeline claims to be directly based on subscriber NLAD enrollments independently prevents this risk of duplicate support today.

⁶ See 47 CFR § 54.405(e)(3).

⁷ *United States v. Q Link Wireless LLC*, Criminal Docket No. 1:24-cr-20363-RAR, Plea Agreement (S.D. Fla. Oct. 15, 2024); *United States v. Q Link Wireless LLC*, Criminal Docket No. 1:24-cr-20363-RAR, Factual Proffer (S.D. Fla. Oct. 15, 2024).

⁸ See *id.* See also Press Release, U.S. Attorney's Office, Southern District of Florida, Department of Justice, Nationwide Telecommunications Provider and its CEO Plead Guilty to Massively Defrauding Federal Government Programs Meant to Aid the Needy (Oct. 15, 2024), <https://www.justice.gov/usao-sdfl/pr/nationwide-telecommunications-provider-and-its-ceo-plead-guilty-massively-defrauding>.

⁹ See Letter from Christopher J. Sova, Federal Communications Commission, to Issa Asad, Chief Executive Officer, Q Link Wireless LLC, et al., DA 24-1131, at 2-4 (Nov. 8, 2024) (suspending Q Link, pursuant to 47 CFR § 54.8, "from: (a) participating in any activities associated with or related to the Lifeline program, including receiving funds or discounted services through the Lifeline program, or consulting with, assisting, or advising applicants or service providers regarding the Lifeline program; and (b) participating in any activities associated with or related to all federal universal service support mechanisms").

5. *Q Link's Business Relationship with T-Mobile.* T-Mobile provided wholesale mobile service to Q Link, which then resold that service to households participating in the Lifeline program.¹⁰ The Bureau has been made aware that, due to non-payment by Q Link and more recently as a result of Q Link's guilty plea and its subsequent suspension from Lifeline, T-Mobile has been providing service to these households itself and without compensation.¹¹

III. DISCUSSION

6. The Bureau acts on its own motion to temporarily waive certain Lifeline rules to enable former Q Link Lifeline subscribers who would otherwise lose service to continue to receive Lifeline service through T-Mobile and Assurance Wireless. In evaluating whether good cause exists for waiver of its rules,¹² the Commission considers whether the particular facts make strict compliance inconsistent with the public interest.¹³ The Commission may also take into account concerns of hardship, equity, or more effective implementation of overall policy on an individual basis.¹⁴ Waiver of the Commission's rules is therefore only appropriate if special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.¹⁵ As further discussed below, the Bureau finds good cause to act on delegated authority to temporarily waive the Lifeline rules as described herein.¹⁶

7. We find that good cause exists to temporarily waive for Assurance the Lifeline requirements regarding the "direct" provision of Lifeline service, subscriber consent to transmitting subscriber information in the NLAD, and certain de-enrollment timelines.¹⁷ T-Mobile has continued to provide service to certain Lifeline households despite Q Link's exit from the Lifeline program and inability to continue providing Lifeline service under the terms of that suspension.¹⁸ Temporarily waiving the Lifeline program's direct service requirement to the limited extent necessary to permit Assurance to claim Lifeline reimbursement for service provided to these households will enable T-Mobile and Assurance to continue providing service to impacted households and allow those Lifeline households to receive the benefits of information, outreach, and customer service support from a Lifeline provider, and the establishment of accounts with appropriate pricing and billing information.

8. We also find good cause to waive the Lifeline rules regarding household consent to transmit consumer information to the NLAD for the purpose of permitting Assurance to transfer impacted subscribers in the NLAD and continue providing Lifeline-supported service to those households. In the

¹⁰ See Petition of Q Link Wireless LLC for Limited Designation as an Eligible Telecommunications Carrier in the States of Connecticut, Delaware, Florida, New Hampshire, North Carolina, and the District of Columbia, WC Docket No. 09-197, at 4, 9, 13-15 (filed Apr. 15, 2024), <https://www.fcc.gov/ecfs/document/1041597277251/1> (detailing Q Link's reliance on T-Mobile's network to provide the supported service to Q Link's subscribers).

¹¹ See T-Mobile USA, Inc., Request for Designation of Funds, WC Docket No. 09-197 et al., at 5-8 (filed Nov. 21, 2024). This Order only addresses T-Mobile's ability to enroll and claim Lifeline reimbursement for subscribers on or after the effective date of this Order, and it does not address requests related to past debts owed by Q Link.

¹² See 47 CFR § 1.3.

¹³ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

¹⁴ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

¹⁵ *Northeast Cellular*, 897 F.2d at 1166.

¹⁶ See 47 CFR § 0.291; *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Red 3962, 4120, para. 433 (2016).

¹⁷ See 47 CFR §§ 54.201(a)(1), 54.400(k), 54.401(a), 54.404(b)(9), 54.405(e)(3), 54.407(a). Because the subscribers transferred under this Order have already undergone an eligibility determination and activated their service, with T-Mobile as Q Link's underlying service provider, a waiver of section 54.410(a)'s requirements is not necessary. See 47 CFR § 54.410(a) (requiring ETCs, prior to activating Lifeline service, to confirm subscriber qualifications to receive Lifeline and to complete subscriber eligibility determinations and certifications).

¹⁸ See T-Mobile USA, Inc., Request for Designation of Funds, WC Docket No. 09-197 et al., at 6, 8.

extremely unusual and emergency circumstance of a Lifeline provider's suspension and sudden exit from the program due to criminal misconduct and the former Lifeline provider's resulting inability to continue in the Lifeline program after its suspension, we find that the privacy and consent protections of these provisions are outweighed by the strong interest in protecting Lifeline subscribers from sudden disconnection. Affected subscribers may, however, opt-out of receiving service from Assurance by transferring their Lifeline benefit to another Lifeline provider in their area, or requesting to de-enroll from the program.¹⁹

9. Our decision to provide this waiver is based on careful consideration of how to continue to support the stable provision of services through the Lifeline Program, and this waiver is limited to the extent needed to allow for the effective transition of households' Lifeline-discounted service from Q Link to Assurance for customers who would otherwise lose service. There is good cause to minimize disruptions and maintain service for these customers—especially where, as here, the customers are already receiving T-Mobile service. Additionally and through no fault of their own, the affected subscribers are at risk of losing their service solely as a result of Q Link's malfeasance.

10. In addition, we find that good cause exists for a limited waiver of Lifeline program recordkeeping requirements, to the extent accurate records are not readily available, for customers transferred from Q Link to Assurance under this Order.²⁰ It is unlikely T-Mobile can acquire accurate records as to these subscribers regarding their activity in Lifeline prior to Q Link's suspension from the program. However, we understand that T-Mobile has continued to provide service to these households.²¹ This waiver of recordkeeping requirements only encompasses records arising during the time period before the impacted subscribers are enrolled in Assurance's Study Area Codes in NLAD. Additionally, if relevant compliance information exists in the Universal Service Administrative Company's (USAC) systems and is accessible for Assurance for these households, Assurance should maintain those records consistent with their Lifeline compliance practices.

11. Further, we find good cause to temporarily waive the Lifeline program's annual ETC certification requirement²² for customers transferred from Q Link to Assurance under this Order, for a period of 180 days after the issuance of this Order. In the normal course annual ETC certifications are due on January 31,²³ but we believe this additional time is necessary to allow T-Mobile to work through its compliance processes for the transferred subscribers and accurately report information in the Form 555 after completing those processes. We direct USAC to permit Assurance to file revisions to their Form 555 filings to account for the households affected by this Order.

12. Finally, we waive certain Lifeline de-enrollment requirements to allow Assurance to issue notice to households that have not recently used their service prior to de-enrollment, but we do not waive the Lifeline program's usage requirements for purposes of reimbursement.²⁴ Because T-Mobile is currently providing service to these households, we anticipate that Assurance will be able to promptly determine whether or not individual subscribers are compliant with the Lifeline program's usage requirements. However, we also recognize that households who do not pay a monthly fee for their

¹⁹ See 47 CFR § 54.405(e)(5); Change My Company, Universal Service Administrative Company (last visited Nov. 22, 2024), <https://www.lifelinesupport.org/change-my-company/>.

²⁰ See 47 CFR §§ 54.407(e), 54.410(b)(1)(ii), 54.410(b)(2), 54.410(c)(1)(ii), 54.410(c)(2), 54.417(a).

²¹ See T-Mobile USA, Inc., Request for Designation of Funds, WC Docket Nos. 09-197 et al., at 8 (filed Nov. 21, 2024).

²² See 47 CFR § 54.416(b).

²³ See USAC, *Annual Filings*, <https://www.usac.org/lifeline/rules-and-requirements/forms/annual-filings/> (last visited Nov. 22, 2024).

²⁴ See 47 CFR §§ 54.405(e)(3), 54.407(c). The transfer of subscribers under this Order, standing alone, does not provide a "reasonable basis" to believe that the affected subscribers no longer qualify for Lifeline under section 54.405(e)(1), and a waiver of that rule is therefore not necessary.

service and have not used their service for 30 days may have never been issued cure notices about their usage by Q Link, both because Q Link's access to subscriber information may have been impacted by its contractual dispute with T-Mobile and because Q Link has stipulated to facts indicating broad noncompliance with the Commission's usage rules. While we do not permit Assurance to claim reimbursement for households that do not meet the Lifeline usage requirements, it is appropriate for these households to be given notice and the opportunity to cure their non-usage. As such, Assurance is not required to de-enroll these households, but it may instead, within 45 days of the effective date of this Order, issue 15-day cure notices to households with non-usage greater than 30 days. If these households do not cure their usage within the cure period, they must be de-enrolled consistent with the Lifeline program's rules.²⁵ We will continue to apply the existing reimbursement rules for these households to ensure that only households actually using their service pursuant to the rules are claimed for reimbursement. With this waiver, households will be given the opportunity to cure their non-usage, while we are also protecting against reimbursement for service that has not been used.

13. To implement this waiver, we direct USAC to transfer subscribers that continue to receive service from T-Mobile to Assurance. The Bureau also expects that Assurance will notify affected households of the terms of their ongoing service as soon as practicable and to indicate that they may choose a different Lifeline provider at any time, consistent with Lifeline Program rules. This waiver only applies to the extent necessary to effectuate this emergency transfer to Assurance; this waiver does not apply to any other T-Mobile or Assurance subscribers. We also direct USAC to work with the Lifeline administrator in Texas, the only NLAD opt-out state with impacted subscribers, to effectuate a similar transfer. Additionally, we encourage the Texas Lifeline administrator to implement similar changes to its systems and processes to allow for similar relief, ensuring continued Lifeline service for these subscribers.

IV. ORDERING CLAUSES

14. ACCORDINGLY, IT IS ORDERED, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 1.3, that sections 54.201(a)(1), 54.400(k), 54.401(a), 54.404 (b)(9) and (c)(5), 54.405(e)(3), 54.407(a) and (e), 54.410(b)(1)(ii), (b)(2), (c)(1)(ii), and (c)(2), 54.416(b), and 54.417(a) of the Commission's rules, 47 CFR §§ 54.201(a)(1), 54.400(k), 54.401(a), 54.404 (b)(9) and (c)(5), 54.405(e)(3), 54.407(a) and (e), 54.410(b)(1)(ii), (b)(2), (c)(1)(ii), and (c)(2), 54.416(b), and 54.417(a), ARE WAIVED to the limited extent provided herein.

15. IT IS FURTHER ORDERED, that pursuant to section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Trent B. Harkrader
Chief
Wireline Competition Bureau

²⁵ See 47 CFR § 54.405(e)(3).