

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

In the Matter of

**TeleGuam Holdings, LLC (f/k/a Pulse
Mobile) USAC CERTIFICATION**

GTA Docket 18-04

PUC COUNSEL REPORT

BACKGROUND

On August 27, 2018, TeleGuam Holdings LLC, f/k/a Pulse Mobile, filed its 2018 Annual USAC filing.¹ Although TeleGuam Holdings LLC is the technical holder of the ETC designation, it operates as a CMRS carrier under the name of Pulse Mobile. Thus, “Pulse Mobile”, as used herein, will interchangeably refer to TeleGuam Holdings.

Pulse Mobile has petitioned the PUC to issue a Certification that Pulse Mobile will use federal universal service support funds for purposes in compliance with Section 254(e) of the Communications Act.² It receives monies from interstate universal service funds [“USF”] that are designated to support local services, build needed infrastructure and improve service quality.

Each year the PUC is required to certify to the FCC and the Universal Service Administrative Company (USAC) that those universal service funds will be used only for the purposes designated in the Federal Act. Absent such a Certification by PUC, TeleGuam Holdings LLC would be denied funds for each quarter of the year that certification is delayed.³ Pulse receives monies from interstate universal service funds (USF) that are designated to accomplish the purposes set forth in Section 254(e) of the Communications Act.

On February 1, 2007, the PUC granted Pulse Mobile LLC’s Petition for designation as an ETC.⁴ By virtue of PUC Order in GTA Docket 11-14 issued on May 25, 2012, Pulse Mobile’s ETC Designation was transferred to TeleGuam Holdings LLC.⁵ ETCs are service providers eligible to receive federal support for local services from Universal Service Funds. In accordance with such Order, TeleGuam Holdings LLC annual designation as an ETC, d/b/a Pulse Mobile, is subject to its provision of annual certifications and data submissions to the PUC. The PUC requires such information so

¹ Pulse Mobile Petition for Annual USAC Certification, Docket No. 18-04, filed August 27, 2018. Id. at p. 1.

² Id.

³ Pulse Mobile Petition for Annual USAC Certification, Docket No. 12-08, filed September 12, 2012.

⁴ Application of Pulse Mobile, LLC for Designation as an Eligible Telecommunications Carrier (Order Approving Designation, Docket No. 06-8, issued February 1, 2007).

⁵ PUC Order, GTA Docket 11-14, dated May 25, 2012.

that it can ensure that funds received by Pulse will be expended in accord with the requirements of the Communications Act.

RECENT DEVELOPMENTS

Pulse has continued to make capital improvements to its wireless networks on Guam.⁶ Pulse has built out various aspects of its wireless network over the past year.⁷ During 2017-18, Pulse continued its LTE Site Coverage Expansion, 3G Site Coverage Expansion, and 3G Switch and Capacity Upgrades.⁸ With its Petition, GPA has submitted its planned expansion plan for 2019 through 2023. Exhibit A, Five Year Build Out Plan, sets forth GTA's major network improvement projects for the next five calendar years, along with the start and completion dates, capital costs, and areas and populations associated with those projects.⁹ Numerous projects are listed for 2019-2023, including: installation of VDSL and fiber expansion.¹⁰ GTA's Plan indicates capital expenditures in excess of \$6M.¹¹

REQUIREMENTS

The Pulse ETC Designation Order contains the following requirements:

- (a) Pulse Mobile must comply with any local usage requirements prescribed by the FCC;
- (b) Pulse Mobile must comply with any FCC requirements concerning E911 service when implemented in the Territory of Guam;
- (c) Pulse Mobile must certify to the Commission on or before August 31 of each year, that Pulse Mobile (i) offers all of the services designated by the FCC for support pursuant to Section 254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale and (ii) advertises the availability of supported services and the charges there for using media of

⁶ Pulse Mobile Petition for Annual USAC Certification, GTA Docket 17-06, Exhibit A to Pulse's Petition, Pulse Mobile's Five-Year Network Improvement Plan.

⁷ Id.

⁸ Id., Exhibit A to Pulse's Petition, Pulse Mobile's Five Year Network Improvement Plan, updated as of August, 2017.

⁹ Pulse Mobile Petition for Annual USAC Certification, Docket No. 18-04, filed August 27, 2018, Exhibit A, Five Year Buildout Plan, updated as of August 2018.

¹⁰ Id.

¹¹ Id.

general distribution as described in its petition;

- (d) Pulse Mobile must notify the Commission within thirty (30) days of any determination that it cannot provide service to a requesting customer in accordance with the FCC's requirements;
- (e) Pulse Mobile must file a detailed build-out plan satisfying the FCC's requirements;
- (f) Pulse Mobile will file with the Commission as part of its annual submission of certification and documentation by August 31 of each year, an annual certification in substantially the form required by Section 54.314(b) and 54.314(c) of the FCC's Rules to verify that Pulse will use federal high-cost support only for those facilities and services for which the support is intended;
- (g) Pulse Mobile must submit to the Commission on or before August 31 of each year the following documentation: (i) Pulse Mobile's progress towards meeting its build-out plans; (ii) information on any outage lasting at least 30 minutes and potentially affecting either at least 10 percent of the end users served or 911 facilities; (iii) the number of requests for service from potential customers within Pulse Mobile's service area that were unfulfilled for the past year; (iv) the number of complaints per 1,000 handsets; (v) Pulse Mobile's compliance with the CTIA Consumer Code; (vi) Pulse Mobile's certification that it is able to function in emergency situations; (vii) Pulse Mobile's certification that it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier; and (viii) Pulse Mobile's certification that it acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access in the service area;
- (h) Pulse Mobile must promptly submit to the Commission any additional information or reports that the Commission may reasonably request from time to time.

COMPLIANCE WITH REQUIREMENTS

- (a) *FCC Local usage requirements-*

The FCC has designated nine core services that are eligible for Universal Service Fund (USF) support: single party service; local usage; voice grade access to the public switched telephone network; dual tone multifrequency signaling; access to emergency services; access to operator services; access to interexchange services; access to directory assistance; and toll limitation service for qualifying low-income consumers.¹² In its Petition, Pulse states that, in accordance with 47 C.F.R. §54.101, it provides all of the core services that are designated for support for USF throughout its licensed service territory.¹³

(b) E911 Service-

Pulse indicates that it currently offers its customers access to operators throughout Guam to provide the requested services.¹⁴ Pulse certifies that it continues to support 911 services and supports E911 services including providing the automatic numbering information throughout the territory of Guam.¹⁵ In accordance with the ORDER APPROVING DESIGNATION, Pulse is required, to the extent that a governmental authority in Guam implements E911 systems, to provide E911 service. Pulse's designation as an ETC is also conditioned on its compliance with any FCC requirements concerning E911 service when implemented in Guam.¹⁶

(c) Certification of services -

In compliance with Pulse's ETC Designation Order, and FCC 05-46, it certifies to the PUC that it offers all of the services designated by the FCC for support pursuant to Section 254(c) of the Federal Act by using its own facilities and advertising the availability of supported services and charges using media distribution available on Guam.¹⁷ Pulse also advertises its services on its website and through direct mail. It provides advertising and education of lifeline services through its website to eligible low income subscribers and has advertised such services through flyers distributed through various government agencies, and publication in newspapers of general circulation.¹⁸

¹² 47 U.S.C. §214(e).

¹³ Pulse Petition for Annual USAC Certification, p. 2.

¹⁴ Id at p. 3.

¹⁵ Id.

¹⁶ ORDER APPROVING DESIGNATION, Docket No. 06-8, p. 3.

¹⁷ Pulse Petition for Annual USAC Certification, supra, at p. 3.

¹⁸ Id. at pgs. 3 and 9.

(d) *Notification of inability to provide service -*

Pulse Mobile certified that it “has been able to fulfill services to all requesting customers in accordance with FCC requirements.”¹⁹

(e) *Filing of detailed build-out plan-*

Pulse Mobile filed its detailed five-year build-out plan, under confidentiality, as an attachment to its Petition.²⁰ The projects described in the plan support the provision of the core services for which service was intended.

(f) *Filing of annual certification under Section 54.314(b)-*

Pulse, through its Chief Executive Officer, has certified that all Federal High-Cost support provided to it will be used only for the provision, maintenance and upgrading of facilities and services for which support is intended.²¹

(g) *Filing Documentation-*

(i) Pulse’s progress toward meeting its build-out plans – Pulse’s five year plan indicates that it has made substantial improvements to its wireless networks and plans to continue to make such improvements over the next few years.²²

(ii) Information on any outages – Pulse had two outages that affected wireless service.²³ On April 20, 2017, the 3G wireless network router processor malfunctioned at 1050 to 1205 and had to be rebooted. Wireless users on the 3G voice/ data/SMS services had intermittent service. On September 4, 2017, WMS 3G sites were impacted by a malfunctioning router processor from 1955 to 2109 which had to be rebooted. Wireless users were impacted with all services in this period.

¹⁹ Id at p. 4.

²⁰ Id. at p. 3; Exhibit A to Pulse’s Petition, Pulse Mobile’s Five Year Build Out Plan, updated as of August 2018.

²¹ 2018 High Cost Support Use Certification of TeleGuam Holdings, LLC, “Pulse Mobile”, attached to Pulse Petition for Annual USAC Certification, dated August 24, 2018.

²² Exhibit A to Pulse Petition, Pulse Mobile Five Year Build Out Plan, updated as of August 2018.

²³ Pulse Petition for Annual USAC Certification, at p. 4.

(iii) Unfulfilled requests for service – Pulse indicates that, to date, it has been able to fulfill services to all requesting customers in accordance with FCC requirements.²⁴

(iv) Complaints per 1,000 handsets – During calendar year 2017, Pulse has not received any end user informal complaint from the FCC. To date in calendar year 2018, GTA has not received end user complaints from the FCC.²⁵

(v) Compliance with CTIA Consumer Code – Pulse certifies that it is in compliance with the CTIA Consumer Code and all applicable service quality standards within the reporting period.²⁶ These include: disclosure of rates and terms of service to consumers; making maps available showing where service is generally available; providing contract terms to customers and confirming changes in services; allowing a trial period for new service; providing specific disclosures in advertising; separately identifying carrier charges from taxes on billing statements; providing customers the right to terminate service for changes in contract terms; providing ready access to customer service, promptly responding to consumer inquiries and complaints received from government agencies; abiding by policies for protection of customer privacy; and providing consumers with free notifications for voice, data and message usage and international roaming.²⁷

(vi) Ability to function in emergency situations – Pulse has certified that it has the ability to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required. It can change call routing translations as needed to reroute traffic around damaged facilities.²⁸

(vii) Certification of local usage plan – Pulse offers a comparable local usage plan that offers unlimited minutes for local calling.²⁹

²⁴ Id.

²⁵ Id.

²⁶ Pulse Petition for Annual USAC Certification, at pgs. 4-8.

²⁷ Id. at pgs. 4-8.

²⁸ Id. at pg. 8.

²⁹ Id. at pg. 9.

(viii) Equal access certification – Pulse acknowledges that it currently is not required to offer equal access to long distance carriers but acknowledges that it may be required to do so in the event that no other ETC is providing equal access in service area.³⁰

(h) *Prompt submission of information or reports-*

Pulse must promptly submit to the Commission any additional information or reports that the Commission may reasonably request from time to time. Pulse has been responsive in providing any additional information requested by Legal Counsel. Legal Counsel has not become aware of any contrary evidence which would contradict the above certifications by Pulse.

RECOMMENDATION

Pulse indicates that, for calendar year 2017, it received \$1,183,224.00 in USF.³¹ To date in 2018, it has received \$493,010.00.³² It is Legal Counsel's belief that Pulse has satisfied all of the criteria set forth in the Pulse ETC Designation Order and the FCC's requirements. Pulse Mobile's Five-Year Plan has demonstrated a commitment to further build-out and upgrade its wireless local networks.

Based upon the certifications and documentation provided by Pulse in its Petition for Annual USAC Certification, it is Counsel's opinion that there is a sufficient factual and evidentiary basis upon which the Commission can reasonably certify that the USF distributed to Pulse in calendar year 2019 will be used in accordance with the purposes and requirements designated in the Federal Act. Counsel recommends that Pulse's Petition for USAC certification be GRANTED. A draft Certification to the FCC is submitted herewith.

Dated this 28th day of August, 2018.

Frederick J. Horecky
PUC Legal Counsel

³⁰ Id. at pg. 9.

³¹ Id.

³² Id.