

STATE OF INDIANA
BEFORE THE INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF)	
PETITION OF SAGE TELECOM)	
COMMUNICATIONS, LLC)	
TO EXPAND ITS ELIGIBLE)	Cause No. 41052 ETC 82
TELECOMMUNICATIONS CARRIER)	
DESIGNATED SERVICE AREA)	

PETITIONER'S SUBMISSION OF
PRE-FILED DIRECT TESTIMONY OF NATHAN JOHNSON

Sage Telecom Communications, LLC ("Petitioner"), by counsel, respectfully submits the attached pre-filed testimony and exhibits of Nathan Johnson.

Respectfully submitted,

/s/William H. May, III.
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August 7, 2020

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been served upon the following counsel of record electronically this 7th day of August 2020:

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/s/William H. May, III.
William H. May, III., #19845-22

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PRE-FILED DIRECT TESTIMONY OF NATHAN JOHNSON

ON BEHALF OF

SAGE TELECOM COMMUNICATIONS, LLC

AUGUST 7, 2020

1 **Q: PLEASE STATE YOUR NAME, YOUR POSITION WITH SAGE TELECOM**
2 **COMMUNICATIONS, LLC, AND YOUR BUSINESS ADDRESS.**

3 **A:** My name is Nathan Johnson. I am Co-Chief Executive Officer of Sage Telecom
4 Communications, LLC d/b/a TruConnect (hereinafter referred to as “Sage d/b/a
5 TruConnect,” “TruConnect” or the “Company”). My business address is 1149 S. Hill
6 Street, Suite H-400, Los Angeles, California 90015.

7 **Q: PLEASE STATE YOUR BACKGROUND.**

8 **A:** I received an MBA from the Wharton School at the University of Pennsylvania with a
9 concentration in Finance and Multinational Management, as well as an MA from the
10 University of Pennsylvania with concentrations in Latin America and Spanish. I am
11 Executive Chairman of the Board and an investor in TruConnect, where I oversee the strategic
12 vision and effective governance of the organization. I am also a Managing Partner of Gemini
13 Partners, a middle-market investment bank, where I have financed, sold, and advised several
14 small-and-middle-market telecommunications companies. I previously served as Vice
15 President in investment banking at Deutsche Bank, where I advised several Latin American
16 companies in their efforts to take the companies private.

17 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

18 **A:** The purpose of my testimony is to support TruConnect’s petition to expand its Eligible
19 Telecommunications Carrier (“ETC”) designated service area filed in this proceeding on
20 June 11, 2020 (“Petition”), and to demonstrate to the Indiana Utility Regulatory
21 Commission (“Commission”) that expansion of TruConnect’s service area is in the public
22 interest.

1 **Q: DO YOU VERIFY THE STATEMENTS AND FACTS MADE IN**
2 **TRUCONNECT’S PETITION AND THE EXHIBITS ATTACHED THERETO**
3 **AND ADOPT THEM AS YOUR OWN TESTIMONY?**

4 **A:** Yes, I verify the statements and facts made in TruConnect’s Petition and the exhibits
5 attached thereto (“Verified Petition”) and adopt the Verified Petition as my own testimony.

6 **Q: PLEASE PROVIDE A BRIEF DESCRIPTION OF TRUCONNECT.**

7 **A:** TruConnect is a Texas Limited Liability Company with its principal office located at 1149
8 S. Hill Street, Suite 400, Los Angeles, California 90015. Sage Telecom Communications,
9 LLC is a subsidiary of TSC Acquisition Corporation (“TSC”) and was formerly known as
10 Sage Telecom, Inc. before a corporate restructuring in 2012. TSC also owns TruConnect
11 Communications, Inc. (“TruConnect, Inc.”), formerly Telscape Communications, Inc.
12 Sage d/b/a TruConnect and TruConnect, Inc. are resellers of commercial mobile radio
13 service (“CMRS”) and provide prepaid wireless telecommunications services, including
14 Lifeline services, to consumers by utilizing the underlying wireless networks of facilities-
15 based providers, primarily T Mobile USA, Inc. (“T-Mobile”). Sage d/b/a TruConnect is
16 designated and operating as a wireless ETC in Arizona, Arkansas, Colorado, Georgia,
17 Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan,
18 Minnesota, Mississippi, Missouri, Nebraska, Nevada, New York, Ohio, Oklahoma,
19 Pennsylvania, Puerto Rico, South Carolina, Texas, Utah, Washington, West Virginia, and
20 Wisconsin; and TruConnect, Inc. is currently designated and operating as a wireless ETC
21 in California, Rhode Island, and the U.S. Virgin Islands.

22 **Q: DOES TRUCONNECT CURRENTLY PROVIDE LIFELINE SERVICE IN**
23 **INDIANA?**

1 **A:** Yes. TruConnect currently provides Lifeline service to more than 5,500 Indiana customers.

2 **Q:** **WHAT IS THE NATURE OF TRUCONNECT’S REQUEST?**

3 **A:** The Commission designated TruConnect as an ETC by Order issued February 11, 2015 in
4 Cause No. 41052 ETC 73 (the “ETC Designation Order”) for services areas within Verizon
5 Wireless’ coverage. Section 6.G of the ETC Designation Order established that the Company
6 may petition to amend its designated service area and that such petition should include
7 “verification that [the Company] has an agreement with a certificated facilities-based carrier
8 or carriers authorized to provide supported services in Indiana.” Accordingly, TruConnect
9 filed the Verified Petition for the purpose of expanding the Company’s designated ETC
10 service area to include all areas covered by T-Mobile.

11 **Q:** **WHAT IS TRUCONNECT’S PROPOSED EXPANDED SERVICE AREA?**

12 **A:** In accordance with Section 6.G of the ETC Designation Order, TruConnect has an
13 agreement with a certificated facilities-based carrier or carriers authorized to provide
14 supported services in Indiana which provides TruConnect access to the T-Mobile wireless
15 network. Through its agreement, TruConnect provides to its customers the same ability
16 to remain functional in emergency situations as provided by T-Mobile to its own
17 customers, including access to a reasonable amount of back-up power to ensure
18 functionality without an external power source, the ability to reroute traffic around
19 damaged facilities, and the capability of managing traffic spikes resulting from emergency
20 situations.

21 TruConnect therefore requests expansion of its ETC designated service area to
22 allow the Company to provide Lifeline service wherever T-Mobile has wireless coverage.
23 In accordance with the Commission's General Administrative Order 2013-2, Appendix A,

1 Section 3, TruConnect identified the additional requested service area by providing
2 appropriate maps in a geospatial format (Verified Petition, Exhibit 3) and a list of the
3 corresponding ILEC territories (Verified Petition, Exhibit 4).

4 **Q: DOES TRUCONNECT MEET THE REQUIREMENTS FOR ETC**
5 **DESIGNATION?**

6 **A:** Yes. FCC rules, 47 C.F.R. §§ 54.201-54.202 (the “FCC ETC Rules”), set forth the
7 information that must be contained in an application for designation as an ETC. In its
8 initial ETC petition filed in Cause No. 41052 ETC 73 (“ETC Petition”), TruConnect
9 provided all of the information required by the FCC ETC Rules, including those set forth
10 in the FCC’s *Lifeline Reform Order*.¹ TruConnect incorporated those filings by reference
11 in its Verified Petition. The Commission found in its ETC Designation Order that
12 TruConnect met the requirements for designation as an ETC. TruConnect continues to
13 meet all the statutory and regulatory requirements for designation as an ETC in the State
14 of Indiana, including the requirements outlined in the FCC’s *Lifeline Modernization Order*²
15 which was issued after TruConnect’s ETC Designation Order. TruConnect has complied
16 with the conditions of its ETC designation and will continue to do so.

17 **Q: WHAT ADDITIONAL REQUIREMENTS WERE IMPLEMENTED BY THE**
18 **LIFELINE MODERNIZATION ORDER?**

¹ *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

² *In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket No. 11-42, WC Docket No. 00-197, WC Docket No. 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2016) (“*Lifeline Modernization Order*”).

1 **A:** Among other things, the FCC’s *Lifeline Modernization Order* introduced broadband
2 Internet access service (“BIAS”) as a supported service; established minimum service
3 standards for voice service, broadband service, and equipment requirements, with a
4 mechanism for updating those standards over time; confirmed permanent support levels of
5 \$9.25 per month per Lifeline subscriber (with an additional \$25 for Tribal subscribers), and
6 set forth a schedule for reducing support for standalone voice service; revised the list of
7 programs through which consumers can demonstrate eligibility to receive Lifeline-
8 supported service; set forth directives to initiate the launch of a National Lifeline Eligibility
9 Verifier (“National Verifier”); and updated the list of what actions constitute “usage” of
10 the supported services and reduced the period of time during which consumers must
11 demonstrate usage.

12 **Q: DOES TRUCONNECT PROVIDE LIFELINE SERVICE CONSISTENT WITH**
13 **UPDATED FCC REQUIREMENTS?**

14 **A:** Yes, TruConnect provides service that is consistent with the FCC’s requirements for
15 Lifeline service. TruConnect offers all Lifeline-supported services required by the FCC’s
16 rules, namely eligible voice telephony service and BIAS. TruConnect commits that its
17 Lifeline-supported services will meet or exceed the minimum service standards set forth
18 in 47 C.F.R. § 54.408, including as they change going forward. Exhibit 2 of the Verified
19 Petition contains a summary of TruConnect’s current Lifeline offerings, showing that
20 TruConnect’s Lifeline customers currently receive both the minimum voice and broadband
21 service standards (i.e. 1,000 minutes and 3 gigabytes (“GB”) of data) within the same rate

1 plan.³

2 **Q: DOES TRUCONNECT COMPLY WITH UPDATED LIFELINE CERTIFICATION**
3 **AND VERIFICATION REQUIREMENTS?**

4 **A:** Yes. TruConnect determines eligibility of Lifeline subscribers in accordance with 47
5 C.F.R. § 54.410. The FCC has taken steps to further curb abuse in the Lifeline program
6 by establishing the National Verifier, which transfers the responsibility of eligibility
7 determination away from Lifeline providers. The National Verifier is now fully
8 responsible for eligibility determination in Indiana, and thus TruConnect relies upon the
9 National Verifier for determination of initial and annual eligibility of Indiana Lifeline
10 customers. The National Verifier queries the National Lifeline Accountability Database
11 (“NLAD”) for every enrollment to determine whether a prospective subscriber is currently
12 receiving a Lifeline service from TruConnect or any other ETC, and whether anyone else
13 living at the prospective subscriber’s residential address is currently receiving Lifeline
14 service. As such, TruConnect also complies with the requirements of section 54.404 of the
15 FCC’s rules. TruConnect will further comply with the FCC’s *Fifth Report and Order*,⁴
16 which set forth reforms to strengthen the Lifeline program’s enrollment, recertification,
17 and reimbursement processes, once the rule changes set forth therein become effective.

18 **Q: WHAT IS TRUCONNECT’S UPDATED NON-USAGE POLICY?**

19 **A:** TruConnect has updated its non-usage policy in compliance with changes in federal

³ TruConnect’s Tribal rate plan provides unlimited talk & text with 3 GB data.

⁴ *In the Matter of Bridging the Digital Divide for Low-Income Consumers, Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 17-287, WC Docket No. 11-42, WC Docket No. 09-197, Fifth Report and Order, Memorandum Opinion and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 19-111 (rel. Nov. 14, 2019) (“*Fifth Report and Order*”).

1 regulations. TruConnect will not seek reimbursement from the universal service fund
2 (“USF”) for inactive subscribers and will de-enroll any subscriber that has not used the
3 Company’s Lifeline service as set forth in 47 C.F.R. § 54.407(c)(2). An account will be
4 considered active if the authorized subscriber establishes usage, as “usage” is defined by
5 47 C.F.R. § 54.407(c)(2), during the specified timeframe, currently a period of thirty (30)
6 days, or during the notice period set forth in 47 C.F.R. § 54.405(e)(3), currently a period
7 of fifteen (15) days. In accordance with 47 C.F.R. § 54.405(e)(3), TruConnect will provide
8 the subscriber advanced notice, using clear, easily understood language, that the
9 subscriber’s failure to use the Lifeline service within the notice period will result in service
10 termination for non-usage.

11 **Q: HOW WILL EXPANSION OF TRUCONNECT’S ETC SERVICE AREA IN**
12 **INDIANA SERVE THE PUBLIC INTEREST?**

13 **A:** TruConnect’s prepaid Lifeline rate plans are highly competitive with other Lifeline rate
14 plans on the market. TruConnect’s Lifeline program provides low-income Indiana
15 residents with the convenience and security offered by wireless services—even if their
16 financial position deteriorates. Expansion of TruConnect’s ETC service area will increase
17 the number of low-income individuals that can benefit from the advantages offered by the
18 Company’s Lifeline service, ensuring they have access to wholly supported or discounted
19 wireless voice and broadband service. It is a commonly accepted fact that in today’s
20 market all consumers, including qualified Lifeline customers, view the portability and
21 convenience of wireless service not as a luxury, but as a necessity. Mobile service allows
22 children to reach their parents, wherever they may be; allows a person seeking employment
23 the ability to be contacted by potential employers; and provides end users with the ability

1 to contact emergency service providers, regardless of location. Providing TruConnect with
2 the authority to offer Lifeline service in a wider geographic area undoubtedly promotes the
3 public interest.

4 Given the current national state of emergency due to the novel coronavirus
5 (COVID-19), unprecedented actions have been taken to slow the spread of the virus;
6 millions of Americans are having to work and school from home, and telehealth services
7 have become essential for the safety of patients and providers alike. Unfortunately,
8 millions of low-income Americans do not have access to affordable telecommunications
9 services necessary to contact healthcare providers and access safe telemedicine services,
10 obtain essential services, or survive in an online-only work and school environment—and
11 *many of these Americans are eligible for telecommunications services through the Lifeline*
12 *program*. At this critical time, it is vital that the Commission grant TruConnect the ability
13 to offer Lifeline service in additional areas of Indiana so the Company can provide
14 telemedicine solutions, enroll more eligible subscribers, and meet the life-threatening
15 needs of many more Americans.

16 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

17 **A:** Yes.


**VERIFICATION
of Testimony**

VERIFICATION

State of California)

County of Los Angeles)

I, Nathan Johnson, hereby depose and state that I am the Co-Chief Executive Officer (Co-CEO) of Sage Telecom Communications, LLC, and declare under penalty of perjury that the foregoing testimony is true and correct to the best of my knowledge and belief.


Nathan Johnson, Co-CEO