

Staff Briefing Papers

Meeting Date June 5, 2025

Agenda Item 1 **

Company Q-Link Wireless, LLC

Docket No. **P-6883/RV-24-408**

In the Matter of the Petition of the Minnesota Department of Commerce for Revocation of the Eligible Telecommunications Carrier Status of Q Link Wireless, LLC pursuant to Minn. R. 7812.1400, subp. 15

Issues Should the Commission grant the request of the Minnesota Department of Commerce to revoke Q Link Wireless, LLC's Lifeline ETC designation?

Staff Marc Fournier Marc.Fournier@state.mn.us 651-201-2214



Relevant Documents

Date

Minnesota Department of Commerce Petition for Revocation of Eligible Telecommunications Status

December 10, 2024

Declaration of Lisa Gonzalez in Support of the Minnesota Department of Commerce's Petition to Revoke ETC Status

December 10, 2024

Comments of the Minnesota Office of the Attorney General-Residential Utilities Division (RUD)

January 16, 2025

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I. Statement of the Issues

Should the Commission grant the request of the Minnesota Department of Commerce to revoke Q Link Wireless, LLC's Lifeline ETC designation?

II. Background

On October 15, 2024, the U.S. Department of Justice announced that Q Link had pleaded guilty in connection with a scheme to steal more than \$100 million from the federal Lifeline program.¹ As part of the Department's December 10th filing, the Department requested that the Commission revoke Q Link's ETC designation in Minnesota pursuant to Minn. R. 7812.1400, subp. 15, and direct Q Link to notify all Minnesota customers that it is no longer providing Lifeline service and provide information on how customers can find another service provider.

On November 8, 2024, the Federal Communications Commission's (FCC) Enforcement Bureau (Bureau) provided Notice of suspension and initiation of debarment proceed to Q-Link. In the Bureau's Notice, it indicated that Pursuant to Section 54.8(b) of the FCC's rules, Q Link's conviction requires the Bureau to suspend Q Link, absent extraordinary circumstances, 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. Q Link's suspension becomes effective upon either (i) its receipt of the Bureau's letter, or (ii) publication of the suspension in the Federal Register, whichever occurred first.

Similarly, as part of the same November 8, 2024, letter to Q Link, the Bureau indicated that If and when Q Link's debarment becomes effective, it will be prohibited from participating in activities associated with or related to all federal universal service support mechanisms, including the Lifeline program, for at least three years from the date of debarment. The Bureau may set a longer debarment period or extend an existing debarment period if necessary to protect the public interest. Pursuant to the Commission's rules, should Q Link choose to contest the scope or length of any such debarment, it must file arguments and any relevant documentation within thirty (30) calendar days of receipt of notice or publication in the Federal Register of such debarment, whichever is earlier.²

On November 22, 2024, the FCC's Wireline Competition Bureau issued an emergency Order to ensure continuity of Lifeline service for the Lifeline households formerly served by Q Link prior to its suspension. The Wireline Competition Bureau indicated that it found good

¹ Please see [DOJ October 15, 2024 Press Release](#)

² The Suspension and Commencement of Proposed Debarment proceeding was subsequently published in the December 12, 2024 Federal Register.

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 the rules allows T-Mobile USA, Inc. (T-Mobile), with which Q Link contracted as an underlying service provider for its previous Lifeline offerings to provide the Lifeline-discounted service on an emergency basis to persons who would otherwise abruptly lose that 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 (Assurance³), unless and until they choose to opt-out and select a different Lifeline provider.

On December 10, 2024, the Minnesota Department of Commerce (Department) filed a petition pursuant to Minn. R. 7812.1400, subp. 15, to revoke Q Link Wireless, LLC's status as an eligible telecommunications carrier (ETC) in Minnesota. In its filing, the Department pointed out that Q Link is currently an eligible telecommunications carrier (ETC) in Minnesota.

On December 17, 2024, the Commission issued a Notice of Comment period. The Notice had a deadline of January 16, 2025, for initial comments and February 18, 2025, for reply comments. Comments were filed by the RUD on January 16th, 2025. No other party submitted comments or reply comments including Q Link.

III. Comments

Department

A. Summary

Q Link is an Eligible Telecommunications Carrier ("ETC") in Minnesota. By its petition, the Department is requesting that Q Link's ETC designation be revoked on the ground that, as the result of Q Link's ongoing fraud in connection with its ETC status, Q Link is no longer eligible to receive federal universal service support and, therefore, is not qualified to continue as an ETC.⁴

B. Facts Supporting Revocation

In 2013, the Commission granted Q Link's petition for designation as an ETC in Minnesota.⁵ Among other obligations, ETCs must offer Lifeline service to qualifying low-income customers.

³ Assurance is T-Mobile's primary ETC across Q Link's former service footprint.

⁴ Please see the Minnesota Department of Commerce's Petition for Revocation of Eligible Telecommunications Status at page 1.

⁵ See In re Petition of Q Link Wireless, LLC for Eligible Telecommunications Carrier Designation in Minnesota, Docket No. P-6883/M-11-1249, ORDER GRANTING PETITION WITH CONDITIONS (eDocket No. 20133-84771-01).

Lifeline is a federal program that provides subscribers a discount on qualifying monthly telephone service, broadband internet service, or bundled voice-broadband packages. In exchange for providing discounted service to customers through the Lifeline program, ETCs may receive reimbursement from the Federal Communications Commission (“FCC”).

As early as 2012, Q Link began intentionally defrauding the federal government by misrepresenting the number of qualifying Lifeline customers. This scheme continued until 2021. In October 2024, the U.S. Department of Justice announced that Q Link had plead guilty in connection with the scheme. As part of the plea agreement, Q Link and its parent and subsidiary companies are barred from participating in any program administered by the FCC.

Under the Commission’s rules, the Commission shall revoke a local service provider’s ETC designation upon finding that the LSOP does not qualify as an ETC under Minn. R. 7812.0100, subp. 15.

Under Minn. R. 7812.0100, subp. 15, an ETC must be eligible to receive federal universal service support in accordance with United States Code, title 47, section 254, and relevant federal regulations.

Because Q Link is barred from participating in any program administered by the FCC, Q Link cannot fulfill its obligations as an ETC in Minnesota to offer Lifeline service to qualifying customers.

According to the Department, Q Link’s continued ETC designation considering its admitted misconduct is inconsistent with the public interest in violation of the Commission’s order, Minn. R. 7812.1400, subp. 2, and 47 C.F.R. § 54.202(a), (b).⁶

C. Relief Requested

The Department request that the Commission grant the following relief:

Revoke Q Link’s ETC designation in Minnesota pursuant to Minn. R. 7812.1400, subp. 15.

Direct Q Link to notify all Minnesota customers that it is no longer providing Lifeline service and provide information on how they can find another service provider.

Grant any further relief as the Commission may find appropriate.⁷

⁶ Please see the Minnesota Department of Commerce’s Petition for Revocation of Eligible Telecommunications Status at pages 2-3.

⁷ Please see the Minnesota Department of Commerce’s Petition for Revocation of Eligible Telecommunications Status at pages 3-4.

Office of the Attorney General – Residential Utilities Division (RUD)

The OAG concurs with the Department that Q Link's ETC status should be revoked.⁸

The OAG believes it is important to transition Q Link's Lifeline customers to other providers and notes that cooperating with the FCC in this endeavor was included in Q Link's plea agreement. Customers, however, can choose and change their Lifeline provider. A list of several wireless providers authorized to provide Lifeline in Minnesota and their contact information is available on the Department of Commerce's website. The Universal Service Administrative Co. also provides a lookup tool for customers to find companies in their area that offer Lifeline: <https://cnm.universalservice.org/>.⁹

IV. Staff Analysis

Staff agrees with the parties that Q Link's Lifeline ETC designation should be revoked. Based on the October 15, 2024, guilty plea of Q Link 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, the FCC 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. By revoking Q Link's ETC designation, the Commission is performing its role in the FCC's Lifeline program.¹⁰

With respect to Q Links's customers, the FCC waived its rules to allow 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. Otherwise, these customers would abruptly lose that service. As such, no further Commission action is necessary.¹¹

⁸ Please see January 16, 2025 comments of the Office of the Attorney General – Residential Utilities Division at page 1.

⁹ Please see January 16, 2025 comments of the Office of the Attorney General – Residential Utilities Division at page 2.

¹⁰ Please see the attached November 22, 2024, Order in DA 24-1182 at page 2.

¹¹ Please see the attached November 22, 2024, Order in DA 24-1182 at page 1.

V. Decision Options

Should the Commission grant the request of the Minnesota Department of Commerce to revoke Q Link Wireless, LLC's Lifeline ETC designation?

1. Revoke Q Link's ETC designation in Minnesota pursuant to Minn. R. 7812.1400, subp. 15. (Department, OAG, and Staff) **OR**
2. Do not revoke Q Link's ETC designation in Minnesota pursuant to Minn. R. 7812.1400, subp. 15.