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April 16, 2015

**VIA ECFS**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street  
Washington, D.C. 20554

Re: Excess Telecom, Inc.  
Compliance Plan  
WC Docket No. 09-197 & WC Docket No. 11-42

Dear Ms. Dortch:

Pursuant to the Federal Communications Commission Order *In the Matter of Lifeline and Link Up Reform and Modernization* released February 6, 2012, attached please find Excess Telecom, Inc.'s Compliance Plan. The attached Compliance Plan revises and replaces in its entirety the version filed on April 6, 2015.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me. Thank you for your assistance.

Respectfully submitted,

*/s/ Lance J.M. Steinhart*

Lance J.M. Steinhart  
Managing Attorney  
Lance J.M. Steinhart, P.C.  
Attorneys for Excess Telecom, Inc.

Attachments

cc: Cobby Pourtavosi

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

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

**EXCESS TELECOM, INC. COMPLIANCE PLAN**

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April 16, 2015

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## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	BACKGROUND .....	2
III.	EXCESS TELECOM WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE ORDER.....	2
A.	Access to 911 and E911 Services.....	3
B.	E911-Compliant Handsets .....	3
C.	Consumer Eligibility and Enrollment .....	3
1.	One-Per-Household.....	4
2.	Initial and Annual Certification .....	6
3.	Annual Re-Certification.....	13
D.	Other Reforms to Eliminate Waste, Fraud and Abuse.....	14
1.	National Lifeline Accountability Database.....	15
2.	Subscriber Usage .....	16
3.	Marketing & Outreach .....	17
4.	Audits.....	18
E.	De-Enrollment.....	18
F.	Additional Rule Amendments.....	20
1.	Terms and Conditions of Service.....	20
2.	Reporting Requirements .....	20
3.	Reimbursement from USAC.....	20
4.	Section 54.202 Certifications.....	21
IV.	COMPANY INFORMATION.....	21
A.	Operations .....	22
B.	Financial and Technical Capability .....	22
C.	Customer Service .....	23
D.	Lifeline Offering .....	24
E.	What Makes Excess Telecom Unique .....	24
V.	CONCLUSION.....	25

**TABLE OF EXHIBITS**

	<u>Exhibit</u>
Sample Lifeline Certification Form.....	A
Enrollment Process Summary.....	B
Sample Advertisement.....	C
Financial Information.....	D
Strategic Business Partners.....	E
Key Management Bios.....	F
Proposed Lifeline Rate Plans.....	G

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Compliance Plan	)	

**EXCESS TELECOM, INC. COMPLIANCE PLAN**

**I. INTRODUCTION**

Excess Telecom, Inc. (“Excess Telecom” or the “Company”) is a prepaid wireless telecommunications carrier seeking designation as an Eligible Telecommunications Carrier (“ETC”) solely for the purpose of participating in the Lifeline program. As discussed in section IV below, Excess Telecom is uniquely positioned to offer Lifeline service, which will serve as a complement to the Company’s business model as a whole and not the Company’s only source of revenue. Although Section 214(e)(1)(A) of the Act requires an ETC to offer USF-supported services to some extent over its own facilities, the Federal Communications Commission (“FCC” or “Commission”) has forborne from that requirement for carriers that are, or seek to become, Lifeline-only ETCs.<sup>1</sup> Excess Telecom will avail itself of the FCC’s conditional grant of forbearance and, by its attorney, hereby files its Compliance Plan outlining the measures it will take to implement the conditions of

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<sup>1</sup> *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) (“*Order*”).

forbearance outlined in the *Order*.<sup>2</sup> Given the severe economic environment that is forcing many low-income customers to forego wireless service, Excess Telecom respectfully requests expeditious approval of this plan so that the Company, upon designation as an ETC, may quickly deploy much-needed Lifeline services to qualified low-income customers.

## **II. BACKGROUND**

In the *Order*, the Commission granted forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>3</sup>

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier’s various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

## **III. EXCESS TELECOM WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE ORDER**

Excess Telecom will comply with all conditions set forth in the *Order*, the provision of this

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<sup>2</sup> Although the Company qualifies for and seeks to avail itself of the Commission’s grant of forbearance from the facilities requirement of section 214(e)(1)(A), the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state, particularly for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission’s Lifeline rules and this Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income fund.

<sup>3</sup> See *Order* at ¶¶ 368, 373 and 379.

Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.<sup>4</sup>

**A. Access to 911 and E911 Services**

In the *Order*, the Commission requires Excess Telecom to provide its Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.<sup>5</sup> The Commission and consumers are hereby assured that all Excess Telecom customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Excess Telecom handsets even if the account associated with the handset has no minutes remaining.

**B. E911-Compliant Handsets**

The Commission also conditioned its grant of forbearance determination on Excess Telecom providing only E911-compliant handsets to its Lifeline customers.<sup>6</sup> Excess Telecom will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing Excess Telecom customer does not have an E911-compliant handset, the Company will replace it with a 911/E911-compliant handset at no charge to the customer. Any new customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911/E911-compliant handset as well.

**C. Consumer Eligibility and Enrollment**

Excess Telecom will certify and verify consumer eligibility for Lifeline in accordance with the requirements set forth in the *Order*. In instances where a state agency or third-party administrator is responsible for the initial determination and annual recertification of consumer

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<sup>4</sup> To the extent that future changes in federal regulations render the commitments herein invalid, the Company reserves the right to modify its operations in accordance with federal regulations in effect at that time.

<sup>5</sup> See *Order* at ¶ 373.

<sup>6</sup> See *id.*

eligibility, Excess Telecom will rely on the state identification or database.<sup>7</sup> In instances where Excess Telecom is responsible for the initial determination and annual recertification of consumer eligibility, the Company will follow the procedures set forth below.

### **1. One-Per-Household**

Excess Telecom understands that Lifeline is limited to a single subscription per household, and that the Commission has defined household as “any individual or group of individuals who are living together at the same address as one economic unit.”<sup>8</sup> Upon receiving an application for Lifeline support, Excess Telecom will check the National Lifeline Accountability Database (“NLAD”) to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. Excess Telecom will also search its own internal database of active customers, real-time, pre-sale, to ensure that it does not already provide Lifeline-supported service to someone at that residential address. If Excess Telecom determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, Excess Telecom will take an additional step to ensure that the applicant and the current subscriber are part of different households. To enable applicants to make this demonstration, Excess Telecom will require applicants to complete and submit to the Company USAC’s one-per-household template, which will contain the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant’s household and share in the household’s expenses or benefit from the applicant’s income; and (4) the penalty for a consumer’s failure to make the required one-per-household

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<sup>7</sup> See Order at ¶ 98.

<sup>8</sup> See Order at ¶ 74.

certification (i.e., de-enrollment).<sup>9</sup> Excess Telecom will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

On its certification forms, a draft sample of which is attached,<sup>10</sup> Excess Telecom will obtain a consumer's permanent residential address (which cannot be a P.O. Box or General Delivery address), unless they only have a temporary address, and a billing address for the service, if different (which may include a P.O. Box or General Delivery address).<sup>11</sup> Excess Telecom will inquire on its certification forms whether or not the applicant's address is a temporary one.<sup>12</sup> If and when the 90-day verification rules become effective, Excess Telecom will notify the consumer that if they have a temporary address, the Company will contact the consumer every 90 days, by phone or text, to verify that he or she continues to rely on that address, and that if the consumer fails to respond within 30 days of Excess Telecom's attempt to verify the temporary address, he or she will be de-enrolled from the Lifeline program.<sup>13</sup> Also on its certification forms, Excess Telecom will explain that if the subscriber moves, they must provide their new address to the Company within 30 days of moving.<sup>14</sup> If the subscriber has moved, Excess Telecom will update the NLAD with the information within 10 business days of receipt of the information.<sup>15</sup>

As detailed below, Excess Telecom's certification form will clearly explain the one-per-household requirement and all consumers must certify that they receive Lifeline support for a

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<sup>9</sup> See Order at ¶ 78.

<sup>10</sup> See Exhibit A. The draft form remains subject to change, but substantially reflects the content of the Company's application.

<sup>11</sup> See Order at ¶ 85.

<sup>12</sup> See Order at ¶ 89.

<sup>13</sup> See *id.* As of the date of filing of this Compliance Plan, this requirement has not been approved pursuant to the Paperwork Reduction Act.

<sup>14</sup> See Order at ¶ 85.

<sup>15</sup> See *id.*

single subscription per household.

## **2. Initial and Annual Certification**

Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to the Company website, which will provide information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Excess Telecom's application form will identify that it is a "Lifeline" application. Excess Telecom will provide Lifeline-specific training to all personnel, whether employees, agents or representatives, that interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services.

Excess Telecom's initial and annual certification forms will conform to the list of requirements provided in the *Order*, Appendix C and with C.F.R. § 54.410(d), as amended. Excess Telecom's Lifeline certification forms, a draft sample of which is attached as Exhibit A, will require each prospective subscriber to provide the following information:

- (i) The subscriber's full name;
- (ii) The subscriber's full residential address;
- (iii) Whether the subscriber's residential address is permanent or temporary;
- (iv) The subscriber's billing address, if different from the subscriber's residential address;
- (v) The subscriber's date of birth;
- (vi) The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number;
- (vii) If the subscriber is seeking to qualify for Lifeline under the program-based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and
- (viii) If the subscriber is seeking to qualify for Lifeline under the income-based criterion, as set forth in § 54.409, the number of individuals in his or her household.

The certification forms will also explain in clear, easily understandable language that:

- (i) Lifeline is a federal benefit;
- (ii) Lifeline service is available for only one line per household;
- (iii) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and

expenses;

(iv) households are not permitted to receive benefits from multiple providers;

(v) that violation of the one-per-household requirement would constitute a violation of the Commission's rules and would result in the consumer's de-enrollment from the program, and potentially, prosecution by the United States government; and

(vi) a Lifeline subscriber may not transfer his or her service to any other individual, including another eligible low-income consumer.

Excess Telecom will require all consumers, at sign up and annually thereafter, to certify under penalty of perjury that:

(i) The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;

(ii) The subscriber will notify the carrier within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit.

(iii) If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e);

(iv) If the subscriber moves to a new address, he or she will provide that new address to the eligible telecommunications carrier within 30 days;

(v) If the subscriber provided a temporary residential address, he or she will be required to verify his or her temporary residential address every 90 days;

(vi) The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;

(vii) The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,

(viii) The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and

(ix) The subscriber acknowledges that the subscriber may be required to re-certify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements. Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures, including Interactive Voice Response (IVR) recordings, that

meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006.<sup>16</sup>

Enrollment Compliance Platform. Excess Telecom has partnered with CGM, LLC (“CGM”), a premier Lifeline Service Bureau, for assistance with Lifeline compliance in general and with enrollment in particular. CGM, whose motto is “Credibility through Compliance,” was founded in 1997 and is well-respected in the industry among carriers and regulators alike. Excess Telecom will utilize CGM’s Real-Time Enrollment Compliance Platform (“CGM App”) to process Lifeline applications. The CGM App is fully bonded with the NLAD and numerous state databases, and allows the ETC to ensure that every activation is performed in a 100% compliant manner. See Exhibit B for a summary of the enrollment process using the CGM App.

Enrollment in person. Excess Telecom will seek to enroll Lifeline customers in person by creating a presence at social service locations, community events (such as flea markets and festivals), and retail locations (such as independent wireless stores and cell phone repair stores) that typically have a high turnout of Lifeline-eligible consumers. Excess Telecom will advertise its presence at these events and locations in advance. Tent events will consist of a 10 X 10 tent that will be set up outside a retail location after an approval has been made by the owner/operator of the property. The tent will contain signage that includes Excess Telecom company name, eligibility programs that will qualify a customer, one-per-household disclaimers and the types of phone service plans that are available. There will also be an informational brochure available at every tent event that a customer can take with them whether they choose to enroll in Excess Telecom’s service or not. Table setups will be used for both indoor events & tent events. They will consist of a table with banners or signage that displays the Excess Telecom company name, web address, toll free number and Excess Telecom service offerings. All materials, rates, terms and conditions, disclosures, and

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<sup>16</sup> See *Order* at ¶ 168.

copies of applications will be available to consumers prior to applying for Excess Telecom Lifeline service. Excess Telecom representatives will discuss the Lifeline program requirements, disclosures, eligibility requirements, and terms and conditions of Excess Telecom service with consumers as well as answer any additional questions consumers may have.

When a prospective customer applies in person, Company employees, agents or representatives (“personnel”) will be equipped with a portable electronic device (i.e. tablet) in order to utilize the CGM App. Personnel will ask to see a government issued ID to confirm the applicant is who they claim to be, and the CGM App will validate the address via a USPS/Melissa Database. The CGM App will check the NLAD to confirm that the applicant is not already receiving a Lifeline subsidy from Excess Telecom or any other ETC. If the customer indicates on the application form that their address is a multi-household residence, the CGM App will require the applicant to complete USAC’s one-per-household template as well. In cases where an eligibility database exists, the CGM App will query the database to determine eligibility. In states where eligibility databases are not available, the applicant is required to provide proof of participation in one of the Lifeline eligible programs or proof that their annual household income is at or below 135% of the federal poverty guidelines. The CGM App will require personnel to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Eligibility documents are returned to the customer after review. Finally, the CGM App will prompt Excess Telecom personnel to verbally review all certifications and disclosures with the applicant before they sign the application form, making sure the applicant verbally acknowledges each required certification before moving on to the next.

Excess Telecom recognizes that any phone that is given to a consumer that is not eligible for

Lifeline reimbursement costs the company valuable resources, and every possible effort will be made to prevent any unauthorized persons from receiving a free phone or subsidized Lifeline service from the Company. Upon successful completion of the certification process, the Lifeline-eligible customer is allowed to receive their free phone in person. In instances where eligibility databases cannot be accessed in real-time, Excess Telecom will mail the phone via traceable delivery to eligible customers once verification of eligibility is complete. Customers will be instructed to contact Excess Telecom customer service and provide their unique customer ID (i.e. PIN or last four of SSN) in order to authenticate and activate their Lifeline service.

Enrollment online. Excess Telecom will also rely heavily upon television, radio and social media advertising intended to drive prospective customers to the Company's website for online enrollment. Excess Telecom will utilize the CGM App for online enrollment as well. When prospective customers fill out their information online using the CGM App, it will automatically run the necessary database checks (USPS/Melissa, NLAD, eligibility databases). The CGM App highlights each certification that is required and requires consumers to acknowledge each certification before moving on to the next field.<sup>17</sup> If the customer indicates that their address is a multi-household residence, the CGM App will require the applicant to complete USAC's one-per-household template as well. If no eligibility database is available, the CGM App will advise the applicant that they are required to provide proof of identity and verification of benefits before their Lifeline service can be activated; applicants will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The application will be placed in a "hold" status until the Company receives copies of the applicant's proof documentation and government-issued ID. Unless and until FCC rules permit retention of proof documentation, Company personnel will review the documentation

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<sup>17</sup> See *Order* at ¶ 123.

and record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID), and destroy copies of proof documentation. Excess Telecom will mail the phone via traceable delivery to eligible customers once verification of eligibility is complete. Customers will be instructed to contact Excess Telecom customer service and provide their unique customer ID (i.e. PIN or last four of SSN) in order to authenticate and activate their Lifeline service.

General Enrollment Procedures. Excess Telecom will determine eligibility utilizing the income and program criteria currently utilized by federal default states (47 C.F.R. § 54.409(a),(b)), as well as any additional state-specific criteria. Prior to enrolling a new subscriber, Excess Telecom will check the eligibility of low-income consumers first by accessing state or federal social services electronic eligibility databases, where available.<sup>18</sup> If a database is used to establish eligibility, Excess Telecom will not require documentation of the consumer's participation in a qualifying federal program; instead, Excess Telecom or its representative will note in its records what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline.<sup>19</sup> However, in states where there is no state administrator, the state commission or other state agency is not making eligibility determinations, and there is no automated means for Excess Telecom to check electronic databases for eligibility, Excess Telecom will review documentation to determine eligibility for new subscribers until such time as a qualifying eligibility database is available.<sup>20</sup> Excess Telecom will require acceptable documentation both for income eligibility and for program eligibility. In accordance with FCC rules, the Company will not retain copies of the documentation but rather will establish policies and procedures to review such documentation and keep accurate records detailing how the consumer demonstrated his or

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<sup>18</sup> See Order at ¶ 97.

<sup>19</sup> See Order at ¶ 98.

<sup>20</sup> See Order at ¶ 99.

her eligibility.<sup>21</sup> Excess Telecom understands that it may permit agents or representatives to review documentation of consumer program eligibility for Lifeline, and in such cases Excess Telecom remains liable for ensuring the agent or representative's compliance with the Lifeline program rules.<sup>22</sup>

Excess Telecom will provide Lifeline-specific training to all personnel – employees, agents, and representatives – designed to give them an understanding of Lifeline program requirements and permit them to review customer documentation and determine whether it is sufficient to establish a customer's eligibility to participate in the Lifeline program under the Commission's rules. No Company employee, agent, or representative may accept a Lifeline application unless he or she has first completed this training program and demonstrated an understanding of the underlying material. Among other things, the Lifeline program training discusses the Company's Lifeline application form (see Exhibit A) on a section-by-section basis. The training explains what sections of the form must be completed by the customer and reviews the form disclosures in detail, to facilitate the ability of employees, agents, or representatives to explain each item contained therein and answer any customer questions. Personnel will also be trained to use the CGM App, which combines CGM's compliance expertise with leading technology to efficiently prompt the user through a compliant electronic application process. The CGM App is more effective than an error-prone manual process and is constructed to inherently safeguard against fraud by agent or applicant.

Because the Company is responsible for the actions of all its personnel, including those enrolling customers in any Company-owned or agent retail locations, and a Company employee will be responsible for overseeing and finalizing every Lifeline enrollment prior to including that customer on an FCC Form 497 for reimbursement, the Company always “deals directly” with its

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<sup>21</sup> See *Order* at ¶ 101. Excess Telecom will retain copies of proof documentation in the event that FCC rules are revised to allow for or require retention.

<sup>22</sup> See *Order* at ¶ 110.

customers to certify and verify customers' Lifeline eligibility.

### **3. Annual Re-Certification**

Excess Telecom understands that it must annually re-certify the eligibility of its entire Lifeline subscriber base and report the results to USAC by January 31 each year, and the Company may elect to perform this re-certification on a rolling basis throughout the year.<sup>23</sup> Excess Telecom will re-certify the continued eligibility of all of its subscribers by contacting them—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.<sup>24</sup> The re-certification notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company. Excess Telecom will obtain a signed certification from the subscriber that meets the certification requirements of 47 C.F.R. § 54.410(d), as amended, as detailed in section C.2 above. The Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. Excess Telecom understands that such certifications may be obtained through a written format, an IVR system, or a text message, and will use one or more of such options for its certifications.<sup>25</sup>

Alternatively, where a database containing consumer eligibility data is available, Excess Telecom (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification. If a subscriber's address cannot be verified through the state data, Excess Telecom will contact the subscriber every year during the annual certification process to obtain a valid

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<sup>23</sup> See *Order* at ¶ 130.

<sup>24</sup> See *id.*

<sup>25</sup> See *Order* at ¶ 132.

address.<sup>26</sup> Excess Telecom understands that it has the option to elect USAC to administer the self-certification process on the Company's behalf.<sup>27</sup>

Excess Telecom will certify its compliance with Commission rules on an annual Lifeline eligible telecommunications carrier certification form and when submitting FCC Forms 497 to USAC for reimbursement. As part of Excess Telecom's submission of re-certification data pursuant to 47 C.F.R. § 54.416, an officer of the Company will certify annually to USAC:

(1) that the Company has procedures in place to review consumers' documentation of income-and program-based eligibility. In instances where the Company confirms consumer eligibility by relying on official program eligibility data, such as a state or federal database, an officer of the Company will attest to what data the Company uses to confirm consumer eligibility in each state, and

(2) that the Company is in compliance with all federal Lifeline certification procedures.<sup>28</sup>

#### **D. Other Reforms to Eliminate Waste, Fraud and Abuse**

Excess Telecom shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that the procedures it will implement will prevent Company customers from engaging in such abuse of the program, inadvertently or intentionally.

Excess Telecom has implemented enrollment procedures designed to prevent subsidies for duplicate, ineligible, or inactive subscribers. The Company contracts with a third party Lifeline service bureau, currently CGM, LLC of Roswell, Georgia, to edit all subsidy request data. CGM will process and validate the Company's subsidy data to prevent: (1) Duplicate Same-Month

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<sup>26</sup> See Order at ¶ 131.

<sup>27</sup> See Order at ¶ 133.

<sup>28</sup> See Order at ¶ 126-27.

Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines. Through the processes described herein, Excess Telecom ensures that it does not over-request from support funds.

During the Lifeline application process, the Company details all required disclosures with the applicant, including the one-per-household rule. As detailed in section III.C.2, Excess Telecom validates each applicant's identity via a government issued ID card, passport, etc. Additionally, as mentioned above, Excess Telecom requires the applicant to provide their date of birth (DOB) and last four digits of their social security number (SSN). Requiring DOB and SSN ensures that neither the applicant nor the Company representative can forge certification forms based on false names and addresses. Excess Telecom validates the applicant's address via a USPS/Melissa Database to ensure the address is correct. Excess Telecom also verifies that the applicant is eligible to receive the Lifeline subsidy. To do this, Excess Telecom checks the NLAD and any available eligibility database. If an eligibility database is not available, the applicant is required to provide proof of eligibility. This prevents ineligible applicants or duplicate subscribers from receiving the subsidy.

#### **1. National Lifeline Accountability Database**

Excess Telecom will participate in the NLAD. Excess Telecom will query the NLAD to check to see if a prospective subscriber is already receiving service from another ETC at a residential address prior to seeking reimbursement from the Fund.<sup>29</sup> As required by the *Order*, Excess Telecom will provide to the NLAD subscriber name, address, phone number, the last four digits of Social Security number, date of birth, Lifeline service initiation and de-enrollment date

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<sup>29</sup> See *Order* at ¶ 203.

(when applicable), and amount of federal Lifeline support being sought for that subscriber.<sup>30</sup>

Furthermore, on its certification form, Excess Telecom will obtain acknowledgement and consent from each of its subscribers that is written in clear, easily understandable language that the subscriber's name, telephone number, and address will be divulged to USAC (the administrator of the program) and/or its agents for the purpose of verifying that the subscriber does not receive more than one Lifeline benefit.<sup>31</sup>

## **2. Subscriber Usage**

Excess Telecom will not seek reimbursement from the USF for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service by the subscriber. Furthermore, Excess Telecom will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.<sup>32</sup> Excess Telecom will notify its subscribers at service initiation, via the certification form and via script that is reviewed with every customer, about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.<sup>33</sup> An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue.<sup>34</sup> Excess Telecom utilizes tracking software to notify the customer if the customer has not used their service for more than 30 or 60 consecutive days. Furthermore, a

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<sup>30</sup> See Order at ¶ 189.

<sup>31</sup> See Order, Appendix C.

<sup>32</sup> See Order at ¶ 257.

<sup>33</sup> See *id.*

<sup>34</sup> See Order at ¶ 261.

third party contractor validates the Company's subsidy data to prevent a subsidy request for customers that are inactive under the Company's non-usage policy.<sup>35</sup> After notification, if the customer fails to use the phone, it is automatically de-enrolled pursuant to the procedures outlined in section E below. Excess Telecom will continue to comply with applicable public safety, including transmitting 911 calls to the appropriate PSAP even if the Company is no longer providing Lifeline service to a consumer.<sup>36</sup>

### **3. Marketing & Outreach**

Excess Telecom will implement the measures outlined herein to help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the limitations of the program, so as to prevent duplicative or otherwise ineligible service as well as other forms of waste, fraud, and abuse. Excess Telecom will explain in clear, easily understood language the following disclosures in all marketing materials related to the supported service:<sup>37</sup> (1) the offering is a Lifeline-supported service; (2) only eligible consumers may enroll in the program; (3) the program is limited to one benefit per household, consisting of either wireline or wireless service; and (4) Lifeline is a government benefit program. Excess Telecom's website and printed collateral will explain the documentation necessary for enrollment, and the details of Excess Telecom's plans. Such collateral and website information, as well as its application, will make clear that consumers who willfully make false statements in order to obtain the benefit can

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<sup>35</sup> CGM, LLC is currently the Company's third party contractor.

<sup>36</sup> See *Order* at ¶ 262. 911 transmission will actually be performed by the Company's underlying facilities-based CMRS provider.

<sup>37</sup> See Exhibit C for a sample advertisement. The Company understands the term "marketing materials" includes materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. See *Order* at ¶ 275.

be punished by fine or imprisonment or can be barred from the program.<sup>38</sup> For broadcast advertisements and outdoor signs, and any other situation in which inclusion of documentation information and warnings against willful false statements are not practicable, Excess Telecom will include the URL link for its website where disclosures will be listed. Additionally, Excess Telecom will disclose the company name under which it does business.<sup>39</sup>

#### **4. Audits**

The *Order* requires ETCs that draw \$5 million or more in the aggregate on an annual basis from the low-income program, as determined on a holding company basis taking into account all operating companies and affiliates, to hire an independent licensed certified public accounting firm to conduct a biennial audit according to government accounting standards to assess the ETC's overall compliance with the program's requirements.<sup>40</sup> Excess Telecom will comply with this requirement, including applicable rules regarding the dissemination of audit findings to the Commission, USAC, and relevant state and Tribal governments within 30 days upon issuance.<sup>41</sup>

#### **E. De-Enrollment**

If at any time an Excess Telecom Lifeline customer wishes to de-enroll from the Company's Lifeline program, Company customer service representatives will handle such elective de-enrollment requests. Excess Telecom Lifeline customers simply call the Company, via 611 or the toll-free customer service number, and they can speak to a live operator to de-enroll from Excess Telecom's Lifeline program. Excess Telecom will de-enroll consumers from the Company's Lifeline program in the following instances, according to C.F.R. § 54.405(e):

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<sup>38</sup> See *Order* at ¶ 275.

<sup>39</sup> See *id.*

<sup>40</sup> See *Order* at ¶ 291.

<sup>41</sup> See *Order* at ¶ 294.

Ineligibility. Any subscriber who indicates that he or she is receiving more than one Lifeline-supported service per household, or neglects to make the required one-per-household certification on his or her certification form, will be de-enrolled from Lifeline pursuant to the process for resolving duplicative Lifeline subscriptions described in section 54.405(e)(2).<sup>42</sup> If a customer does not respond to the Company's annual verification survey within 30 days, or if Excess Telecom has reasonable basis to believe that the subscriber no longer meets the Lifeline-qualifying criteria (including instances where a subscriber informs the Company or the state that he or she is ineligible for Lifeline), Excess Telecom will provide a written notice of impending service termination to the subscriber and then give the subscriber 30 days after the date of the letter to demonstrate that his or her Lifeline service should not be terminated.<sup>43</sup> Similarly, Excess Telecom will de-enroll a subscriber if they fail to respond to the Company's attempt to verify a temporary address within 30 days.<sup>44</sup>

Duplicative Support. Subject to USAC's Duplicate Resolution Process and anticipated Duplicate Scrubbing Process,<sup>45</sup> Excess Telecom will de-enroll a subscriber within 5 business days if the Company is informed by USAC that the subscriber is receiving Lifeline service from another ETC or that more than one member of a subscriber's household is receiving Lifeline service.

Non-Usage. Excess Telecom will de-enroll any subscriber that has not used the Company's Lifeline service for 60 consecutive days, as discussed in section IV.B above. Excess Telecom will provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in

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<sup>42</sup> See Order at ¶ 122.

<sup>43</sup> See *id.* In states that have dispute resolution procedures applicable to Lifeline termination, the Company will comply with the state requirements.

<sup>44</sup> See Order at ¶ 89.

<sup>45</sup> See Order at ¶ 214-16.

service termination for non-usage; such notice may be initiated after 30-days of non-usage. Excess Telecom will update the NLAD within one business day of de-enrolling a subscriber for non-use and will submit a non-usage de-enrollment report annually to USAC.<sup>46</sup>

## **F. Additional Rule Amendments**

### **1. Terms and Conditions of Service**

The Company's Lifeline offering is summarized in section IV.C below. The Company's terms and conditions of service are subject to change as needed, and the most current version will be maintained on the Company's website.

### **2. Reporting Requirements**

Excess Telecom will report all information required by section 54.422, including as it may heretofore be amended. This includes the names of the Company's holding company, operating companies and affiliates, and any branding ("doing-business-as company" or brand designation), and provide to the Commission and USAC general information regarding the terms and conditions of the Lifeline plans for voice telephony service offered specifically for low income consumers through the program offered during the previous year, including the number of minutes provided, and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.<sup>47</sup>

### **3. Reimbursement from USAC**

In seeking reimbursement for Lifeline, Excess Telecom will comply with the requirements of C.F.R § 54.407, as revised by the *Order*.<sup>48</sup> Excess Telecom will certify when seeking reimbursement that the Company has obtained a valid certification form for each consumer for

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<sup>46</sup> See *Order* at ¶ 257.

<sup>47</sup> See *Order* at ¶ 296, 390. Section 153 of the Communications Act defines "affiliate" as "a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person.

<sup>48</sup> See *Order* page 221.

whom the Company seeks Lifeline reimbursement,<sup>49</sup> and the Company will seek reimbursement for actual lines served, not projected lines.<sup>50</sup>

#### **4. Section 54.202 Certifications**

Excess Telecom certifies the following in accordance with newly amended C.F.R. § 54.202:

(1) Excess Telecom will comply with the service requirements applicable to the support that it receives; (2) Excess Telecom is able to remain functional in emergency situations; (3) Excess Telecom will satisfy applicable consumer protection and service quality standards.

#### **IV. COMPANY INFORMATION**

Excess Telecom is a California corporation. Excess Telecom has a multi-faceted business model so that, while Lifeline will be an important focus to the Company, it will not be the only source of revenue. Excess Telecom believes that the provision of Lifeline service will be a natural complement to the Company's existing experience with government-subsidized housing, which is explained in more detail below. Excess Telecom will provide prepaid wireless telecommunications services to consumers by using the network of its underlying carrier(s). The Company has obtained or is currently in the process of obtaining agreements with nationwide carriers that provide wholesale capacity on their wireless networks to resellers like Excess Telecom, in order to access the network infrastructure and transmission facilities to allow Excess Telecom to operate as a Mobile Virtual Network Operator ("MVNO"). Excess Telecom will resell the network services of Sprint PCS ("Sprint") through its existing direct agreement with Sprint, and will resell the network services of Verizon Wireless and T-Mobile through a third party agreement with a Mobile Virtual Network Enabler ("MVNE"). Excess Telecom was granted a Section 214 International Telecommunications Certificate by the FCC on March 13, 2015 (See ITC-214-20150218-00049)

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<sup>49</sup> See Order at ¶ 128.

<sup>50</sup> See Order at ¶ 302.

## **A. Operations**

Excess Telecom is privately owned and operated, and does not have a holding company or operating company. The principals of Excess Telecom also own and operate Capital Insight, LLC (“Capital Insight”), an established and successful company with substantial capital and experience in real estate asset management and seeding successful Startups. Under Capital Insight, the principals of Excess Telecom own and control over \$300 million in real estate assets, including Section 8 and Single Room Occupancy (SRO) Program housing. Excess Telecom has contracted with strategic business partners in order to provide the Company with legal and compliance expertise specific to the telecommunications industry (see Exhibit E), and the Company is in the process of identifying the third party vendors that it will utilize for billing and operations support systems and customer service.

## **B. Financial and Technical Capability**

Excess Telecom is financially and technically capable of providing Lifeline-supported services.<sup>51</sup> As evidenced in Exhibit D attached hereto, the principals of Excess Telecom have established a substantial line of credit and set aside a sizeable amount of cash to fund the Company. Excess Telecom has not been subject to enforcement action or ETC revocation proceedings in any state. Excess Telecom is financially able to provide Lifeline-supported services and will not rely exclusively on USF disbursements to operate. In the event that USAC ceases disbursements for a period of time, the Company will still be able to provide service to its customers. Lifeline is only one of the services that Excess Telecom will offer. Excess Telecom will also provide non-Lifeline wireless telephone service and resell international minutes. Excess Telecom intends to act as a vendor to other retail wireless telecommunications providers, serving as an online distribution point

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<sup>51</sup> See *Order* at ¶ 387. See Exhibit D, which is being filed confidentially, for financial information.

for additional airtime as well as providing phone repair or exchange services.

Furthermore, Excess Telecom has retained strategic business partners that have great depth in the telecommunications industry and offer extensive telecommunications business technical and managerial expertise to the Company.<sup>52</sup> CGM will provide business planning and strategy development, and ensure development of a compliant infrastructure so that all aspects of Lifeline service implementation are driven by compliance as a top priority; The Law Office of Lance J.M. Steinhart has been providing telecommunications legal services since 1990 and will serve as the Company's regulatory counsel; FAS Tek Compliance Solutions, Inc. will handle ongoing regulatory and tax compliance services, and Expert Telecom Compliance, Inc. will provide consulting, regulatory compliance and industry intelligence unique to Lifeline providers. Excess Telecom will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carrier.

### **C. Customer Service**

Excess Telecom is dedicated to quality customer service and care. Lifeline customers can reach the Company's Customer Service department via 611 on their Excess Telecom handset, via the Company's toll free number 1-800-691-3011, or the Company's office at 1301 N. Main Street, Suite 206, Los Angeles, California 90015. Excess Telecom's Customer Service department will be available by phone Monday through Friday 9am-6pm PST and 24/7 online. The Company will have a dedicated Customer Service staff that will handle all service requests, including elective de-enrollments as outlined in Section III.E above.

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<sup>52</sup> See Exhibit E for strategic business partners and Exhibit F for key management and consultant bios.\*Pat McDonough individually provided consulting services to Excess Telecom, but is now employed full-time, and as such, is not available to consult further with Excess Telecom.

#### **D. Lifeline Offering**

Excess Telecom will offer its Lifeline service in the states where it is designated as an ETC and throughout the coverage area of its underlying carrier, currently Sprint. As summarized in Exhibit G attached hereto, the Company's Lifeline offering will provide customers with 275 voice minutes at no charge as well as 275 included text messages that will not deduct from available voice minutes.<sup>53</sup> The Company's Lifeline offering will also include a free handset; nationwide coverage; and access to voice mail, call waiting, and caller ID features. There is no additional charge for toll calls. Calls to 911 and calls to the Company's customer service by dialing 611 are free and will not be deducted from available minutes. Additional minutes will be available for purchase in competitive denominations at the rate of \$0.05 per minute or less. The Company also intends to develop a broadband component to its Lifeline offerings in the near future.

#### **E. What Makes Excess Telecom Unique**

Excess Telecom is uniquely positioned to effectively market Lifeline benefits to qualified recipients. Capital Insight's current real estate portfolio includes over 2,000 Section 8 housing units as well as other city and state subsidized housing programs. Capital Insight is in the process of building, acquiring or managing several other low income housing developments. These Section 8 housing units will give Excess Telecom direct access to thousands of low income Lifeline-qualified subscribers. Furthermore, the Company's principals have several strong relationships with celebrities who will be featured in Excess Telecom's television and radio campaigns. On the social media side, the Company's celebrity relationships have over 130 million followers to whom Excess Telecom's service will be publicized.

Excess Telecom is also uniquely positioned to effectively ensure compliance with Lifeline

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<sup>53</sup> The Company reserves the right to alter the proposed Lifeline rate plans on a state-by-state basis, particularly as required by state public utility commissions (PUC). The Company commits to pass through the entire Lifeline subsidy amount directly to the consumer.

program regulations and prevent waste, fraud, and abuse of the program. Excess Telecom will benefit from Capital Insight's experience complying with government subsidized housing regulations. As detailed above and in Exhibit E, the Company has also surrounded itself with Lifeline compliance experts to ensure compliance from start to finish.

**V. CONCLUSION**

Excess Telecom submits that its Compliance Plan fully satisfies the conditions of forbearance set forth in the Commission's *Order*. Implementation of the procedures described herein will promote public safety and should ensure that Lifeline customers have access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, Excess Telecom respectfully requests that the Commission expeditiously approve its Compliance Plan so that the Company may begin providing the benefits of much-needed Lifeline service to qualifying low-income consumers as quickly as possible.

Respectfully submitted,

Excess Telecom, Inc.

*/s/ Lance J.M. Steinhart*

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Managing Attorney  
Lance J.M. Steinhart, P.C.  
Attorneys at Law  
1725 Windward Concourse, Suite 150  
Alpharetta, Georgia 30005  
(770) 232-9200

*Its Counsel*

Dated April 16, 2015

**Exhibit A**

Sample Lifeline Certification Form

# EXCESS TELECOM, INC.

## LIFELINE APPLICATION

A Complete and signed Lifeline Service Application and Certification ("Certification") is required to enroll you the Lifeline program in your state. The Certification is only for the purpose of verifying your eligibility in the Lifeline service and will not be used for any other purpose. This service is provided by Excess Telecom, Inc. Requests will not be processed until this form has been received, verified and processed by the company.

### Things to know about the Lifeline Program:

- (1) Lifeline is a government benefit program.
- (2) Lifeline Service is available for only one line, wireless OR wireline, per household. A household cannot receive benefits from multiple providers; and
- (3) A household is defined, for purposes of the Lifeline Program, as any individual or group of individuals who live together at the same address and share income and expenses.

### Applicant Information:

First Name: \_\_\_\_\_ MI: \_\_\_\_\_ Last Name: \_\_\_\_\_ Date of Birth: Month \_\_\_\_ Day \_\_\_\_ Year \_\_\_\_

Social Security Number or Tribal ID Number (last 4 digits): \_\_\_\_\_ (XXX-XX-XXXX) Contact Telephone Number: \_\_\_\_\_

Residence Address (No P.O. Boxes, Must be your principal address): This address is  Permanent  Temporary  Multi-Household

\_\_\_\_\_ APT/ Floor/ Other \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

Billing Address (May Contain and P.O. Box)

\_\_\_\_\_ APT/ Floor/ Other \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

\_\_\_\_\_ I hereby certify that I participate in at least one of the following programs: (Check all that apply)

Initial Here

#### Non-Tribal Programs

- \_\_\_\_\_ Supplemental Nutrition Assistance Program (SNAP)
- \_\_\_\_\_ Supplemental Security Income (SSI)
- \_\_\_\_\_ Federal Public Housing Assistance
- \_\_\_\_\_ Low- Income Home Energy Assistance Program (LIHEAP)
- \_\_\_\_\_ National School Lunch Program
- \_\_\_\_\_ Temporary Assistance for Needy Families (TANF)
- \_\_\_\_\_ Medicaid

#### Tribal Programs

- \_\_\_\_\_ Bureau of Indian Affairs General Assistance (BIA)
- \_\_\_\_\_ Tribally Administered TANF (TATNF)
- \_\_\_\_\_ Head Start (Tribal households meeting income qualifying standards)
- \_\_\_\_\_ Food Distribution Program (program on Indian reservations)

\_\_\_\_\_ I certify that my household income is at or below 135% of the Federal Poverty Guidelines (FPG). There are \_\_\_\_\_ individuals in my household.

Initial Here

I certify, under penalty of perjury: *(Please certify by checking each Checkbox for each Certification)*

- (1) The information contained in my application remains true and correct to the best of my knowledge and I acknowledge that willfully providing false or fraudulent information to receive Lifeline benefits is punishable by law and may result in me being barred from the program.
- (2) I am a current recipient of the program checked above, or have an annual household income at or below 135 percent of the Federal Poverty Guidelines.
- (3) I have provided documentation of eligibility if required to do so.
- (4) I understand that I and my household can only have one Lifeline-supported telephone service. Excess Telecom has explained the one-per household requirement. I understand that violation of the one-per-household requirement constitutes a violation of the FCC's rules and will result in my de-enrollment from the lifeline program, and could result in criminal prosecution by the United States Government.
- (5) I attest to the best of my knowledge, that I and no one in my household is receiving a Lifeline supported service from any other land line or wireless company such as Safelink, Assurance, or Reachout Wireless.
- (6) I understand my Lifeline service is a non-transferable. I may not transfer my service to any individual, including another eligible low-income consumer.
- (7) I understand that if my service goes unused for sixty (60) days, my service will be suspended, subject to a thirty (30) day period which I may use the service or contact Excess Telecom to confirm that I want to continue receiving their service.
- (8) I will notify Excess Telecom within thirty (30) days if I no longer qualify for Lifeline. I understand this requirement and may be subject to penalties if I fail to notify my phone company. Specifically, I will notify my company if I or my household:
  - (1) cease to participate in the above federal or state program, or my annual household income exceeds 135% FPG.
  - (2) am receiving more than one Lifeline supported service;
  - (3) no longer satisfy the criteria for receiving Lifeline support.
- (9) I will notify Excess Telecom within thirty (30) days of moving. Additionally, if my address listed above is a temporary address, I understand that I must verify my address with Excess Telecom every ninety (90) days. If I fail to respond to Excess Telecom's address verification attempts within thirty (30) days, my Lifeline service may be terminated.
- (10) Excess Telecom has explained to me that I am required each year to re-certify my continued eligibility for Lifeline. If I fail to do so within thirty (30) days, it will result in the termination of my Excess Telecom Lifeline service.
- (11) I authorize and understand that the Excess Telecom may provide to state and Federal agencies, as required by law, for the purposes of complying with the Lifeline program all the information related to my account including but not limited to my name, date of birth, social security, usage history, address and phone number.
- (12) I understand that my name, telephone number, address, date of birth, last four digits of my Social Security Number or my Tribal ID Number, the date my Lifeline service was initiated, the date my Lifeline service was terminated, if applicable, amount of Lifeline support requested on my behalf and the means through which I qualified for Lifeline will be divulged to the Universal Service Administrative Company (USAC)(the administrator of the program) and/or its agents for the purpose of verifying that I do not receive more than one Lifeline subsidy.
- (13) I understand that if USAC identifies I am receiving more than one Lifeline subsidy, all carriers involved may be notified so that I may select one service and be de-enrolled from the other. I further understand that some states may impose more stringent rules including but not limited to barring me from re-enrolling in the program.
- (14) I authorize the company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program.
- (15) I certify that I reside on Federally Recognized Tribal lands (if applicable)

EXCESS TELECOM, INC.

LIFELINE APPLICATION

\_\_\_\_\_  
APPLICANT'S SIGNATURE

\_\_\_\_\_  
DATE

Agent Use Only:

1. Eligibility determination (check only 1 eligibility category and only 1 box under that category; do not copy or retain documentation):

**Documents Acceptable Proof Income-Eligibility (if proof does not cover a full year, it must cover 3 consecutive months, same document type, within previous 12-months):**

- The prior year's state, federal, or Tribal tax return,
- Current income statement from an employer or paycheck stub,
- A Social Security statement of benefits,
- A Veterans Administration statement of benefits,
- A retirement/pension statement of benefits,
- An Unemployment/Workmen's Compensation statement of benefits,
- Federal or Tribal notice letter of participation in General Assistance, or
- A divorce decree, child support award, or other official document.

**Documents Acceptable Proof for Program-Eligibility**

(choose 1 from each list A and B below)

**List A - Choose 1**

- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- Section 8 Federal Public Housing Assistance (FPHA)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

**Documents Acceptable Proof for Program-Eligibility: List A (Continued)**

- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program's free lunch program
- Bureau of Indian Affairs General Assistance (BIA)
- Tribally Administered TANF (TATNF)
- Head Start (meeting income qualifying standards)
- Food Distribution Program (program on Indian reservations)

**List B - Choose 1**

- Program Participation card / document
- Prior year's statement of benefits
- Notice letter of participation
- Other official qualifying document: \_\_\_\_\_

Representative Number

Representative Signature

**Exhibit B**

Enrollment Process Summary

CONFIDENTIAL AND PROPRIETARY

**Exhibit C**

Sample Advertisement

## Visual

### Graphic:

Excess Telecom Lifeline Service

FREE Cell Phone Service  
FREE minutes each month

### Roll the graphic:

Food Stamps

Housing Assistance

Medicaid

Supplemental Security Income

Low Income Home Energy Assistance Program

Temporary Assistance for Needy Families

National School Lunch Program (Free program)

You may also qualify based on income

### Graphic:

FREE Minutes  
FREE Text Messages  
FREE Long Distance  
FREE Cell Phone

No Deposit  
No Credit Check

### Graphic:

FREE cell phone  
FREE minutes each month

### Graphic continuously at the bottom of the screen

Excess Telecom, Inc.

**1-800-691-3011**

Lifeline is a government-supported service available only to eligible consumers. Documentation required for proof of eligibility. Only one benefit per household. Customers willfully making false statements concerning benefits can be punished by fine or imprisonment or can be barred from the program. Terms and conditions apply.

## Audio

Are you currently receiving any type of government assistance?

If so, you may qualify for Lifeline, a government benefit which gives you discounted phone service

With Lifeline, you can receive 275 free voice minutes & 275 free text messages each month. Use your minutes for voice calls nationwide. Excess Telecom will even give you a free phone!

Call today to see if you qualify for your free cell phone with 250 free minutes each month. There is no credit check and no deposit.

Call today at 1-800-691-3011

**Exhibit D**

Financial Information

CONFIDENTIAL AND PROPRIETARY

**Exhibit E**

Strategic Business Partners

## **Key Partners and Resources:**

Lance J.M. Steinhart, P.C., Attorneys at Law.

### **The Law Office of Lance J.M. Steinhart, P.C.**

The Law Office of Lance J.M. Steinhart, P.C. has been providing professional legal services since 1990, specializing in telecommunications, regulatory, and transactional law. The firm has provided regulatory counsel nationwide to over 600 public and private companies. We work with both new and established businesses with a focus on wireless providers, eligible telecommunications carriers (ETC), local (CLEC) and long distance (IXC) resellers, facilities-based carriers, VoIP providers, data providers, prepaid calling card and dial tone providers, inmate service providers, and operator and payphone providers. We regularly practice before the FCC and the state regulatory commissions in all 50 states, the District of Columbia, and Puerto Rico.

Our services include:

Federal Communications Commission:

Compliance Plans / Forbearance Petitions

Eligible Telecommunications Carrier (ETC) Petitions

Section 214 Authorizations

Lifeline, USF, TAF, TRS, UAF, ULTS, Tele-connect, High Cost, and CCLC

Complaint Proceedings, NALs

State Regulatory:

Eligible Telecommunications Carrier (ETC) Certifications

Wireless / MVNO / CMRS Authorizations

Local (CLEC) and Long Distance (IXC) Certifications

Inmate, Operator, and Payphone Certifications

Contract Drafting, Negotiation, and Review:

Interconnection Agreements

Carrier and Resale Agreements

Settlement Agreements

Mergers and Acquisitions:

Transfer of Control Proceedings

Asset Transfer Proceedings

Lance Steinhart is recognized as one of the leading telecommunications attorneys in the country. Lance has provided legal regulatory counsel to over 600 companies. In addition to his law practice, he was Founder and Chairman, Chief Executive Officer, and General Counsel of Telecom Compliance Services, Inc. (TCS), the first company to provide outsourced ongoing regulatory compliance. Lance founded TCS in 1995 and led the company to become a national leader in regulatory compliance services. Lance successfully sold the company to Thomson Reuters in April 2006.

Lance formed FAS Tek Compliance Solutions, Inc. in June of 2011, which provides ongoing regulatory and transactional tax compliance services to primarily telecom providers. He serves as Chairman, Chief Executive Officer, and General Counsel. He is also Founder and Chairman of Expert Telecom Compliance, Inc. ("ETC"), which provides ongoing consulting, compliance and industry intelligence to Lifeline Service Providers.

Lance received his Bachelor of Science in Finance degree from Syracuse University, a Juris Doctor Law degree, and a Masters of Tax Law from Georgetown University Law Center. He is a member of both the New York Bar Association and the Georgia Bar Association, and was admitted to practice law in the State of Maryland.

Lance is a member of the Competitive Telecommunications Association (COMPTEL) and the Federal Communications Bar Association (FCBA). Lance is currently a member of COMPTEL's Regulatory and Legislative Committee. Lance was a member of the Association of Communications Enterprises (ASCENT f/k/a TRA) and the International Prepaid Communications Association (IPCA), and previously served on the Internet Advisory Counsel for ASCENT, as well as on the Legal Affairs Committee for COMPTEL.

### **FAS Tek Compliance Solutions, Inc.**

FAS Tek Compliance Solutions, Inc. specializes in providing regulatory and tax compliance filing services for companies of all sizes within the telecom industry. Our business is to assume the complexity of your reporting obligations, allowing you to focus on the healthy growth of your company. Our state-of-the-art, internally developed technology allows our highly-experienced staff to provide you with personal service that will track, analyze and report the critical information required by the various government agencies.

The FAS Tek team meticulously researches the specific reporting requirements of each client, during the implementation phase of our partnership, resulting in a customized individual client by client reporting portfolio. Establishing this concrete foundation early in the process enables us to guarantee on-going compliance with each jurisdiction, allowing us to provide you with the peace of mind you deserve.

## FCC Reporting

The Federal Communications Commission (FCC) requires all telecom service providers to report on an annual basis. Non-compliance with the FCC can lead to heavy fines and penalties. FAS Tek Compliance Solutions, Inc. works alongside their clients to ensure all reports are filed accurately and on time.

FCC Telecommunications Filings:

- FCC 499A
- FCC 499Q
- FCC International Traffic Report
- FCC 477
- CPNI

## Commission Reporting

Telecom service providers are required to be certificated or registered with any Public Service Commission that regulates the communications utility divisions. Local Services (CLEC), Wireless and Wireline Eligible Telecommunications Carriers (ETC), Intra- and Inter- State Services (IXC) are regulated by the majority of states. Each state requires the carrier to maintain a good standing status by remaining compliance with all required reports.

FAS Tek Compliance Solutions, Inc. alleviates the burden of reporting by handling preparation and filing of all Commission obligations:

- Annual Reports
- Revenue Reports
- Universal Service Fund (“USF”) reports
- Telecommunications Relay Service (“TRS”) reports
- Quality of Service Reports

## Indirect Tax

Indirect taxes (also referred to as ‘transactional taxes’, ‘state and local taxes’ or simply ‘sales tax’) as they relate to telecommunication services, consist primarily of two categories – I.) Taxes and II.) Surcharges – both are billed to – and collected from – the users of the services.

Examples of ‘Taxes’ for telecommunication services are:

- Excise taxes
- Sales & Use taxes

- Utility taxes
- Gross Receipts taxes
- Privilege taxes
- License taxes

Examples of ‘Surcharges’ (or ‘fees’) that are imposed on telecommunication services are:

- Emergency Communications Services Surcharges (9-1-1 fees)
- Right-of-Way fees
- A number of other surcharges imposed by various state and local governments to fund any number of programs specific to each

### **Expert Telecom Compliance, Inc.**

Expert Telecom Compliance, Inc. has rolled out a new offering to Lifeline Service Providers (LSPs) that fills the regulatory requirements gap, unique to this market. Beyond standard Regulatory Compliance which includes Secretary of State filings, Public Service Commission filings, and FCC 499/477 filings; and unrelated to standard Sales and Use Tax/E911/USF Compliance, LSPs are required to do more. Lifeline Regulatory Compliance consists of:

- A myriad of monthly/quarterly/annual report filings required by the states
- Quarterly/annual reporting required by the FCC
- Perfecting the document trail for state, USAC and FCC audits

Lifeline regulatory filing requirements are constantly evolving. The research, state negotiations and legal interpretations associated with the effort are a time consuming, daunting task for an LSP that doesn’t employ internal legal counsel. The consequences of not managing the process can be dire. Expert Telecom Compliance, Inc.’s Lifeline Compliance Service will move LSPs safely and efficiently through the regulatory landscape at a fraction of the time and cost required to manage this responsibility internally. Expert Telecom Compliance is a collaboration between Lance JM. Steinhart, P.C. and CGM.

## CGM

CGM's Lifeline Support Service provides a comprehensive package of professional services and data processing designed to bring clarity, compliance and profitability to the wireline/wireless service provider's operation. Sixty percent of the 37 million eligible households aren't receiving a lifeline subsidy. They typically don't know it exists. The market opportunity is considerable.

Navigating through the federal and state lifeline rules, processes and interpretations can be a daunting task. Establishing and maintaining a compliant infrastructure capable of standing up to a Universal Service Administration Company audit can provide even more of a challenge. CGM's Lifeline Support Service will provide a road map to move efficiently through business planning, ETC petitioning, product rollout and fully compliant monthly processing. Additionally, we'll provide regulatory updates on trends/activity at USAC, the FCC, on Capitol Hill and at the states to ensure that our Clients have the opportunity to impact the debate and respond to proposed changes in the landscape.

### Business Planning and Strategy Development

CGM delivers tutorials to develop expertise within a Client's staff. Employing extensive state-specific research, we assist in the development of ETC petitions and outreach strategy, leveraging a Client's existing strengths. We can help with vendor recommendations (legal, carrier, handsets, provisioning, billing, etc.) and establish regular conference calls to drive/track progress in the petitioning process. CGM provides monthly strategy updates derived from ongoing research into the evolving state and federal rule making arenas. Our intellectual capital typically saves Clients twelve to eighteen months of research and time-to-market. We provide:

- State-specific Market Analysis
- Distribution and Outreach
- Vendor Selection and Recommendations (legal, carrier, handset, OSS, etc.)
- USAC, SAC, and SPIN Filing
- State Regulatory Relationship Planning/ Visit Support

### Development of Compliant Infrastructure

CGM has developed a Compliance Best Practices binder that is the sum of all we've learned from our interaction with USAC, states, the FCC and through participating in numerous audits. There are many ways to do things incorrectly and very few ways to operate within full compliance. In the lifeline world, compliance must precede profit on the list of priorities.

During the Lifeline Support Service implementation process, CGM reviews the many categories of compliance and works with Client's team to develop a top-to-bottom strategy to optimize the lifeline opportunity. Client's staff is instructed to create a monthly compliance binder that serves as a firm foundation for a successful audit. Regular spot checks/mini audits are performed by CGM staff throughout the year to ensure that all aspects of growth and serving-area expansion are driven in a fully compliant manner. Areas of concentration include:

- Service Offerings, Pricing, Tariff, Outreach/Marketing Material, Bill Presentment
- Enrollment Certification/Verification and Fraud Prevention Infrastructure (CGM app)
- Compliant Handset Procurement Confirmation
- Annual Recertification and De-enrollment
- Agent/Employee Training and Certification
- Documented Company-wide Processes for Compliant Best Practices
- Annual On-site Process Reviews and "Secret Shopping" Services
- Customer Retention Programs/Practices
- Bi-weekly Business Development Calls to Drive Compliance and Sales

#### Real-time Enrollment Platform

CGM provides fully compliant, Lifeline enrollment platforms for tablet, laptop and call center distribution models. Each is fully bonded with the NLAD and numerous state databases, and allows the ETC to ensure that every activation is performed in a 100% compliant manner. The following validations/confirmations are inherent through the application for every enrollment:

- End User Identity Verification
- End User Address Validation
- End User Eligibility Verification
- Intra-Company Duplicate Check
- Inter-Company Duplicate Check
- One Per Household Certification
- State-Approved Territory
- Carrier Coverage Map
- Confirmation of Active Account
- 60-Day "Usage" Confirmation

## Form 497 Optimization and Calculation & Audit Support

CGM edits, optimizes and calculates end-of-month Form 497 reimbursements, and files them on behalf of our ETC Clients. We also provide detailed USAC and state audit planning, as well as on-site audit support.

## On-Going Regulatory Arena Updates and Guidance

There's a steady flow of political and regulatory activity in Washington, and throughout many of the states, that will continue to shape the future of the Lifeline Program. Evolving discussions on seminal topics such as further reform, proper use of the NLAD and state databases, states' rights to impose rules, and expansion to broadband require careful monitoring and consistent advocacy. Sometimes the loudest voices carry the day, but often times the most intelligent, even-keeled voices have the greatest impact. Regardless of issue, Washington requires our input. CGM, through its network of contacts, will guide Clients to make optimum use of resources in the effort to impact policy.

**Exhibit F**

Key Management and Consultant Bios

# Cobby Pourtavosi

## President of Capital Insight, LLC

### Professional Bio

As President and Founder of Capital Insight, our Company's main focus is to create Long Term relationships With Other Developers & Business Operators.

- 8+ years professional experience working in a capacity in real estate as a Development Partner, asset manager, portfolio manager & partner, and corporate real estate partner.
- Real estate underwriter with corporate level experience in complex, transaction, structuring, real estate leases, dispositions, space buildout/occupancy, financing and portfolio management to achieve optimal use and maximize value of Capital Insight's physical assets.
- Experience working with contractors, Architects, City Officials, Private Money, Banks, Corporate tenants, Funds.
- Personally responsible for financial & managerial repositioning of over 500,000 square feet of distressed commercial real estate.

Currently our portfolio consists of over 200m+ in assets that Capital Insight currently manages & owns a majority stake in. In our portfolio we currently manage & own over 2,000 Section 8 units that are being funded by the city and/or states of CA, NY & soon to be OR. In the last 2 years our primary focus has been start ups and the telecom industry. We have managed to put the right team together to launch our telecom business in a successful manner. This will complement our Tenant base, and Lifeline service will particularly benefit our Section 8 clientele.

### Primary Focus

- Business Acquisitions & Dispositions
- Seed Capital for Start Ups
- Knowledge of real estate transactions, development process, finance, applicable codes, standards, guidelines, law and regulations
- Strong analytical and strategic problem solving skills
- Knowledge of due diligence for Commercial Retail Real Estate equity growth, long & short term
- Oversight of legal teams, handling zoning, planning and building codes

# PATRICK M. McDONOUGH

## Professional Profile

### RANGE OF EXPERIENCE

A strategically focused professional with a proven track record of driving business results. Launched successful business ventures and led organizations to phenomenal growth. A strong background in business analysis, a range of experience that includes implementing market strategies, results driving programs, in-depth business modeling, value added system implementations, cost structure optimization and best-in-class business solutions. An effective leader and communicator with strong project management, problem-solving and analytical skills.

### PROFESSIONAL AND BUSINESS HISTORY

**Fountainhead Advisory:** *Managing Partner*, February 2013 – February 2015

**Howard Roark Consulting:** *Managing Partner*, 2009 - 2013

**i-wireless:** *Chief Operating Officer*, 2008 – 2009, *Chief Financial Officer*, 2007 - 2008

**Howard Roark Consulting:** *Managing Partner*, 2005 - 2007

**Cincinnati Bell:** *Director of Financial Planning and Analysis*, 2004 – 2005. *Director of Finance - New Business Development*, 2002 – 2004, *Director of Finance and Accounting – Local Group*, 2001 – 2002, *Director of Finance and Accounting – Wireless Group*, 1999 – 2001 (*acting CFO* 2001).

**Student Loan Funding Corp.:** *Vice President and Controller*, 1997 – 1999. *Assistant Controller*, 1995 - 1997

**Kentucky Higher Education Student Loan Corp.:** *Accounting Manager*, 1994 – 1995.

**Student Loan Funding Corp.:** *Internal Audit Manager/Compliance Officer*, 1993 – 1994. *Senior Accountant*, 1989 – 1993.

### PROFESSIONAL AND BUSINESS EXPERIENCE

- ◆ **Performance** – Responsible for launching a national wireless company including securing funding, establishing infrastructure, selecting and negotiating vendor contracts, creating an industry leading cost structure and all aspects of building an operational and regulatory framework. Co-founded Howard Roark Consulting, LLC. Responsible for leading major projects including launching start-ups and turn arounds. Secured best-in-class vendor pricing for clients.

# PATRICK M. McDONOUGH

Page 2

## PROFESSIONAL AND BUSINESS EXPERIENCE (CONTINUED)

- ◆ **Engineering Revenue Growth** - Drove top-line growth by helping to develop new products, strategic pricing and implementing cutting edge incentive programs. As such, helped lead dramatic revenue growth (100% year-over-year in one instance). Engineered the launch of new markets and new products, eliminating the loss of eroding products. Developed dynamic incentive plans, tightly linking individual performance with corporate goals, which drove focus and execution.
- ◆ **Optimization** - Performed key valuations and detailed due diligence as part of acquisitions, divestitures and product/market expansion decisions. Evaluated opportunities as a key member of the capital funding committee. Developed complex financial models and business analysis as part of product pricing and viability assessment.
- ◆ **Planning** - Improved planning processes by integrating strategic, long-term and annual planning processes. Created activity-based budgeting models, separating variable and fixed costs and measuring increases and decreases in variable costs to better model businesses. Drove a formal forecasting process that improved insight, managed expectations and identified needed actions.
- ◆ **Cash Flow** - Implemented a cash conservation/cash flow acceleration program improving cash flow by \$6 million. Achieved a 30% workforce reduction, while improving group performance. Implemented activity-based costing in order to accurately measure margins and make effective decisions regarding pricing, product offering and cost reduction programs.
- ◆ **Integration** - Successfully led several system implementations/migrations. Improved efficiencies and customer service through effective system feature implementations and system/process integration. Implemented accounting, billing and payment processing systems.
- ◆ **Building Foundations** - Started departments, divisions and entire companies from the ground up, ensuring all key functions were covered off and all requirements (covenants and regulations) were abided by. Created significant efficiencies in existing organizations, reducing time-to-complete and time-to-market.

## EDUCATION

Bachelor of Arts, Magna Cum Laude, Finance and Accounting, Wilmington College

## **Exhibit G**

### Proposed Lifeline Rate Plans

**Excess Telecom, Inc.**

**Lifeline Offering**

275 Voice Minutes

275 Text Messages

Net cost to Lifeline customer - \$0 (free)

**Included:**

- Free handset
- Free calls to 911 emergency services
- Free calls to Customer Service
- Free domestic long distance
- Access to Caller ID, Call Waiting, and Voicemail

**Additional Airtime**

Available in competitive denominations at \$0.05 per minute or less