

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

|                              |   |                      |
|------------------------------|---|----------------------|
| In the Matter of             | ) |                      |
|                              | ) |                      |
| Federal-State Joint Board on | ) | CC Docket No. 96-45  |
| Universal Service            | ) | WC Docket No. 03-109 |
|                              | ) |                      |
| Lifeline and Link Up         | ) |                      |

**REPLY COMMENTS OF TRACFONE WIRELESS, INC.**

Mitchell F. Brecher  
Debra McGuire Mercer

GREENBERG TRAUIG, LLP  
2101 L Street, NW  
Suite 1000  
Washington, DC 20037  
(202) 331-3100

*Its Attorneys*

July 30, 2010

## SUMMARY

To improve Lifeline participation, the Joint Board should recommend steps to expedite and simplify the enrollment process. All ETCs should engage in electronic enrollment and verification through a nationwide data base. Lifeline eligibility certification and verification requirements should be nationally uniform, and should be consistent across technology and business models. Likewise, any automatic or automated enrollment process the Joint Board recommends must be competitively neutral and must afford Lifeline-eligible households the opportunity make informed decisions and to enroll in any Lifeline program offered in their area.

The Joint Board must avoid recommending any certification, verification, or other requirements that unnecessarily increase the burden on those applying for Lifeline benefits, such as demanding additional documentation, or use of a PIN-based system.

A non-usage deactivation policy like that implemented by TracFone in every state where it provides Lifeline service as an ETC creates savings for the USF while assuring that eligible individuals, who can and do benefit from Lifeline service, continue to get support. The implementation of such a policy should be mandatory for all Lifeline providers in all states.

Increased outreach requirements imposed on states and ETCs should not be recommended by the Joint Board since they will not improve Lifeline participation rates among low-income households, and they risk discouraging provider participation in Lifeline. By contrast, policies that incentivize ETC outreach, such as offering room to be creative with Lifeline offerings and marketing efforts, and creating a nationally-uniform and efficient administrative process, will expand Lifeline participation and should be the lynchpin of the Joint Board's recommendations.

Lifeline service must be available to those most in need of assistance. This includes every household nationwide with income below 150% of the Federal Poverty Guidelines, and individuals in homeless shelters and other group living facilities.

The Joint Board should not be distracted from its task of recommending uniform eligibility certification, verification and outreach requirements. The recommendations that stem from this proceeding should be applicable to all Lifeline providers, not distinguished by technology or product offerings. In this regard, the Joint Board should reject the suggestion of those commenters who have attempted to expand this proceeding to establish special standards and special rules for one specific category of ETCs -- prepaid wireless providers.

**Table of Contents**

**SUMMARY.....i**

**I. Summary of Initial Comments Submitted by TracFone .....2**

**II. Access by All ETCs to Electronic Data Bases Would Materially Enhance the Efficiency of the Lifeline Program .....2**

**III. Automatic or Automated Enrollment Procedures Should be Implemented by States, Provided that Such Procedures Not Favor Any Type of Provider or Technology.....6**

**IV. A Non-Usage Deactivation Policy Should be Required of All ETCs, Regardless of the Technology or Business Model that Supports their Lifeline Offerings.....9**

**V. The FCC Should Encourage States to Engage in Outreach and Incentivize ETC Outreach, but Increased Outreach Mandates on States or ETCs are Inappropriate.....9**

**VI. At a Minimum, Lifeline Service Should be Available to Every Household Nationwide With Income Below 150 Percent of the Federal Poverty Guidelines .....12**

**VII. Lifeline Support Must be Made Available to Unrelated Residents of the Same Homeless Shelter or Other Group Living Facility .....13**

**VIII. The Joint Board Should Focus Its Inquiry on the Specific Eligibility, Verification and Outreach Questions Put to It by the Commission.....14**

**CONCLUSION .....15**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

|                              |   |                      |
|------------------------------|---|----------------------|
| In the Matter of             | ) |                      |
|                              | ) |                      |
| Federal-State Joint Board on | ) | CC Docket No. 96-45  |
| Universal Service            | ) | WC Docket No. 03-109 |
|                              | ) |                      |
| Lifeline and Link Up         | ) |                      |

**REPLY COMMENTS OF TRACFONE WIRELESS, INC.**

TracFone Wireless, Inc. (“TracFone”) hereby submits its reply to the comments which were submitted on or about July 15, 2010, in response to the notice of June 15, 2010 of the Federal-State Joint Board on Universal Service seeking comment on Lifeline and Link Up enrollment eligibility, certification, verification, and outreach issues referred to the Joint Board (“the Notice”).<sup>1</sup>

The goals of the Lifeline program are admirable. Yet with only slightly more than 30 percent of eligible low-income households throughout the nation enrolled in the program and with even lower participation percentages in many states,<sup>2</sup> improvements must be made. To successfully reach those in need of Lifeline support, the Lifeline enrollment, eligibility certification and verification processes must be more efficient and more consistent throughout the United States. To increase Lifeline participation, the Joint Board should recommend steps to expedite and simplify the enrollment process, including electronic enrollment and verification through a nationwide database. Likewise, the Joint Board should recommend adoption of nationally-uniform Lifeline certification and verification procedures and requirements that are

---

<sup>1</sup> Public Notice - Federal-State Joint Board Seeks Comment on Lifeline and Link-Up Eligibility, Verification, and Outreach Issues Referred to Joint Board, FCC 10J-2, released June 15, 2010.

<sup>2</sup> Lifeline and Link-Up (Report and Order and Further Notice of Proposed Rulemaking), 19 FCC rcd 8302 (2004) at Appendix K - Section 1: Baseline Information Table 1.A. Baseline Lifeline Subscription Information (Year 2002).

consistent across technology and business models, and that reflect the reality of today's telecommunications landscape.

### **I. Summary of Initial Comments Submitted by TracFone**

In its initial comments, TracFone advanced its proposal for a modern Lifeline program. TracFone expressed the belief that electronic certification and verification of consumer eligibility is the most efficient and effective way to facilitate enrollment in the Lifeline program while protecting the integrity of the Universal Service Fund. Such a system would minimize compliance burdens and the risk of unqualified households receiving Lifeline benefits. TracFone supported the use of automatic enrollment mechanisms, but stressed that all Lifeline rules and mechanisms should be applied in a competitively neutral manner.

TracFone explained further that the current outreach requirements and guidelines are sufficient to promote consumer awareness of the Universal Service Fund low-income programs. Finally, TracFone expressed support for the states' role in determining eligibility criteria for Lifeline, and recommended the establishment of procedures which would enable low-income persons without permanent residences, including residents of homeless shelters and other group living facilities, to receive Lifeline-supported services.

### **II. Access by All ETCs to Electronic Data Bases Would Materially Enhance the Efficiency of the Lifeline Program**

Commenters unanimously expressed support for access to electronic data bases for certification and verification of consumer eligibility to enroll in Lifeline and to remain enrolled in Lifeline programs. Data bases which indicate whether an applicant for enrollment in a Lifeline program is Lifeline-eligible, and whether or not the applicant already receives Lifeline-supported service from another ETC would simplify the enrollment process for those households applying for Lifeline benefits, would expedite the ability of ETCs to enroll qualified households

in their Lifeline programs, and would enable ETCs to promptly commence delivery of Lifeline-supported services to those qualified households.

Such a system would properly place responsibility for the compilation and maintenance of accurate and current eligibility information with the state and federal agencies that are best positioned to make these determinations.<sup>3</sup> As Leap Wireless and Cricket Communications stated in their comments, current procedures that rely on self-certification trap ETCs between accusations of inviting waste, fraud and abuse, on the one hand, and criticisms of improperly burdening access to Lifeline, on the other hand.<sup>4</sup> Procedures that require ETCs to review and retain documentation of applicants' eligibility for Lifeline enrollment raise questions regarding confidentiality of consumer information, which was a high priority issue for many commenters,<sup>5</sup> and risk improperly excluding eligible households who do not have ready access to the necessary documents.<sup>6</sup>

Uniformly accessible data bases would immediately inform ETCs and Lifeline service applicants whether the applicants qualify for Lifeline support. If the system also allowed the ETC to record provision of Lifeline service to an individual in real-time, this would radically reduce the risk of duplicate claims for Lifeline support. Further, as Verizon articulates, automatic notifications could be sent by the data base system both to Lifeline customers and to

---

<sup>3</sup> AT&T Comments, at 7-9. State and Federal agencies are best positioned for this role because some of the information on which eligibility turns is confidential, compliance costs for providers are high, particularly given state-to-state variation in enrollment eligibility criteria, and demonstrating eligibility to a provider is burdensome for the consumer.

<sup>4</sup> Leap Wireless/Cricket Comments, at 6.

<sup>5</sup> See, e.g., Community Voice Mail National Office Comments, at 15; Benton Comments, at 7; Florida Public Service Commission Comments, at 7-8.

<sup>6</sup> See e.g. Smith Bagley Comments, at 12; PR Wireless Comments, at 12; MAG-Net Comments, at 14; Florida Public Service Commission Comments, at 5-6.

the ETCs if that Lifeline customer were to become ineligible for continued Lifeline services.<sup>7</sup> This would enable ETCs to immediately remove such no-longer-qualified customers from their Lifeline programs and would make it possible to terminate Lifeline support for those customers.<sup>8</sup> Access to electronic databases as described herein would provide an efficient and uniform certification, enrollment and verification system available to all ETCs, regardless of the technology or business model attached to their Lifeline offerings.

TracFone favors a single national database through which ETCs can confirm applicant eligibility for Lifeline, carry out periodic verification of continuing eligibility, and record provision of service to Lifeline customers. With a single national data base, qualifying program enrollment information from fifty states would be formatted to interact with that one system. With more than fifty separate systems, qualifying Federal program enrollment data would have to be formatted fifty different ways, to interact with each different system.<sup>9</sup> It has not been demonstrated that either system would have higher implementation costs than the other. One national system would, however, reduce the risk of user confusion, and would present significant efficiencies for ETCs throughout the nation that must train staff in its use.

Regarding implementation costs, it is important that these be met by the appropriate parties. States or the Federal government cannot take on responsibility for managing eligibility databases, but then charge ETCs unreasonable fees to cover the cost. Several states have attempted to burden individual ETCs with unreasonable and unproven costs to access their data bases, and the financial burden on ETCs creates a huge disincentive to participation in Lifeline in those states.

---

<sup>7</sup> Verizon Comments, at 7-8.

<sup>8</sup> *Id.*

<sup>9</sup> In addition to the fifty states, the District of Columbia and Puerto Rico have Lifeline programs.

Several commenters express support for a PIN-based enrollment and verification system.<sup>10</sup> Like the Florida Public Service Commission,<sup>11</sup> TracFone is concerned that such a system would place additional burdens on Lifeline program participants and would result in eligible households being denied Lifeline service. If the PIN serves as a shorthand for other identifying information such as name, address, date of birth and Social Security number, entering those details, which are clearly more memorable to the individual, into the system to determine eligibility would avoid unnecessary complication and inevitable resulting delay to completion of the Lifeline enrollment process.

Any PIN-based system must be properly structured in order to keep customer-specific identifying information confidential. The ETC interface could easily be designed so that only minimal identifying information, Lifeline eligibility status and Lifeline enrollment status are accessible, and only the last of these is editable. This would protect confidential information without increased burden on data base administrators or ETCs.

An electronic database would offer a far better solution to certification and verification challenges than other mechanisms proposed in several other parties' comments. For example, increased documentation requirements would have little effect except to create additional burdensome hoops for Lifeline applicants to jump through in order to demonstrate their eligibility for Lifeline support. Such increased documentation requirements by states have discouraged people from enrolling in Lifeline, particularly since low-income households often do not have documentation readily available. Use of electronic data bases would obviate the need for most applicants for Lifeline enrollment to produce documentation of eligibility.

---

<sup>10</sup> *E.g.* AT&T Comments, at 11-13; Nexus Comments, at 3-4; Verizon Comments, at 7-8.

<sup>11</sup> Florida Public Service Commission Comments, at 7-8.

Furthermore, an electronic eligibility data base would make ongoing verification of eligibility feasible. Proposals that ETCs regularly verify the eligibility of their entire bases of Lifeline participants are unrealistic unless this can be done through an electronic system.<sup>12</sup> Even worse are suggestions that the burden of annual verification of entire customer bases be imposed exclusively on a single category of Lifeline providers -- prepaid wireless Lifeline ETCs.<sup>13</sup> State and Federal agencies have the most accurate information regarding continued eligibility, and they should therefore take responsibility for ensuring the data base is up to date, and for requiring de-enrollment from Lifeline when it is determined that customers are no longer eligible.

### **III. Automatic or Automated Enrollment Procedures Should be Implemented by States, Provided that Such Procedures Not Favor Any Type of Provider or Technology**

TracFone supports the concept of automatic enrollment in Lifeline as a way to increase Lifeline participation among qualified low-income households and to simplify -- and expedite -- the enrollment process, both for ETCs and for consumers. However, it is imperative that any automatic or automated enrollment system in any state be implemented in a manner which is competitively neutral such that it does not favor any ETCs or category of ETCs, including, for example, incumbent LECs. An automatic enrollment process that does not inform consumers of all their Lifeline options and afford consumers the opportunity to select from among those options or, worse, that automatically enrolls qualified customers in their existing wireline local exchange carrier's Lifeline program without affording such customers an opportunity to select from among the available Lifeline programs which best meet their needs, is both discriminatory and not in the interests of those households which qualify for Lifeline assistance.

---

<sup>12</sup> See Joint Consumer Groups Comments, at 24; Nebraska Public Service Commission Comments, at 5-6.

<sup>13</sup> Nebraska Public Service Commission Comments, at 5-6.

One way to avoid such favoritism of the incumbent provider ETCs is to utilize verification data which do not include assigned telephone numbers. In several states, entities responsible for verification of Lifeline eligibility utilize such data points as name, residential address, date of birth, and last four digits of Social Security number. By matching one or more of those data points against lists of persons enrolled in qualifying programs (*e.g.*, Medicaid, Supplemental Nutritional Assistance Program, Transitional Assistance for Needy Families, etc.), a Lifeline applicant's eligibility for enrollment can be determined.

The automatic enrollment system which had been in place in Texas demonstrates the adverse consequences which can occur when assigned telephone numbers are used to verify Lifeline program-based eligibility. There, a third party administrator works with the state's Department of Human Services to identify eligible households, and automatically enrolls the phone number on file with the Department into the Lifeline program. Until recently, individuals who attempted to select a different ETC for their Lifeline service, such as a wireless provider, had their Lifeline subscription automatically reverted back to the wireline phone number that was on file at the Department.<sup>14</sup>

The Texas PUC and its third party administrator should be commended for their cooperation in adjusting that state's automatic enrollment system to accommodate new entrants. However, even with recent improvements, the system fails to adequately support those without current telephone service who wish to enroll in Lifeline. The state limits Lifeline applications to those with existing telephone service by requiring that the phone number that will be associated with the Lifeline service appear on the Lifeline enrollment form. This disadvantages both

---

<sup>14</sup> TracFone and the Texas PUC worked together to find a solution. Texas has now changed its self-enrollment process to allow an option for customers to choose the program of their preference in the enrollment form.

households that do not currently have telephone service -- among the intended beneficiaries of the Lifeline program, and ETCs with Lifeline programs designed to be available to these new customers.<sup>15</sup>

An automated, rather than automatic, enrollment system, if implemented properly, would increase Lifeline enrollment without improperly favoring or disfavoring any ETC. In an automated system, individuals are given the opportunity to enroll in a Lifeline program as soon as they become eligible, for example, at the time they sign up for a qualifying benefit program such as Medicaid, the Low Income Home Energy Assistance Program or the School Lunch Program. However, they must affirmatively elect to do so.

The agent interacting with the consumer, the notice of benefit enrollment, or the website through which the customer enrolled, should make clear that the consumer is not required to select his or her current wireline telephone service provider as the Lifeline provider. Information about all the Lifeline providers servicing the area, the benefit packages they offer, and provider contact information should be provided. It should be clear that consumers need not select a Lifeline provider at that time, and that they may wait until a future time to select a Lifeline program in which to enroll.

---

<sup>15</sup> The system in Texas also disadvantages ETCs targeting new customers by not making electronic eligibility confirmation and verification available to them. To register for the Lifeline service offered by one of these providers, consumers must engage in a complicated manual certification and verification process. These additional administrative hurdles unduly burden both the ETC and the consumer, and discourage qualified low-income households from enrolling in Lifeline.

#### **IV. A Non-Usage Deactivation Policy Should be Required of All ETCs, Regardless of the Technology or Business Model that Supports their Lifeline Offerings**

TracFone routinely communicates with any of its Lifeline customers who have gone for 60 days with no apparent usage to verify whether handsets tied to a Lifeline benefit remain in active use.<sup>16</sup> If there is no response or if the customer indicates that he or she no longer wishes to remain enrolled in the SafeLink Wireless® program, TracFone de-enrolls the customer from its Lifeline program and it no longer seeks reimbursement from the Universal Service Fund for serving that customer. This non-usage policy is being used by TracFone in every jurisdiction where it offers Lifeline service as an ETC, including Florida. The non-usage policy was developed by TracFone in consultation with several state commissions and with the FCC. The non-usage policy has worked well to ensure that only qualified Lifeline customers who actually use the service will continue to receive Lifeline benefits and that TracFone will only receive Universal Service Fund support for those customers who remain enrolled in the program and benefit from it. By eliminating non-users without eliminating eligible enrollees who continue to get support from Lifeline, TracFone's non-usage policy has resulted in significant savings for the USF without creating additional barriers to qualification or enrollment. TracFone encourages the Joint Board, the FCC, and state commissions to require that all ETCs implement such a non-usage policy.

#### **V. The FCC Should Encourage States to Engage in Outreach and Incentivize ETC Outreach, but Increased Outreach Mandates on States or ETCs are Inappropriate**

Consumer outreach is critical to the success of Lifeline. This truth does not however translate into a need for either the FCC or states to regulate outreach by ETCs. The current statutory requirement, codified at Section 214(e)(1)(B) of the Communications Act, that ETCs

---

<sup>16</sup> AT&T Comments, at 17-18; Florida Public Service Commission Comments, at 10; Joint Consumer Groups Comments, at 27-28.

advertise Lifeline-supported services using media of general distribution is sufficient, and further regulation risks much but achieves little.

The comments of YourTel America describe some of the problems caused by well-meaning regulation relating to Digital TV conversion.<sup>17</sup> As the FCC knows, the problems associated with the DTV conversion consumer education process were broader than YourTel's description. While the story need not be retold here, its message of caution against over-zealous regulation of advertising as a path to increased Lifeline participation by qualified low-income households bears remembering.

To increase consumer awareness of Lifeline, the FCC should adopt a twofold strategy. First, it should encourage states to educate their Lifeline-eligible households about Lifeline in a competitively neutral manner. TracFone agrees with AT&T's proposal that state and Federal agencies with day-to-day contact with low-income individuals should engage in consumer outreach,<sup>18</sup> but suggests that the Federal government should not regulate state outreach initiatives, since states are best positioned to identify appropriate methods for their particular population.<sup>19</sup>

Second, the FCC should consider whether it adequately incentivizes effective and aggressive promotion of Lifeline by ETCs. For many ETCs, Lifeline represents a large

---

<sup>17</sup> YourTel Comments, at 6.

<sup>18</sup> AT&T Comments, at 18-19. The Community Voice Mail National Office (at 4) and the National Hispanic Media Coalition (at 34) suggest incentives for non-profit promotion of Lifeline. While TracFone encourages community groups to encourage Lifeline enrollment, it cautions against incentives based on the number of customers such groups sign up to the program. Such incentives invite undue pressure on eligible households to make quick, uninformed decisions. Also, it is important that such promotional activities by community and consumer advocacy groups be provider neutral, in that they neither encourage nor discourage enrollment in any ETC's Lifeline program.

<sup>19</sup> If a nationwide automated enrollment system is implemented, mandating the use of that system may be appropriate.

administrative burden coupled with risk of penalties for unknowingly providing service to ineligible individuals. In addition, some ETCs may be reluctant to promote their Lifeline programs because of the sometimes inconsistent manner in which the program had been managed and audited. An example of how ETCs have been discouraged from actively marketing their Lifeline programs involves the post-Katrina emergency Lifeline program. Specially-designated ETCs undertook massive and successful marketing efforts to provide free wireless service to displaced residents in the aftermath of Hurricane Katrina, only to have substantial portions of their Lifeline support disallowed by the Universal Service Administrative Company (“USAC”) for alleged non-compliance with non-existent rules. Such uncertainty gives even the most dedicated providers cause to act conservatively.<sup>20</sup>

While ETCs should be encouraged to comply with the letter and the spirit of 47 U.S.C. § 214(e)(1)(B), Federal and state agencies should avoid regulating the details of where and how they advertise and promote their Lifeline offerings. Those ETCs who believe that Lifeline can be efficiently provided and who want to actively promote their Lifeline services will do so without detailed regulations; those who would prefer not to effectively promote Lifeline are not likely to aggressively market a service which they do not want to offer. Increased outreach requirements, restrictions on offerings, and the other burdens contemplated throughout these proceedings, risk discouraging provider participation in Lifeline.<sup>21</sup> In contrast, giving ETCs room to be creative -- to offer various packages of benefits and services and to craft their

---

<sup>20</sup> Federal-State Joint Board on Universal Service, et al, 20 FCC Rcd 16883 (2005). Three ETCs which provided emergency Lifeline service to displaced Hurricane Katrina victims under the FCC’s emergency Katrina Lifeline program -- AT&T, T-Mobile, and TracFone, have petitioned the Commission to review decisions of USAC. Those petitions for review remain pending and the three ETCs are at risk of having to reimburse substantial portions of the USF support they received for providing wireless handsets and airtime to Katrina victims.

<sup>21</sup> TracFone objects to such proposals by the Nebraska Public Service Commission (at 7), and the National Hispanic Media Coalition (at 4).

advertising and marketing efforts in response to the dictates of the marketplace -- and simplifying the administrative process by implementing an electronic certification and verification system based on nationally consistent rules, will motivate ETCs to participate more actively in Lifeline.

**VI. At a Minimum, Lifeline Service Should be Available to Every Household Nationwide With Income Below 150 Percent of the Federal Poverty Guidelines**

TracFone joins other commenters in supporting increasing the income eligibility limit to 150 percent of the Federal Poverty Level.<sup>22</sup> While continuing to support the authority of states to decide whether to offer Lifeline to more of their low-income households, TracFone views favorably the suggestion that the Federal eligibility requirements should serve as a baseline for states that do not adopt the default Federal program rules.<sup>23</sup> Such uniformity facilitates outreach by ETCs operating in multiple states, thus improving participation by qualified households. It reflects the fact that Lifeline is a national priority, yet allows states to tailor the program to meet the unique needs of their populations.

Those commenters who oppose expansion of eligibility, on the grounds that telephone subscribership among low-income households already is high, miss the point on two fronts.<sup>24</sup> First, even a 90.4 percent subscribership rate is low if one appreciates how integral telecommunications is to life in America. A 90.4 percent penetration rate means that nearly ten percent of the population is not connected to the public switched network, and that is unacceptable, given the national commitment to universal service. Second, benefits programs exist, not only to enable access to certain necessities, but also to ensure that such access remains affordable to those in need, *i.e.*, that they do not require so large a proportion of their limited

---

<sup>22</sup> Smith Bagley Comments, at 7; PR Wireless Comments, at 8; Joint Consumer Groups Comments, at 7-9; NASUCA Comments, at 7; Benton Comments, at 5.

<sup>23</sup> E.g. Benton Comments, at 6.

<sup>24</sup> See, *e.g.*, USTA Comments, at 4-5.

incomes that other needs are unmet. Citing a 90.4% subscribership rate, without reflection on the impact that paying the full cost of subscription has on low-income households, is insufficient.

**VII. Lifeline Support Must be Made Available to Unrelated Residents of the Same Homeless Shelter or Other Group Living Facility**

Virtually all commenting parties agree that otherwise-qualified low-income persons with no permanent residences, including persons living in homeless shelters, should be allowed to obtain Lifeline benefits. The FCC's one-per-household rule, implemented years ago, to prevent multiple persons living in the same family residences from obtaining Lifeline benefits at such addresses should not preclude multiple unrelated residents of the same homeless shelter or other group living facilities from obtaining Lifeline support. The Nebraska Public Service Commission objects, somewhat inexplicably, to this desperately needy population having access to Lifeline services, but it stands alone.

Recognizing this long-unfulfilled need, and recognizing the unique ability of wireless telecommunications to bring Lifeline assistance to persons with no permanent residential addresses, TracFone has already brought the issue to the attention of the FCC. As other commenters have noted, TracFone has been working with the FCC to establish an interim process that will enable residents of a shelter to get Lifeline service.<sup>25</sup> TracFone supports expansion of the program to the populations identified by MAG-Net in its comments, that is, to those living in transitional housing, battered women's shelters, half-way houses and other community housing or multifamily settings.<sup>26</sup> TracFone submits that the model proposed in its April 16, 2010 presentation to the FCC would serve individuals in all these settings.

The Community Voice Mail National Office proposed even broader expansion of Lifeline so that non-residential organizations that provide social services to those not affiliated

---

<sup>25</sup> Florida Public Service Commission Comments, at 5.

<sup>26</sup> MAG-Net Comments, at 14.

with shelters or group homes can process applications.<sup>27</sup> TracFone agrees that such individuals may be in even more desperate need of Lifeline services than those in shelters, but also appreciates the increased challenge of avoiding abuse of the program in such circumstances.<sup>28</sup> If an electronic database, favored by all for its other benefits, is able to meet this challenge, TracFone would favor such an expansion.

### **VIII. The Joint Board Should Focus Its Inquiry on the Specific Eligibility, Verification and Outreach Questions Put to It by the Commission**

Rather than remaining focused on the issues raised by the Notice, regarding enrollment eligibility, certification, verification and outreach requirements, several commenters inappropriately used their initial comments as a platform to demand sweeping regulation of certain Lifeline providers' services. Specifically, they singled out the offerings of those Eligible Telecommunications Carriers ("ETCs") who provide prepaid wireless Lifeline plans. These commenters include the Community Voice Mail National Office, the Consumer Groups that filed jointly, and the National Association of State Utility Consumer Advocates.

The Joint Board has only a few months in which to complete its analyses and to make recommendation on the matters raised in the FCC's Referral Order.<sup>29</sup> In order ensure that the Joint Board will provide comprehensive and timely recommendations on the issues referred to it, the Joint Board should limit its consideration to the questions posed to it by the FCC, and on comments that address those questions. This proceeding is for the purpose of promulgating rules

---

<sup>27</sup> Community Voice Mail Comments, at 3.

<sup>28</sup> TracFone does not endorse the somewhat pejorative statement of the Public Utilities Commission of Ohio, that seems to express a belief that transient individuals are less ethical or less intelligent than those in a stable housing situation (at 9). The concern is rather that unethical persons, regardless of their housing status, may manipulate the system to receive benefits to which they are not entitled.

<sup>29</sup> Federal-State Joint Board on Universal Service, Lifeline and Link Up, FCC 10-72, released May 4, 2010 ("Referral Order").

regarding eligibility, certification, verification and outreach that are applicable to all Lifeline providers, not distinguished by technology or product offerings.

If those commenters or others wish to file a separate petition for rulemaking, they are of course entitled to do so. At that time, TracFone will respond to the numerous inaccuracies and distortions that were presented to support these demands for imposition of overly-burdensome and discriminatory requirements applicable only to prepaid wireless Lifeline programs.<sup>30</sup>

### CONCLUSION

The Lifeline program provides essential support to make available affordable telecommunications services for low-income households. In the years since the program's inception, it has failed to reach its potential, with only about thirty percent of qualified low-income households enrolled in the program. It is correct that innovative Lifeline offerings, including prepaid wireless programs such as TracFone's SafeLink Wireless®, have increased the number of low-income households enrolled in Lifeline which has increased amount of low-income support from the Universal Service Fund. However, that has occurred because those programs are reaching low-income households who previously were not receiving the Lifeline benefits to which they are entitled, and for whom the Lifeline program was intended. In crafting the federal default Lifeline enrollment certification and verification requirements now used in all federal default states as well as many other states, the FCC attempted to strike a careful balance between making enrollment in the low-income programs relatively convenient for consumers, and incorporating reasonable measures to detect and prevent waste, fraud and abuse of Universal

---

<sup>30</sup> The Joint Board and the FCC are reminded that competitive neutrality is among the statutory policies codified in the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (see, *e.g.*, 47 U.S.C. § 253). Establishing Lifeline rules and standards specifically applicable only to a limited subset of ETCs, such as prepaid wireless ETCs, without the same requirements being imposed on all ETCs offering Lifeline-supported services, would be the antithesis of competitive neutrality.

Service Fund resources. By all accounts, the balance has worked as intended. Absent from any party's comments in this proceeding is any evidence of heightened waste, fraud, or abuse in the low-income portion of the Universal Service Fund programs.

While it is now appropriate for the Joint Board and the FCC to revisit those requirements and to make improvements based on technological changes and marketplace developments, TracFone respectfully urges that the Joint Board and the FCC not deviate from that careful balancing which animated the certification and verification requirements currently in use. Use of national eligibility verification data bases should be considered, as should procedures to enable low-income persons without permanent addresses to participate in Lifeline. Automatic or automated enrollment procedures should be implemented by states, provided that such procedures not favor any type of provider or technology. Finally, TracFone respectfully suggests that the Joint Board limit its study and recommendations to the issues referred to it by the FCC, and that it not encumber this proceeding with an irrelevant inquiry into the specific Lifeline offerings of any ETC or category of ETCs.

Respectfully submitted,

**TRACFONE WIRELESS, INC.**



Mitchell F. Brecher  
Debra McGuire Mercer  
GREENBERG TRAURIG, LLP  
2101 L Street, NW  
Suite 1000  
Washington, DC 20037  
(202) 331-3100

*Its Attorneys*

July 30, 2010