

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

REPLY COMMENTS OF PR WIRELESS, INC.

PR Wireless, Inc. d/b/a Open Mobile (“PR Wireless”) by counsel, and pursuant to the Federal Communication Commission’s (“FCC” or “Commission”) Notice of Proposed Rulemaking (“NPRM”) released March 4, 2011,¹ hereby submits reply comments in the above-referenced proceedings.

I. INTRODUCTION

PR Wireless is pleased to submit this reply to the comments submitted on selected issues discussed in the NPRM. PR Wireless specifically limits these reply comments to the issues of the one-per-household restriction, prevention/resolution of Lifeline duplicates, and the establishment of a national database.

¹ Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link-Up, 76 Fed. Reg. 16,482 (Mar. 23, 2011).

II. DISCUSSION

A. The One-Per-Residence Rule Makes No Sense in a World of Increasingly Ubiquitous Mobile Communications.

Several commenters expressed the concern that the one-per-household rule is not suited to the present day with the prevalence and critical role of mobile wireless telephony as well as tough economic times.² PR Wireless agrees with those commenters and urges the Commission to refrain from adopting any rule limiting consumers to one Lifeline connection per residence.

As PR Wireless explained in its initial comments, American households increasingly view their subscription to more than one wireless telephone line as a necessity rather than a luxury. Several commenters underscored this point, including the New York Public Service Commission, which emphasized that emergency preparedness may require several wireless phones in a single residence:

Access to emergency services may require multiple wireless phones for family members, so that when one individual leaves the home, the other members of the household have access to their own wireless phones to contact emergency services or to maintain their own important family communications during an emergency.³

Indeed, the increasingly critical role of mobile wireless communications is highlighted by today's announcement of a new emergency alert system that will enable mobile wireless customers to receive "geographically-targeted, text-like messages alerting them to imminent threats to safety in their areas."⁴ Anything less than a one-per-qualifying-adult rule for wireless phones will deprive a significant percentage of the population the benefit of such alerts – posing

² See, e.g., New York PSC Comments at 4; Open Access Connections et al. Comments at 6; Benton Foundation Comments at 4; Alaska Telephone Association Comments at 2; Consumer Cellular Comments at 17; AT&T Comments at 16-19; Verizon Comments at 9.

³ New York PSC Comments at 5.

⁴ "New York City Unveils First-in-the-Nation Public Safety System; Enabled Mobile Devices Will Receive Emergency Alerts at Critical Moments With Potentially Life-Saving Messages," News Release (rel. May 10, 2011).

risks not only to themselves but to fellow citizens who are potentially harmed when, for example, citizens are unaware of warnings to stay off the roads in a weather emergency.

Recognizing that a “one-per-residence” rule would lead to punitive and unfair results, several commenters expressed support for a one-per household rule that recognizes that more than one eligible lifeline household can exist at either a “residence” or U.S. Postal Address or P.O. Box.⁵ This can be implemented by adopting a reasonably broad definition of “household.” A workable one-per household policy should continue to rely on customer certification to establish compliance along with annual and audit-driven re-certification. To combat potential waste, fraud and abuse, the Commission should focus on ensuring carriers are consistently employing rigorous subscription intake procedures that include education and periodic re-certification.

By establishing household eligibility, and recognizing that more than one household can exist at an address, the Commission would avoid having exceptions to the proposed one-per residence rule swallow the rule itself. Indeed, the Commission is considering many worthy and appropriate exceptions to its proposed rule: nursing homes, group homes, unrelated adult roommates, multi-generational families, single-room occupancy hotels, rural areas without postal addressing, etc. The complexity of crafting and administering rules to handle these potential exceptions can be avoided by adopting a rule that defines “household” in an appropriately flexible way and that relies solely on a robust self-certification process to validate compliance with the rule.

With respect to P.O. Boxes, residents in many parts of the country rely disproportionately on P.O. Boxes to receive their mail (*e.g.*, rural America, Tribal Lands, and U.S. Territories). As

⁵ *See, e.g.*, New York PSC Comments at 8; Consumer Cellular Comments at 18; Benton Foundation Comments at 4.

initial comments by several parties confirmed, there are many reasons for high P.O. Box usage including, in some areas, the complete absence of a rural addressing system.⁶ To address this issue, the Commission should treat separate P.O. Boxes as separate households or residences for purposes of any one-per residence or one-per-household rule it adopts. Failure to do so could disproportionately affect citizens who would benefit the most from the Low Income program.

B. Adoption of a Uniform, Federally-Administered Procedure for Resolving Duplicate Claims is of Critical Importance.

PR Wireless agrees with Verizon that “[m]eaningful change in administration of the Lifeline program cannot occur absent streamlined enrollment, certification, and verification procedures on a national level.⁷ As explained in Section II.C., *infra*, a centralized Lifeline enrollment and verification system using a national database is an essential part of this picture. Until such a system is implemented, PR Wireless believes it is critical to have a procedure in place for resolving cases in which a household receives Lifeline discounts from multiple providers. This role could be filled by the procedure that was proposed recently by US Telecom Association and other carriers and associations.⁸

It is particularly important that a standard federal procedure be put in place because it will ensure a uniform approach is followed as states conduct their own audits and investigations. Recently, the Telecommunications Regulatory Board of Puerto Rico (“TRB”), in connection with an ongoing investigation into Lifeline duplicates, suspended all Lifeline reimbursements – not just those representing duplicate accounts – to Lifeline providers in the territory. This

⁶ See Smith Bagley, Inc. Comments at 12, 14-16; AT&T Comments at 17-18.; Alaska Telephone Association Comments at 2-3.

⁷ Verizon Comments at 5.

⁸ See letter from US Telecom Association, AT&T, Cox Communications Inc., Nexus Communications Inc., Tracfone Wireless Inc., CTIA-The Wireless Association, CenturyLink, General Communication Inc., Sprint Nextel Corp., and Verizon Communications Inc. to Marlene H. Dortch, CC Docket No. 96-45 and WC Docket No. 03-109, filed April 15, 2011 (“April 15 Letter”).

unprecedented step was accompanied by the transmittal of lists of suspected duplicates to providers and a directive that the providers either document the validity of the Lifeline recipients or terminate their discounts. The TRB's rules contain no provisions for determining how to resolve duplicates among multiple providers, nor did the TRB's directive contain any guidance.

This example demonstrates the critical necessity of a standardized approach to resolving Lifeline duplicates. Lifeline is a federally administered program. To be sure, states and territories may develop their own Lifeline programs and eligibility and verification rules, and they have legitimate interests in preventing waste, fraud and abuse in administering state discounts. However, if a state or territory applies audit methods that are inconsistent with federal procedures, it might disqualify large numbers of customers who would retain their discount under the federal approach, and render their service unaffordable. This would, in turn, jeopardize the ability of Lifeline providers to serve customers that legitimately receive *federal* Lifeline discounts, frustrating their efforts to comply with federal Lifeline obligations and advance the Commission's universal service objectives.

With a uniform federal procedure in place to resolve duplicates, low-income consumers and Lifeline providers in Puerto Rico and other states and territories will be assured of procedural fairness. Lifeline providers will also avoid the significant burdens involved whenever a state Lifeline audit requires a different data set than federal audits of discounts provided to the same customers. At the same time, the use of this approach will provide states and territories with an effective means to safeguard against waste, fraud and abuse.

Thus, as a comprehensive approach to Lifeline eligibility and verification is being developed, the Commission should adopt the procedure proposed in the April 15 Letter, or one following its general contours. In adopting such a procedure, the Commission should clarify that

the procedure shall be utilized in all audits of customers receiving federal Lifeline discounts, whether such audits are conducted at the federal or state level.⁹

C. A National Database Would Be an Effective Tool to Prevent and Eliminate Duplicate Lifeline Claims.

In its initial comments, PR Wireless indicated it would support the creation of a national database as a resource for carriers to utilize to validate whether potential subscribers are being served by other carriers. There was strong support in the initial comment round for the establishment of a national database in general.¹⁰

Commenters supporting the creation of a database made varying proposals. For example, AT&T advocates a system whereby a state-designated Lifeline administrator would provide eligible individuals with a unique PIN, which would in turn be entered into a national database and accorded “activated” or “deactivated” status to indicate whether a consumer is currently receiving Lifeline benefits.¹¹ Verizon Wireless proposes a voucher-based system in which the Commission, through USAC, issues discount vouchers to qualified consumers to spend at their election on eligible services.¹²

While PR Wireless does not endorse a specific approach at this time, PR Wireless believes serious consideration should be given to the proposals advanced by AT&T, Verizon Wireless, and others advocating for a centralized system involving a national database.

⁹ See Nexus Communications Comments at 18 (requesting that the Commission preempt any state requirements that would conflict with a Commission-adopted de-enrollment and disconnection procedure for duplicate Lifeline accounts).

¹⁰ See, e.g., AT&T Comments at 11-15; Verizon Comments at 3-7; Minority Media and Telecommunications Council (“MMTC”) Comments at 6-7; Alaska Telephone Association Comments at 3; NASUCA Comments at 24.

¹¹ See AT&T Comments at 12-13.

¹² See Verizon Comments at 3-7.

III. CONCLUSION

Based on the foregoing, PR Wireless urges the Commission not to impose wireline rules on a wireless age, and that carriers, absent negligence, not be held liable for the misrepresentations of their customers. The Commission should adopt an interim procedure for resolving multi-carrier Lifeline duplicates and clarify that the procedure shall be used in any Lifeline audits conducted at the state or federal level. Finally, PR Wireless believes that a centrally administered national database is essential to any fair and effective system for Lifeline enrollment and for the prevention and elimination of duplicate Lifeline accounts.

Respectfully submitted,

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