

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of)
)
)
)

Telecommunications Carriers Eligible for)
Universal Service Support)
)
)

WC Docket No. 09-197

CAL Communications, Inc Petition For)
Forbearance)

CAL COMMUNICATIONS, INC. COMPLIANCE PLAN

CAL Communications, Inc. ("CAL Communications" or the "Company"), hereby files this Compliance Plan outlining the measures it will take to implement the obligations contained in the Federal Communications Commission's ("Commission") Order, released September 23, 2011, in the above-captioned matter.¹

¹ See *Federal-State Joint Board on Universal Service; In the Matter of CAL Communications, Inc. Petition for Forbearance*, Order, FCC 11-139, released September 23, 2011 ("Order"). On October 25, 2011, CAL Communications, Inc, filed a request for a 14 day extension of time to file this compliance plan. Request For Extension of Time to File Compliance Plan, CAL Communications, Inc., WC Docket No. 09-197, CC Docket 96-45 (filed October 25, 2011).

BACKGROUND

In its Order, the Commission conditionally granted CAL Communications, Inc. request for forbearance from the requirement that a carrier designated as an ETC for purposes of federal universal service support provide services, at least in part, over its own facilities.² As a result of forbearance, the Order stated that CAL Communications, Inc. "may seek ETC designation to offer discounted services to qualified low-income consumers through the universal service Lifeline program."³

The Commission found that a conditional grant of forbearance for CAL Communications, Inc. from the facilities requirement would "promote accountability and guard against waste, fraud and abuse in the Universal Service Fund (USF or Fund)."⁴ The Commission's grant of forbearance is subject to the following conditions:

- (1) requiring CAL Communications, Inc. to provide its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes;
- (2) requiring CAL Communications, Inc. to provide its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, non-compliant handsets of existing Lifeline-eligible subscribers who obtain Lifeline-supported service;
- (3) requiring CAL Communications, Inc. to comply with conditions (1) and (2) as of the date it provides Lifeline service; and
- (4) requiring CAL Communications, Inc. to obtain a certification from each public safety answering point(PSAP) where CAL Communications, Inc. seeks to provide Lifeline service confirming that the carrier provides its subscribers with 911 and E911 access. Alternatively, under certain conditions described in the Order, CAL Communications, Inc. may self-certify that it provides such access.⁵

The Order also contained the following conditions:

- (5) requiring each eligible Lifeline consumer to self-certify under penalty of perjury at time of enrollment and annually thereafter until a national duplicates database is in place that he or she is the head of household, receives Lifeline-supported service only from CAL Communications, Inc. and does not receive Lifeline from any other provider;

² See 47 U.S.C. § 214(e)(1)(A).

³ Order at ¶ 1.

⁴ Id.

⁵ Order at ¶ 11.

- (6) requiring each eligible Lifeline consumer at the time of enrollment to initial on the certification from that to the best of his or her knowledge that he or she is not receiving Lifeline-supported service from any other Lifeline provider, and listing as examples the brand names of at least the leading wireline and leading two wireless Lifeline providers in the area to ensure the consumer understands what is meant by "Lifeline-supported service";
- (7) requiring CAL Communications, Inc. to make available state-specific subscriber data, including name and address of Lifeline subscribers, to the Universal Service Administrative Company (USAC) and to each state public utilities commission where it operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier;
- (8) requiring CAL Communications, Inc. to assist the Commission, USAC, state commissions, and other ETCs in resolving instances of duplicative enrollment by Lifeline subscribers, including by providing to USAC and/or any state commission, upon request, the necessary information to detect and resolve duplicative Lifeline claims;
- (9) requiring CAL Communications, Inc. to establish safeguards to prevent its subscribers from receiving multiple Lifeline subsidies at the same address, and safeguards to prevent individual subscribers from receiving more than one Lifeline discount;
- (10) requiring CAL Communications, Inc. to implement a non-usage policy, if applicable, in all states where it provides Lifeline services to subscribers at no monthly charge, requiring CAL Communications, Inc. to identify its subscribers that have not used its Lifeline service for 60 days and not seek support for such subscribers if they do not actively use its Lifeline service during a 30-day grace period;
- (11) requiring CAL Communications, Inc. to deal directly with the subscriber to certify and verify the subscriber's Lifeline eligibility;
- (12) requiring CAL Communications, Inc. to explain in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy;
- (13) requiring CAL Communications, Inc. to ensure that all marketing materials for the service make clear that it is a Lifeline-supported service;
- (14) requiring CAL Communications, Inc. to immediately de-enroll any subscriber who it knows is receiving Lifeline-supported service from another ETC or knows is no longer eligible;
- (15) requiring CAL Communications, Inc. to provide a detailed description of the Company's various Lifeline service plan offerings, including subscriber rates, number of minutes included, and types of plans available; and

- (16) requiring CAL Communications, Inc. to submit to the Wireline Competition Bureau a compliance plan outlining the measures the carrier will take to implement the obligations contained in this order within 30 days of the effective date of this Order.⁶

In accordance with the obligation imposed by the Order, this Compliance Plan is submitted within thirty days of the Order's release.⁷

COMPLIANCE PLAN

CAL Communications, Inc. will comply with all conditions set forth in the Order, the provisions of this Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported service to customers throughout the United States.

I. 911 and E911 Access

In the Order, the Commission required CAL Communications, Inc. to provide its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes. CAL Communications, Inc. is required to comply with this condition as of the date it provides Lifeline service. Additionally, CAL Communications, Inc. must obtain a certification from each PSAP where it seeks to provide Lifeline service confirming that it provides its subscribers with 911 and E911 access.⁸ If the PSAP does not provide certification or make an affirmative finding that CAL Communications, Inc. does not provide its subscribers with access to 911 and E911 service within 90 days of CAL Communications, Inc.'s request and notification of its right to self-certify, CAL Communications, Inc. may self-certify that it provides access to 911 and E911 services.⁹

⁶ Order at ¶ 17.

⁷ See *id.*

⁸ Order at ¶ 11.

⁹ Order at ¶ 12.

The Commission and consumers are hereby assured that all CAL Communications, Inc. subscribers will have 911 and E911 access at the time Lifeline service is provided, regardless of the subscriber's activation status or availability of minutes. CAL Communications, Inc.'s existing practices will provide 911 and E911 devices with access to these services as an agent of its underlying carrier. CAL Communications, Inc. also will provides devices that are enabled for 911 emergency calling services and will provide such devices for such services to properly activated handsets regardless of whether the account associated with the handset is active, suspended, or terminated. Finally, the Company will transmit a11911 calls initiated from any of its handsets even if the account associated with the handset has no remaining minutes.¹⁰

To satisfy the conditions of the Order regarding 911 and E911 access, CAL Communications, Inc. will implement the following measures prior to providing Lifeline service in a given area. First, CAL Communications, Inc. will request certification from each PSAP where it provides Lifeline service confirming that it provides its subscribers with 911 and E911 services and notify each PSAP of its right to self-certify.¹¹ If the PSAP does not provide certification or make an affirmative finding that CAL Communications, Inc. does not provide its subscribers with access to 911 and E911 service within 90 days of CAL Communications, Inc.' s request, CAL Communications, Inc. will self-certify that it provides access to 911 and E911 services. Prior to self-certifying, CAL Communications, Inc. will obtain a certification from its underline carrier that the underline carrier routes emergency calls from CAL Communications, Inc.'s subscribers to the PSAP in the same manner that it routes emergency calls from its own subscribers.

¹⁰ See Order at ~ 17(1), (3).

¹¹ An example of a form PSAP certification request that CAL Communications, Inc. will use is attached as **Exhibit A**.

II. E911-Compliant Handsets

The Commission also requires CAL Communications, Inc. to provide its Lifeline subscribers with E911- compliant handsets and replace, at no additional charge to the subscriber, noncompliant handsets of existing Lifeline-eligible subscribers who obtain Lifeline-supported service.¹² CAL Communications, Inc. will ensure that all handsets used in connection with the Lifeline service offering will be E911- compliant. CAL Communications, Inc. will confirm whether a customer has a 911E911-compliant handset at the time of enrollment in the Lifeline program. CAL Communications, Inc. will replace any non-compliant handsets with a 911E911-compliant handset at no charge to the customer. Thus, any customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911E911-compliant handset.

III. Certification and Verification Procedures

To protect against waste, fraud, and abuse, the Order required CAL Communications, Inc. to deal directly with the subscriber to certify and verify the subscriber's Lifeline eligibility.¹³ At the time of enrollment, each eligible Lifeline consumer must self-certify under penalty of perjury that he or she is the head of the household, receives Lifeline-supported service only from CAL Communications, Inc., and does not receive Lifeline from any other provider and initial on the certification form that to the best of his or her knowledge he or she is not receiving Lifeline-supported service from any other Lifeline provider.¹⁴ The certification form must list as examples the brand names of at least the leading wireline and leading two wireless Lifeline providers in the area to ensure the consumer understands what is meant by "Lifeline-supported service."¹⁵

¹² *Order at* 1 11 (2).

¹³ *Order at* 1 17.

¹⁴ *Id.*

¹⁵ *Id.*

The Commission also required CAL Communications, Inc. to establish safeguards to prevent its subscribers from receiving multiple Lifeline subsidies at the same address and to prevent individual subscribers from receiving more than one Lifeline discount.¹⁶ CAL Communications, Inc. proposes the following plan to implement these certification and verification conditions.

A. Policy

CAL Communications, Inc. will comply with all state certification and verification requirements for Lifeline eligibility in the states in which it is designated as an ETC. In states that do not have their own certification and verification procedures, CAL Communications, Inc. will comply with the procedures in effect in those states as reflected on the Universal Service Administration Company's (USAC") website. In states that do not mandate Lifeline support and/or do not have rules of procedure in place, CAL Communications, Inc. will require consumers to self-certify, under penalty of perjury, at the time of enrollment and will verify annually consumers' Lifeline eligibility in accordance with the Commission's requirements.

B. Certification

CAL Communications, Inc. will implement certification procedures that will enable CAL Communications, Inc. to deal directly with the subscriber to certify his or her eligibility in person or through the mail.¹⁷ A toll-free telephone number will be created to assist consumers with the application process. As part of the application process, consumers will be provided with printed information containing a detailed description of CAL Communications, Inc.'s various Lifeline service plan offerings, including subscriber rates, number of minutes included, and types of plans available;

¹⁶ *Id.*

¹⁷ *See Order* at ¶ 17(11).

eligibility requirements; and instructions for enrolling.¹⁸ The printed materials will signify at the top of the page that this is a Lifeline-supported service and contain a prominent and clear statement that no consumer is permitted to receive more than one Lifeline subsidy. Such materials will also be available on the Company's website.

Consumers will be subscribed in person or by mailing in an application form with supporting documentation to CAL Communications, Inc. (available upon request and on the Company's website. CAL Communications, Inc. will provide Lifeline-specific training to all personnel, whether employees or agents, that interact with actual or prospective consumers with respect to obtaining, changing, or terminating its Lifeline services. CAL Communications, Inc. managers experienced in the administration of the Lifeline program will oversee the processing of consumers' applications. CAL Communications, Inc. will ensure that all required documentation substantiates the subscriber's eligibility through the use of state specific compliance checklists. CAL Communications, Inc. will monitor compliance of the subscribers' self certification, which will be part of the application form described below, by retaining those self certifications and providing them, as well as documentation of how the carrier obtained the certification, to the Commission upon request.¹⁹

To safeguard against providing individual subscribers more than one Lifeline discount, CAL Communications, Inc. will add the subscriber's contact information from the application form to its customer information database.²⁰ Prior to enrolling a customer, the Company will cross-check the address of each Lifeline applicant with its database to determine whether or not it is associated with a customer that already receives CAL Communications, Inc. Lifeline service. If this investigation reveals that the applicant is attempting to receive more than one Lifeline discount per household,

¹⁸ See Order at ¶ 17(15).

¹⁹ See Order at ¶ 18.

²⁰ See Order at ¶ 17(9).

CAL Communications, Inc. will deny the Lifeline application of any such individual and advise the applicant of the basis for the denial.

1. Customer Application Form

CAL Communications, Inc.'s application forms for its wireless service will clearly identify at the top of the page that it is a "Lifeline" application and contain a prominent and clear statement that no consumer is permitted to receive more than one Lifeline subsidy.²¹ At a minimum, the application form will require the applicant to provide his or her name and address. The application form will contain two methods by which the application may certify eligibility for the Lifeline program. For program-based eligibility, the application form will list each of the qualifying programs, and the applicant will be required to identify the program(s) in which they participate and furnish proof that they currently participate in such program(s). For income based eligibility, the application form will require the applicant to certify under penalty of perjury that his or her household income does not exceed the relevant threshold (*e.g.*, 135% of the Federal Poverty Guidelines for federal default states) and provide proof of income-based eligibility. CAL Communications, Inc. will use language substantially similar to the following as part of its application form, printed in at least 10 point font.²² By signing below, and initialing next to each of the numbered statements, I certify under penalty of perjury:

1. The information contained within this application is true and correct. I acknowledge that making a false statement to receive assistance is punishable by law. _____

2. I am the head of household. I understand that Lifeline-supported service is only available for one telephone per household (land-line or wireless). My household will only receive Lifeline from CAL Communications, Inc. _____

3. To the best of my knowledge, I am not currently receiving Lifeline-supported service from any other Lifeline provider, such as AnTel Communications (Verizon Wireless), New Cingular Wireless(AT&T Mobility), SprintCom Wireless/Nextel West, Nexus Communications (Reachout Wireless), Thumb Cellular, TracFone Wireless (prepaid), and Virgin Mobile. _____

²¹ See Order at ¶ 17(12), (13).

²² See Order at ¶ 17(5), (6).

4. Furthermore, I certify that I will only use this phone for my family's own use and will not resell it. _____
5. I will notify CAL Communications, Inc. immediately if I no longer qualify for Lifeline, or if I have a question as to whether I would still qualify. _____
6. I understand that I will be required to verify my continued eligibility for Lifeline on an annual basis, and that failure to do so will result in termination of my Lifeline benefits. _____

Perjury and false statements are punishable by fines and/or imprisonment.

Signature (required) _____ Date _____

C. Annual Verification

As required by the Commission's Order, until a national duplicates database is in place, CAL Communications, Inc. will require every consumer enrolled in the Lifeline program to verify on an annual basis that he or she is the head of their household and only receives Lifeline-supported service from CAL Communications, Inc..²³ Every year prior to the date service was initiated, CAL Communications, Inc. will mail a form to each subscriber at his or her address on record with CAL Communications, Inc. and/or send a notice via text message to the customer's CAL Communications, Inc. phone number explaining the actions the customer must take to continue receiving Lifeline benefits and when such benefits may be terminated. The form will require the subscriber to certify under penalty of perjury that he or she is the head of household and receives Lifeline service only from CAL Communications, Inc.. The form will explain that subscribers will have 60 days to complete and return the form to CAL Communications, Inc. by mail, reply via text message, or a comparable process (such as through CAL Communications, Inc.'s website). CAL Communications, Inc.'s contact information will be provided in case the subscriber has any questions. CAL Communications, Inc. will immediately de-enroll any subscriber who does not return the form and/or properly certify his or her continued eligibility by the deadline.

²³ See Order at ¶ 17(5).

IV. Additional Obligations to Protect Against Waste, Fraud, and Abuse

A. Non-Usage Policy

CAL Communications, Inc. will implement a non-usage policy whereby it will identify its subscribers that have not used its Lifeline service for 60 days and not seek support for such subscribers if they do not actively use its Lifeline service during a 30-day grace period following the initial 60-day non-usage period.²⁴ Specifically, if no usage appears on a subscriber's account during any continuous 60-day period, CAL Communications, Inc. will promptly notify the subscriber that he or she is no longer eligible for CAL Communications, Inc.'s Lifeline service subject to a 30-day grace period. During the 30-day grace period, the subscriber's account will remain active, but CAL Communications, Inc. will seek to determine whether the subscriber desires to remain enrolled in the Company's Lifeline service. If the subscriber's account does not show any customer-specific activity during the grace period (such as making or receiving a voice call, sending a text message, downloading data or adding money to the account), CAL Communications, Inc. will de-enroll the subscriber. In addition, CAL Communications, Inc. will not seek federal universal service support for such subscribers unless the subscriber re-enrolls in its Lifeline service.²⁵

B. Additional Methods of Educating Customers About Duplicative Enrollment

To supplement its certification and verification procedures, CAL Communications, Inc. will implement measures and procedures to ensure that customers understand that they may only receive a single Lifeline discount at a time.²⁶

- a) Marketing, Advertising and Website Content - CAL Communications, Inc., in its marketing materials for the service, will emphasize the "one Lifeline phone per household" limitation and make clear that it is a Lifeline supported service. The following statement will appear in a conspicuous place in large, emphasized font to ensure that the customer sees it:

Note: By law, the Lifeline program is only available for one phone per household.

This statement will also boldly appear on the company's website during the online application process.

²⁴See Order at ¶ 17(10).

²⁵Id.

²⁶See Order at ~ 17(12), (13).

C. Cooperation with Federal and State Regulators

CAL Communications, Inc. will cooperate with federal and state regulators to resolve instances of duplicative enrollment, including:

- Providing state-specific customer data, including names and addresses of Lifeline subscribers, and other necessary information upon request to the Commission, USAC, and each state commission where it operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier and detecting and resolving instances of duplicative enrollment;²⁷
- Promptly investigating any notification that it receives from the Commission, USAC, or a state commission that one of its customers already receives Lifeline service from another carrier;²⁸ and
- Immediately de-enrolling a customer from Lifeline service and no longer reporting that customer on USAC Form 497 if CAL Communications, Inc., the Commission, USAC, or a state commission concludes that the customer receives Lifeline services from another carrier.²⁹

CONCLUSION

CAL Communications, Inc. submits this Compliance Plan, which fully satisfies the conditions set forth in the Commission's Order granting forbearance. These procedures will help ensure that Lifeline customers have access to 911 and E911 services and protect the USF against waste, fraud, and abuse. Accordingly, CAL Communications, Inc. respectfully requests that the Commission expeditiously approve its Compliance Plan so that it may begin providing Lifeline service to eligible low-income consumers as soon as possible.

²⁷ See Order at ¶ 17(7), (8).

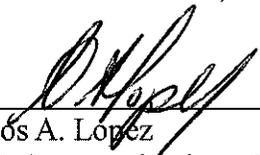
²⁸ See *id.*

²⁹ See Order at ¶ 17(14).

Respectfully submitted,

Date: November 7, 2011

CAL Communications, Inc.



Carlos A. Lopez
CAL Communications, Inc.
1572 Barclay Blvd.
Buffalo Grove, IL 60089

CERTIFICATION

I certify that I am an officer of CAL Communications, Inc., Inc., that I have examined this Compliance Plan, and to the best of my knowledge, information and belief, all statements of fact contained in this Petition are true.


Name: Carlos A. Lopez
Title: President
Date: November 7, 2011

Exhibit A
PSAP Certification Request

Date

Public Safety Answering Point Coordinator

Name

Address 1

Address 2

City, State, Zip

PSAP Certification for CAL Communications, Inc. Lifeline Program

Dear PSAP Coordinator,

This letter is being sent to inform you that CAL Communications, Inc., Inc. (CAL Communications, Inc.) plans to offer Lifeline service in your state in the near future, and we are seeking your assistance with PSAP certification.

Lifeline provides affordable phone service for millions of low-income Americans. Eligible consumers receive approximately a \$15 discount off of their monthly telephone service charges. Presently, only about one-third of the Lifeline eligible households subscribe to the program. CAL Communications, Inc. is pleased to be one of the companies to offer Lifeline in your state.

The FCC requires that CAL Communications, Inc. receive the following before we can offer the service in your state:

1. Forbearance from the non-facilities based services requirement of the Communications Act of 1934.
2. Eligible Telecommunications Carrier (ETC) status for your state.
3. Certification from Public Safety Answering Points (PSAPs) in areas where CAL Communications, Inc. will offer Lifeline, confirming that 911/E911 access will be available to Lifeline customers regardless of activation status and availability of prepaid minutes.

On September 23, 2011, the Federal Communications Commission (FCC) granted CAL Communications, Inc. forbearance from the non-facilities based service requirement and CAL Communications, Inc. is currently awaiting ETC status for the state of (STATE).

Although CAL Communications, Inc. is still awaiting ETC status for your state, we are moving forward with the PSAP certification process in order to be prepared to launch Lifeline in your area soon after ETC status is received. CAL Communications, Inc. is requesting your certification based on the information you receive in this letter or any other information you may request of us.

CAL Communications, Inc.'s wireless services will operate on Sprint's wireless network which provides prepaid wireless telecommunications services to customers using the Sprint wireless network. Sprint is a nationwide facilities based carrier that provides wholesale capacity to resellers such as CAL Communications, Inc.. All CAL Communications, Inc. 911E911 calls are routed to the appropriate PSAP, the same way that national carrier routes its own 911E911 calls.

Sprint has deployed the FCC required Phase II caller location functionality on their CDMA network in your area, which enables Sprint and CAL Communications, Inc. to provide E911 access. In addition, all CAL Communications, Inc. customers will be provided with E911 compliant handsets.

Please review and sign the enclosed PSAP certification form and return it in the postage paid envelope provided. CAL Communications, Inc. will keep this form on file in case the state or federal commissions request a review of this documentation. If CAL Communications, Inc. does not receive your signed form (or documentation stating that CAL Communications, Inc. does not provide 911E911 functionality in your area) within the next 90 days, CAL Communications, Inc. is permitted to and will self certify 911E911 compliance for your area.

If you have any questions relating to the certification process or you would like to request a test handset, please contact (CAL Communications, Inc. contact) at CAL Communications, Inc. via email (email address), regular mail or fax (fax number). Please include your PSAP jurisdiction along with your name on the attached form. Please call me (phone number) should you have any questions or requests.

Thank you for your assistance in enabling CAL Communications, Inc. to offer Lifeline to low income households in your area.

Sincerely,

(CAL Communications, Inc. contact)
CAL Communications, Inc., Inc.

**CAL Communications, Inc. Lifeline Program
PSAP Certification Form**

State of _____

PSAP Name: _____

PSAP Coordinator Name: _____

Business Address: _____

PSAP Jurisdiction Description:

In my capacity as the Coordinator for the Public Safety Answering Point ("PSAP") described above,

I am responsible for the implementation of 911 and Enhanced 911 ("E911 ") service in accordance with the rules and regulations of the Federal Communications Commission ("FCC").

I have been informed by CAL Communications, Inc. that, by Order dated, _____, the [[FCC] or [State]] has designated CAL Communications, Inc. as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (47 U.S.C. § 214(e)(6)), for the limited purpose of providing Lifeline service in [State], among other states. I have further been informed that the FCC's designation of Midwestern Telecom as an ETC is subject to certain conditions; including a condition that Midwestern Telecom must obtain certification from each PSAP where it will offer Lifeline service that Midwestern Telecom customers will have 911 and E911 access immediately upon activation of service.

In connection with its request for certification by the PSAP, CAL Communications, Inc. has provided certain information. I have been informed by CAL Communications, Inc. that its wireless service operates on the [national carrier] network. CAL Communications, Inc. has indicated that its Lifeline customers will have the same access to 911 and E911 service as the retail customers of [national carrier]. In addition, CAL Communications, Inc. has represented that its Lifeline handsets will comply with the FCC Order requiring that the handsets be capable of accessing 911 and E911 service regardless of activation status or availability of prepaid airtime.

Upon information and belief, in my capacity as PSAP Coordinator, I hereby certify that CAL Communications, Inc. has provided evidence that it is complying with the FCC requirement that it provide customers with access to basic and E911 service immediately upon activation of Lifeline service.

Dated:

Signature of PSAP Coordinator