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February 15, 2012

VIA ECFS

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

Re: US Connect LLC
Compliance Plan
WC Docket No. 09-197

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 US Connect LLC's Compliance Plan (WC Docket No. 09-197).

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 STEINHART

Lance J.M. Steinhart
Attorney for US Connect LLC

Enclosure

cc: Bassam Abdallah

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

In the Matter of the)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
)	
Forbearance from 47 U.S.C. § 214(e)(1)(A))	

US CONNECT LLC’S COMPLIANCE PLAN

US Connect LLC (“US Connect” 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, and will avail itself of forbearance from the facilities requirement contained in Section 214(e)(1)(A) as granted in the Federal Communications Commission’s (“Commission”) *Order* released February 6, 2012.¹ US Connect, by its attorney, hereby files its compliance plan outlining the measures it will take to implement the conditions of forbearance outlined in the *Order*. Given the severe economic environment that is forcing many lower-income customers to forego wireless service, US Connect 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.

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,

¹ *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*”).

subject to the following conditions:²

(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.

COMPLIANCE PLAN

US Connect will comply with all conditions set forth in the *Order*, the provision of this Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.

I. Access to 911 and E911 Services

In the *Order*, the Commission requires US Connect to provide its Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.³ The Commission and consumers are hereby assured that all US Connect 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 US Connect handsets even if the account associated with the handset has no minutes remaining.

² See *Order* at ¶¶ 368, 373 and 379.

³ See *Order* at ¶ 373.

II. E911-Compliant Handsets

The Commission also conditioned its grant of forbearance determination on US Connect providing only E911-compliant handsets to its Lifeline customers.⁴ US Connect will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing US Connect customer does not have an E911-compliant handset, the Company will replace it with a new 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, free of charge.

III. Certification of Lifeline Eligibility

US Connect proposes the following plan to implement the certification and verification conditions outlined in the *Order*. US Connect intends to keep these measures in effect until such time as the Commission implements its planned national eligibility database. US Connect 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.

A. Policy

US Connect will comply with all certification and verification requirements for Lifeline eligibility established by states where it is designated as an ETC. In states where there are no state-imposed requirements, US Connect will comply with the certification and verification procedures in effect in that state as reflected on the website of the Universal Service Administration Company. For any states which do not mandate Lifeline support and/or which do not have established rules of procedure in place, US Connect will certify at the outset and will verify annually consumers' Lifeline eligibility in accordance with the Commission's requirements.

⁴ *See id.*

B. Certification Procedures

US Connect will implement certification procedures that enable consumers to demonstrate their eligibility for Lifeline assistance by contacting the Company in person or via telephone, facsimile, or the internet. At the point of sale, consumers will be provided with printed information describing US Connect's Lifeline program, including eligibility requirements, and with instructions for enrolling. 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 contain a link to information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. US Connect's application form will identify that it is a "Lifeline" application. Except in states in which applicants are enrolled through a designated state agency, US Connect will have direct contact with all customers applying for Lifeline service, either in person through its employees, agents or representatives, or via the telephone (including facsimile) or mail. US Connect 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.

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 that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006, and any applicable state laws, and may verify consumers' signatures via interactive voice response (IVR) systems. Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under the Company's supervision by managers experienced in the administration of the Lifeline program.

US Connect will ensure that all required documentation is taken care of properly by using

state-specific compliance checklists. For states with program-based eligibility criteria, the form will list each of the qualifying programs, and the applicant will be required to identify the program(s) in which they participate, and to furnish proof that they currently participate in such program(s), regardless of whether such proof is required pursuant to state law. For states with income-based eligibility criteria, the applicant will be required to certify under penalty of perjury that their household income does not exceed the relevant threshold (*e.g.*, 135% of the Federal Poverty Guidelines for federal default states) and will be required to provide proof of income-based eligibility. US Connect will not retain copies of proof documentation, but rather will maintain accurate records detailing how the consumer demonstrated his or her eligibility.⁵ US Connect will check the eligibility of low-income consumers seeking to enroll in Lifeline either by accessing electronic eligibility databases, where available, or by reviewing documentation from the consumer demonstrating his/her eligibility for Lifeline service. Where the Company is able to access a state or federal database to make determinations about customer eligibility, the Company is not required to obtain proof documentation; in such case US Connect or its representative will note in its records what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline.⁶ In instances where a state agency or third-party administrator is responsible for the initial determination of consumer eligibility, US Connect will rely on the state identification or database.⁷

In addition, the Lifeline application form will include a certification section where the applicant must attest and sign under penalty of perjury that the applicant's representations are true and correct. Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements—including a statement to the effect that to the best of his or her knowledge, the applicant is not receiving Lifeline-supported

⁵ See Order at ¶ 101.

⁶ See Order at ¶ 98

⁷ See *id.*

service from any other Lifeline provider. Penalties for perjury will be clearly-stated on the certification form. The certification form will also contain language stating that violation of the one-per-household requirement constitutes a violation of the Commission's rules and will result in the consumer's de-enrollment from the program, and could result in criminal prosecution by the United States government.⁸ Although the exact wording of the disclosure statements described above may vary on a state-by-state basis, depending on state-specific requirements and/or consultations with relevant state agencies, US Connect expects the substance of these disclosures to be consistent with the following statements:

_____The information contained within this application is true and correct. I acknowledge that providing false or fraudulent documentation in order to receive assistance is punishable by law.

_____I understand that Lifeline is only available for one phone line per household, whether landline or wireless. To the best of my knowledge, no one in my household is receiving Lifeline service. I will only receive Lifeline from US Connect and no other landline or wireless telephone company.

_____I am not currently receiving a Lifeline telephone service from any other landline or wireless telephone company.⁹

_____I will not transfer my service to any other individual, including another eligible low-income consumer.

_____I understand that I may be required to verify my continued eligibility for US Connect's Lifeline service at any time and that failure to do so will result in termination of Lifeline benefits.

_____I will notify US Connect immediately if I no longer qualify for Lifeline, or if I have a question as to whether I would still qualify.

Finally, the application forms will require each applicant to provide their name and address. In accordance with the *Order*, US Connect will obtain the consumer's residential address, which the consumer must indicate is his or her permanent address, and a billing address for the service (if the

⁸ See *Order* at ¶ 121.

⁹ Prior to initialing this statement, applicants will be provided with the names of leading wireline and wireless Lifeline providers in the area.

consumer's billing address differs from his or her residential address).¹⁰ The application form will clearly state that Lifeline participants must provide their new address to the Company within 30 days of moving.¹¹ US Connect will incorporate this information into its customer information database. Prior to initiating service for a customer, the Company will check the address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives US Connect Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with its household.¹² If the Company determines that an individual at the applicant's residential address is currently receiving Lifeline-supported service, the Company will take an additional step to ensure that the applicant and the current subscriber are part of different households.¹³ In order to make this demonstration, US Connect will require applicants to complete and submit to the Company a written document which will be developed by USAC. US Connect 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.

In addition, prior to requesting a subsidy, US Connect will process and validate its subsidy data to prevent Duplicate Same-Month Lifeline Subsidies ("Double Dip," *i.e.*, any household that is already receiving a Lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month). US Connect also will immediately de-enroll any subscriber whom the Company knows is receiving Lifeline-supported service from another ETC or knows is no longer eligible.

¹⁰ See *Order* at ¶ 85.

¹¹ See *Order* at ¶¶ 85, 117.

¹² The Company will operate under the definition of "household" established by the *Order*. See *Order* at ¶¶ 29, 74; see also revised section 47 CFR § 54.400(h).

¹³ See *Order* at ¶ 78.

C. Annual Verification Procedures

As required by the Commission's *Order*, US Connect will require every consumer enrolled in the Lifeline program to verify on an annual basis that he or she receives Lifeline-supported service only from US Connect and, to the best of his or her knowledge, no one else in the subscriber's household is receiving a Lifeline-supported service.¹⁴ Pursuant to the new rule adopted in the *Order*, US Connect will re-certify the eligibility of its Lifeline subscriber base as of June 1, 2012 by the end of 2012 and report the results to USAC by January 31, 2013.¹⁵ This re-certification may be done on a rolling basis throughout the year.¹⁶ Where ongoing eligibility cannot be determined through access to a qualifying database either by the Company or the state, and there is no state administrator verifying the continued eligibility of Lifeline subscribers, the Company 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.¹⁷ Such certifications may be obtained through a written format, an IVR system, or a text message, in accordance with the *Order*.¹⁸ In states where a state agency or a third party has implemented a database that carriers may query to re-certify the consumer's continued eligibility, the Company (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.¹⁹

The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact US Connect. Consistent with the

¹⁴ See *Order* at ¶ 120.

¹⁵ See *Order* at ¶ 130.

¹⁶ See *id.*

¹⁷ See *id.* After 2012, the Company may elect to have USAC administer the self-certification process on its behalf, *Order* at ¶ 133.

¹⁸ See *Order* at ¶ 132.

¹⁹ See *Order* at ¶ 131.

Order, the Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. Anyone who does not respond to the impending termination letter within 30 days to demonstrate that his or her Lifeline service should not be terminated will be de-enrolled from the Company's Lifeline program.²⁰

IV. Additional Measures to Prevent Waste, Fraud, and Abuse

A. Non-usage Policy

As required by the *Order*, US Connect will implement a non-usage policy whereby it will de-enroll Lifeline customers that have not used the Company's Lifeline service for 60 days.²¹ US Connect will notify its subscribers at service initiation 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.²² If no usage appears on a US Connect Lifeline customer's account during any continuous 60-day period, US Connect will deactivate Lifeline services for that customer. 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 ETC to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the ETC, its representative, or agent; or affirmatively responds to a direct contact from the ETC confirming that he or she wants to continue.²³

B. Customer Education with Respect to Duplicates

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, US Connect will

²⁰ See *Order* at ¶¶ 141-42.

²¹ See *Order* at ¶¶ 257-63.

²² See *Order* at ¶ 257.

²³ See *Order* at ¶ 261.

implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence, and will 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.

In its marketing materials, including application forms, and in its direct contact with applicants, the Company will emphasize in plain, easily comprehensible language that: (1) Lifeline is a federal benefit; (2) Lifeline service is available for only one line per household; (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; and (4) a household is not permitted to receive Lifeline benefits from multiple providers.²⁴ US Connect will also include in its marketing materials substantially the following information in clear, easily understood language: the offering is a Lifeline-supported service; that only eligible consumers may enroll in the program; what documentation is necessary for enrollment; and the program is limited to one benefit per household, consisting of either wireline or wireless service.²⁵ Moreover, US Connect will disclose the company name under which it does business and the details of its Lifeline service offerings.²⁶ In order to reinforce the limitation of one Lifeline phone per household, the following statement will appear in the Company's marketing materials and website (www.usconnectmobile.com) in a conspicuous place, in bold font and in an offsetting color to ensure it is not overlooked:

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

²⁴ See Order at ¶ 121.

²⁵ See Order at ¶ 275.

²⁶ See *id.*

C. Cooperation with state and federal regulators

US Connect has and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse, including:

- Providing state commissions (PUC), the FCC or USAC upon request with data that will enable that state, the FCC or USAC to determine whether some consumers are enrolled in more than one Lifeline program. Specifically, the Company agrees to make available state-specific customer data, including name and address, upon request to each state PUC where it operates, the FCC or USAC for the purpose of permitting the PUC, FCC or USAC to determine whether an existing Lifeline customer receives Lifeline service from another carrier, and will participate in such a duplicate resolution process, provided that costs for participation are reasonable or defrayed through the universal service contribution mechanisms;
- Promptly investigate any notification that it receives from a state PUC, the FCC or USAC that one of its customers already receives Lifeline service from another carrier;
- Immediately deactivate a customer's Lifeline service and no longer report that customer on USAC Form 497 if the Company's investigation, a state, the FCC or USAC concludes that the customer receives Lifeline services from another carrier in violation of the Commission's regulations and that the Company's Lifeline service should be discontinued such as a de-enrollment notification pursuant to the FCC's June 17, 2011 Report and Order (Section III, B.).

V. Lifeline Offering

US Connect will offer its Lifeline service in the states where it is designated as an ETC and throughout the coverage area of its underlying carrier, Sprint. As summarized in Exhibit A attached hereto, the Company's Lifeline offering will provide customers with 100 anytime prepaid minutes per month at no charge. Lifeline customers will have the capability of purchasing additional bundles of minutes in denominations as low as \$5, \$10, and \$20.²⁷ Airtime replenishment cards will be made available at retail outlets frequented by low income customers throughout the Company's Service Area. Text messaging will be available at the rate of one-third of one minute (3 texts = 1 minute). In addition to free voice services, US Connect's Lifeline plan will include a free handset and the following Custom Calling features at no charge: Caller ID, Call Waiting, Call Forwarding, 3-Way Calling, and Voicemail. US Connect does not impose burdensome credit checks or long-term service contracts on its prepaid customers. Customers are not bound by a local calling area requirement; all US Connect plans come with domestic long distance at no extra per minute charge and exceptional nationwide digital coverage on the Nationwide Sprint PCS Network. Calls to US Connect customer service will be free, and unused minutes will rollover. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes.

²⁷ \$5 = 35 minutes, \$10 = 75 minutes, \$20 = 160 minutes, \$30 = 270 minutes, and \$50 = 700 minutes.

CONCLUSION

US Connect 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, US Connect 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,

US Connect LLC

/s/ LANCE STEINHART

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Its Counsel

Dated February 15, 2012

Exhibit A

Lifeline Offering

Lifeline 100 Minutes Plan - \$0

100 anytime minutes per month

- Free handset
- Free Voicemail, Caller-ID, Call waiting, Call Forwarding, 3-Way Calling
- Free calls to Customer Service
- Free calls to 911 emergency services
- Unused minutes rollover
- 3 text messages = 1 minute of usage

Additional bundles of minutes available:

\$5 = 35 minutes

\$10 = 75 minutes

\$20 = 160 minutes

\$30 = 270 minutes

\$50 = 700 minutes