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
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
YourTel America, Inc. Blanket Forbearance Compliance Plan	)	

COMPLIANCE PLAN OF YOURTEL AMERICA, INC.

YOURTEL AMERICA, INC.

Jonathan D. Lee
J.D. Lee Consulting, LLC
1776 I Street, N.W.
Suite 900
Washington, DC 20006
(202) 257-8435

Its Attorney

March 3, 2012

TABLE OF CONTENTS

SUMMARY

YourTel America, Inc. ("YourTel") submits the instant Compliance Plan in order to demonstrate how it plans to comply with the new obligations imposed on Lifeline-only ETCs as part of the Commission's recently released *Lifeline Reform Order*. In submitting this Compliance Plan, YourTel seeks to benefit from the Commission's grant of "blanket forbearance" from Section 214(e)(1)(A) of the Communications Act of 1934, as amended (the "Act"), to all telecommunications carriers seeking limited ETC designation to offer Lifeline services, regardless of the facilities used to provide the services.

In this submission, YourTel explains that in many instances, it is already operating largely in compliance with the Commission's new rules. Nonetheless, YourTel will describe (for all the major rule changes the Commission adopted in this *Order*) how it plans to comply with the Commission's new rules.

YourTel has considerable experience operating as both a wireline and wireless Lifeline-only ETC. It is currently in compliance with all federal and state rules in the states of Illinois, Kansas, Maine, Missouri, Oklahoma, Pennsylvania, Rhode Island and Washington, where it has been designated an ETC by the state commissions. As a Lifeline-only ETC, operating successfully within the Commission's existing rules, YourTel has given considerable thought towards how it will comply with the Commission's recently-adopted new rules for Lifeline-only ETCs.

In its *Lifeline Reform Order*, the FCC imposed a number of changes to its existing rules in order to ensure that Lifeline consumers receive all the same public safety benefits that are available to other telecommunications services consumers, and to ensure that carriers operate in a manner that facilitates prudent Fund administration by the USAC. Among other obligations

imposed, the Commission explicitly requires all Lifeline-only ETCs to 1) provide 911/E911-compliant handsets to all their customers, 2) describe their service offerings and the areas in which these services are available, and 3) explain how the ETC plans to comply with the other major rule changes adopted in this *Order*.

YourTel believes that it is already in compliance with the 911/E911 handset obligations imposed by the *Order*, and it will continue to comply with these obligations. Moreover, YourTel also describes its company-wide, and state-specific, Lifeline service offerings in this document.

The most significant information provided in this Compliance Plan explains how YourTel will implement the many major rule changes in this *Order*. Among these rule changes, one of the largest involves how YourTel enrolls customers, specifically how it plans to obtain customer information, and consent to use this information pre-enrollment for the purposes of determining that the customer's household does not already receive any other Lifeline-supported services, and to verify whether the customer is eligible for Lifeline enrollment under either a supported program, or by virtue of income qualification.

To this end, YourTel has adopted a new customer certification form, a copy of which is attached as Exhibit 1. This new customer certification form will be the focus of all initial customer contact, regardless of how the customer chooses to initiate contact with YourTel—whether through a YourTel retail store, online, or over the phone. Additionally, YourTel has adopted a new eligibility certification practice in order to comply with the Commission's new rules designed to protect the integrity of the Fund. YourTel will, as the Commission's new rules require, first check the National Lifeline Accountability Database to determine that the customer's household is not already receiving a Lifeline-supported service. YourTel will then continue to use (where available) state eligibility databases or employee verification of the customer's program/income-based eligibility.

For successfully enrolled customers, and for all its existing customers, YourTel has adopted new procedures to ensure that a customer re-certifies eligibility as required (either every 90 days for customers enrolling using a temporary address, after 60 consecutive days of non-usage, or annually), by contacting YourTel through a number of convenient channels (in-person, over the phone, via return text, email, or online, using YourTel's website. Correspondingly, YourTel has also developed procedures to promptly de-enroll Lifeline customers when notified by the Administrator that the customer's household is receiving duplicative supported services, or when a customer fails to timely recertify ongoing eligibility.

YourTel is also modifying its internal data collection/customer account databases in order to be able to comply with the many new record keeping requirements imposed by the Commission's *Order*. The Commission has specified a number of new requirements that will better facilitate an ETC's ability to respond to an audit request, or to conduct its own internal audits periodically. YourTel is also modifying its customer-specific, and company-wide, databases so as to facilitate quicker and easier retrieval of the information necessary to comply with the Commission's new reporting requirements.

The Commission's new rules also impose several other "new" requirements on ETCs, which YourTel is already in compliance with, or with which YourTel can easily comply. These new requirements include providing additional information on Lifeline eligibility and terms of receiving the federal assistance on all new marketing materials. To demonstrate compliance with this new obligation, YourTel has included a sample of the information it will include on all new marketing materials used to sell its service.

The Commission, in its *Order* and new rules, also changed and standardized the Lifeline reimbursement procedures for all ETCs. Under the new rules, all carriers must limit requests for reimbursement to those customers that they actually served in the past month—also known as "actual" reimbursement (vs. the previously-acceptable scheme of allowing carriers to receive advance reimbursement for "projected" customers). YourTel already operates on an "actual" reimbursement schedule.

Finally, the Commission also imposes a requirement that service providers seeking to receive Lifeline subsidies be able to demonstrate that they are technically and financially capable of providing Lifeline-supported service. YourTel has been providing service to, primarily, low income customers since first being designated an ETC in 2003. YourTel is a profitable firm, a liquid firm, is in good standing with all its vendors so as to ensure its ability to provide customers with safe and reliable service, and—as previously noted—has been providing telecommunications services to its customers, in compliance with applicable federal and state regulations for over 16 years.

Accordingly, upon the demonstrated intent and ability to comply with the Commission's newly-adopted Lifeline obligations described in the foregoing Compliance Plan, YourTel asks that the Commission promptly approve this Plan and allow YourTel to operate as a beneficiary of the "blanket forbearance" grant extended to all qualifying providers under the *Lifeline Reform Order*.

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
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
YourTel America, Inc. Blanket Forbearance Compliance Plan	)	

COMPLIANCE PLAN OF YOURTEL AMERICA, INC.

I. INTRODUCTION

YourTel America, Inc. ("YourTel"), by its undersigned counsel, hereby submits this plan to comply with the new legal obligations imposed on telecommunications carriers by the Federal Communications Commission ("FCC" or the "Commission") in its Order reforming and modernizing the Lifeline and Link Up programs of the Universal Service Fund ("USF").[1] In its *Lifeline Reform Order*, the Commission granted "blanket forbearance" from Section 214(e)(1)(A) of the Communications Act of 1934, as amended (the "Act"), to all telecommunications carriers seeking limited ETC designation to offer Lifeline services.[2] The extension of blanket forbearance not only covers carriers operating as mobile virtual network

[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*, Report and Order and Further Notice of Proposed Rulemaking, Docket Nos. 96-45, 03-109, 11-42, and 12-23, January 31, 2012 [rel. February 6, 2012]. ("*Lifeline Reform Order*" or "*Order*").

[2] See, *Id., at* ¶¶ 368-391.

operators ("MVNOs") using the facilities of other carriers, but to carriers that would not obviously need Commission forbearance, such as carriers providing service using their own facilities, or a combination of their own facilities and those of other carriers.[3]

All telecommunications carriers are eligible to receive blanket forbearance on the condition that the carriers seeking the blanket forbearance agree to submit a compliance plan, subject to the approval of the Wireline Competition Bureau ("the Bureau"), describing how they intend to comply with the Commission's new requirements for participating in the Lifeline program.[4] As explained below, YourTel will fully comply with the conditions imposed in the *Lifeline Reform Order* to ensure that the Commission's concerns regarding consumer safety and the fiscal integrity of the Universal Service Fund ("the Fund") are completely satisfied. Accordingly, and because YourTel has several state Lifeline-only ETC applications pending (and which are now dependent on the Commission's approval of YourTel's Compliance Plan[5]) it is YourTel's sincere desire that the Commission act expeditiously to approve its Compliance Plan.

---

[3] In this instance, the term "forbearance" (as discussed in the *Order*) is actually somewhat confusing. In the Order, the Commission has forbidden all carriers, regardless of how they provide service, from obtaining "Lifeline-only" eligible telecommunications carrier ("ETC") status in any "new" states unless, or until, these carriers have submitted compliance plans explaining how they will comply with all of the Commission's rule changes. Similarly, states are forbidden to grant new "Lifeline-only" ETC petitions until the Commission has approved the requesting carrier's compliance plan. See, *Lifeline Reform Order*, ¶ 380 ("No designations shall be granted for *any* pending or new Lifeline-only ETC applications filed with the states or the Commission after December 29, 2011, and carriers shall not receive reimbursement from the program, until the Bureau approves their compliance plans.") (emphasis added) On the other hand, the restrictions discussed in the *Order* do not appear in the new rules that are included in Appendix A of the *Order*. *But see,* new 47 C.F.R. § 401(d) (states can certify carriers as ETCs, including Lifeline-only, as long as they obtain prices, terms, and conditions of service.)

[4] See, *Lifeline Reform Order,* ¶¶ 368-391.

[5] *Id.,* at ¶ 380.

II. YOURTEL BACKGROUND

YourTel, originally incorporated as "The Pager Co.", is a Missouri company, and has been in business since 1995. YourTel began providing retail landline telecommunications service shortly after passage of the Telecommunications Act of 1996. With YourTel's years of experience focusing on providing high quality telecommunications services to low income consumers behind it, YourTel became arguably one of the first competitive ETCs in 2003. Today, YourTel provides both landline and wireless service to well over 300,000 customers as an ETC in Illinois, Kansas, Maine, Missouri, Oklahoma, Washington, Rhode Island and Pennsylvania. While YourTel specializes in providing superior service at affordable rates to low income consumers, and is a "Lifeline-only" ETC, its customers are not exclusively Lifeline-supported. In most states, YourTel's service territory is limited to the area served by the large incumbent LECs (which are required under the Act to lease pieces of their networks to competitive carriers at cost-based rates).

YourTel sells most of its Lifeline-supported service (about 76%) through company-owned, or affiliated, retail stores and YourTel sales representatives (company employees who meet potential customers in the "field"). YourTel sells the remainder of its service through Internet sales/inbound telemarketing (where a customer is seeking to initiate service with YourTel).

Consistent with Commission and industry trend data, YourTel has found that consumers—including low income consumers—are migrating away from wireline telecommunications service and towards mobile wireless services. In its existing service territories, YourTel offers wireless service to consumers by using a combination of its own facilities (offering more than just operator services or directory assistance), leased wireline facilities, and the wholesale wireless services of Sprint Spectrum, LLC and Cellco Partnership d/b/a Verizon Wireless.

As an ETC, and provider of telecommunications services to its customers, YourTel has an impeccable reputation. It has never been the subject of an enforcement action by a state or the FCC, and—while no carrier is without its mistakes or errors—YourTel has auditing systems in place, has been diligent in performing its obligations as an ETC, and has caught its few errors before they were ever submitted to USAC for reimbursement. . This information, coupled with certain other detailed demonstrations made, *infra*, helps to establish YourTel's financial and technical capability to provide the supported service.[6]

Moreover, as part of the overall carrier certifications required by the Order and its rules, YourTel commits to comply with the Cellular Telecommunications and Internet Industry Association's Code for Wireless Service.[7] Thus, YourTel has the intention and demonstrated ability to fastidiously comply with the Commission's new requirements for Lifeline-only ETCs.

III. OBLIGATIONS IMPOSED ON ETCS BY THE *LIFELINE REFORM ORDER*

In order to continue to offer low income service and qualify for state and/or federal Lifeline-only ETC designations, YourTel—like any facilities-based or non-facilities-based wireless telecommunications provider—must take advantage of the Commission's blanket forbearance and obtain approval of its Compliance Plan.[8]

[6] See, *e.g.*, *Lifeline Reform Order*, ¶388 (whether a carrier has been the subject of an enforcement action is relevant to financial/technical capability to provide Lifeline service under new rule §54.202(a)(4).)

[7] See, *Id.*, Appendix A, §54.202(a)(3).

[8] See n. 3, *supra*. The Commission's *Order*, but not its rule changes, prohibits the states and the Commission from designating any new Lifeline-only ETCs unless or until the Commission approves a satisfactory Compliance Plan.

In its *Lifeline Reform Order*, the Commission explains that carriers seeking Lifeline-only ETC designation must, as part of their Compliance Plans, describe how they intend to implement certain conditions specified in the *Order*, as well as explain how the carrier plans to comply with the new rules, generally. The conditions (both broadly and specifically) established by the Commission tend to focus on ensuring that consumers are protected, and that carriers will do their best to ensure that they (and their customers) cooperate fully in assisting with prudent, efficient administration of the Low Income Fund by the Universal Service Administrative Company.

In paragraphs 368 through 391, the FCC sets forth the conditions that carriers must satisfy in order to receive approval of their Compliance Plans, and the corresponding blanket forbearance allowing them to be granted Lifeline-only ETC designation by the states or the Commission. The conditions established by the Commission range from the very specific, such as requiring carriers to provide all customers receiving Lifeline-supported service with access to 911 and E911 service (regardless of activation status or available minutes) as well as E911-compliant handsets[9], to the ubiquitously general (requiring compliance plans to describe "the measures the carrier will take to implement the obligations contained in this *Order*").[10]

In this Compliance Plan, YourTel will describe in detail how it plans to comply with the rule changes made in the *Lifeline Reform Order*. Specifically, YourTel will address the Commission's concerns regarding how it intends to comply with: 1) the Commission's 911/E911 service requirements[11], 2) providing a detailed description of its Lifeline-supported

---

[9] See, *e.g., Lifeline Reform Order*, ¶ 373.

[10] *Id.*, at ¶ 379.

[11] *Lifeline Reform Order* at ¶ 373.

service offerings[12], and 3) outlining the measures it will take to implement the more significant changes in the *Order*.[13]

The large majority of changes imposed by the *Order*, and the Commission's new rules implementing the *Order*, are addressed in this Compliance Plan, which will describe the way YourTel plans to: a.) enroll customers, including a description of how YourTel will: i) initially qualify customers' eligibility to prevent duplicate subsidies being awarded to the same household, ii) initially qualify customers' eligibility to make sure that only program, or income, eligible customers are able to receive service; iii) how YourTel intends to annually certify its customers continued eligibility, including procedures for annual re-certification[14], b) YourTel's procedures to de-enroll customers who no longer meet the eligibility requirements to receive Lifeline service, customers who have failed to use a free service within a continuous 60 day period, and customers who have failed to re-certify their continued Lifeline eligibility as part of an annual (or 90 day, for customers initially enrolling with temporary addresses) re-certification process[15], c) the records that YourTel will keep to facilitate efficient audits of YourTel's customer base[16], as well as the customer data YourTel will collect to satisfy its reporting requirements to USAC (and to allow it to further cooperate with USAC should additional information be needed); d) YourTel's proposed procedures for submitting and collecting reimbursements from USAC; e) providing copies of its marketing materials that describe the

---

12 *Id.*, at ¶368.

13 *Id.*

14 *Id*., at ¶¶379, 383, n.1004. YourTel will, of course, also re-certify those customers that enrolled using temporary addresses every 90 days.

15 See, *Id.*, Appendix A, § 54.405(e)

16 *Lifeline Reform Order* at ¶379.

customer eligibility requirements for Lifeline (both income and one per household), the continued obligation of customers to notify YourTel of changes in their address, changes effecting eligibility, the customer's obligation to initially certify eligibility and to annually re-certify eligibility under penalty of perjury; and f) YourTel's technical and financial capability to provide Lifeline-supported services to low income customers.[17]

A. <u>Customers of YourTel Lifeline-Supported Services Will Have Access to 911/E911 Service and Will Receive E911 Compatible Handsets</u>

In its *Lifeline Reform Order*, the Commission (as it has in all of its previous forbearance grants) requires carriers seeking "blanket forbearance" to provide—as a condition to the forbearance grant—911 and (where available) E911 service to customers regardless of the activation status of their service plans.[18] Thus, regardless of whether the customer has any remaining minutes on their monthly service plan, the customer must be able to use emergency services.

YourTel supports the Commission's reasoning in requiring this condition, and, is aware that this requirement—that customers always have access to the technologically-mandated emergency access on all active mobile phones—is a current obligation the Commission imposes on all wireless providers for their customers.[19] YourTel understands that mobile wireless service is much less valuable to its customers if the customer cannot rely on their YourTel mobile service for emergency situations, and YourTel already complies with this obligation.

Another public safety-related condition, routinely required by the Commission, is for carriers receiving forbearance to ensure that all Lifeline-only customers have access to E911-

[17] *Lifeline Reform Order* at ¶¶379, 383, and 390.

[18] *Id.*, at ¶373.

[19] See, generally, 47 C.F.R. § 20.18.

capable handsets.[20] This is another condition that is already a YourTel policy, and comes with all YourTel mobile wireless services (both Lifeline-supported, and non-Lifeline-supported). YourTel currently complies with this condition and automatically provides each new customer with an E911-capable handset. In fact, YourTel has no non-E911-compliant handsets in its inventory. Nonetheless, if YourTel discovers any Lifeline-supported customers that do not have a handset that is E911-capable, YourTel will promptly replace that handset with a compliant handset. Similarly, if YourTel has any non-Lifeline-supported customers that are eligible for, and wish to convert their service to, mobile wireless Lifeline service, YourTel will provide these customers with E911-capable handsets.

Finally, the Commission requires Lifeline-supported carriers to comply with both of these conditions as of the effective date of the *Order*. YourTel is currently in compliance with both 911/E911-related conditions, and will still be in compliance when the *Order* becomes effective.

B. Description of YourTel's Lifeline Service Offerings

The Commission requires that every carrier seeking blanket forbearance, submit a Compliance Plan containing detailed information regarding its Lifeline-supported service offerings, including terms of service and the geographic areas where the services are available.[21] YourTel offers all supported services, throughout the Sprint Wireless Service Area footprint and the Verizon Wireless service areas of Illinois, Kansas, Maine, Missouri, Oklahoma, Pennsylvania, Rhode Island, and Washington. All 611 and 911 calls are free, and do not count against the customer's airtime. Directory assistance calls (411) are "free"; however, applicable airtime charges are assessed as minutes of usage.

---

[20] *Lifeline Reform Order* at ¶373.

[21] *Id*., at ¶368.

YourTel offers three basic Lifeline service packages throughout all of its service territories. Currently, the Lifeline Free Plan 68 and the Lifeline Free Plan 125 are only available to existing customers on these plans and any customer who wishes to upgrade to the Lifeline Free Plan 250 may do so free of charge. In addition, YourTel offers two additional plans for Oklahoma and one for Washington State Tribal residents. YourTel's basic Lifeline programs are listed below. These plans are taken directly from the YourTel Wireless website.[22]

Lifeline Free Plan 68:

Each month you will receive 68 free voice minutes. Text messaging will be assessed at a rate of 0.3 minutes per text message for sending and 0.3 minutes per text message for receiving text messages. Unused minutes will rollover from month to month and are available for a maximum of sixty (60) days.

Lifeline Free Plan 125:

Each month you will receive 125 free voice minutes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. Unused minutes will rollover from month to month and are available for a maximum of sixty (60) days.

Lifeline Free Plan 250:

Each month you will receive 250 free voice minutes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date.

---

[22] http://www.yourtelwireless.com/terms/#javelin_faq35_20

Oklahoma Lifeline Unlimited Plan:

Each month you will receive unlimited voice minutes for $6.20 per month plus fees and taxes. Text messaging will not be available with the unlimited talk plan. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date.

Oklahoma Lifeline 1000 Plan:

Each month you will receive 1000 voice minutes or 1000 text messages for $1.00 per month plus fees and taxes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date.

Washington Lifeline Tribal Plan 2000

Customer must be a qualified resident of federally recognized Tribal lands. Plan includes 2000 free voice minutes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minutes per text message for receiving text messages. Unused minutes will not rollover.

With all YourTel Lifeline service plans, additional minutes are available for as low as $.05/minute. This low per minute rate does not require the customer to purchase an unreasonably large amount of minute, but can be obtained with a purchase of only 200 additional minutes for $10.00. The lowest incremental purchase of minutes is 60 minutes for $5.00. Moreover, data can be added to any phone plan starting at $1.25/megabyte—a price that can be reduced on a "per/megabyte" basis when the customer purchases multiple megabytes of data.

Thus, YourTel has demonstrated that it offers a number of "no contract" plans for Lifeline users that provide for flexibility based on the particular consumer's usage pattern. YourTel also allows low income customers to add affordable data usage to these free voice/text minutes—facilitating greater smartphone utilization, consistent with the Commission's goal of promoting broadband access to all Americans.

C. <u>YourTel's Plans To Implement New Lifeline Provider Obligations</u>

As previously noted one of the Commission's requirements, for all Compliance Plans it requires to be submitted in order to benefit from the grant of "blanket forbearance" in the *Order*, is for the carrier to describe how it will comply with the remainder of the new obligations imposed on Lifeline participants in the *Order*. In this section, YourTel will explain how it plans to implement the new obligations in the Order, and incorporate those obligations into YourTel's existing processes for enrollment, de-enrollment, record keeping/re-certification, seeking reimbursement from USAC, and marketing service to eligible consumers. YourTel will also demonstrate that it is technically and financially capable of providing Lifeline service to consumers.

1. <u>Enrollment</u>

By way of background, the *Order* requires each prospective customer to apply for Lifeline service. The Commission has changed its procedures for how carriers must qualify customers for enrollment in the Lifeline program, and how customers must certify their eligibility. The Commission, for the first time, has established uniform eligibility and application criteria for enrolling low-income customers in the Lifeline program. In the *Lifeline Reform Order*, the FCC integrated and standardized the eligibility and certification criteria through the establishment of what may be called a uniform application process. Each new prospective customer will have to provide certain information and eligibility certifications as part of an overall application to receive benefits under the Lifeline program.

However, before submitting an application to receive Lifeline-supported service under the Commission's new rules, the ETC providing the Lifeline service must obtain consent from each of its new and existing subscribers to transmit the subscriber's information to the program Administrator. The carrier must explain in clear, and easy-to-understand, language the information that the carrier will have to transmit to the Administrator.[23] If the subscriber refuses to grant the carrier permission to transmit this information to the Administrator, the subscriber will not be eligible to receive Lifeline service.

The application will require each prospective customer to provide all of the information required in revised rule 47 C.F.R. § 54.410(d)(2): the subscriber's full name; the subscriber's residential address; whether the subscriber's residential address is permanent or temporary; the subscriber's billing address (if different from the residential address); the subscriber's date of birth; the last four digits of the subscriber's social security number, or the subscriber's tribal identification number in lieu of a social security number; whether the subscriber is seeking to demonstrate eligibility to receive Lifeline service under the program-based criteria, or based on income.

Moreover, as part of the application (and pursuant to proposed revised rule 47 C.F.R. § 410(d)(3)) the prospective subscriber will have to certify under penalty of perjury that: the subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, explained in § 54.409; the subscriber will notify the carrier within 30 days if for any reason the subscriber no longer satisfies the eligibility criteria, or if the subscriber no longer satisfies the "one subsidy per household" qualification; if the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, that they actually live on Tribal lands; if the subscriber moves to a new address, they will notify the carrier of their address change within 30 days; if the

[23] See *Lifeline Reform Order*, Appendix A, §54.404(b)(9).

subscriber provided a temporary address upon sign-up, the subscriber will verify their correct address every 90 days or face de-enrollment; the subscriber's household will receive only on Lifeline service and, to the best of the subscriber's knowledge, their household is not already receiving a Lifeline service; the subscriber's information on their application is true and accurate to the best of their knowledge; the subscriber understands that providing false information to obtain Lifeline benefits is punishable by law; and the subscriber acknowledges that they may be required to re-certify continued eligibility for Lifeline at any time, and that the subscriber's failure to re-certify will result in de-enrollment and termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

YourTel-Specific Enrollment

As an initial matter, in those few states—such as California and Oregon—that have a state administrator, YourTel will fully cooperate with the state Lifeline administrators to ensure that it does everything necessary to ensure it is in compliance with both state and federal enrollment, verification, and re-certification procedures. YourTel does not currently operate in any states that have a Lifeline administrator, but YourTel does have pending requests for ETC designation in the states of California and Oregon.

For all states that do not have a Lifeline administrator, YourTel will perform the same first step in the process of enrollment. Regardless of how the customer applies—whether in a retail store, online, or over the phone, each customer will end up supplying the same information via YourTel's standard customer certification form. Attached as **Exhibit 1**. This form contains all relevant information required by the Commission's new rules, and requires the customer to certify, under penalty of perjury, that to the best of the customer's knowledge all of the information supplied is correct. The customer will also agree to contact YourTel in the event any information regarding the customer's ongoing eligibility, or household information, should change.

YourTel enrolls Lifeline customers through several different marketing channels: 1) in person, through company-owned and affiliated retail stores, 2) in person, through company employees that are retail sales representatives, and 3) through customer-initiated contact, either through inbound telemarketing or (more frequently) through online sales over the Internet. The large majority of YourTel's sales are through its "in person" channels.

What is significant is that all of YourTel's retail sales are the result of direct contact with the potential Lifeline consumer. The manner in which the sales will be made will be slightly different, but the obligations imposed by the new rules will be addressed directly by YourTel. Before examining each new enrollment obligation, it will be helpful to explain how YourTel will interact directly with its customers through each sales channel.

Retail Stores. These sales are the most "direct" and easiest to explain how YourTel will comply with the Commission's new Lifeline obligations. The prospective customer comes into the store, and is asked the basis for his or her claim to Lifeline eligibility; participation in a qualifying program, or earning household income below 135% of the Federal Poverty Guidelines. The store employee can verify the customer's program, or income, based eligibility in person. YourTel provides excellent training materials to its employees—an example of which is attached as **Exhibit 2**—which allows the employees to verify the most common forms of documentation for each federal, and state-specific, eligible program and/or income verification (based on the Commission's definition of "income" in §54.400(f)). The store employee will then ask the prospective customer for additional documentation proving identity, and/or address verification.

The final program/income eligibility-specific step is for the customer to provide the required information and make the certifications required by new rule §54.410(d)(3).

If the customer appears to be eligible, the employee will explain the Commission's definition of "household", defined in new rule §54.400(h), as an "economic unit" where related or unrelated people share income and expenses. In the case of multiple applicants at the same mailing address, the customer will then make the "one per household" certification required by §54.410(d)(1). Finally, YourTel will collect the necessary customer-specific information required by new rule §54.401(d)(2) so that YourTel can report the information to USAC to be used to populate the National Lifeline Accountability Database ("duplicates database"), defined in §54.400(i) of the Commission's new rules.

The retail store employee then enters the customer's information into YourTel's OSS systems, where the information is checked against available databases (the duplicates database, and YourTel's own list of existing customers). The retail store rep quickly determines whether the customer is eligible to receive Lifeline service. In cases where a state program eligibility database exists the retail store personnel will contact YourTel's internal group dedicated to verifying eligibility who will query the state database and either approve or deny the applicant. Where proof of eligibility is needed, the retail personnel, who are trained on what is eligible documentation will witness the documentation, sign the application demonstrating they have witnessed the documentation.

Upon successful completion of the certification process, the customer is allowed to choose a service plan, and select a phone—either a free phone (choices include refurbished phones, as well as refurbished smartphones such as the Blackberry Curve® and in the future new phones), or purchase an upgraded phone from a wide inventory. The customer then receives their phone right at the store, upon payment of a YourTel's customary activation fee. The customer's account is activated upon completion of an outbound call.[24]

Field Representatives. Frequently, YourTel will dispatch employees as "field representatives" to underserved communities, where the "field rep" focuses on traditionally underserved low income customers. Opportunities for field reps to reach those customers not on the network range from educational sessions at low income housing, or nursing homes, to sponsoring booths at community events.

The protocol for signing up customers in the field is similar to that of signing up customers in a store, in the sense that the field rep can personally see whether the customer is eligible based on program participation or income qualification. The customer can also provide the requisite information, and sign the required eligibility verifications, from the field. Should a customer in the field be determined to be ineligible but feels that the determination is incorrect, the order can be submitted to YourTel for review and investigation. In such a case the phone would be mailed to the customer upon approval and the customer can personally activate their service – as in the manner of all YourTel phones – by completing an outbound call.

Inbound Channel Marketing. Prospective customers can also apply for, and obtain, Lifeline service from YourTel either over the phone or through the Internet. Customers choosing to obtain service through inbound channels must either fill out an application online, or provide the relevant information to the customer sales rep over the telephone. In these cases, YourTel will verify eligibility via a state database or by reviewing documentation of eligibility submitted by the applicant in advance of receiving service.

[24] See, *Lifeline Reform Order*, Appendix A, §54.407(c)(2)(i).

Online Sales. To apply for YourTel Lifeline service online, a customer will fill out an application, provide the necessary information that all prospective Lifeline customers must provide, and be taken through successive screens, which clearly explain all relevant legal eligibility requirements. If the customer is seeking to qualify for Lifeline service based on their participation in a particular program (or income level), the prospective customer may be able to be qualified by an inbound sales rep who inputs the prospective customer's information into an eligibility database (if available for the relevant state). However, in most cases, the prospective customer will fill out the relevant eligibility forms on the computer, and then send in copies of the records needed by YourTel to verify the customer's eligibility to participate in Lifeline. Once the prospective customer is successfully verified by YourTel, the customer can be enrolled in the service plan they have chosen, and then mailed their handset.

Assuming the customer has successfully completed the online application process, YourTel will have all the information it needs to verify the customer is only receiving one Lifeline subsidy for their household, to verify eligibility, to satisfy its record-keeping obligations, and to send to USAC in order to populate the duplicates database. The requisite certifications needed by YourTel to establish service with the prospective customer can be obtained as electronic signatures.[25]

YourTel's proposed method of accepting electronic signatures—on all of its online certifications and re-certifications—is to allow the customer to create a unique electronic signature by typing their name, and providing their date of birth and their social security number. The customer's name, combined with their date of birth and their social security number, is sufficiently unique to satisfy the Commission's new rules for accepting electronic signatures.

[25] See, *Lifeline Reform Order*, Appendix A, §54.419.

Inbound Telemarketing. To obtain YourTel Lifeline service, a customer can call YourTel to initiate service. The process is very similar to online enrollment, except that instead of being taken through successive screens, the customer is asked a series of qualifying questions by a customer service representative. The questions will all be designed to elicit true and accurate information that is necessary for YourTel to obtain a complete standard certification form. See Exhibit 1. If, at any time during the conversation, it becomes apparent to the customer service rep that the prospective customer is unlikely to qualify for YourTel Lifeline service, the customer service rep will explain the issue to the customer and offer to allow the customer to sign up for one of YourTel's non-Lifeline service plans.

On the other hand, if the customer provides information indicating that the customer would be eligible to obtain Lifeline service, the customer service rep will take the customer as far as possible in trying to qualify the customer. For example, if there are no other Lifeline subscribers in the customer's household, and the customer participates in a Lifeline-eligible program (or is income-qualified), the customer service rep will try to verify the customer's information through a state database (if available). If the customer seems to qualify (through a database query), then the customer service rep will open a file for the customer, take the customer's information that is required to be collected from each customer, send the customer the requisite certification forms for verification of eligibility (or allow the customer to certify eligibility through an IVR recorded and associated with the customer's account), and request copies of the evidence that would prove eligibility in cases where a state database is not available.

As always, if the prospective customer fails to qualify for Lifeline service, YourTel will explain to the customer why the request was rejected. On the other hand, if the prospective customer sends in sufficient evidence to qualify for Lifeline eligibility, and adequately certifies eligibility, YourTel will notify the customer, and enroll the customer in their requested service plan, and send the customer the phone they have requested/purchased (if the customer has expressed a handset preference

2. De-Enrollment

In order to most efficiently use funds set aside for Lifeline customers, the FCC has adopted rules to ensure that only customers eligible to participate in the Lifeline program receive the benefit of the Lifeline subsidy. These rules require that Lifeline ETCs "de-enroll" customers who are no longer eligible to receive Lifeline benefits from the carrier's list of customers for whom Lifeline reimbursement is sought from USAC.[26] The Commission's new rule requires carriers to "de-enroll" customers from Lifeline enrollment for several reasons: the carrier has reason to believe that the customer no longer participates in a Lifeline-eligible program, or no longer meets the income-based criteria for Lifeline eligibility, and the customer fails to prove eligibility within 30 days[27]; the Fund Administrator notifies the ETC that either the customer is receiving Lifeline support from more than one carrier, or that more than one person in the customer's household is receiving a Lifeline subsidy[28], the customer has failed to "use" a free service for more than 60 consecutive days[29]; or, the customer has either failed to perform their required annual recertification of continued eligibility, the annual re-certification that the customer is not in violation of the one-per-household rule, or (for customers who provided a

---

[26] See, *Lifeline Reform Order*, Appendix A, §54.405(e)(1)-(4).

[27] *Id*., at §54.405(e)(1).

[28] *Lifeline Reform Order*, Appendix A, §54.405(e)(2).

[29] *Id*., at (e)(3).

temporary address upon enrollment) the customer has failed to re-certify their temporary address within the 90 day window (or failed to provide the carrier with a permanent address within the same time period).[30]

With the exception of the situation where an ETC is notified by the Administrator that a customer/customer's household is receiving duplicate support, each basis for de-enrollment requires the carrier to notify the customer that their support is in jeopardy, and provide the customer with 30 days to either refute or cure their apparent ineligibility to receive Lifeline support.[31] When an ETC is notified that they are receiving duplicative support for a customer that has been confirmed to be ineligible by the Administrator, the ETC has 5 days to remove the ineligible Lifeline recipient from its reimbursement list.

Customers receiving duplicative support not only present a risk to the Fund, but they present a financial risk to YourTel if customers not eligible for reimbursement are allowed to continue to use their phones, and thereby raise YourTel's unrecoverable costs. Because it is in YourTel's self-interest to immediately remove from its Lifeline roles those customers identified by the Administrator as disqualified from receiving Lifeline service, YourTel will (as explained below) diligently comply with this new obligation.

Putting aside those subscribers recovering duplicative support, *every* qualifying Lifeline subscriber is subject to de-enrollment for reasons both completely outside the ETC's control (*e.g.*, customers neglecting to use their service for 60 consecutive days and customers no longer qualifying for the subsidy), and for reasons that can be avoided if the customer has sufficient notice to comply with the rules. For this reason, YourTel has adopted procedures to help

---

[30] *Id.*, at (e)(4).

[31] *Id.*, at §54.405(g).

deserving customers to avoid undeserved de-enrollment, and procedures for quickly removing subscribers that the Administrator has determined to be wasting Lifeline funds.

When YourTel establishes a customer account, it also places a Lifeline start date on the account, based on the potential vulnerabilities of the customer to undeserved de-enrollment. For example, every Lifeline account is subject to recertification on an annual basis that: the subscriber still meets the criteria to be considered a qualifying low-income customer under §54.409, and that the subscriber's household is not receiving more than one Lifeline subsidy.

Thus, every Lifeline subscriber should receive (through multiple channels) an advance reminder that they must re-certify annually, along with an explanation of the many convenient ways that YourTel offers customers to re-certify. YourTel allows customers to re-certify via dialing a toll free number (IVR), return text, email, regular mail, and online through YourTel's website. Moreover, once the duplicate database is up and working, YourTel will be able to perform certifications for its customers that have qualified through a database query. Regardless, though, it is clear that YourTel, and many other Lifeline-only ETCs, will be sending out annual re-certification requests on a daily basis.

Annual re-certifications are required for all customers, but YourTel also creates an advance reminder for customers that have established their accounts using a temporary address. Customers establishing service with a temporary address are potentially difficult to remain in contact with, so YourTel sends out text notifications to these customers on a monthly basis.

Similarly, since many—if not most—of YourTel's Lifeline customers do not pay a regular monthly bill, YourTel has tracking software to notify the customer if the customer has not used their service for more than 60 consecutive days . These notifications are not only helpful to ensure that the customer does not risk losing their phone by failing to use their phone, but the notifications also help the customer become more aware of their own usage patterns, which might cause the customer to choose a different plan (for example, a plan with less monthly minutes, but minutes that "rollover" to the next month). After notification, if the customer fails to use the phone, it is automatically disconnected by the system.

3. Recordkeeping Requirements

In adopting the *Lifeline Reform Order* the Commission, to paraphrase Commissioner McDowell's separate statement, takes the large step of imposing accountability on a government entitlement program. In its directives for what should be included in a carrier's Compliance Plan, as described in Paragraphs 368-391, the Commission frequently states that it would like carriers to explain and describe how they will comply with the rule changes in the *Order*. If accountability equals recordkeeping, then this section is perhaps the most challenging and comprehensive of this entire Compliance Plan.

While only one section of the new rules, §54.417 is specifically entitled "record keeping", most of the rule changes either create new records and/or create new recordkeeping requirements. For purposes of organizing YourTel's explanation of how it intends to comply with the new recordkeeping obligations imposed under the *Order*, YourTel will divide records into "individual account records" and "company-wide records". The theory behind this organization of YourTel's explanation of how it will meet the Order's recordkeeping requirements is that, for reporting purposes, YourTel is required to report on both individual account compliance (on a company-wide basis), company wholesale compliance, and company-wide performance compliance.

i. <u>Individual Account Records</u>

For each individual Lifeline account, YourTel will keep customer records for the entire length of time the customer remains in the Lifeline program, and for certain records within the individual accounts, YourTel will keep customer records for 10 years following customer de-enrollment from the Lifeline program.[32] YourTel will keep the following records for each subscriber's individual Lifeline account:

--date that YourTel queried the duplicates database[33];

--date and information that YourTel transmitted to Database[34];

--date of transmission of updated customer information to Database[35];

--date of transmission of customer de-enrollment to Database[36];

--date of customer service activation and method of activation[37];

--certification and re-certification forms for each subscriber[38];

--per customer records of revenues forgone by providing Lifeline services in the form requested by the Administrator for periodic reporting to the Administrator upon request[39];

--date and database upon which the ETC determined income-based eligibility[40];

---

[32] See generally, *Lifeline Reform Order*, Appendix A, new rule §54.417, and Appendix B, proposed rule §54.417.

[33] *Id.*, Appendix A, new rule §54.404(b)(1).

[34] *Id.*, §54.404(b)(6).

[35] *Id.*, §54.404(b)(8).

[36] *Id.*, at §54.404(b)(10).

[37] See generally, *Id.*, §54.407(c).

[38] *Lifeline Reform Order*, Appendix A, §54.407(d).

[39] *Id.*, at §54.407(e).

[40] *Id.*, at §54.410(b)(1)(A).

--date and documentation/data source used to determine income-based eligibility when no database was available to determine subscriber eligibility[41] which include the following forms of acceptable documentation:

- prior year's state, federal, or Tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits
- a Veterans Administration statement of benefits
- a retirement/pension statement of benefits
- an Unemployment/Workers' Compensation statement of benefit
- federal or Tribal notice letter of participation in General Assistance
- a divorce decree
- child support award
- other official document containing income information;

--state Lifeline administrator documentation of customer eligibility, and subscriber's certification of eligibility[42];

--date, database, and program on which ETC determined subscriber eligibility[43];

--keep and maintain accurate records detailing data source a carrier used to determine a subscriber's program-based eligibility or the documentation a subscriber provided to demonstrate Lifeline eligibility[44];

--notice of program-certification and customer self-certification, when performed by a state agency or state Lifeline administrator[45];

--prospective subscriber certification, where subscriber acknowledges 1) Lifeline qualifications in terms of one benefit per household and the requirement that a violation of the rules could result in de-enrollment, 2) require each prospective subscriber to provide certain information with which to populate the duplicates database, 3) require each prospective subscriber to certify, under penalty of perjury, that the subscriber meets the income-based, program-based, or Tribal Lands criteria for receiving Lifeline, and the

[41] *Id*. at §54.410(b)(1)(B)(iii).

[42] *Id*. at §54.410(b)(2).

[43] *Id.*, at §54.410(c)(1)(A).

[44] *Lifeline Reform Order,* Appendix A, §54.410(c)(1)(iii).

[45] *Id*., at §54.410(c)(2).

subscriber knows the Lifeline program rules, and will notify the carrier if the subscriber ceases to qualify[46];

--maintain records re-certifying all subscribers remain Lifeline eligible under a qualifying program or income eligibility, and re-certification by the subscriber that they can confirm their original certification under §54.410(d), except those subscribers that are required to be re-certified by state agencies or administrators[47];

--where a state administrator or agency is responsible for re-certification, the carrier has to: 1) maintain re-certification results from the state, 2) maintain the results of each state administrator's certification efforts for each subscriber in that state, and 3) where a state has been unable to re-certify a subscriber, the ETC must keep the record and comply with the relevant de-enrollment procedures[48];

--maintain a record of each subscriber's re-certification (or failure to re-certify) a temporary address every 90 days[49];

ii. <u>Company-wide Records</u>

The Commission requires ETCs to maintain some "company" records, but it also requires the ETC to make annual reports, certified by an officer of the company, to the Commission. The company reporting obligations require company officers to certify company procedures for maintaining compliance with the rules regarding ETCs participating in the Lifeline program. The records, on an aggregate basis, that companies have to collect are primarily required to be collected for reporting purposes. YourTel will collect the following data, and report it to the requisite authorities.

--provide, on an annual basis, the results of the ETC's annual re-certification efforts to the Commission and the Administrator. For states where the YourTel has been granted state ETC designation, it must report the results of its annual re-certification efforts to the

---

[46] *Id.* at §54.410(d).

[47] *Id.*, at §54.410(f)(1)-(2).

[48] *Id.*, at §54.410(f)(3)-(5).

[49] *Id.*, at §54.410(g).

proper state regulators, and, for Tribal Lands[50], the ETC must collect and report the results of its Tribal re-certification process to the appropriate tribal government officials[51];

--if the ETC provides Lifeline discounted services to a reseller, it must obtain a certification from the reseller that it is complying with all relevant Lifeline rules[52];

--collect certain outage information for areas in which the carrier owns facilities, the failure of which, results in an outage lasting greater than 30 minutes in any calendar year and which affects critical services[53];

--collect data on the number of complaints per 1,000 connections in the prior calendar year[54];

--certification of compliance with applicable service quality standards and consumer protection rules[55];

--certification that the carrier is able to function in emergency situations[56];

--information regarding the terms and conditions of any service plans, and the terms and conditions of any non-Lifeline plans available to the public[57].

4. Reimbursement from USAC

In the Lifeline Reform Order, the FCC eliminated Lifeline reimbursement based on "projected" lines for which the carrier expects to be compensated based on past growth. Instead,

---

[50] YourTel will report to the appropriate governing body with respect to Tribal Lands re-certification efforts/results. In some states, like Oklahoma, the type of tribal government officials (which would regulate service providers) do not exist. In these states YourTel will file its results with the proper local regulator such as the state commission.

[51] *Lifeline Reform Order*, Appendix A, at §54.416(b).

[52] *Id.* at §54.417(b).

[53] *Id.*, at §54.422(b)(1).

[54] *Id.*, at §54.422(b)(2).

[55] *Id.*, at §54.422(b)(3).

[56] *Lifeline Reform Order*, Appendix A, §54.422(b)(4).

[57] *Id.*, at §54.422(b)(5).

in the Order, the Commission changed the method of Lifeline reimbursements to “actual” lines served.[58] YourTel already does, and will continue to, comply with the Commission’s new reimbursement scheme, based on actual lines served.

5. Marketing Materials

In its *Lifeline Reform Order*, the FCC imposed certain obligations on ETCs to clearly disclose on all of their marketing and advertising materials that the service they are offering is a Lifeline service, that Lifeline is a government assistance program, that it is only available to qualifying eligible customers, it is not transferable, and the program is limited to one discount per household.[59] Moreover, all materials describing the service must disclose the name of the ETC providing the service.

YourTel will include all of this required information on all of its marketing materials describing its service. YourTel is in the process of changing its marketing materials to comply with the new rules. While YourTel will not change its existing advertisements until it is sure it is in compliance with the Commission’s rules, it has supplied sample proposed advertising copy. See **Exhibit 3**, attached.

6. Financial and Technical Capability to Provide Service

In its *Order*, the FCC includes a new qualification for carriers seeking to become ETCs: that they demonstrate they are financially and technically capable of providing the supported Lifeline service in compliance with the Commission’s rules.[60] While this document is intended to demonstrate that YourTel will be able to comply with the Commission’s rule changes for offering Lifeline supported service, and is not—as such—a Petition for ETC Designation,

---

[58] *Id.*, at §54.407.

[59] *Id.*, at §54.405.

[60] *Lifeline Reform Order*, Appendix A, at §54.201(h), and §54.202(a)(4).

YourTel understands that it must demonstrate its ability to completely comply with all of the new Commission rules governing Lifeline ETCs.

YourTel can demonstrate that it is financially and technically capable of providing both wireless and wireline Lifeline service, because it is already successfully providing both services as a designated Lifeline ETC in eight states, serving over 300,000 lines. YourTel is not only capable of providing Lifeline-supported service; it is successfully providing Lifeline-supported services in the states where it is designated an ETC. In these states, YourTel is growing its customer base, has no disproportionate consumer complaints, and offers high quality service at affordable rates to all its customers.

Nonetheless, YourTel will demonstrate, through Exhibit 4 (Declaration of Dale Schmick) that it is financially capable of providing Lifeline-only service. YourTel's business model is to serve low-income customers, who may, or may not, be eligible to receive Lifeline-supported service. So, YourTel does not, and does not intend to, offer exclusively Lifeline-supported services—and is therefore not exclusively dependent on USAC for its revenue. The result of YourTel's efforts is that it is a profitable, liquid company, fully capable of honoring all its service obligations to customers and regulatory obligations to state and federal regulators.

YourTel also can explain that it is on good terms with all of its wholesale vendors, and is profitable, such that it can afford to keep a customer's service active without depending upon immediate reimbursement from USAC in order to continue to provide service to its customers.[61] Thus, it is clear that YourTel—with its years as a Lifeline-only service provider in good standing since first being designated an ETC in 2003—has only become a more capable and qualified provider of Lifeline-supported services.

*   *   *

[61] See, *Lifeline Reform Order*, at ¶388.

As required by the *Lifeline Reform Order,* in order to take advantage of the Commission's conditional grant of blanket forbearance, YourTel has hereby submitted a Compliance Plan that effectively outlines the measures it will take to address each specific concern elaborated by the Commission, and every significant rule change to the Lifeline program addressed in its *Order*. The Commission should find that this Compliance Plan addresses all of its concerns and grant YourTel the conditional "blanket forbearance" from Section 214(e)(1)(A) of the Act by approving the instant Compliance Plan. Accordingly, the public interest is best served by the Commission's expeditious approval of this Compliance Plan. For these reasons, YourTel respectfully requests that the FCC approve this Compliance Plan.

Respectfully submitted,

YOURTEL AMERICA, INC.

Jonathan D. Lee

JD Lee Consulting, LLC
1776 I Street, NW
Suite 900
Washington, DC 20006
(202) 257-8435

Its Attorney

March 3, 2012