

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

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
)	

**COMMENTS OF
THE GILA RIVER INDIAN COMMUNITY AND
GILA RIVER TELECOMMUNICATIONS, INC.
TO THE TRACFONE PETITION TO REQUIRE RETENTION OF LIFELINE
PROGRAM-BASED ELIGIBILITY DOCUMENTATION**

The Gila River Indian Community (“GRIC”) and Gila River Telecommunications, Inc. (“GRTI”), by its attorneys, hereby submit these comments in the above-referenced proceeding in which the Wireline Competition Bureau (“Bureau”) of the Federal Communications Commission (“FCC” or “Commission”) seeks comment¹ on the petition² filed by TracFone Wireless (“TracFone”) to require eligible telecommunications carriers (“ETCs”) to retain documentation of program-based eligibility.³ Specifically, TracFone requests that the Commission require all

¹ *Wireline Competition Bureau Seeks Comment on TracFone Petition to Require Retention of Lifeline Program-Based Eligibility Documentation*, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45; Public Notice, DA 12-1095 (WCB rel. Jul. 9, 2012).

² Supplement to Petition for Reconsideration and Emergency Petition to Require Retention of Program-Based Eligibility Documentation of TracFone Wireless, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45 (filed May 30, 2012) (“TracFone Petition”).

³ GRTI is a telecommunications carrier wholly-owned and operated by the GRIC. Formed in 1988 for the purpose of providing affordable telephone services to residents of the

ETCs to retain a copy of the underlying documentation used to determine program-based Lifeline eligibility for at least three years following receipt of such documentation.⁴ Under the rules currently in effect, carriers must review such documentation, but are not required to retain such documentation. TracFone asserts that a document retention requirement will stem fraud, waste, and abuse. GRTI and GRIC oppose the TracFone Petition.

GRTI is a leader in providing telecommunications services to low-income, tribal residents. Since its inception, GRTI has raised the telephone penetration rate on the GRIC from 10% to above 80%. This present telephone penetration rate is significantly higher than the national average telephone penetration rate on tribal lands. The Lifeline program has played an integral role in GRTI's success. Generally, more than 80% of GRTI's subscribers qualify for Lifeline.

GRTI has been able to utilize the Lifeline program effectively due, in part, to the carrier's understanding of and engagement with the GRIC. For example, when new residential subdivisions were constructed recently in the GRIC, GRTI worked with community officials to deploy service to the subdivision and educate new residents about the benefits of Lifeline. GRTI also works with local community officials to schedule Lifeline informational presentations at a variety of community meetings each month. There are countless additional examples of how GRTI uses its understanding of the community to effectively engage with GRIC official and potential Lifeline subscribers to ensure that cost does not serve as a barrier to telephone service for the reservation's low-income population.

GRIC, GRTI today provides voice, data and Internet services to residents and businesses in a largely low-income, tribal population.

⁴ TracFone Petition at 1.

Unfortunately, not all ETCs understand and engage the tribal communities which they serve. Accordingly, GRTI applauds the Commission's recent *USF/ICC Transformation Order*⁵ and *Lifeline Reform Order*⁶ adopting tribal engagement and reporting requirements. GRTI has long contended that a carrier should not be granted ETC-certification, and thus become eligible to provide Lifeline service, on a tribal land until such carrier obtains tribal government authorization and a tribal business license.⁷ If adequately enforced, these new tribal engagement and reporting rules will enable tribes to play an important role in deciding who will provide service to their community. In addition, carriers receiving ETC designation will be required to maintain a productive dialogue with the tribes they serve. As a result of this dialogue, each party will obtain a better understanding of the challenges faced by the other. Ultimately, GRTI believes that this dialogue will result in increased telephone penetration on tribal lands as it has in the GRIC.⁸

Another way GRTI maximizes the utility of the Lifeline program is by energetically marketing Lifeline service to members of the community. Every month, GRTI sends staff members to MANY community meetings to promote Lifeline services, sponsors monthly

⁵ See *Connect America Fund, A National Broadband Plan for Our Future, et al.*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51; Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, at ¶ 636-7 (2011) (requiring communications providers to comply with tribal business and licensing requirements).

⁶ *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42, 03-109, 12-23, CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, at ¶ 148 (2012).

⁷ See, e.g., Comments of Gila River Telecommunications, Inc., WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, and GN Docket No. 09-51, at 11 (filed Aug. 24, 2011).

⁸ The tribal engagement and reporting requirements also will help constrain fraud, waste, and abuse on tribal lands. For example, if an ETC falsifies Lifeline enrollments among its tribal customers and includes such falsified enrollments in its report to the relevant tribal government, such an ETC would put itself at risk of losing its tribal business license.

Lifeline enrollment events, and provides informational resources on Lifeline enrollment through a variety of mediums, ranging from advertisements in the *Gila River Indian News* to direct mailings. These efforts greatly exceed the Commission's minimum consumer outreach and marketing requirements,⁹ but they have proved wildly successful in enrolling eligible subscribers and raising telephone penetration rates in the GRIC.

On the other hand, the document retention requirement advocated by TracFone would do nothing to increase telephone penetration rates, especially on tribal lands. This proposal will, however, increase administrative costs at a time when ETCs already are facing dramatically higher administrative costs associated with recently adopted Lifeline rules.¹⁰ Increased administrative costs are a particularly sensitive issue on tribal lands, where the Bureau recently found that providing service to tribal lands is more costly than compared to non-tribal lands.¹¹ As costs to serve tribal lands escalate, ETCs are less likely to engage tribal governments and market Lifeline services in excess of the levels required under the Commission's rules. As GRTI's experience demonstrates, ETCs that do not fully engage tribal governments and energetically market Lifeline service may be missing an opportunity to raise tribal telephone penetration rates.

TracFone contends that these administrative costs are outweighed by the need to prevent fraud, waste and abuse of the Lifeline program. According to TracFone, the absence of a

⁹ See 47 U.S.C § 214(e)(1)(B).

¹⁰ See, e.g., Reply Comments of AT&T, WC Docket Nos. 11-42, 03-109, 12-23, CC Docket No. 96-45, at 5-6 (filed May 1, 2012) ("By the Commission's own estimate, Lifeline providers will pay a staggering half a billion dollars a year to implement just two of its new rules. The Commission cannot expect Lifeline providers to should any additional administrative costs.") (citations omitted).

¹¹ *HCLS Benchmarks Implementation Order*, WC Docket Nos. 10-90, 05-337, Order, 27 FCC Rcd 4235, at ¶ 23 (WCB 2012).

document retention requirement creates opportunities for unscrupulous ETCs to fraudulently claim to have viewed program-based eligibility documents in order to increase Lifeline revenues.¹² Yet, TracFone fails to substantiate this contention with any evidence of widespread fraud on the part of ETCs. In fact, TracFone admits that it “is aware of no direct evidence that ETCs have fraudulently claimed to have viewed program-based eligibility. . .”¹³

Increasing the telephone penetration rate among low-income consumers is the ultimate goal of the universal service program. While the Commission must guard against fraud, waste, and abuse, administrative precautions such as document retention requirements should only be adopted where there is evidence of waste or wrongdoing. TracFone offers no evidence. Moreover, administrative burdens do not encourage increased telephone penetration rates, and may even depress such rates if ETCs are forced to defray increased administrative costs with funds that would otherwise go towards tribal engagement or marketing of Lifeline.

Consequently, the Commission should deny the TracFone Petition.

Respectfully Submitted,

The Gila River Indian Community and Gila River Telecommunications, Inc.

By: /s/ Tom W. Davidson
Tom W. Davidson, Esq.
Sean Conway, Esq.
Akin Gump Strauss Hauer and Feld LLP
1333 New Hampshire Avenue, NW
Washington, DC 20036
(202)887-4011

Its Attorneys

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¹² TracFone Petition at 3.

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