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VIA ECFS

August 8, 2012

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

**Re: WC Dockets 11-42, 03-109 and 12-23; CC Docket 96-45
Reply Comments of Nexus Communications, Inc. in Response to TracFone Petition
to Require Lifeline Program-Based Eligibility Documentation**

Dear Secretary Dortch:

Attached please find the Reply Comments of Nexus Communications, Inc. in the above-captioned dockets.

Please contact me if you have any questions.

Respectfully submitted,

A handwritten signature in blue ink that reads "Danielle Frappier".

Danielle Frappier

**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

**REPLY COMMENTS OF NEXUS COMMUNICATIONS, INC.
IN RESPONSE TO TRACFONE PETITION TO REQUIRE RETENTION OF LIFELINE
PROGRAM-BASED ELIGIBILITY DOCUMENTATION**

Nexus Communications, Inc. (“Nexus”), through its undersigned counsel, hereby submits these Reply Comments in response to initial comments on the Petition filed on May 30, 2012 (“TracFone Petition”)¹ by TracFone Wireless (“TracFone”) in the above-captioned dockets. TracFone has asked the Commission to revise its rules to require all eligible telecommunications carriers (“ETCs”) to retain a copy of the underlying documentation used to determine program-based Lifeline eligibility, and all but one of the initial commenters support granting the TracFone Petition.

A broad array of ETCs – including some of the most active ETCs in the Commission’s *Lifeline Reform* docket, such as Virgin Mobile, Telrite Corporation, and TAG Mobile – agree that the proposed rule change is necessary to reduce economic incentives to squander Lifeline

¹ *Lifeline and Link Up Reform and Modernization, et al.*, TracFone Petition for Reconsideration and Emergency Petition to Require Retention of Program-Based Eligibility Documentation, WC Docket Nos. 11-42 *et al.* (filed May 30, 2012).

funds and to eliminate the regulatory uncertainty inherent in the current system.² The TracFone Petition itself, bolstered by a strong consensus of opinion among large and small ETCs presents a solid record in support of the proposed rule change.

Only one set of comments, filed by Gila River Telecommunications, Inc. (“GRTI”) and The Gila River Indian Community, opposes the TracFone Petition. GRTI opposes the TracFone Petition because, it asserts, the rule change will increase administrative costs.³ At the outset, it should be noted the GRTI is a small ETC that provides service in only one state (Arizona). GRTI therefore lacks an understanding of the complexity associated with operating across multiple state jurisdictions, which have different qualifying programs and different forms of documentation. While Nexus shares GRTI’s concern about rising administrative costs, Nexus believes those concerns are misplaced in this situation. The new Lifeline rules already require ETCs to review qualifying documents provided by Lifeline applicants. The cost of scanning and electronically storing these documents is minimal relative to other costs associated with participating in the Lifeline program. And these minimal costs unquestionably are greatly outweighed by the importance of maintaining the integrity of the Lifeline program, something that ETCs can best do by conducting internal, informal “audits” of their employees’ and agents’ review of subscriber documentation. Finally, it should be noted that, as a small ETC operating in

² *Lifeline and Link Up Reform and Modernization, et al.*, Comments of the Joint Commenters (Absolute Home Phones, Inc. d/b/a Absolute Mobile, *et al.*) on TracFone Petition to Require Retention of Lifeline Program-Based Eligibility Documentation, WC Docket Nos. 11-42 *et al.* at 3 (filed July 24, 2012); *Lifeline and Link Up Reform and Modernization, et al.*, Comments of Sprint Nextel Corporation, WC Docket Nos. 11-42 *et al.* at 3 (filed July 24, 2012); *Lifeline and Link Up Reform and Modernization, et al.*, Comments of i-wireless, LLC on TracFone Petition to Require Retention of Lifeline Program-Based Eligibility Documentation, WC Docket Nos. 11-42 *et al.* at 3 (filed July 24, 2012); and *Lifeline and Link Up Reform and Modernization, et al.*, Supporting Comments of NTCH, Inc., WC Docket Nos. 11-42 *et al.* at 3 (filed July 24, 2012).

³ *Lifeline and Link Up Reform and Modernization, et al.*, 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, WC Docket Nos. 11-42 *et al.* at 4 (filed July 24, 2012).

only one state, GRTI does not face the prospect of frequent USAC audits. But for Nexus and other, larger ETCs, the regulatory uncertainty associated with the current rule is a significant concern. Given the vast differences in format and information contained in eligibility documentation, even within a particular state, but certainly when multiple states are involved, it is extremely difficult to ensure that sufficient notes are taken regarding the type of documentation reviewed. Having a copy of that documentation on hand is the only way an ETC can definitively demonstrate that the underlying subscriber actually qualifies for Lifeline in the case of an audit.

For the foregoing reasons, Nexus respectfully asks the Commission to revise its rules so as to require ETCs to retain copies of the documentation used to determine both program-based and income-based Lifeline eligibility for at least three years following receipt.

Respectfully submitted,



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