

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

In the Matter of

Lifeline and Link Up Reform and
Modernization

Telecommunications Carriers Eligible to
Receive Universal Service Support

CuraTel, LLC Petition for Designation as an
Eligible Telecommunications Carrier for Low
Income Support Only

WC Docket No. 11-42

WC Docket No. 09-197

COMPLIANCE PLAN OF CURATEL, LLC FOR WIRELESS SERVICES

CuraTel, LLC (“CuraTel”) through its undersigned counsel, hereby seeks to avail itself of the Federal Communications Commission’s (“Commission”) grant of forbearance from the “own facilities” requirement set forth in 47 U.S.C. § 214(e)(1)(A) for CuraTel’s future wireless services by submission of this Compliance Plan. CuraTel’s Compliance Plan is filed in accordance with the procedures established in the *Lifeline Reform Order*¹ and clarified the *Public Notice* issued by the Wireline Competition Bureau on February 29, 2012.²

CuraTel respectfully requests expeditious approval of its Compliance Plan so that the company may provide wireless services to eligible low-income customers in California, where it will seek designation as an eligible telecommunications carrier (“ETC”) for wireless services, as well as additional states in the future.

¹ *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (FCC rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

² *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, Public Notice, DA 12-314 (WCB rel. Feb. 29, 2012) (“*Public Notice*”).

As set forth below, CuraTel will fully comply with all conditions set forth in the Commission's recently amended Lifeline rules and with all pertinent conditions set forth in the Lifeline Reform Order. This Compliance Plan describes the measures CuraTel already has implemented or intends to implement in order to achieve full compliance with the Commission's Lifeline rules and policies. For the convenience of the Commission, this Compliance Plan follows the format established by the Wireline Competition Bureau in the *Public Notice*.

I. INFORMATION ABOUT CURATEL AND THE LIFELINE PLANS IT OFFERS

A. Company Information

CuraTel is a California limited liability company, with headquarters in Los Angeles, California.³ CuraTel currently provides wireline services through its own facilities, and plans to expand into wireless services through resale arrangements in the near future.

Existing, Facilities-Based Wireline Operations: CuraTel has CLEC authorization in California and has been providing wireline service since 2004.⁴ CuraTel currently provides wireline service to low income consumers in California as a non-ETC participant in the California LifeLine program through a combination of unbundled network elements and its own switch. Consumers qualifying under the California program rules receive, among other state-level funding, "federal makeup" funding. This "federal makeup" funding, however, will be phased out by the end of 2012.⁵ As a result, CuraTel is now seeking ETC designation before the

³ CuraTel has no subsidiaries and operates under the name "CuraTel." CuraTel has no affiliates that participate in the Lifeline program, that participate in any other state or federal universal service program or that offer telecommunications services. CuraTel is affiliated with the following entities: Adir International, LLC, Adir Services Corp., Adir Management Services, LLC, Adir Money Transfer Corp., Curacao, Ltd., Adir Restaurants Corp.

⁴ *In Re Application of ADIR International Export LTD, dba La Curacao, a California Corporation, for a Certificate of Public Convenience and Necessity to Provide InterLATA and IntraLATA Telecommunications Service in California as a Facilities-based Carrier*, Decision (D.) 01-12-033 (as amended by D.04-01-010).

⁵ *Rulemaking on the Commission's Own Motion to Review the Telecommunications Public Policy Programs*, Decision 10-11-033 (issued Nov. 23, 2010) at n.186.

California Public Utilities Commission in order to continue providing wireline service to qualifying subscribers through a combination of state funding and, upon designation, federal Lifeline funding to replace the California “federal make-up” funding.⁶ (CuraTel does not seek, and will not accept, High Cost support.) CuraTel does not require forbearance for its wireline operations, however, because it provides those services through a combination of unbundled network elements and a switch owned by CuraTel.⁷

Future Resold Wireless Operations: CuraTel plans to launch a wireless service in the near future, which would be provided through a combination of resold wireless services of Sprint and its own switch. **It is for these wireless services that CuraTel seeks forbearance from the Commission.** As a result, CuraTel has focused its discussion below on its plans for its wireless operations unless otherwise indicated.

B. CuraTel’s Financial and Technical Capabilities to Provide Lifeline Service

CuraTel has CLEC authorization in California and has been providing service since 2004. CuraTel currently provides wireline service to low income consumers in California as a non-ETC participant in the California LifeLine program. CuraTel has participated in this program since August 2004. CuraTel plans to launch non-Lifeline wireless services in the fall of 2012, and federal Lifeline wireless services as soon as it receives approval of this plan and any additional, required ETC designations.

CuraTel is financially stable and fully capable of honoring its service obligations to customers, as well as federal and state regulatory obligations. Although CuraTel derives the

⁶ CuraTel filed an application with the California Public Utilities Commission for ETC designation for its wireline services on August 7, 2012. CuraTel, LLC (U-6610-C) Advice Letter 21 (filed Aug. 7, 2012).

⁷ The Commission’s rules provide that for purposes of ETC designation, the term “facilities” means “any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support . . . [which] includes, but is not limited to, facilities obtained as unbundled network elements . . .” 47 C.F.R. § 54.201(e), (f).

majority of its revenue from the sale of services to California LifeLine customers, CuraTel does not rely exclusively on California LifeLine disbursements to operate. For example, CuraTel derives significant revenue from the sale of non-Lifeline services, both to its Lifeline and its non-Lifeline customers (which comprise approximately 17% of its current customer base). These services include long distance services, DSL, inside wiring services, Internet security software, and digital music downloads.

The Director of CuraTel, Dan Margolis, has been working in the telecommunications industry for twenty-four years and has been managing CuraTel for eleven of them. Previously, he was Director of Southern California Operations at NetStream, a CLEC providing voice and data services in California and Washington. He was a founder and Vice President of Operations of Navigator Telecommunications, a CLEC based in Arkansas serving fifteen states. Dan spent the first nine years of his career with AT&T Bell Laboratories and Lucent Technologies in various positions including product development, sales, customer implementation, and management. He earned his Bachelors and Masters degrees from MIT.

Jeff Burlison, CuraTel's Network Operations Manager, has fifteen years of telecommunications experience and has been in charge of building and maintaining the CuraTel network for five years. Before coming to CuraTel, he spent six years building and operating a global network for CMTel. He began his career in the mid-1990s with AT&T, Lucent Technologies, Pacific Bell, and SBC Communications. Finally, CuraTel has not been subject to any enforcement action or ETC revocation proceeding in any state.

C. Geographic Area of CuraTel's Service Offerings

CuraTel provides its wireline service in California, where it plans to also launch a wireless service upon approval of its compliance plan. It will expand to additional states for the provision of wireline and wireless services in the near future.

D. CuraTel's Lifeline Service Plans

CuraTel will offer the following wireless plans to consumers who qualify for federal Lifeline: (1) \$30.75 per month for unlimited domestic calling, which results in an out-of-pocket cost to the consumer of \$21.50 per month after application of the \$9.25 federal Lifeline discount, and (2) \$14.25 per month for 500 minutes of domestic calling which results in an out-of-pocket cost to the customer of \$5.00 per month after application of the \$9.25 federal Lifeline discount, and (3) \$10.25 per month for 200 minutes of domestic calling, which results in an out-of-pocket cost to the consumer of \$1.00 after application of the \$9.25 federal Lifeline discount. Additional discounts and plans may be available once CuraTel receives authorization to provide wireless services under the California LifeLine program. International calling will be billed on a per minute basis and may be blocked (or subject to limitation and deposit). The service will be available on a post- and pre-paid basis.

E. Other Certifications Required by 47 C.F.R. § 54.202

The *Public Notice* requires carriers to include certifications required under newly amended 47 C.F.R. § 54.202. CuraTel hereby certifies that it will comply with the service requirements applicable to the support it receives.⁸ Specifically, CuraTel's Lifeline services: (i) include voice telephony services that provide voice grade access to the public switched network or its functional equivalent; (ii) provide subscribers with unlimited or a defined number of

⁸ 47 C.F.R. § 54.202(a)(1).

minutes of usage for local service at no additional charges (as described above in Section I(D)); (iii) provide subscribers with access to the emergency services provided by local government or other public safety organizations, such as 911/E911, to the extent the local government in CuraTel's service area has implemented 911/E911 systems (as described below in Section III); and (iv) toll limitation for qualifying low-income consumers.⁹

II. CURATEL'S PLANS FOR COMPLIANCE WITH NEW COMMISSION RULES RELATING TO DETERMINATIONS OF SUBSCRIBER ELIGIBILITY FOR LIFELINE SERVICES

CuraTel will comply with the requirements pertaining to consumer qualifications for Lifeline set forth in new section 54.409 of the Commission's rules¹⁰ upon its effective date and any state-specific requirements in California and any future states in which CuraTel is designated an ETC.

California: In California, CuraTel will require all subscribers to demonstrate eligibility based on: (1) household income at or below the California-approved income levels for a household of the relevant size; or (2) the household's participation in one of the California-approved public assistance programs. CuraTel will work with California's third-party administrator to confirm that the subscriber is not already receiving a Lifeline service.¹¹

Other States: In any future states other than California, CuraTel will require all subscribers to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of the relevant size (or the state-specific limit

⁹ Toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control.

¹⁰ 47 C.F.R. § 54.509.

¹¹ *Order Instituting Rulemaking Into Implementation of Federal Communications Commission Report and Order 04-87, as it Affects the Universal Lifeline Telephone Service Program*, D. 08-08-029, *Decision Adopting a Pre-Qualification Requirement for the California Lifeline Telephone Program And Resolving Remaining Phase 2 Issues* (Pre-qualification Decision) (adopting a process by which the third-party administrator must approve the eligibility of a Lifeline customer prior to them receiving Lifeline subsidies).

as applicable); or (2) the household's participation in one of the federal assistance programs listed in new 47 C.F.R. § 54.409(a)(2) or 47 C.F.R. § 54.409(a)(3), or other state-specific programs as appropriate. CuraTel also will confirm that the subscriber is not already receiving a Lifeline service and that no one else in the subscriber's household is subscribed to a Lifeline service.¹²

CuraTel uses several forms of marketing for its Lifeline supported services, which include advertising the service at the ten retail locations of its affiliate, Adir International LLC. It also advertises its services via direct mail, other print advertising, Internet advertising, television and radio advertisements. These marketing channels are intended to induce potential subscribers to contact CuraTel either in person, over the Internet or by telephone. Although the logistics of the enrollment process vary somewhat for each marketing channel as is further described below, in all cases, Lifeline applicants are thoroughly screened to ensure that they are qualified before a handset is provided.

A. CuraTel's Procedures to Determine Consumer Eligibility for the Lifeline Program

California: In California, the state's third-party administrator determines consumer eligibility for Lifeline. When a customer contacts CuraTel to initiate service, CuraTel will contact the third-party administrator to begin the Lifeline application process.¹³ The administrator will verify that the applicant is not currently enrolled in the Lifeline Program and send the Lifeline application directly to the applicant. CuraTel will assist applicants, who so request, with the process of filling out the application forms and gathering any necessary documentation as required for either income-based eligibility or program-based eligibility.

¹² 47 C.F.R. § 54.409(c).

¹³ Cal. Pub. Util. Comm. General Order 153 (GO 153), § 6.3.

Applicants must then mail the completed application packet back to the administrator for final certification and approval. During this process, CuraTel will offer the applicant service at the retail rate. Once an applicant is deemed eligible for the Lifeline program by the administrator, CuraTel will begin charging the applicant the Lifeline service rate and will credit the applicant back to the date that he or she first contacted CuraTel to begin service.¹⁴

Other States: In any future states other than California, if CuraTel cannot determine an applicant's eligibility for Lifeline by accessing income or program eligibility databases, CuraTel personnel (employees or third party customer service representatives) will review documents to establish eligibility in accordance with the criteria set forth in 47 C.F.R. § 54.409. All CuraTel personnel who interact with existing Lifeline customers or Lifeline applicants will be fully trained on the Commission's revised Lifeline eligibility rules and CuraTel's practices and policies designed to implement these new rules. CuraTel will follow the Commission's requirements pertaining to acceptable documentation to establish eligibility based either on income level or participation in a qualified government assistance program, unless otherwise established by a state Lifeline administrator or other state agency. Specifically, acceptable documentation of program eligibility will include: (1) the current or prior year's statement of benefits from a qualifying state, federal or Tribal program; (2) a notice letter of participation in a qualifying state, federal or Tribal program; (3) program participation documents (*e.g.*, the consumer's Supplemental Nutrition Assistance Program ("SNAP") electronic benefit transfer card or Medicaid participation card (or copy thereof); or (4) another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.¹⁵

Acceptable documentation of income eligibility will include: (1) the prior year's state, federal,

¹⁴ Pre-qualification Decision, at pg. 33 and Ordering Paragraph (OP) 3; *See also Id.* at § 5.4.6.

¹⁵ *Lifeline Reform Order* at ¶ 101.

or Tribal tax return; (2) current income statement from an employer or paycheck stub; (3) a Social Security statement of benefits; (4) a Veterans Administration statement of benefits; (5) a retirement/pension statement of benefits; (6) an Unemployment/Workers' Compensation statement of benefit; (7) federal or Tribal notice letter of participation in General Assistance; (8) or a divorce decree, child support award, or other official document containing income information. If the prospective subscriber presents CuraTel with documentation of income that does not cover a full year, the prospective subscriber must present the same type of documentation covering three consecutive months within the previous twelve months.¹⁶ CuraTel personnel will examine and record the type of documentation presented by each prospective Lifeline subscriber, but will not retain copies of these documents.¹⁷ CuraTel personnel will examine and electronically record in its customer service and billing database the type of documentation presented by each prospective Lifeline subscriber, including the date of review, the identity of the documentation, the type of media (e.g., paper, electronic card), and the issuance and/or expiration date of the documentation. If an applicant is unable to provide documentary proof of eligibility based on either household income level or current participation in a qualified program, CuraTel will deny that application.

B. CuraTel's Procedures for Subscriber Certifications

California: In California, certifications are handled by the Lifeline administrator. Once an applicant sends the completed certification and application packet to the Lifeline administrator, the administrator reviews the included documentation and determines an applicant's eligibility. At its retail locations, CuraTel representatives advise the applicant to look for the application in the mail, fill it out and send it in. They offer a toll free number for the

¹⁶ 47 C.F.R. § 54.410(b)(1)(i)(B).

¹⁷ *Id.* at § 54.410(b)(1)(ii) - (iii); § 54.410(c)(1)(ii)-(iii).

customer to call for assistance understanding the form and offer to help them in person at any of CuraTel's locations. The applicant must then mail the completed application packet back to the administrator for certification and approval. During this process, CuraTel will offer the applicant service at the retail rate. Once an applicant is deemed eligible for the Lifeline program by the administrator, CuraTel will begin charging the applicant the Lifeline service rate and will credit the applicant back to the date that he or she first contacted CuraTel to begin service.¹⁸

Other States: With respect to any future states other than California, in the *Lifeline Reform Order* the Commission established a path for a transition to a national database that will be used to confirm the initial and continued eligibility of a Lifeline customer.¹⁹ CuraTel will utilize that database when it becomes operational. Until that time, however, CuraTel will use any relevant state databases where available, and will otherwise adhere to the following procedures for enrolling prospective customers into the Lifeline program.

CuraTel will implement certification procedures that will enable prospective customers to demonstrate their eligibility by contacting CuraTel either in person or by telephone, facsimile or over the Internet. Except in states in which applicants are enrolled through a designated state agency, such as California, CuraTel will have direct contact with all prospective customers applying for Lifeline service, either in person through its employees, or by telephone, facsimile or over the Internet. At its retail locations, CuraTel representatives will examine the qualifying documentation in person or, if the applicant does not have the documentation at the time, direct the applicant to supply the documentation via fax or electronic delivery. Prospective customers who do not complete CuraTel's Lifeline Application in person must return the signed document

¹⁸ Pre-qualification Decision, at pg. 33 and Ordering Paragraph (OP) 3; *See also* GO 153, § 5.4.6.

¹⁹ *Lifeline Reform Order* at ¶ 403.

and eligibility documentation to CuraTel by mail, facsimile, electronic mail or other electronic transmission.

Every prospective subscriber in a non-database state will be required to complete CuraTel's revised "Lifeline Application." CuraTel's proposed Lifeline Application for these states is attached hereto at **Exhibit 1**. This Lifeline Application conforms to the requirements of the *Lifeline Reform Order*, 47 C.F.R. § 54.410(d) and 47 C.F.R. § 54.405.

CuraTel will collect the following information from the prospective subscriber in its Lifeline Application forms: (1) the subscriber's full name; (2) the subscriber's full residential address (P.O. Boxes are not permitted); (3) whether the residential address is permanent or temporary; (4) the subscriber's billing address, if different; (5) the subscriber's date of birth; (6) the last four digits of the subscriber's Social Security number (or Tribal identification number if the subscriber is a member of a Tribal nation and does not have a Social Security number²⁰); (7) if the subscriber is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the subscriber, or his or her dependents, or his or her household receives benefits; and (8) if the subscriber is seeking to qualify for Lifeline under the income-based criterion, the number of individuals in his or her household.²¹ Finally, any prospective subscriber who resides at an address occupied by multiple households must certify as such on CuraTel's Lifeline Application and must complete a separate Lifeline Household Worksheet.²²

In accordance with 47 C.F.R. § 54.410(d), in its Lifeline Applications, CuraTel will require all Lifeline applicants to certify, under penalty of perjury, that: (1) the subscriber meets

²⁰ CuraTel will only include language regarding a Tribal identification number on forms used in states with Tribal lands within its service territory.

²¹ 47 C.F.R. § 54.410(d)(2).

²² *Lifeline Reform Order* at ¶ 79.

the income-based or program-based eligibility criteria for receiving Lifeline; (2) the subscriber will notify CuraTel within 30 days if, for any reason, he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the applicant no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit; (3) if the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, that he or she lives on Tribal lands; (4) if the subscriber moves to a new address, that he or she will provide that new address to CuraTel within 30 days; (5) if the subscriber provided a temporary residential address to CuraTel, the subscriber will verify his or her temporary residential address every 90 days upon the final effective date of this rule; (6) the subscriber's household will receive only one Lifeline service and, to the best of the applicant's knowledge, the subscriber's household is not already receiving a Lifeline service; (7) the information contained in the subscriber's application/certification form is true and correct to the best of the subscriber's knowledge; (8) the subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; (9) the subscriber acknowledges that he or she may be required to re-certify his or her continued eligibility for Lifeline at any time, and that his or her failure to re-certify as to continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits; and (10) that CuraTel is authorized to (i) access any records required to verify the subscriber's statements on the form and to confirm eligibility under the Lifeline program and (ii) release any records required for the administration of the Lifeline program (*e.g.*, name, telephone number and address), including to USAC, to be used in a Lifeline database and to ensure the proper administration of the Lifeline program, and that failure

to do so will result in a denial of Lifeline benefits.²³ Prospective applicants must affirmatively certify to each of these certifications in order for the application process to move forward, including those applying online. For those applying online, CuraTel’s website will not permit the applicant to submit the application unless all certifications have been completed. Subscriber may also certify via interactive voice response (“IVR”), which is then saved in the subscriber’s account in CuraTel’s customer care and billing system.

In accordance with 47 C.F.R. § 54.410(d)(1), CuraTel’s Lifeline Application will disclose the following information: (1) Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program; (2) only one Lifeline service is available 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; (4) a household is not permitted to receive Lifeline benefits from multiple providers; (5) violation of the one-per-household limitation constitutes a violation of the Commission’s rules and will result in the subscriber’s de-enrollment from the program; and (6) Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.²⁴

Finally, in accordance with 47 C.F.R. § 54.405(c), CuraTel’s Lifeline Application will indicate, using easily understood language, (1) that CuraTel’s low income targeted service is a Lifeline service; (2) that Lifeline is a government assistance program; (3) that the service is non-transferable; (4) that only eligible consumers may enroll in the program; and (5) that the program is limited to one discount per household.²⁵

²³ See Exhibit 1.

²⁴ *Id.*

²⁵ *Id.*

C. CuraTel's Procedures for Annual Verification of Lifeline Customers

California: In California, the third-party administrator will send renewal forms to Lifeline subscribers annually as of the date of their application date.²⁶ Upon receiving the Renewal Form, the subscriber has the option of qualifying his/her continued eligibility under either: (i) the Program-Based Criterion, or (ii) the Income- Based Criterion.²⁷ CuraTel will work with the third-party administrator to maintain current contact information for each subscriber and will assist applicants, who so request, with the process of filling out the Renewal Forms and gathering any necessary documentation as required for continued enrollment in the Lifeline Program under either income-based eligibility or program-based eligibility

Other States: In any future states other than California, in accordance with the requirements of the *Lifeline Reform Order* and 47 C.F.R. § 54.410(f), CuraTel will annually re-certify all of its Lifeline subscribers by either (1) querying the appropriate eligibility or income databases, confirming that the subscriber continues to meet the program- or income-based eligibility requirements for Lifeline and documenting the results of that review, or (2) obtaining a signed certification from the subscriber that meets the certification requirements set forth in 47 C.F.R. § 54.410(d).

CuraTel will permit subscribers to recertify their eligibility for Lifeline benefits through the following ways: an online form on its website (www.curatel.com); an oral re-certification by calling CuraTel's call center (which would be recorded); or a paper form that could be scanned and e-mailed, faxed or handed to a third party representative and forwarded to CuraTel.

²⁶ GO 153, § 2.1 § Rule 5.5.

²⁷ *Id.* at § 5.5.

III. CURATEL'S PLANS FOR COMPLIANCE WITH THE FORBEARANCE CONDITIONS RELATING TO PUBLIC SAFETY AND 911/E911 ACCESS

CuraTel's wireless services will comply with the 911/E911 access conditions set forth in paragraph 373 of the *Lifeline Reform Order*. Specifically, CuraTel will: (1) provide its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated, regardless of activation status and availability of minutes, and (2) provide its wireless Lifeline subscribers with E911-compliant handsets and replaces, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services. CuraTel will provide access to 911 and E911 services to the extent that these services have been deployed by its underlying wireless carrier.

IV. CURATEL'S PLANS FOR COMPLIANCE WITH THE COMMISSION'S MARKETING AND DISCLOSURE REQUIREMENTS FOR PARTICIPATION IN THE LIFELINE PROGRAM

CuraTel will incorporate into its marketing materials²⁸ for its Lifeline services, in clear, easily understood language: (1) that the service and supported by Lifeline, a government program; (2) that only eligible consumers may enroll in the program; (3) that documentation is necessary for enrollment; and (4) that the benefit is limited to one per household and is non-transferrable.²⁹ CuraTel also will disclose its name on all marketing materials.³⁰ A sample advertisement incorporating this language is attached hereto at **Exhibit 2**.

²⁸ "Marketing materials" includes, but is not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. See *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(c).

²⁹ *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(c).

³⁰ *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(d).

V. CURATEL'S PROCEDURES AND EFFORTS TO PREVENT WASTE, FRAUD AND ABUSE IN CONNECTION WITH LIFELINE FUNDS

CuraTel shares the Commission's commitment to minimize waste, fraud and abuse of Lifeline benefits. According, CuraTel commits to implement a variety of measures and procedures intended to prevent duplicate Lifeline benefits from being awarded to the same household or individual.

Prevention of Duplicates within CuraTel's Subscriber Base.

California: In California, CuraTel will perform an initial screening process to determine whether or not a customer is currently subscribed to Lifeline service. California General Order ("GO") 153 prohibits service providers from knowingly enrolling applicants who does not meet the California LifeLine eligibility criteria.³¹ This includes applicants who are currently enrolled in the Lifeline program. The GO also requires carriers to ask a series of questions regarding the applicant's status in the Lifeline program.³² These include asking whether or not the customer is currently enrolled in the Lifeline Program. If the customer is currently enrolled, CuraTel must contact the administrator to validate the customer's approved status. CuraTel then must inform the customer that the administrator will notify the customer and the customer's current California LifeLine Service Provider once it determines whether or not the customer is currently or within the last 30 days has been enrolled in California LifeLine. If the customer indicates that they are not currently enrolled in the program, CuraTel will ask whether they qualify for the program under either income-based or program-based eligibility.³³ CuraTel then contacts the administrator to perform the de-duplication process. This begins the application process, which is handled by the third-party administrator.

³¹ GO 153, § 5.2.

³² See GO 153, § 4.2, generally.

³³ *Id.*

Other States: In any future states other than California, at time of initial sign up of a new subscriber, the subscriber's service address is validated for accuracy against the USPS ("United States Postal Service") database and saved in the USPS-approved format, which permits CuraTel's subscriber database to more accurately prevent duplicates by preventing variations of the same address from appearing multiple times in the database. Once the address is validated for accuracy and format, it is checked against addresses for all CuraTel addresses. If an existing CuraTel subscriber is receiving service at the same address, CuraTel's system will not permit any order for Lifeline service to proceed, unless the prospective subscriber can demonstrate through the use of the household worksheet that he or she lives in a separate household (*i.e.*, separate economic unit).. CuraTel also conducts additional checks to ensure that the same subscriber is not receiving more than one service by checking its database for the same subscriber name, date of birth and the last four digits of the person's social security number. CuraTel also conducts real-time scans of its database to flag any duplicate addresses, dates of birth, etc. in addition to conducting manual reviews of its subscriber lists prior to filing its FCC Form 497s in order to ensure that it does not claim subsidies for any duplicate addresses.

Service Activation.

California: In California, CuraTel must offer service to Lifeline applicants at regular, retail rates prior to the customer receiving notice that they are eligible for the California Lifeline program. After that point, all CuraTel's subscribers pay an out-of-pocket fee, which means that the service activation rule found at 47 C.F.R. § 54.407(c) does not apply.

Other States: In any future states in which the subscriber does not pay an out-of-pocket fee, when CuraTel ships handsets to qualified customers, it will seek delivery confirmation (including a subscriber signature) in order to ensure that the handset has been delivered to the

applicant. Thereafter, CuraTel will not seek reimbursement for Lifeline service for any subscriber until the subscriber uses the service to either activate the service or to complete an outgoing call.³⁴ Depending on the underlying wireless carrier utilized, CuraTel's subscribers activate their service either (1) by making an outbound call or (2) upon attempting to make an outbound call, by being automatically routed to an IVR recording at which point the subscriber is prompted to confirm that he or she wishes to activate the account by entering a number on the key pad. In addition, in database states, the application will not be processed until such time as the applicant's name and address are confirmed as being eligible by the state Lifeline database. Only after an applicant's eligibility in such a state is confirmed by the database administrator is the handset provided or shipped out. Thereafter, the subscriber would be subject to the same IVR process described above.

Non-Usage Policy.

California: In California, all CuraTel's subscribers pay an out-of-pocket fee, which means that the non-usage rule found at 47 C.F.R. § 54.407(c) does not apply. Moreover, CuraTel's policy is to disconnect subscribers' whose bills are 45 days delinquent.

Other States: In any future states in which the subscriber does not pay an out-of-pocket fee, after 60 days of non-use,³⁵ CuraTel will provide notice to the subscriber that failure to use the Lifeline service or provide other confirmation to CuraTel that the subscriber wishes to retain their Lifeline service within 30 days from the date of the de-enrollment notice will result in de-

³⁴ 47 C.F.R. § 54.407(c).

³⁵ Subscribers will be able to "use" the service by: (1) completing an outbound call; (2) purchasing minutes from CuraTel to add to the subscriber's plan; (3) answering an incoming call from a party other than CuraTel; or (4) responding to a direct contact from CuraTel confirming that the subscriber wants to continue receiving the service. 47 C.F.R. § 54.407(c)(2).

enrollment from the Lifeline program.³⁶ CuraTel will not request further Lifeline reimbursement for any de-enrolled customer and CuraTel will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.³⁷

One Per Household Rule. CuraTel will implement policies and practices in accordance with the Commission's rules and the *Lifeline Reform Order* to ensure that it provides only one Lifeline service per household. CuraTel has already implemented procedures to ensure that CuraTel itself only provides one Lifeline service per household. When the National Lifeline Accountability Database becomes available, CuraTel will fully comply with the requirements of 47 C.F.R. § 54.404, except to the extent that a state has been exempted, and will utilize the database to determine if an applicant is currently receiving Lifeline service from another carrier or if another person residing at the applicant's residential address is receiving Lifeline service. Finally, if CuraTel has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, for example, due to a violation of the one-per-household rule, CuraTel will initiate its termination process in accordance with the procedures set forth in 47 C.F.R. § 54.405(e)(1).

VI. CONCLUSION

CuraTel submits that the foregoing Compliance Plan fully satisfies the conditions set forth in the *Lifeline Reform Order*, the *Public Notice* and the Commission's rules pertaining to Lifeline. Accordingly, CuraTel respectfully requests expeditious approval of its pending ETC Petition and this Compliance Plan so that CuraTel may continue to provide essential Lifeline service to eligible low-income customers in states where it has previously been designated an

³⁶ *Id.* at § 54.405(e)(3).

³⁷ *Id.* at § 54.405(e)(3).

ETC and may provide service to additional eligible low income consumers in the various states for which it has pending ETC petitions.

Respectfully submitted,



Danielle Frappier
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue, N.W., Suite 800
Washington, D.C. 20006-3401
(202) 973 - 4200

Counsel to CuraTel, LLC

September 10, 2012

Exhibit 1

Lifeline Application (Outside California)

Fax to: 213-639-2099
Email to: lifeline@curatel.com or
Mail to: CuraTel, 1605 W Olympic Blvd, Suite 800
Los Angeles, CA 90015



**WIRELESS
LIFELINE APPLICATION**

(Not for use in California)

Unlimited Plan **500 Minute Plan** **200 Minute Plan**

I certify that I participate in one of the following programs (check one):

- | | |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <input type="checkbox"/> Food Stamps (SNAP) | <input type="checkbox"/> Medicaid |
| <input type="checkbox"/> Federal Public Housing Assistance (Section 8) | <input type="checkbox"/> Temporary Assistance to Needy Families (TANF) |
| <input type="checkbox"/> National School Lunch Free Lunch Program | <input type="checkbox"/> Supplemental Social Security (SSI) |
| <input type="checkbox"/> Low-Income Home Energy Assistance Program (LIHEAP) | <i>If you wish to qualify based on income, a different form is required.</i> |

You must provide documentation demonstrating your current participation in the program checked above.

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: _____ Zip: _____

(no P.O. Box for res. address) This is my (check one): Permanent Address Temporary Address

If you move, you must update your residential address with CuraTel within 30 days

Billing Address (if different): _____ Apt. _____ City: _____ State: _____ Zip: _____

I certify that:

- I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for CuraTel Lifeline service, I agree to cancel that Lifeline service with any other provider.
- I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
- I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- I will notify CuraTel within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer participating in any of qualifying program, or if I or a member of my household receives another Lifeline benefit.
- I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
- If I move to a new address, I will provide the new address to CuraTel within 30 days.
- If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
- I authorize CuraTel to access any state or federal governmental records or database required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to CuraTel verifying my participation in programs that qualify me for Lifeline. I also authorize CuraTel to release any records required for the administration of CuraTel's Lifeline program, including to the Universal Service Administrative Company (USAC), to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
- I certify **penalty of perjury** that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date: _____

Order New Service 1.866.673.3627

Customer Care: 1.866.287.2366

www.curatel.com

Fax to: 213-639-2099
Email to: lifeline@curatel.com or
Mail to: CuraTel, 1605 W Olympic Blvd, Suite 800
 Los Angeles, CA 90015



**WIRELESS
 LIFELINE APPLICATION**
 (Not for use in California)

___ **Unlimited Plan** ___ **500 Minute Plan** ___ **200 Minute Plan**

I certify that my household income is at or below 135% of the Federal Poverty Guidelines as indicated below:

Eligibility for Lifeline may apply if your household income is at or below 135% of the Federal Poverty Guidelines for a household of that size. Indicate which income range applies to you in the chart. You must provide proof of eligibility based on income, which can include:	Check or Complete	Persons in Household	Annual Income	Monthly Income
	<ul style="list-style-type: none"> • Last year's federal or state tax return • Current income statement from an employer or paycheck stub (must cover 3 consecutive months within the previous 12 months) • A Social Security statement of benefits • A retirement/pension statement of benefits • An Unemployment/Workers' Compensation statement of benefit • Federal notice letter of participation in General Assistance • Divorce decree, child support award or other official document containing income information 	<input type="checkbox"/>	1	\$15,080
<input type="checkbox"/>		2	\$20,426	\$1,702
<input type="checkbox"/>		3	\$25,772	\$2,148
<input type="checkbox"/>		4	\$31,118	\$2,593
<input type="checkbox"/>		5	\$36,464	\$3,039
<input type="checkbox"/>		6	\$41,810	\$3,484
<input type="checkbox"/>		7	\$47,156	\$3,930
<input type="checkbox"/>		8	\$52,502	\$4,375
___ # in household		For each add'l person, add:	\$5,346	\$446

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: ___ Zip: _____

(no P.O. Box for res. address) This is my (check one): ___ Permanent Address ___ Temporary Address

If you move, you must update your residential address with CuraTel within 30 days.

Billing Address (if different): _____ Apt. _____ City: _____ State: ___ Zip: _____

I certify that:

- ___ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- ___ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- ___ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- ___ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for CuraTel Lifeline service, I agree to cancel that Lifeline service with any other provider.
- ___ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
- ___ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- ___ I will notify CuraTel within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer meeting the income levels, or if I or a member of my household receives another Lifeline benefit.
- ___ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
- ___ If I move to a new address, I will provide the new address to CuraTel within 30 days.
- ___ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
- ___ I authorize CuraTel to access any governmental state or federal records or database located anywhere required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to CuraTel verifying my participation in programs that qualify me for Lifeline. I also authorize CuraTel to release any records required for the administration of CuraTel's Lifeline program, including to the Universal Service Administrative Company (USAC) to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
- ___ I certify **penalty of perjury** that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date _____

Order New Service 1.866.673.3627

Customer Care: 1.866.287.2366

www.curatel.com

Exhibit 2

Sample Marketing Material

LifeLine Cellular Service



\$1 month

**200
MINUTES**

IMPORTANT INFORMATION
LifeLine Wireless Service

LifeLine is a government assistance program.
Only one LifeLine service is available per household.
LifeLine is a non-transferable benefit. Proof of eligibility
is required and only eligible customers may enroll.

Call us at:
1-866-673-3627



LifeLine Cellular Service



\$5 month

**500
MINUTES**

IMPORTANT INFORMATION
LifeLine Wireless Service

LifeLine is a government assistance program.
Only one LifeLine service is available per household.
LifeLine is a non-transferable benefit. Proof of eligibility
is required and only eligible customers may enroll.

Call us at:
1-866-673-3627



LifeLine Cellular Service



**Unlimited
minutes**

**\$21.50
month**

IMPORTANT INFORMATION
LifeLine Wireless Service

LifeLine is a government assistance program.
Only one LifeLine service is available per household.
LifeLine is a non-transferable benefit. Proof of eligibility
is required and only eligible customers may enroll.

Call us at:
1-866-673-3627

