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
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
	)	WC Docket No. 03-109
Lifeline and Link Up	)	

REPLY COMMENTS OF PR WIRELESS, INC. D/B/A OPEN MOBILE

PR Wireless Inc. d/b/a Open Mobile ("PR Wireless"), by its counsel and pursuant to sections 1.2 and 1.3 of the Federal Communications Commission's ("FCC" or "Commission") rules,[1] hereby replies to comments filed in response to the FCC's *Notice*[2] concerning PR Wireless' petition for a limited waiver of the 2012 Lifeline re-certification requirement set forth in 47 C.F.R. Section 54.410(f) and the *Lifeline Reform and Modernization Order*[3] ("Petition"). The only party to file comments was the Telecommunications Regulatory Board of Puerto Rico ("TRB"), whose comments took no position on the Petition but instead aimed to "clarify and expand on the comprehensive efforts the Board has undertaken to eliminate waste and abuse in the Lifeline program in Puerto Rico, to protect the beneficiaries of the Lifeline program, and to protect the public fisc."[4]

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[1] 47 C.F.R. §§ 1.2, 1.3.

[2] *Comment Sought on PR Wireless Petition for Waiver of the Commission's Lifeline Recertification Requirement,* Public Notice, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45, DA 12-1359 (rel. August 20, 2012) ("*Notice*").

[3] *Lifeline and Link Up Reform and Modernization et al,* Report and Order, 26 FCC Rcd 9022 (2011) ("*Lifeline Reform and Modernization Order")*.

[4] The Telecommunications Regulatory Board of Puerto Rico's Response to Petition for Waiver of Section 54.410(f) of the Commission's Rules Filed By PR Wireless, Inc. d/b/a Open Mobile (filed Sept. 10, 2012) ("TRB Comments") at p. 1.

I. DISCUSSION

The initial round of comments leaves no reason to doubt that the requested waiver of the Commission's Lifeline recertification rules is urgently needed to protect low-income consumers from an unnecessary and costly certification "do-over". No party filed comments in opposition to the request. In the only set of comments filed, the TRB did not discuss PR Wireless' request for waiver, but instead took the opportunity to discuss how its own rules and procedures are currently succeeding in combating waste in the federal and state Lifeline programs in Puerto Rico.

PR Wireless welcomes any clarifications from the TRB that assist carriers serving Puerto Rico in complying with the TRB's recently revised Lifeline processes. However, because those rules and procedures are the subject of separate proceedings at the state and federal levels, the TRB's Lifeline rules and procedures are more properly discussed in other proceedings. PR Wireless and other carriers continue to work with the TRB to ensure that revised Lifeline procedures can be operationalized in the market so that carriers can comply accurately and efficiently.

For now, assuming *arguendo* PR Wireless fully agrees with TRB's description of its Lifeline duplicate elimination regime, the TRB Comments reinforce the justification for the requested waiver, as discussed below.

A. PR Wireless Has Been Proactive In Taking Steps to Eliminate Duplicate Lifeline Discounts.

Since 2009, PR Wireless has been actively engaged with the TRB and supportive of appropriate and reasonable efforts to prevent and resolve duplicate Lifeline discounts. PR Wireless has shared with the TRB the company's policies and procedures for ensuring duplicate benefits are not provided to the same household or to the same subscriber, and has described how

its application and certification forms require customers to certify that they understand the one-per-household rule and that neither they nor another member of their household receives another Lifeline discount.

Throughout 2010, as the TRB considered new steps to prevent Lifeline duplicates, PR Wireless fully cooperated with the TRB's efforts. PR Wireless fully responded to requests the TRB made to all Puerto Rico ETCs for information about compliance with the TRB's rules restricting customers to one discount per household, and provided customer data to enable the TRB to check for inter-carrier duplicates. Indeed, well before TRB implemented the new duplicate prevention and resolution processes PR Wireless had several discussions with the TRB in which PR Wireless noted the importance of recognizing scenarios where multiple households have the same mailing address, and explained that without access to a centralized database, an ETC cannot possibly know whether a Lifeline customer is also receiving a subsidy from another provider. In addition, PR Wireless requested guidance from the TRB on appropriate safeguards that should be implemented, and on ways to confirm whether a shared address meant multiple discounts within the same household.

As part of its efforts to minimize Lifeline duplicates, in 2010 PR Wireless began requiring customers to certify that they do not receive more than one Lifeline subsidy, and that theirs is the only Lifeline subsidy in their household – well before the Commission codified the one-per-subscriber rule[5] and far in advance of the effective date of the certification rules adopted in the Commission's *Lifeline Reform and Modernization Order*.

[5] *Lifeline and Link Up Reform and Modernization et al*, Report and Order, 26 FCC Rcd 9022 (2011).

While the TRB Comments claim that "most" of the duplication of benefits occurred due to "improper conduct by ETCs,"[6] it has been PR Wireless' experience that the duplication problem resulted from the lack of an effective database that would permit quick and accurate verification. Indeed, as the Commission explained in the *Lifeline Reform and Modernization Order*, "[t]here is currently no mechanism for an ETC to verify, on its own, whether a prospective subscriber is receiving Lifeline benefits from another ETC because ETCs cannot view each other's subscriber lists."[7] Thus, when the TRB required ETCs to de-enroll customers who had multiple Lifeline services earlier this year, ETCs had had no means of verify whether an applicant or existing Lifeline customer also received another carrier's Lifeline service. Carriers such as PR Wireless, who had obtained certifications from its customers that they did not receive Lifeline service from another carrier and that they did not have another Lifeline service at their household, did as much as they could with the tools available at the time.

PR Wireless has actively participated in the TRB's inquiries into ways to minimize waste, and it has followed the TRB's rules and procedures. As confirmed by the TRB, and as explained in the following section, these rules and procedures are rigorous and, as a result, make unnecessary the Commission's recertification of customers for a second time in the same calendar year.

B. The TRB Comments Confirm That the TRB's Rules and Procedures Obviate the Need for an Additional Round of Certifications.

In the Petition, PR Wireless explained that given the rigorous TRB rules and procedures for enrolling and re-certifying Lifeline customers, there would be no benefit to forcing customers

[6] TRB Comments at p. 2.

[7] *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Dkt. Nos. 11-42 *et al.*, CC Dkt. No. 96-45, FCC 12-11 (rel. Feb. 6, 2012) ("*Lifeline Reform Order*") at ¶ 180.

to certify to their eligibility twice in the same year. The TRB Comments confirm that it has robust procedures in place and that they are applicable to all Lifeline customers. The TRB Comments are fully consistent with PR Wireless' view that all customers who receive Lifeline support have gone through extensive vetting under the TRB's process and that re-certification in 2012 would, therefore, provide no net benefit to the federal program.

In its Comments, the TRB describes the processes it has implemented to prevent, detect, and eliminate Lifeline duplicates. Referring to its statutory mandates under Puerto Rico law to limit Lifeline to one service per family unit and to impose penalties on citizens who attempt to obtain Lifeline service improperly, the TRB explains that it has been "taking steps to reduce from its Lifeline rolls those residents who are improperly receiving double (or triple or more) benefits per person or family unit."[8] One such step was the adoption of interim rules requiring ETCs to send customer data to the TRB, including social security number, first and last two names, and physical address.[9] These rules were promulgated on an emergency basis in October 2011, with immediate effect.[10] The TRB began disqualifying customers for duplication using this database, and ordered carriers to de-enroll customers in a multi-stage de-enrollment campaign earlier this year.[11] The new rules required all ETCs to send updated subscriber information to the database at least once per month. Also, since April 2012, ETCs have been required to utilize the centralized database to check for potential duplicate Lifeline subscribers at the time of application, ***before*** they are permitted to seek reimbursement.

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[8] TRB Comments at p. 3.

[9] *See id.* at pp. 7-8.

[10] In re: Universal Service Fund, Lifeline/LinkUp, Case No. JRT-2001-SU-0003, Resolution and Order (March 7, 2012) at p. 1.

[11] *See* TRB Comments at p. 8.

The TRB Comments also explain certain safeguards it has added to its process, but these safeguards in no way diminish the effectiveness of the process in preventing and eliminating duplicate accounts. In explaining how the TRB believes it has mitigated the potential for its procedures to result in the de-enrollment of many eligible subscribers, the TRB explains that it "has gone to great lengths to ensure that ***eligible*** recipients do not lose benefits and that they have a simple and expeditious means to retain benefits if they believe that they have been disqualified ***inappropriately***."[12] In other words, the measures the TRB describes are purportedly designed to prevent the unfair de-enrollment of customers who are eligible under program rules (e.g., where multiple family units legitimately share the same street address). Far from asserting that its process will allow ineligible customers to qualify for support, the TRB describes measures that it believes will prevent unlawful de-enrollments ***while ensuring that unqualified persons will not receive support***. Accordingly, while "hundreds" of consumers have taken advantage of the appeal process to challenge their de-enrollments, PR Wireless can confirm that the TRB's duplicate elimination procedures resulted in PR Wireless de-enrolling more than 25,000 subscribers earlier this year.[13]

In sum, the TRB Comments confirm the existence of rigorous procedures that make another layer of certifications superfluous. As confirmed by the TRB Comments, the TRB's Lifeline procedures are effective in preventing consumers from receiving discounts from multiple providers or from receiving multiple discounts at the same household. Moreover, as PR Wireless explained in the Petition, the TRB's rules require all new customers to provide documentation of eligibility at enrollment, and to provide documentation of continued eligibility during the annual re-certification process. Accordingly, there is no benefit to requiring an

[12] *Id.* at p. 2.

[13] *See* Petition at p. 8.

additional re-certification merely so customers can make a series of "belt and suspenders" certifications, such as a statement that they understand they may be prosecuted if they obtain Lifeline by providing false or fraudulent information. Of course, these assertions will be included in these customers' certifications when they renew service or are re-certified in early 2013.

II. CONCLUSION

For all of the reasons set forth above and in its Petition, PR Wireless requests a grant of the limited waiver of Section 54.410(f) as applied to the Lifeline subscribers who enrolled or completed recertifications from January 1 to May 31, 2012.

Respectfully submitted,

PR WIRELESS, INC. d/b/a OPEN MOBILE

By:____/s/ Steven M. Chernoff_____

David A. LaFuria
Steven M. Chernoff
Jeffrey A. Mitchell

LUKAS, NACE, GUTIERREZ & SACHS, LLP
8300 Greensboro Drive, Suite 1200
McLean, Virginia 22102
(703) 584-8678

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