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December 5, 2012

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42

Dear Ms. Dortch:

i-wireless, LLC (“i-wireless”) hereby strongly objects to the proposal by TracFone Wireless, Inc. (“TracFone”) to prohibit an eligible telecommunications carrier (“ETC”), or its agents, from distributing a telephone handset in person, but instead to require that all handsets be sent via US mail or approved delivery services after the carrier has verified the applicants’ eligibility.¹ TracFone’s proposal would needlessly bind all other wireless ETCs to TracFone’s business model, which does not include face to face enrollments.

i-wireless strongly supports the FCC’s efforts to eliminate waste, fraud and abuse in its Lifeline program. i-wireless has worked vigorously to ensure that all of its enrollment processes meet the requirements of the Commission’s rules. Moreover, because i-wireless is frequently enrolling customers with whom its parent, The Kroger Co., has its own customer relationships, i-wireless’ business model is less vulnerable to fraud than TracFone’s.

TracFone’s proposal is unnecessary with respect to any carrier that, like i-wireless:

1. Uses information technology systems to conduct duplicative customer review and eligibility verification prior to distributing a handset;
2. Distributes such handset in a form in which it cannot be used to place a non-emergency call until the user has contacted the carrier to activate the handset using an activation code; and
3. Does not permit a handset to be activated prior to the completion of the duplicative customer review and eligibility verification.

¹¹ Letter of Mitchell F. Brecher, counsel for TracFone Wireless, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-42 (dated November 16, 2012).

For any such carrier, all the benefits of TracFone's proposal will have been achieved without forcing the consumer to wait for mail delivery of the handset.

i-wireless contracts with CGM, LLC ("CGM"), one of the leading Lifeline service bureaus in the industry, for assistance in Waste, Fraud and Abuse prevention. The following is CGM's recommended best practice for enrolling a customer:

- a. See government-issued picture ID to verify enrollee's identity.
- b. See government-issued proof of program eligibility.
- c. Take a picture of both and electronically store with enrollment form for purpose of second tier review.
- d. Have enrollee complete an electronic Lifeline application form.
- e. Dip address in USPS/UPS/Fedex address databases to confirm validity.
- f. Check address against geographic ETC boundaries designated by the state.
- g. Check name/address/DOB/Last four of SS# against intercompany duplicate database to confirm that ETC or other companies aren't currently providing Lifeline service to enrollee.
- h. Have enrollee make activation call to customer service and require last four of SS# to confirm identity.
- i. Have second tier QA review all enrollment documentation for uniformity and completeness before deleting picture of the proof of eligibility and submitting order for reimbursement.

All of these steps can be completed in an average of ten minutes, at point of sale, with the customer. There's simply no Waste, Fraud and Abuse prevention benefit gained, whatsoever, by then forcing the customer to wait to receive their phone by mail. As a matter of fact, mail delivery introduces the element of mailbox theft, and needlessly adds cost to the distribution model. It also makes more challenging delivery to the transient enrollee living in temporary quarters.

TracFone's proposal is detrimental to the enrollee, offers nothing to improve Waste, Fraud and Abuse prevention, and adds unnecessary cost to the model of almost every other service provider, including i-wireless. End users much prefer the convenience associated with walking away from the enrollment transaction with their new phone, and as such, are more likely to use the service. By requiring the applicant to call in to enter an activation code, the ETC also greatly reduces the risk that the phone is simply going to a third party for use, which could be the case under TracFone's proposal, particularly if the handset could be activated simply by placing an outgoing call.

The Commission need not place additional barriers in front of low-income consumers who are attempting to obtain Lifeline service, particularly to advantage the business plan of a single provider.

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Sincerely,

/s/ Lance J.M. Steinhart

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