



June 14, 2013

Ex Parte

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

Re: *Telecommunications Carriers Eligible To Receive Universal Service Support, WC Docket No. 09-197; Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42*

Dear Ms. Dortch:

On Wednesday, June 12, 2013, Thomas O’Roark, COO of SafeTel, LLC (“SafeTel”) and I, on behalf of SafeTel, met with Rebekah Goodheart, Wireline Legal Advisor to Acting Chairwoman Mignon Clyburn. The points raised are summarized in the attached presentation. The delay in approval of SafeTel’s compliance plan, which appears to be unrelated to the substance of SafeTel’s plan, is threatening SafeTel’s existence, because, without a wireless product to provide to its agents, SafeTel’s agents can and are being recruited by other wireless Lifeline providers in Oklahoma, some of whom have already entered into Lifeline-related consent decrees. Delay effectively protects those competitors and punishes SafeTel unjustly. This destroys SafeTel’s key asset, which is its network of “brick-and-mortar” agents in small towns throughout Oklahoma, many of whom have expressed a strong preference for dealing with SafeTel. In order to stop this ongoing competitive harm, SafeTel needs a reasonable date by which it can begin providing wireless Lifeline service. Without that, agents are likely to continue to be enticed to other providers, investors will not be able to justify continued investment, and SafeTel’s will not be able to survive. SafeTel begs the Commission to give SafeTel the ability to survive. To give the Commission assurance that approval of SafeTel’s compliance plan will not significantly increase demand for Lifeline support or expose the Fund to significant waste, fraud, and abuse, SafeTel would commit to serving no more than 5,000 wireless lines until after the National Lifeline Accountability Database is fully operational for Oklahoma, which is the only state in which SafeTel is planning on operating at this time.

Please contact me if you have any questions.

Sincerely,

John T. Nakahata
Counsel to SafeTel, LLC

cc: Rebekah Goodheart



SafeTel Wireless
FCC Compliance Plan Meeting
June 12, 2013



Agenda

- ▶ Company Background
- ▶ Lifeline Product Offerings
- ▶ Marketing/Advertising Compliance
- ▶ End User Enrollment
- ▶ Annual Certification
- ▶ Procedures Addressing Waste, Fraud, and Abuse
- ▶ FCC Compliance Plan Timeline
- ▶ Questions

Unwarranted Delays Cost Jobs and Harm Small Businesses

- ▶ SafeTel is an existing wireline Lifeline provider trying to pivot its business to wireless in response to consumer demand. Customers must pay at least every 60 days, and no service is free.
- ▶ SafeTel's Compliance Plan has been pending for 6 months, with all staff-requested changes made 4 months ago.
- ▶ SafeTel is a small business that provides Lifeline through established "brick and mortar" small businesses in small and medium sized towns in Oklahoma.
- ▶ SafeTel has already passed a December 2012 Oklahoma Corporation Commission audit of its wireline Lifeline processes.
- ▶ Delay is crippling SafeTel's transformation plans, including plans to add Oklahoma jobs as its subscriber base grows, and harming its agent relationships.
- ▶ ***SafeTel needs a reasonable date/process by which its Compliance Plan will be approved.***



Compliance Plan Timeline

- *Compliance Plan filed December 17, 2012*
- *Met with Wireline Competition Bureau February 14, 2013.*
- *Amended Compliance Plan filed March 12, 2013.*



Company Background

- ▶ SafeTel is an Oklahoma-based company, owned and operated by Oklahomans. Our headquarters and our call center are located in Oklahoma City. SafeTel focuses on serving Oklahoma's smaller communities.
- ▶ SafeTel Wireless has provided wireline lifeline service since November 2011.
 - Serves 4K+ wireline lifeline subscribers in rural OK - all recertified as of December 31, 2012.
 - OCC audited SafeTel's wireline Lifeline services in December 2012, and found no problems.
 - Seeking approval as wireless ETC.
 - Will be reselling Verizon Wireless purchased through Reunion Wireless.
- ▶ Current Retail Offerings
 - SafeTelonline.com (wireline)
 - wireless.SafeTelonline.com (beta website - wireless)

Company Background





Oklahoma Planned Wireless Lifeline Service – None “Free”

Plan Description	1 000 Minutes /Texts	Unlimited Minutes / Texts*
Price to Lifeline Subscriber	\$1.00	\$5.50
Number of Free Minutes	1 000	Unlimited
Rollover	Y	Y
Text Messaging	1:1	N/A

All plans include:

- Call Waiting
- Caller ID
- Voice Mail

*Unlimited Minutes/Texts required by OCC

SafeTel[®] Company Background

▶ Key Management

- Tom O’Roark – over 30 years in telecommunications and utility management.
- Kyle Copeland – 14 years of financial and operational management experience.
- Mike Nash – 30 years business management experience.
- Cory Ford – 6 years of experience in call center development and management.

SafeTel[®] Company Background

In compliance with the amended section 54.202, SafeTel Wireless certifies:

- It will comply with the service requirements applicable to the support that it receives;
- It has the ability to remain functional in emergency situations;
- It will satisfy applicable consumer protection and service quality standards; and
- It is financially and technically capable of providing Lifeline service.



Lifeline Product Offerings

- ▶ **Public Safety and 911 / E911 Access:**
 - SafeTel Wireless will ensure that all handsets used in connection with its Lifeline service are E911-compliant.
 - SafeTel Wireless will provide its Lifeline customers with access to 911 and E911 services:
 - Through its underlying carrier, Reunion Wireless (Verizon)
 - At the time of Lifeline service initiation
 - Regardless of activation status and minute availability.



Marketing & Advertising Compliance

In compliance with the marketing and disclosure requirements, all of SafeTel Wireless's marketing materials will:

- Disclose company name under which it does business;
- Explain in clear, easily understood language the following:
 - The service is a Lifeline service;
 - Only eligible consumers may enroll in the program;
 - The program is limited to one benefit per household, consisting of either wireline or wireless service;
 - Lifeline is a government benefit program; and
 - Lifeline service is non-transferable.
- Applications include that
 - consumers who willfully make false statements in order to obtain the benefit is punishable by law and or can result in the consumer being barred from the program;
 - Authorizations to provide information to USAC for the National Database.

- ▶ Direct Sales – Electronic: Typically a face-to-face enrollment transaction occurring in retail stores or at an event. All documentation can be witnessed in real-time by agents, and reviewed by SafeTel employees; qualified end user obtains phone, but SafeTel will not include in line counts until it has completed its checks.
- ▶ Phone Sales: Real-time, but proof of identity, program eligibility and completed self-certification form must be mailed/faxed, delaying shipment of phone. Code must be entered to activate phone after receipt.



End User Enrollment

Company's Enrollment and Reimbursement Process requires confirmation of the following 5 items:

1. Confirms Applicant's Identity. (see government issued picture ID)
2. Confirm program or income eligibility. (see proof or participation or annual household income)
3. Confirm valid residence address and whether the address is permanent/temporary or multi-household. (Validates address via Melissa Data)
4. Confirms applicant is not currently receiving a subsidy from another carrier.
 - Applicant certifies under penalty of perjury.
 - Specifically mentions other providers in certification.
 - Company performs Duplicate Check into an internal and pooled external CGM database, pending national database.
5. CGM confirms applicant received and activated handset or used the phone prior to seeking reimbursement from Universal Service Fund.

SafeTel[®] Annual Recertification

- ▶ On June 1, 2012, SafeTel began re-certifying the eligibility of all its wireline Lifeline customers. This recertification concluded and was filed with USAC and the FCC on January 29, 2013.
- ▶ *SafeTel will continue to re-certify each Lifeline end user annually.*
- ▶ All customers who failed to respond to recertification attempts within 30 days were given an written notice that they had 30 days to confirm their eligibility or were de-enrolled from the Lifeline program.
- ▶ Additionally, SafeTel will follow any state-specific recertification requirements.



Procedures Addressing Waste, Fraud, and Abuse

- ▶ SafeTel Wireless strives for compliance in all policies & procedures surrounding its Lifeline Program.
 - Marketing/Advertising
 - End User Initial Enrollment & Annual Certification
 - Duplicate Detection:
 - CGM Duplicate Database
 - National Database (when operational)
 - Training of Employees and Agents
 - Customer De-Enrollment



QUESTIONS?

Thank You