

Law Offices of Bradford M. Stern, LLC

22 Lakeview Hollow
Cherry Hill, New Jersey 08003

Tel: 856-520-6806
Fax: 856-375-2151
brad@bmssternlaw.com

April 5, 2011

Via eFiling and First Class Mail

Rosemary Chiavetta, Secretary
PA Public Utility Commission
400 North Street, Keystone Bldg., 2nd Fl.
Room N201
Harrisburg, PA 17105-3265

**Re: Petition of Telrite Corporation d/b/a Life Wireless for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania for the Limited Purpose of Offering Lifeline and Link-Up Services to Qualified Households
Docket No. P-2011-2234287**

Dear Secretary Chiavetta:

On behalf of Telrite Corporation d/b/a Life Wireless, enclosed please find an original copy of its Second Supplement to the above-captioned Petition. An electronic copy has been filed through the Commission's eFiling portal.

If you have any questions or require additional information, please feel free to contact me at your convenience.

Sincerely,



Bradford M. Stern

Enclosures

cc: Certificate of Service
Elizabeth Lion Januzzi (via e-mail)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In the Matter of a Petition by Telrite Corporation d/b/a Life Wireless For Designation as an Eligible Telecommunications Carrier in the State of Pennsylvania for the Limited Purposes of Offering Lifeline and Link-Up Services to Qualified Households)	Docket No. P-2011-2234287
)	
)	
)	
)	
)	

SECOND SUPPLEMENT

TO

PETITION OF TELRITE CORPORATION D/B/A LIFE WIRELESS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF PENNSYLVANIA FOR THE LIMITED PURPOSE OF OFFERING LIFELINE AND LINK-UP SERVICES TO QUALIFIED HOUSEHOLDS

Bradford M. Stern (Pa Atty No. 57298)
Law Offices of Bradford M. Stern LLC
22 Lakeview Holw
Cherry Hill, NJ 08003
Tel: 856-520-6806
Fax: 856-375-2151
brad@bmsternlaw.com

and

J. Andrew Gipson, MSB #100792
Margarett A. Johnson, MSB #102552
Jones, Walker, Waechter, Poitevent, Carrère
& Denègre L.L.P
190 E. Capitol Street, Suite 800
Jackson, Mississippi 39205-0427
Telephone: (601) 949-4681
Facsimile: (601) 949-4804
Email: agipson@joneswalker.com
mjohnson@joneswalker.com

*Counsel for Telrite Corporation d/b/a Life
Wireless*

April 5, 2012

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In the Matter of a Petition by Telrite Corporation d/b/a Life Wireless For Designation as an Eligible Telecommunications Carrier in the State of Pennsylvania for the Limited Purposes of Offering Lifeline and Link-Up Services to Qualified Households)	Docket No. P-2011-2234287
)	
)	
)	
)	
)	

SECOND SUPPLEMENT

TO

PETITION OF TELRITE CORPORATION D/B/A LIFE WIRELESS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF PENNSYLVANIA FOR THE LIMITED PURPOSE OF OFFERING LIFELINE AND LINK-UP SERVICES TO QUALIFIED HOUSEHOLDS

Telrite Corporation d/b/a Life Wireless (“Telrite” or the “Company”), by its undersigned counsel, hereby submits to the record of proceeding this verified Second Supplement (“Second Supplement”) to its above-captioned Petition.¹ This Second Supplement is filed in order to respond to the Secretarial Letter issued in this docket dated March 29, 2012, which requests information in light of the FCC’s recent decisions affecting funding support for Lifeline and Link Up services.² In response, the Company submits the following.

¹ Telrite filed its Petition in this proceeding on April 4, 2011, and a Reply Comments and Supplement to Petition on September 2, 2011.

² *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 rel. Feb 6 2012 (“FCC Order”).

Connect America Fund et al., WC Dkt. No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (“USF/ICC Transformation Order and FNPRM”), Order on Reconsideration (rel. Dec. 23, 2011), *pets. for review pending, Direct Commc'ns Cedar Valley, LLC v. FCC*, No. 11-9581 (10th Cir. filed Dec. 8, 2011) (and consolidated cases).

- 1. Please state whether the FCC’s ruling which revised the list of supported services in 47 C.F.R. § 54.101 to exclude directory assistance and operator services, impacts the carrier’s ability to satisfy the “facilities” requirement for ETC designation, under 47 U.S.C. § 214(e) (i.e., confirm whether your services satisfies the new facilities-based requirements).**
- 2. Please explain, in detail, the technical basis by which the carrier satisfies the facilities requirement. Include a diagram indicating how calls are routed through facilities.**

The FCC’s referenced revision to 47 C.F.R. § 54.101 impacts the Company’s ability to satisfy the “facilities” requirement for ETC designation. However, whether the Company can satisfy the requirement is moot because it is seeking the FCC’s forbearance via approval of a filed Compliance Plan, discussed next.³

- 3. If your service does not meet the facilities-based requirements, please confirm you have filed a compliance plan with the FCC in an effort to secure forbearance from the facilities obligation. If you have done so, please file a copy of the compliance plan, and any subsequent FCC order addressing the compliance plan at this docket.**

The Company has filed a Compliance Plan with the FCC in an effort to secure a blanket forbearance from the facilities-based requirements for obtaining ETC designation. A copy of the filed Compliance Plan is provided in the Attachment hereto. The Company will provide the Commission with a copy of any subsequent FCC order addressing the Company’s Compliance Plan.⁴

- 4. Please state whether it is your intent to withdraw your request for ETC designation.**

The Company does not intend to withdraw its request for ETC designation.

³ The Company nevertheless reserves the right to supplement its pleadings with proofs that it has satisfied the facilities requirement pursuant to 47 C.F.R. § 54.101 as its support for ETC designation.

⁴ The Company’s Compliance Plan filed with the FCC is a public document and subject to comment at the FCC, which has determined to treat the filing as a “permit-but-disclose” proceeding in accordance with the FCC’s *ex parte* rules, found at 47 C.F.R. §§ 1.1200 *et seq.* See, *FCC Public Notice DA 12-314*, WC Docket Nos. 09-197, 11-42, Released February 29, 2012.

5. If your petition included Link-Up funding, please explain how you intend to address the loss of link-up reimbursement from the USF fund (i.e., will Link-up fees continue to be charged to customers, or dropped from the service plan).

The Company has determined that it will not charge Lifeline-eligible customers an activation fee, or impose any up-front connection charge to such customers. Loss of Link Up reimbursement from the USF will not affect this policy. Should the Company decide to revise this policy, it will make an appropriate filing with the Commission.

6. Please advise of any other changes or adjustments you plan to make as a result of the FCC Order.

The Company has no plans to make other changes or adjustments as a result of the FCC Order.

All aspects of the Company's Petition, and Reply Comments and Supplement to Petition that are not the subject of or are not superseded, revised, expanded or modified by this Second Supplement to Petition, remain as they are stated in the Petition, and Reply Comments and Supplement to Petition, and remain committed to by the Company.

[REMAINDER OF PAGE LEFT BLANK]

CONCLUSION

Having demonstrated that Telrite satisfies the conditions necessary for designation as an ETC in the Commonwealth of Pennsylvania, and having shown that the public and universal service interests of the telecommunications consumers of the Commonwealth will be properly served, as set forth in its Petition, its Reply Comments and Supplement to Petition, and this Second Supplement to Petition, Telrite respectfully requests that the Commission designate Telrite as an ETC for the provision of low income support on a wireless basis in the Commonwealth of Pennsylvania.

Respectfully submitted,

**TELRITE CORPORATION D/B/A
LIFE WIRELESS**



By: _____

Bradford M. Stern (Pa. Atty. No. 57298)
Law Offices of Bradford M. Stern LLC
22 Lakeview Holw
Cherry Hill, NJ 08003
Tel: 856-520-6806
Fax: 856-375-2151
brad@bmsternlaw.com

J. Andrew Gipson, MSB #100792
Margarett A. Johnson, MSB #102552
Jones, Walker, Waechter, Poitevent, Carrère
& Denègre L.L.P
190 E. Capitol Street, Suite 800
Jackson, Mississippi 39205-0427
Telephone: (601) 949-4681
Facsimile: (601) 949-4804
Email: agipson@joneswalker.com
mjohnson@joneswalker.com

ATTACHMENT

**TELRITE CORPORATION D/B/A LIFE WIRELESS
COMPLIANCE PLAN**

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of	
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
Telrite Corporation	

TELRITE CORPORATION COMPLIANCE PLAN

Telrite Corporation (“Telrite” or the “Company”),¹ through its undersigned counsel, hereby respectfully submits and requests expeditious approval of its Compliance Plan outlining the measures it will take to implement the conditions imposed by the Commission in its *Lifeline Reform Order*.²

The Company commends the Commission’s commitment to a nationwide communications system that promotes the safety and welfare of all Americans, including

¹ The Company hereby also reports its corporate and trade names, identifiers, and its holding company, operating companies and affiliates as: Telrite Corporation (corporate name), Life Wireless (trade name) and Telrite Holdings, LLC (holding company).

² See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report And Order and Further Notice Of Proposed Rulemaking, FCC 12-11 (Feb. 6, 2012) (“*Lifeline Reform Order*”). The Company herein submits the information required by the Compliance Plan Public Notice. See *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197, 11-42, Public Notice, DA 12-314 (rel. Feb. 29, 2012).

Lifeline customers. Telrite will comply with 911 requirements as described below and it is submitting this Compliance Plan in order to qualify for blanket forbearance from the facilities requirement of section 214(e)(1)(A) of the Communications Act and participate as an eligible telecommunications carrier (“ETC”) in the Lifeline program.³

The Company will comply fully with all conditions set forth in the *Lifeline Reform Order*, as well as with the Commission’s Lifeline rules and policies more generally.⁴ This Compliance Plan describes the specific measures that the Company intends to implement to achieve these objectives. Specifically, this Compliance Plan: (1) describes the specific measures that Telrite will take to implement the obligations contained in the *Lifeline Reform Order*, including the procedures the Company follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the low income fund, materials related to initial and ongoing certifications and sample marketing materials; and (2) provides a detailed description of how Telrite offers Lifeline services, the geographic areas in which it offers services, and a detailed description of the Company’s Lifeline service plan offerings.

³ See *Lifeline Reform Order*, ¶ 368. Although the Company qualifies for and seeks to avail itself of the Commission’s grant of forbearance from the facilities requirement of section 214(e)(1)(A) for purposes of the federal Lifeline program, the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state for purposes of state universal service funding under state program rules and requirements.

⁴ In addition, this Compliance Plan is consistent with the compliance plan filed by Cricket Communications, Inc. See Notice of *Ex Parte* Communication of Cricket Communications, Inc., WC Docket No. 09-197 (Sept. 23, 2011) (“Cricket Compliance Plan”). The Wireline Competition Bureau approved the Cricket Compliance Plan on February 7, 2012. See *Telecommunications Carriers Eligible for Universal Service Support, Cricket Communications, Inc. Petition for Forbearance*, WC Docket No. 09-197, Order, DA 12-158 (Feb. 7, 2012).

ACCESS TO 911 AND E911 SERVICES⁵

Pursuant to the *Lifeline Reform Order*, forbearance is conditioned upon the Company: (1) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; and (2) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services.⁶ Telrite will comply with these conditions starting on the effective date of the *Lifeline Reform Order*.

The Company will provide its Lifeline customers with access to 911 and E911 services immediately upon activation of service. The Commission and consumers are hereby assured that all Telrite customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Telrite handsets, even if the account associated with the handset has no minutes remaining.

The Company's existing practices currently provide access to 911 and E911 services for all customers. Telrite uses AT&T as its underlying network provider/carrier. AT&T routes 911 calls from the Company's customers in the same manner as 911 calls from AT&T's own retail customers. To the extent that AT&T is certified in a given PSAP territory, this 911 capability will function the same for the Company. Telrite also currently enables 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active or suspended.

⁵ See Compliance Plan Public Notice at 3.

⁶ See *Lifeline Reform Order*, ¶ 373.

Finally, the Company transmits all 911 calls initiated from any of its handsets even if the account associated with the handset has no remaining minutes.

E911-Compliant Handsets. Telrite will ensure that all handsets used in connection with the Lifeline service offering are E911-compliant. In point of fact, the Company's phones have always been and will continue to be 911 and E911-compliant. The Company uses phones from AT&T that have been through a stringent certification process with AT&T, which ensures that the handset models used meet all 911 and E911 requirements. As a result, any existing customer that qualifies for and elects Lifeline service will already have a 911/E911-compliant handset, which will be confirmed at the time of enrollment in the Lifeline program. Any new customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911/E911-compliant handset as well, free of charge.

COMPLIANCE PLAN

I. PROCEDURES TO ENROLL A SUBSCRIBER IN LIFELINE⁷

A. Policy

Telrite will comply with the uniform eligibility criteria established in new section 54.409 of the Commission's rules (when it becomes effective on June 1, 2012), as well as any additional certification and verification requirements for Lifeline eligibility in states where the Company is designated as an ETC.

Therefore, all subscribers will be required to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of that size; or (2) the household's participation in one of the federal assistance

⁷ See Compliance Plan Public Notice at 3.

programs listed in new sections 54.409(a)(2) or 54.409(a)(3) of the Commission’s rules. In addition, through the certification requirements described below, the Company will confirm that the subscriber is not already receiving a Lifeline service and no one else in the subscriber’s household is subscribed to a Lifeline service.

B. Eligibility Determination

If Telrite cannot determine a prospective subscriber’s eligibility for Lifeline by accessing income databases or program eligibility databases, the Company’s employees or agents (“Company personnel”) will review documentation establishing eligibility pursuant to the Lifeline rules.⁸ All personnel who interact with actual or prospective customers will be trained to assist Lifeline applicants in determining whether they are eligible to participate based on the federal and state-specific income-based and/or program-based criteria. These personnel will be trained to answer questions about Lifeline eligibility, and will review required documentation to determine whether it satisfies the *Lifeline Reform Order* and state-specific eligibility requirements using state-specific checklists.⁹

Proof of Eligibility. Company personnel will be trained on acceptable documentation required to establish income-based and program-based eligibility.¹⁰ Acceptable documentation of program eligibility includes: (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

⁸ See *Lifeline Reform Order*, ¶ 100; sections 54.410(b)(1)(i)(B), 54.410(c)(1)(i)(B); Cricket Compliance Plan at 4.

⁹ See Cricket Compliance Plan at 6.

¹⁰ See *Lifeline Reform Order*, ¶ 101.

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.¹¹

Acceptable documentation of income eligibility includes the prior year's state, federal, or Tribal tax return; current income statement from an employer or paycheck stub; a Social Security statement of benefits; a Veterans Administration statement of benefits; a retirement/pension statement of benefits; an Unemployment/Workmen's Compensation statement of benefits; federal or Tribal notice letter of participation in General Assistance; or a divorce decree, child support award, or other official document containing income information for at least three months time.¹²

Company personnel will examine this documentation for each Lifeline applicant, and will record the type of documentation used to satisfy the income- or program-based criteria.¹³ The Company will not retain a copy of this documentation.¹⁴ Where the Company personnel conclude that proffered documentation is insufficient to establish such eligibility, the Company will deny the associated application and inform the applicant of the reason for such rejection.¹⁵ In the event that Company personnel cannot ascertain whether documentation of a specific type is sufficient to establish an applicant's

¹¹ *Id.* and section 54.410(c)(1)(i)(B).

¹² *See Lifeline Reform Order*, ¶101; section 54.410.(b)(1)(i)(B).

¹³ *See Lifeline Reform Order*, ¶101; sections 54.410(b)(1)(iii), 54.410(c)(1)(iii).

¹⁴ *See Lifeline Reform Order*, ¶101; sections 54.410(b)(1)(ii), 54.410(c)(1)(ii).

¹⁵ *See Cricket Compliance Plan* at 6.

eligibility, the matter will be escalated to supervisory personnel at the Company's corporate offices in Covington, GA.¹⁶

De-Enrollment for Ineligibility. If Telrite has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, the Company will notify the subscriber of impending termination in writing and in compliance with any applicable state dispute resolution procedures applicable to Lifeline termination, and give the subscriber 30 days to demonstrate continued eligibility.¹⁷ A demonstration of eligibility must comply with the annual verification procedures below and found in new rule section 54.410(f), including the submission of a certification form.

C. Subscriber Certifications for Enrollment

The Company will implement certification policies and procedures that enable consumers to demonstrate their eligibility for Lifeline assistance to Company personnel as detailed in the *Lifeline Reform Order*, together with any additional state certification requirements.¹⁸ The Company shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that these procedures will prevent the Company's customers from engaging in such abuse of the program, inadvertently or intentionally.¹⁹ Every applicant will be required to complete an application/certification form containing disclosures, and collecting certain

¹⁶ See *id.*

¹⁷ See *Lifeline Reform Order*, ¶ 143; section 54.405(e)(1).

¹⁸ *Lifeline Reform Order*, ¶ 61; section 54.410(a).

¹⁹ See Cricket Compliance Plan at 3.

information and certifications as discussed below.²⁰ Applicants that do not complete the form in person will be required to return the signed application/certification form to the Company by mail, facsimile, electronic mail or other electronic transmission. In addition, Company personnel will verbally explain the certifications to consumers when they are enrolling in person or over the phone.²¹

Disclosures. The Company's application and certification forms will include the following disclosures: (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 applicant's de-enrollment from the program; and (6) Lifeline is a non-transferable benefit and the applicant may not transfer his or her benefit to any other person.²²

Applications and certification forms will also state that: (1) the service is a Lifeline service, (2) Lifeline is a government assistance program, and (3) only eligible consumers may enroll in the program.²³

²⁰ See Model Application/Certification Form, included as Exhibit A. See Compliance Plan Public Notice at 3.

²¹ See *Lifeline Reform Order*, ¶ 123.

²² See *id.*, ¶ 121; section 54.410(d)(1).

²³ See section 54.405(c).

In addition, Telrite will notify the applicant that the prepaid service must be personally activated by the subscriber and the service will be deactivated and the subscriber de-enrolled if the subscriber does not use the service for 60 days.²⁴

Information Collection. The Company will also collect the following information from the applicant in the application/certification form: (1) the applicant's full name;²⁵ (2) the applicant's full residential address (P.O. Box is not sufficient²⁶); (3) whether the applicant's residential address is permanent or temporary; (4) the applicant's billing address, if different from the applicant's residential address; (5) the applicant's date of birth; (6) the last four digits of the applicant's Social Security number (or the applicant's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a Social Security number); (7) if the applicant is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the applicant, his or her dependents, or his or her household receives benefits;²⁷ and (8) if the applicant is seeking to qualify for Lifeline under the income-based criterion, the number of individuals in his or her household.²⁸

Applicant Certification. Consistent with new rule section 54.410(d)(3), the Company will require the applicant to certify, under penalty of perjury, in writing or by electronic signature or interactive voice response recording,²⁹ the following: (1) the applicant meets the income-based or program-based eligibility criteria for receiving

²⁴ See *Lifeline Reform Order*, ¶ 257.

²⁵ See Cricket Compliance Plan at 4.

²⁶ See *Lifeline Reform Order*, ¶ 87.

²⁷ See Cricket Compliance Plan at 4.

²⁸ See section 54.410(d)(2). See Cricket Compliance Plan at 4.

²⁹ See *Lifeline Reform Order*, ¶¶ 168-69; section 54.419.

Lifeline; (2) the applicant will notify the Company 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 applicant is receiving more than one Lifeline benefit, or another member of the applicant's household is receiving a Lifeline benefit; (3) if the applicant is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands; (4) if the applicant moves to a new address, he or she will provide that new address to the Company within 30 days; (5) if the applicant provided a temporary residential address to the Company, the applicant will be required to verify his or her temporary residential address every 90 days; (6) the applicant's household will receive only one Lifeline service and, to the best of the applicant's knowledge, the applicant's household is not already receiving a Lifeline service;³⁰ (7) the information contained in the applicant's certification form is true and correct to the best of the applicant's knowledge;³¹ (8) the applicant acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and (9) the applicant acknowledges that the applicant may be required to re-certify his or her continued eligibility for Lifeline at any time, and the applicant's failure to re-certify as to the applicant's continued eligibility will result in de-enrollment and the termination of the applicant's Lifeline benefits pursuant to the de-enrollment policy included below and in the Commission's rules.

In addition, the applicant will be required to authorize the Company to access any records required to verify the applicant's statements on the application/certification form

³⁰ See Cricket Compliance Plan at 4.

³¹ See *id.* at 5.

and to confirm the applicant's eligibility for the Company Lifeline credit.³² The applicant must also authorize the Company to release any records required for the administration of the Company Lifeline credit program, including to USAC to be used in a Lifeline program database.³³

D. Annual Verification Procedures

Telrite will annually re-certify all subscribers by querying the appropriate eligibility databases or obtaining a signed certification from each subscriber consistent with the certification requirements above and new section 54.410(d) of the Commission's rules. This certification will include a confirmation that the applicant's household will receive only one Lifeline service and, to the best of the subscriber's knowledge, the subscriber's household is receiving no more than one Lifeline service.³⁴ The Company will notify each participating Lifeline customer annually that he or she must confirm his or her continued eligibility in accordance with the applicable requirements.³⁵ Further, the verification materials will inform the subscriber that he or she is being contacted to re-certify his or her continuing eligibility for Lifeline and if the subscriber fails to respond, he or she will be de-enrolled in the program.³⁶

³² See *id.* at 5.

³³ See Section 54.404(b)(9). The application/certification form will also describe the information that will be transmitted, that the information is being transmitted to USAC 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. See *id.* See also Cricket Compliance Plan at 5.

³⁴ See *Lifeline Reform Order*, ¶ 120 and Cricket Compliance Plan at 8.

³⁵ See Cricket Compliance Plan at 8.

³⁶ See *Lifeline Reform Order*, ¶ 145.

2012 Verification. Telrite will re-certify the eligibility of each of its existing subscribers as of June 1, 2012 on a rolling basis by the end of 2012 and report the results to USAC by January 31, 2013.³⁷ The Company will contact its subscribers via text message to their Lifeline supported telephone, or by mail, phone, email or other Internet communication. The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company.

Verification De-Enrollment. Telrite will de-enroll subscribers that do not respond to the annual verification or fail to provide the required certification.³⁸ The Company will give subscribers 30 days to respond to the annual verification inquiry. If the subscriber does not respond, the Company will send a separate written notice explaining that failure to respond within 30 days will result in the subscriber's de-enrollment from the Lifeline program. If the subscriber does not respond within 30 days, the Company will de-enroll the subscriber within five business days.

E. Activation and Non-Usage

Telrite will not consider a prepaid subscriber activated, and will not seek reimbursement for Lifeline for that subscriber, until the subscriber activates the Company's prepaid service by a method established by Telrite. For activation of a handset provided to a new customer at an event or "in the field", successful applicants are provided a functioning handset and instructed to dial 770-200-1000 to complete the activation process. Such calls are free of charge to the applicant. To activate a handset

³⁷ See *Lifeline Reform Order*, ¶ 130.

³⁸ See *id.*, ¶ 142; section 54.54.405(e)(4).

provided to a successful applicant by mail, upon receipt of the handset, the applicant must contact Telrite customer service at 888-543-3620 or 888-543-3640 to activate the service. The customer must verify account details including the customer name and service address. The customer must also verify that he or she ordered the Lifeline service.

In addition, after service activation, the Company will provide a de-enrollment notice to subscribers that have not used their service for 60 days. After 60 days of non-use, Telrite will provide notice to the subscriber that failure to use the Lifeline service within a 30-day notice period will result in de-enrollment.³⁹ Subscribers can “use” the service by: (1) completing an outbound call; (2) purchasing minutes from the Company to add to the subscriber’s plan; (3) answering an incoming call from a party other than the Company; or (4) responding to a direct contact from the Company and confirming that the subscriber wants to continue receiving the service.⁴⁰

If the subscriber does not respond to the notice, the subscriber will be de-enrolled and Telrite will not request further Lifeline reimbursement for the subscriber. The Company will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.⁴¹

F. Additional Measures to Prevent Waste, Fraud and Abuse

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, the

³⁹ See *Lifeline Reform Order*, ¶ 257; section 54.405(e)(3). See Cricket Compliance Plan at 2 (stating that it did not need to implement a non-usage policy because it offered only plans with unlimited local and long distance calling).

⁴⁰ See *Lifeline Reform Order*, ¶ 261; section 54.407(c)(2).

⁴¹ See *Lifeline Reform Order*, ¶ 257; section 54.405(e)(3).

Company will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence.⁴²

In addition to checking the database when it becomes available, Company personnel will emphasize the “one Lifeline phone per household” restriction in their direct sales contacts with potential customers.⁴³ Training materials will include a discussion of the limitation to one Lifeline phone per household, and the need to ensure that the customer is informed of this restriction.⁴⁴ All Company personnel interacting with existing and potential Lifeline customers will undergo training regarding the eligibility and certification requirements in the *Lifeline Reform Order* and this Compliance Plan. New Company personnel undergo an initial mandatory training session where they are given training materials, a field training manual and a compliance manual, as well as shown visual examples of documents acceptable to demonstrate eligibility for the Lifeline program. These training documents are being updated to reflect the requirements of the Lifeline Reform Order and this Compliance Plan, and they will be provided to existing Company personnel.

Database. When the National Lifeline Accountability Database (“National Database”) becomes available, Telrite will comply with the requirements of new rule section 54.404. The Company will query the National Database to determine whether a prospective subscriber is currently receiving a Lifeline service from another ETC and

⁴² See Cricket Compliance Plan at 9.

⁴³ See *id.* at 6, 9.

⁴⁴ See *id.*

whether anyone else living at the prospective subscriber's residential address is currently receiving Lifeline service.⁴⁵

One-Per-Household. Telrite will implement the requirements of the *Lifeline Reform Order* to ensure that it provides only one Lifeline benefit per household⁴⁶ through the use of its application and certification forms discussed above, internal database checks and its marketing materials discussed below. Upon receiving an application for the Company's Lifeline service, Telrite validates and normalizes the address provided via the MELISSA database and then the name, address, date of birth and last four digits of the Social Security number are entered into Telrite's internal duplicate database to ensure that it does not already provide Lifeline-supported service to that individual or another person at the same address.⁴⁷ If so, and the applicant lives at an address with multiple households, the Company will require the applicant to complete and submit a written USAC document containing the following: (1) an explanation of the Commission's one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she

⁴⁵ See *Lifeline Reform Order*, ¶ 203. Company will also transmit to the National Database the information required for each new and existing Lifeline subscriber. See *id.*, ¶¶ 189-195; section 54.404(b)(6). Further, Company will update each subscriber's information in the National Database within ten business days of any change, except for de-enrollment, which will be transmitted within one business day. See section 54.404(b)(8),(10).

⁴⁶ A "household" is any individual or group of individuals who are living together at the same address as one economic unit. A household may include related and unrelated persons. An "economic unit" consists of all adult individuals contributing to and sharing in the income and expenses of a household. An adult is any person eighteen years or older. If an adult has no or minimal income, and lives with someone who provides financial support to him/her, both people shall be considered part of the same household. Children under the age of eighteen living with their parents or guardians are considered to be part of the same household as their parents or guardians. See *Lifeline Reform Order*, ¶ 74; section 54.400(h).

⁴⁷ See *Lifeline Reform Order*, ¶ 78 and See Cricket Compliance Plan at 7.

lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant's household and share in the household's expenses or benefit from the applicant's income, pursuant to the Commission's definition; and (4) the penalty for a consumer's failure to make the required one-per-household certification (*i.e.*, de-enrollment).⁴⁸ Further, if a subscriber provides a temporary address on his or her application/certification form collected as described above, the Company will verify with the subscriber every 90 days that the subscriber continues to rely on that address.⁴⁹

Finally, Company personnel will inform each Lifeline applicant that he or she may be receiving Lifeline support under another name, and facilitate the applicant's understanding of what constitutes "Lifeline-supported services," and ability to determine whether he or she is already benefiting from Lifeline support, by informing the consumer that all Lifeline services may not be currently marketed under the name Lifeline.

Marketing Materials. Within the deadline provided in the *Lifeline Reform Order*, the Company will include the following information regarding its Lifeline service on all marketing materials describing the service: (1) it is a Lifeline service,⁵⁰ (2) Lifeline is a government assistance program, (3) the service is non-transferable, (4) only eligible consumers may enroll in the program, (5) the program is limited to one discount per household; (6) what documentation is necessary for enrollment;⁵¹ (7) Telrite's name (the ETC); and (8) consumers who willfully make a false statement in order to obtain the

⁴⁸ *See id.*

⁴⁹ *See Lifeline Reform Order*, ¶ 89.

⁵⁰ *See id.* at 4.

⁵¹ *See id.*

Lifeline benefit can be punished by fine or imprisonment or can be barred from the program.⁵² These statements will be included in all print, audio video and web materials (including social networking media) used to describe or enroll customers in the Company's Lifeline service offering, as well as the Company's application forms and certification forms.⁵³ This specifically includes the Company's website (www.lifewireless.com) and outdoor signage.⁵⁴ A sample of the Company's marketing materials is included as Exhibit B.

G. Company Reimbursements From the Fund

To ensure that the Company does not seek reimbursement from the Fund without a subscriber's consent, Telrite will certify, as part of each reimbursement request, that it is in compliance with all of the Commission's Lifeline rules and, to the extent required, has obtained valid certification and verification forms from each of the subscribers for whom it is seeking reimbursement.⁵⁵ Further, the Company will transition the submission of its FCC Forms 497 to the eighth day of each month in order to be reimbursed the same month, and inform USAC, to the extent necessary, to transition its reimbursement process to actual claims rather than projected claims over the course of more than one month.⁵⁶ In addition, the Company will keep accurate records as directed by USAC⁵⁷ and as required by new section 54.417 of the Commission's rules.

⁵² See *Lifeline Reform Order*, ¶ 275; section 54.405(c).

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ See *Lifeline Reform Order*, ¶ 128; section 54.407(d).

⁵⁶ See *Lifeline Reform Order*, ¶¶ 302-306.

⁵⁷ See *id.*

H. Annual Company Certifications

Telrite will submit an annual certification to USAC, signed by a Company officer under penalty of perjury, that the Company: (1) has policies and procedures in place to review consumers' documentation of income- and program-based eligibility and ensure that its Lifeline subscribers are eligible to receive Lifeline services;⁵⁸ (2) is in compliance with all federal Lifeline certification procedures;⁵⁹ and (3) has obtained a valid certification form for each subscriber for whom the carrier seeks Lifeline reimbursement.⁶⁰

In addition, the Company will provide the results of its annual re-certifications/verifications on an annual basis to the Commission, USAC, the applicable state commission and the relevant Tribal governments (for subscribers residing on Tribal lands).⁶¹ Further, as discussed above, the Company will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.⁶²

The Company will also annually report to the Commission, USAC, and relevant state commissions and the relevant authority in a U.S. territory or Tribal government as appropriate,⁶³ the company name, names of the company's holding company, operating companies and affiliates, and any branding (such as a "dba" or brand designation) as well as relevant universal service identifiers for each entity by Study Area Code.⁶⁴ The

⁵⁸ See *id.*, ¶ 126; section 54.416(a)(1).

⁵⁹ See *Lifeline Reform Order*, ¶ 127; section 54.416(a)(2).

⁶⁰ See section 54.416(a)(3).

⁶¹ See *Lifeline Reform Order*, ¶¶ 132,148; section 54.416(b).

⁶² See *Lifeline Reform Order*, ¶ 257; section 54.405(e)(3).

⁶³ See *Lifeline Reform Order*, section 54.422(c).

⁶⁴ See *Lifeline Reform Order*, ¶¶ 296, 390; section 54.422(a).

Company will report annually information regarding the terms and conditions of its Lifeline plans for voice telephony service offered specifically for low income consumers during the previous year, including the number of minutes provided and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.⁶⁵ Finally, the Company will annually provide detailed information regarding service outages in the previous year, the number of complaints received and certification of compliance with applicable service quality standards and consumer protection rules, as well as a certification that the Company is able to function in emergency situations.⁶⁶

I. Cooperation with State and Federal Regulators

The Company has cooperated and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse. More specifically, the Company will:

- Make available state-specific subscriber data, including the names and addresses of Lifeline subscribers, to USAC and to each state public utilities commission where the Company operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier;⁶⁷
- Assist the Commission, USAC, state commissions, and other ETCs in resolving instances of duplicative enrollment by Lifeline subscribers, including by providing to USAC and/or any state commission, upon request, the necessary information to detect and resolve duplicative Lifeline claims;
- Promptly investigate any notification that it receives from the Commission, USAC, or a state commission to the effect that one of its customers already receives Lifeline services from another carrier; and

⁶⁵ See *Lifeline Reform Order*, ¶ 390; section 54.422(b)(5).

⁶⁶ See *Lifeline Reform Order*, ¶ 389; section 54.422(b)(1)-(4).

⁶⁷ The Company anticipates that the need to provide such information will sunset following the implementation of the national duplicates database.

- Immediately de-enroll any subscriber whom the Company has a reasonable basis to believe⁶⁸ is receiving Lifeline-supported service from another ETC or is no longer eligible – whether or not such information is provided by the Commission, USAC, or a state commission.⁶⁹

II. Description of Lifeline Service Offerings⁷⁰

Telrite will offer its Lifeline service in the states where it is designated as an ETC⁷¹ and throughout the coverage area of its underlying provider AT&T. The Company's Lifeline offering in Rhode Island, Puerto Rico, Missouri, Georgia and Minnesota provides customers with their choice of 68, 125 or 250 anytime prepaid minutes per month at no charge. Minutes do not expire for the 68 and 125 minute plans and unused minutes are rolled over to the next month. Unused minutes for the 250 minute plan do not roll over. Text messaging is available at the rate of:

- 68 Minute Plan: 1/3 minute (*i.e.*, 3 SMS texts per voice minute)
- 125 Minute Plan: 1/2 minute (*i.e.*, 2 SMS texts per voice minute)
- 250 Minute Plan 1 minute (*i.e.*, 1 SMS per voice minute)

Telrite's Lifeline offering in Illinois includes 100 anytime prepaid minutes per month at no charge with rollover. Telrite's offering in Arkansas, Louisiana, West Virginia and Maryland current includes 68 anytime prepaid minutes per month at no

⁶⁸ See section 54.405(e)(1).

⁶⁹ See Cricket Compliance Plan at 10.

⁷⁰ See Compliance Plan Public Notice at 3.

⁷¹ The Company is currently designated as an ETC in Arkansas, Illinois, Louisiana, West Virginia, Rhode Island, Puerto Rico, Missouri, Maryland, Georgia & Minnesota.

charge with rollover,⁷² however, Telrite is exploring its options to convert its Lifeline offering in these states to the three-option plan described above.

Lifeline customers can purchase additional bundles of minutes in denominations of \$10.00, \$25.00, \$7.95, \$12.95, \$21.49 and \$29.95. Airtime, when used for standard cellular calls, is valued at and will be decremented at the following rates:

- 1) \$10.00 denomination - \$0.099 per minute of use;
- 2) \$25.00 denomination - \$0.0708 per minute of use;
- 3) \$7.95 denomination - 3 day Unlimited Talk and SMS;
- 4) \$12.95 denomination - 1 week Unlimited Talk and SMS;
- 5) \$21.95 denomination – 2 weeks Unlimited Talk and SMS;
- 6) \$29.95 denomination – 1 month Unlimited Talk and SMS;

Airtime “top-up” minutes are available for purchase at the Company’s retail locations, through any Money Gram location and on the Company’s website.⁷³ Additional information regarding the Company’s plans, rates and services can be found on its website: www.lifewireless.com.

In addition to free voice services, Telrite’s Lifeline plan will include a free handset and custom calling features at no charge, including Caller ID, Call Waiting, Call Forwarding, 3-Way Calling, Voice Mail, No Roaming charges and free access to Customer Care by dialing 611 from customers’ Life Wireless handset or by dialing 1-888-543-3620 from any wireline phone. All plans include domestic long-distance at no extra per minute charge. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes.

⁷² Text messaging is available at the rate of 3 SMS texts per voice minute for the current offerings in Illinois, Arkansas, Louisiana, West Virginia and Maryland.

⁷³ Top-up minutes are provided using the PureTalk USA and Pure Unlimited brands, by Puretalk Holdings, LLC, a sister company of Telrite with common ownership, though not technically an affiliate.

III. Demonstration of Financial and Technical Capabilities and Certifications Required for ETC Designation⁷⁴

Financial and Technical Capabilities. Revised Commission rule 54.202(a)(4), 47 C.F.R. 54.202(a)(4), requires carriers petitioning for ETC designation to demonstrate financial and technical capability to comply with the Commission's Lifeline service requirements.⁷⁵ The Compliance Plan Public Notice requires that carriers' compliance plan include this demonstration. Among the factors the Commission will consider are: a carrier's prior offering of service to non-Lifeline subscribers, the length of time the carrier has been in business, whether the carrier relies exclusively on Lifeline reimbursement to operate, whether the carrier receives revenues from other sources and whether the carrier has been the subject of an enforcement action or ETC revocation proceeding.

Telrite has been offering Lifeline service to customers since October, 2010. Telrite also offers several other telecommunication services in addition to its Lifeline service. In 2011, the wireline services offered by Telrite produced substantial net income. This revenue was generated from more than 30,000 customers of Telrite's local and long distance service, which Telrite has been providing for over 10 years. In sum, Telrite has access to sufficient funds to run its business and is not solely dependent on reimbursements from the Fund. The Company has not been subject to enforcement sanctions or ETC revocation proceedings in any state.

Service Requirements Applicable to the Company's Support. The Compliance Plan Public Notice requires carriers to include "certifications required under newly

⁷⁴ See Compliance Plan Public Notice at 3.

⁷⁵ See *Lifeline Reform Order*, ¶¶ 387-388 (revising Commission rule 54.202(a)(4)).

amended section 54.202 of the Commission's rules."⁷⁶ Telrite certifies that it will comply with the service requirements applicable to the support the Company receives.⁷⁷ Telrite provides all of the telecommunications service supported by the Lifeline program and will make the services available to all qualified consumers throughout the states in which it is designated as an ETC. The Company's services include voice telephony services that provide voice grade access to the public switched network or its functional equivalent. Further, the Company's service offerings provide its customers with minutes of use for local service at no charge to the customer. The Company will offer a set number of minutes of local exchange service free of charge to its subscribers. Telrite's current Lifeline offerings include packages in Section II *supra* that can be used for local and domestic toll service.

The Company also will provide access to emergency services provided by local government or public safety officials, including 911 and E911 where available and will comply with any Commission requirements regarding E911-compatible handsets. As discussed above, the Company will comply with the Commission's forbearance grant conditions relating to the provision of 911 and E911 services and handsets.

Finally, Telrite will not provide toll limitation service ("TLS"), which allows low income consumers to avoid unexpected toll charges. However, since the Company is a prepaid service provider, customers cannot be disconnected for failure to pay toll charges, nor are there additional charges for exceeding their minutes. Further, the Company, like most wireless carriers, does not differentiate domestic long distance toll usage from local usage and all usage is paid for in advance. Pursuant to the *Lifeline Reform Order*,

⁷⁶ Compliance Plan Public Notice at 3.

⁷⁷ 47 C.F.R. § 54.202(a)(1).

subscribers to such services are not considered to have voluntarily elected to receive TLS.⁷⁸

IV. Conclusion

Telrite submits that its Compliance Plan fully satisfies the conditions set forth in the Commission's *Lifeline Reform Order*, the Compliance Plan Public Notice and the Lifeline rules. Accordingly, the Company respectfully requests that the Commission expeditiously approve its Compliance Plan.

Respectfully submitted,



John J. Heitmann
Joshua T. Guyan
Kelley Drye & Warren, LLP
3050 K Street, NW
Suite 400
Washington, D.C. 20007
(202) 342-8544

Counsel to Telrite Corporation

March 12, 2012

⁷⁸ See *Lifeline Reform Order*, ¶ 230.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**


**In the Matter of a Petition by Telrite)
Corporation d/b/a Life Wireless For)
Designation as an Eligible Telecommunications)
Carrier in the State of Pennsylvania for the)
Limited Purposes of Offering Lifeline and)
Link-Up Services to Qualified Households)**

Docket No. P-2011-2234287

VERIFICATION

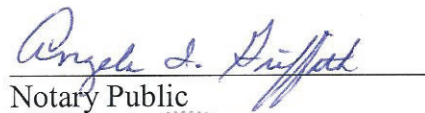
I, Brian Lisle, first being duly sworn, hereby state that I am the President of Telrite Corporation d/b/a Life Wireless (the "Company") and that I am authorized to make this verification on behalf of the Company.

I hereby state that the facts regarding the Company that are set forth in the foregoing Second Supplement to the above-caption Petition are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



Brian Lisle

Subscribed and sworn before me this 5th day of April, 2012



Notary Public

Notary Public, Cobb County, Georgia
My Commission Expires July 2, 2015



**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In the Matter of a Petition by Telrite)	Docket No. P-2011-2234287
Corporation d/b/a Life Wireless For)	
Designation as an Eligible Telecommunications)	
Carrier in the State of Pennsylvania for the)	
Limited Purposes of Offering Lifeline and)	
Link-Up Services to Qualified Households)	

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of April 2012, copies of the foregoing Second Supplement to Petition have been served upon the persons or organizations listed below via First Class U.S. Mail in accordance with the requirements of 52 Pa. Code Sections 1.54 and 1.55.

Barrett C. Sheridan
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Johnnie E. Simms, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

William R. Lloyd, Jr.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101



Bradford M. Stern