

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

In the Matter of :
: WC Docket No. 11-42
Lifeline and Link-Up Reform :
and Modernization :

**COMMENTS
SUBMITTED ON BEHALF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO**

INTRODUCTION

On June 28, 2013, a coalition of wireless Lifeline service providers¹ (the Coalition) filed a petition with the Federal Communications Commission (FCC) requesting that the FCC initiate a rulemaking proceeding to address fraud and abuse in the Lifeline programs.² To this end, the Coalition offers many reforms that it believes will complement the Lifeline reform efforts previously undertaken by the FCC. These reforms include, among other things, requiring photo identification during the enrollment process, retaining copies of a Lifeline subscriber's identification and proof of eligibility, requiring access to live customer service representatives during reasonable and posted

¹ The Lifeline Reform 2.0 Coalition presently consists of Boomerang Wireless, LLC, Blue Jay Wireless, LLC, Global Connection Inc. of America, i-wireless LLC and Telrite Corporation.

² *Petition for Rulemaking to Further Reform the Lifeline Program* et al. at 1, Petition for Rulemaking, WC Docket Nos. 11-42, *et al.*, CC Docket No. 96-45 (filed June 28, 2013) (*Coalition Petition*).

hours, and conducting comprehensive biennial audits of all eligible telecommunications carriers.³ On July 15, 2013, the FCC's Wireline Competition Bureau released a public notice seeking comment on the Coalition's petition.⁴ The Public Utilities Commission of Ohio (Ohio Commission) believes that the Coalition's petition must be considered in conjunction with the reforms recently proposed by TracFone Wireless, Inc. in a May 15, 2013 petition filed with the FCC.⁵ The Ohio Commission is pleased to submit comments for the FCC's consideration.

DISCUSSION

The Ohio Commission strongly believes that further elimination of waste, fraud and abuse in the Lifeline program is a laudable goal and it encourages the FCC to continue to aggressively work toward this end. While the Ohio Commission believes that the FCC's recertification procedures, which went into effect this year, are effective as a post-enrollment or "back-end" means of guarding against waste, fraud and abuse, these procedures are not sufficient, by themselves, to protect the integrity of the Lifeline program. In Ohio, approximately 300,000 Lifeline subscribers were removed from the

³ *Coalition Petition* at Executive Summary, 1-3.

⁴ *In the Matter of Lifeline and Link-Up Reform and Modernization*, WC Docket No. 11-42 (Public Notice) (rel. July 15, 2013).

⁵ *See Petition for Rulemaking to Prohibit In-Person Distribution of Handsets to Prospective Lifeline Customers; Lifeline and Link Up Reform and Modernization* et al., Petition for Rulemaking, WC Docket Nos. 11-42, et al., CC Docket No. 96-45 (filed May 13, 2013) (*TracFone Petition*). In its petition, TracFone proposed amendments to the FCC's Lifeline rules that would prevent in-person distribution of wireless handsets to prospective Lifeline subscribers.

Lifeline program as a result of the recertification process.⁶ This significant reduction in the Lifeline rolls by approximately one-third in Ohio demonstrates that the recertification process is effective. However, the Ohio Commission believes that a more proactive (rather than reactive) approach on the front end to ensure that those ineligible for Lifeline are not enrolled at all is both more efficient and effective to prevent ineligible subscribers from receiving any benefits to which they are not entitled.

The Coalition petition, as well as the TracFone petition, has proposed reforms intended to prevent waste, fraud and abuse at the time of enrollment. The Ohio Commission believes that both proposals merit the FCC's studied consideration. Clearly, each proposal serves the business interests of the companies proposing them and, as such, the proposals may be viewed as mutually exclusive. Certainly, there are areas where the two proposals will never be reconciled such as with TracFone's primary proposal to eliminate in-person distribution of handsets. Nonetheless, there may be areas of limited agreement. For instance, both the Coalition and TracFone express concern over the negative light in which the Lifeline program has recently been cast.⁷ Accordingly, both recognize the need for further reforms that provide additional safeguards against waste, fraud and abuse.⁸ To this end, both agree that ETCs should be required to retain copies

⁶ In Ohio, 995,759 Lifeline subscribers were contacted as part of the recertification process. Of these, 335,128 or 33.7% were removed from the Lifeline program following recertification. The Ohio Commission recognizes that in addition to those who were never eligible for Lifeline service, this number also includes those subscribers who became ineligible for Lifeline after enrollment and those subscribers who failed to respond to the recertification notice.

⁷ See *Coalition Petition* at 3-4, 6; see *TracFone Petition* at 1, 3-4.

⁸ See *Coalition Petition* at 4; see *TracFone Petition* at 4.

of all eligibility documentation obtained from prospective Lifeline subscribers at the time of enrollment rather than destroy this documentation as required under the current rule.⁹

The Ohio Commission does not submit these comments for the purpose of comparing and contrasting the petitions or to insinuate that there is agreement where there is not, but, rather, to make the point that the FCC should not view its consideration of these petitions as an “either-or” proposition. The Ohio Commission believes that, like itself, the FCC wishes to see a further reduction of waste, fraud and abuse within the Lifeline program. As previously noted, the results of the first annual recertification process demonstrate that additional reforms are needed to achieve this objective. As such, the Ohio Commission encourages the FCC to grant the petitioners’ requests to undertake a rulemaking to consider additional rules to further protect the integrity of the Lifeline program. Further, in the view of the Ohio Commission, the FCC should consider each proposed reform to ensure the best assemblage of reforms --particularly reforms pertaining to enrollment – that reflect industry and stakeholder consensus as to the best means of developing a more effective Lifeline program.

CONCLUSION

The Ohio Commission appreciates the efforts that the FCC has already undertaken to prevent waste, fraud and abuse within the Lifeline program. The Ohio Commission believes that more can and should be done, particularly at the time of enrollment, to

⁹ See *Coalition Petition* at 4-7; see *TracFone Petition* at 4 citing TracFone’s May 30, 2012 *Supplement to Petition for Reconsideration and Emergency Petition to Require Retention of Program-Based Eligibility Documentation* filed in WC Docket No. 11-42 *et al.*

further protect and preserve the Lifeline program. Accordingly, the Ohio Commission encourages the FCC to grant the Coalition's petition to initiate a rulemaking to adopt rules toward this end. The Ohio Commission believes that the reforms proposed by the Coalition deserve the FCC's consideration, but should be considered individually along with any other reform proposals to develop the best possible amendments to the current Lifeline rules. The Ohio Commission appreciates the opportunity to provide its thoughts and recommendations for the FCC's studied consideration.

Respectfully submitted,

/s/William L. Wright

William L. Wright

180 East Broad Street, 6th Floor

Columbus, OH 43215-3793

614.466.4397 (telephone)

614.644.8764 (fax)

william.wright@puc.state.oh.us

On behalf of

The Public Utilities Commission of Ohio

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Summary: Comments submitted to the Federal Communications Commission on August 14, 2013 by Assistant Attorney General William Wright on behalf of the Public Utilities Commission of Ohio to be filed in WC Docket No. 11-42, In the Matter of Lifeline and Link-Up Reform and Modernization. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio