

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Resolution of Certain)	Docket No. 10-2528-01
Issues Related to the Designation of a)	
Common Carrier as an Eligible)	I-WIRELESS, LLC MOTION
Telecommunications Carrier)	FOR EXTENSION OF TIME
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**I-WIRELESS, LLC MOTION FOR EXTENSION OF TIME
TO COMPLY WITH INTERIM COMPLIANCE PROCESSES**

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I. INTRODUCTION

i-wireless, LLC (“i-wireless” or the “Company”), by its undersigned counsel, and pursuant to the rules and regulations of the Public Service Commission of Utah (the “Commission”), hereby submits this Motion for extension of time to comply with the interim compliance processes developed in the Commission’s Notice of Interim Compliance Processes (the “Notice”) issued December 20, 2013 in the above-referenced docket (“Motion”). i-wireless was designated as an Eligible Telecommunications Carrier (“ETC”) in the State of Utah by Order issued June 29, 2011 in Docket No. 10-2526-01. i-wireless is a federal, Lifeline-only ETC and is not eligible to participate in Utah’s state universal service fund.

Grant of the Company’s Motion would advance the public interest because it would enable the Company to continue providing much-needed Lifeline service to eligible low-income Utah residents, while at the same time allowing the Company time to come into compliance with the newly-adopted interim compliance processes in Utah. Accordingly, the Company respectfully requests that the Commission expeditiously approve this Motion for extension of time.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Motion should be addressed to:

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II. BACKGROUND

A. Company Overview

i-wireless is a North Carolina Limited Liability Company with its principal office located at 1 Levee Way, Suite 3104, Newport, Kentucky 41071. i-wireless is a provider of commercial mobile radio service (“CMRS”) throughout the United States and provides prepaid wireless telecommunications services to consumers by using the Sprint Spectrum, L.P. (“Sprint”) network on a wholesale basis. i-wireless obtains from Sprint the network infrastructure and wireless transmission facilities to allow the Company to operate as a Mobile Virtual Network Operator (“MVNO”). i-wireless has been designated as an ETC by state public utility commissions in Arkansas, Arizona, Colorado, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, Ohio, South Carolina, Texas, Utah, Washington, West Virginia, and Wisconsin, and by the FCC for the states of Alabama, Connecticut, Delaware, District of Columbia, Florida, New Hampshire, New York, North Carolina, Tennessee, and Virginia.¹ i-wireless currently operates as an ETC and has Lifeline customers in Utah.

i-wireless’ prepaid wireless services are affordable, easy-to-use, and attractive to budget conscious and low-income consumers, providing them with access to emergency services and a

¹ See *In the Matter of Federal-State Joint Board on Universal Service, i-wireless, LLC Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, North Carolina, New York, Tennessee, the Commonwealth of Virginia, and the District of Columbia*, WC Docket No. 09-197, Order, DA 12-934 (rel. June 13, 2012).

reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. i-wireless offers consumers a variety of simple and affordable prepaid calling plans, easy-to-use handsets, and high-quality customer service. i-wireless does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service. By providing affordable wireless plans and quality customer service to consumers who were otherwise unable to afford them, or were previously ignored by traditional carriers, i-wireless has expanded the availability of wireless services to many more consumers, which is the principal reason that Congress created the universal service program.

B. i-wireless Enrollment Processes

As a federal-only ETC in Utah, i-wireless (not a state administrator or agency) has been responsible for determining the initial eligibility of its Lifeline applicants, and has not had access to a state eligibility database in Utah. Therefore, in Utah, as in other states where i-wireless is the party responsible for determining eligibility, i-wireless has followed a strict and comprehensive Lifeline enrollment process in compliance with the Company's FCC-approved Compliance Plan, as well as with applicable federal and state rules. During the enrollment process, i-wireless collects the information and certifications required by federal rules (47 C.F.R. § 54.410), and reviews documentation from the applicant establishing proof that the applicant meets either the program or income-based Lifeline eligibility criteria. Furthermore, i-wireless employs numerous duplicate and fraud prevention techniques that meet and exceed federal Lifeline rule requirements. These include:

- Capturing an image of a valid form of state-issued ID to confirm consumer identity
- Capturing an image of qualifying program participation to facilitate compliance review (purged upon completion per FCC rule)

- Naming other Lifeline service providers at the time of enrollment to facilitate customers' understanding of the one benefit per household restriction
- Conducting an internal review of every enrollment prior to inclusion on any FCC Form 497, including confirmation that the spelling of the name and date of birth on the proof of ID match the information included on the Lifeline enrollment form
- Providing access to live customer care service representatives during specified business hours via 611 (with no decrement of airtime) and a toll-free number
- Conducting thorough and extensive training of all field representatives, including: "no-notice" onsite field audits (5-10 per month), routine "photo audits" to verify activities and systematic analysis of enrollment data anomalies
- Voluntarily participating in CGM LLC's pre-enrollment Intercompany Duplicates Database which has prevented over 300,000 duplicate enrollment attempts over the previous 15 months, resulting in approximately \$15 million in savings to the Universal Service Fund

In accordance with federal rules, i-wireless has been collecting only the last four digits of an applicant's social security number ("SSN"). Before the Notice, i-wireless had not been notified to or required to obtain the full SSN of Utah subscribers.

C. Utah Interim Compliance Processes

i-wireless applauds the Commission's progress towards a state database solution for eligibility verification that is available to wireless ETCs; however, the Company needs more time in order to comply with the processes detailed in the Notice (the "Interim Compliance Processes"). Specifically, ETCs are requested to submit their subscriber list to the Department of Public Utilities ("DPU") by February 28, 2014 so that the list may be run through the Department of Workforce Services ("DWS") database to check for eligibility. Thereafter, ETCs are requested to submit a list of subscriber changes at least once per month, starting in March 2014.

i-wireless very much looks forward to the ability to utilize the DWS database to confirm the eligibility of its Lifeline subscribers, and in fact eagerly anticipates a time in the future when wireless ETCs will be able to utilize the DWS database to determine eligibility at the time of subscriber application for Lifeline. However, the DWS database requires ETCs to provide a subscriber's full

SSN in order to process the data for eligibility – without a full SSN, the subscriber will be listed as “not eligible.” This issue presents several difficulties, which i-wireless discusses more fully below.

III. I-WIRELESS REQUESTS AN EXTENSION OF TIME TO COMPLY

i-wireless is only requesting an extension of time to comply with the request that it submit its *existing* Lifeline subscriber list, and changes thereto, by the deadlines set forth in the Notice. i-wireless does *not* request an extension for the procedures for initial NLAD (National Lifeline Accountability Database) entry, as it is already in compliance with the NLAD’s published deadlines for Utah ETCs. i-wireless does *not* request an extension in regards to the Interim Compliance Processes as they apply to *new* Lifeline applicants – the Company has already put procedures in place to comply with the Interim Compliance Processes as they relate to new Lifeline applicants/subscribers. i-wireless can and will abide by the deadlines set forth in the Notice for any new Lifeline subscribers enrolled as of February 20, 2014 and going forward, and will send the monthly data requested to DPU in regards to such subscribers.

In order to comply with the Interim Compliance Processes in regards to the Company’s existing subscribers (i.e. those enrolled prior to February 20, 2014), i-wireless needs a reasonable amount of time in which to collect the full SSN of those subscribers. i-wireless submits that, as supported below, an extension of six (6) months is reasonable, and therefore i-wireless requests an extension until August 31, 2014 to fully comply with the Interim Compliance Processes for its existing Lifeline subscribers. i-wireless commits to submit the required information, on a rolling basis, to DPU for its existing subscribers as soon as it receives subscribers’ full SSNs, so that i-wireless may begin to check eligibility of existing subscribers through the DWS database as soon as possible, instead of waiting until the end of the extension period.

A. Difficulties in Collecting Full SSN

i-wireless finds that it is difficult to collect the full SSN from existing subscribers for two main reasons: first, consumers are made acutely aware of the importance of protecting their sensitive personal information, especially their SSN; and second, i-wireless' existing subscribers just completed their 2013 annual recertification, and are therefore more likely to be suspicious of a request for full SSN.

First, consumers receive messages, many times from federal and state governmental agencies or directives, that it is vital for them to protect their sensitive personal information, including and especially their SSN. The following examples demonstrate government-directed advisories that specifically caution consumers from conveying sensitive, personal and/or financial information to prevent being victims of fraud or identity theft:

"To reduce or minimize the risk of becoming a victim of identity theft or fraud, there are some basic steps you can take. Be stingy about giving out your personal information to others unless you have a reason to trust them, regardless of where you are."²

-United States Department of Justice

"Never send money or give out personal information such as credit card numbers and expiration dates, bank account numbers, dates of birth, or social security numbers to unfamiliar companies or unknown persons."³

-Federal Bureau of Investigation (FBI)

"Never give out personal information (such as your Social Security number, credit card numbers or your address) over the telephone unless you initiate the call, and it's to a well-known and trusted outfit."⁴

-Federal Deposit Insurance Corporation (FDIC)

While some messages imply that it may be okay to provide sensitive information to known or trusted parties, i-wireless must still combat the suspicion engrained in the minds of many who have taken to heart cautions such as:

² <http://www.justice.gov/criminal/fraud/websites/idtheft.html>

³ <http://www.fbi.gov/scams-safety/fraud>.

⁴ <http://www.fdic.gov/consumers/consumer/news/cnfall97/wallet.html>

"Don't respond to messages that ask for your personal or financial information, whether the message comes as an email, a phone call, a text message, or an ad. Don't click on links in the message, or call phone numbers that are left on your answering machine, either. The crooks behind these messages are trying to trick you into giving up your personal information."⁵
-Federal Trade Commission - The Nation's Consumer Protection Agency

In summary, customers are receiving contradictory direction on handling their personal information. Even with an extension of time, i-wireless estimates that approximately 30% of its eligible consumers will still fail to respond to its request for full SSN. This number will undoubtedly be much higher if the Commission does not grant i-wireless an extension of time to comply with the Interim Compliance Processes for its existing Lifeline subscribers, which will be to the detriment of the affected customers, to i-wireless, and ultimately to the Lifeline program's stated intent.

Second, i-wireless' existing subscribers have just completed their 2013 annual recertification and are therefore more likely to be suspicious of a request for full SSN within only a couple of months from certifying their continued eligibility. Such recertification of continued eligibility is, by federal rules, valid until the end of 2014 (unless the customer notifies i-wireless of a change in eligibility or becomes ineligible under i-wireless' non-usage policy). Unfortunately, i-wireless was not able to utilize the 2013 annual recertification process to collect the full SSN from Utah subscribers because such process ended on December 31, 2013, and the Notice was only issued 11 days earlier. Part of the problem with contacting these customers so quickly after their initial enrollment or annual recertification is the obvious and suspicious duplication of the data request, compounded by the fact that the Company often calls from an out of state number, and then struggles to effectively explain why information is needed again so soon. Requiring i-wireless to follow through with the Interim Compliance Processes so soon will result in the de-enrollment of

⁵ <http://www.ftc.gov/bcp/edu/pubs/consumer/general/gen22.pdf>

otherwise eligible subscribers. i-wireless does not believe this was the Commission's anticipated or intended outcome of the Notice.

B. Precedent set by the FCC's Lifeline Reform Order

In its *Lifeline Reform Order*,⁶ the FCC introduced reforms to prevent waste, fraud, and abuse of the low-income programs of the Universal Service Fund. Among them was the requirement for ETCs to begin collecting date of birth and last four of SSN (“DOB/SSN Rules”) from Lifeline applicants. The *Lifeline Reform Order* was released on February 6, 2012, and the DOB/SSN Rules became effective on June 1, 2012; however, ETCs were given until December 31, 2012 to collect the newly-required information for existing subscribers. The FCC reasoned, “we expect that the burden of collecting such information from both new and existing subscribers would be small because all ETCs must annually re-certify all of their subscribers and this information could be collected along with other information necessary for re-certification at that time.”⁷ The FCC understood that the most viable, likely way to collect the new information for existing subscribers was through the annual recertification process.

Using the FCC's *Lifeline Reform Order* as a precedent, it would indicate that approximately four (4) months constitutes a reasonable amount of time for ETCs to implement new processes and procedures going forward, and approximately ten (10) months (or, alternatively, a complete annual recertification cycle) is reasonable to allow ETCs to bring existing subscribers into compliance with the new processes and procedures.

IV. GRANT OF I-WIRELESS' MOTION IS IN THE PUBLIC INTEREST

⁶ *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) (“*Lifeline Reform Order*”).

⁷ *Lifeline Reform Order* at ¶ 192.

The primary purpose of universal service is to ensure that consumers—particularly low-income consumers—receive affordable and comparable telecommunications services. The economic circumstances indicate that low-income individuals greatly benefit from the advantages offered by the Company’s Lifeline service, thus allowing those adversely impacted by the failing economy or job loss to have access to wholly-supported wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members. Providing i-wireless with a reasonable amount of time to comply with the Interim Compliance Processes adopted in this Docket will allow the Company to continue to offer discounted Lifeline service to those most in danger of losing wireless service altogether, which undoubtedly promotes the public interest.

Furthermore, grant of the Company’s request will not adversely affect or place at a disadvantage any other ETC. Wireline ETCs already collect the information required by the Interim Compliance Processes, and wireless ETCs are free to seek the same relief from the Commission that i-wireless seeks in the instant Motion.

V. CONCLUSION

Based on the foregoing, grant of i-wireless' Motion is reasonable and is in the public interest.

WHEREFORE, i-wireless respectfully requests that the Commission grant the Company an extension of time until August 31, 2014 to fully comply with the Interim Compliance Processes developed in this docket, as discussed herein.

Respectfully submitted,

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Certification