

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

Investigation by the Department on its Own )	
Motion into the Implementation in )	
Massachusetts of the Federal )	D.T.C. 13-4
Communications Commission’s Order )	
Reforming the Lifeline Program )	

**COMMENTS OF TRACFONE WIRELESS INC.**

TracFone Wireless Inc. (“TracFone”) respectfully submits these Comments in response to the Department’s Notice of Proposed Requirements and Further Request for Comment issued in this proceeding on August 1, 2014.

**1. Restriction of Third Party Agents**

TracFone believes some restriction of field agent activity may be necessary to reduce waste, fraud and abuse in the Lifeline program, but that the use of field agents, when properly supervised and subject to appropriate safeguards, is also an essential part of Lifeline outreach. TracFone’s experience in the Lifeline field has shown there is no more effective method of reaching economically marginal consumers. Trained field agents are critical for collecting documentation and aiding applicants in navigating the application process. TracFone would oppose restrictions on how such agents could be compensated.

TracFone has supported changes on certain practices related to field agent activity. TracFone has filed comments with the FCC to restrict in-person distribution of handsets. TracFone suggests the DTC could consider a similar restriction. In

addition, TracFone would support the proposal to require all enrollments be subject to a non-commission based review and approval process.

## **2. Eligibility Database**

TracFone strongly supports the creation and use of program eligibility databases. It has aided in the development of program databases in thirteen states, and is working on more. In Massachusetts database access to verify SNAP and TANF is now available through the Massachusetts Department of Transitional Assistance. The DTC was instrumental in efforts to develop this database access. TracFone would support a requirement to query a state eligibility database when one is available. However, TracFone would not support a prohibition on enrollment of customers who are not found in program databases. In such cases, the ETC should be permitted to collect and review documentary evidence of program participation. There are a number of reasons an eligible program participant may not be located in a state database. Databases are not always up to date. Data matching issues may prevent an eligible applicant from being located. In such cases, TracFone believes the document-based enrollment process should remain as a backup.

## **3. Additional Data Reporting Requirements**

TracFone has no objection to providing the following information:

1. A report of the number of Lifeline subscriptions added by month;
2. A report of the number of Lifeline subscriptions dropped by month;
3. A report of the number of Lifeline subscriptions in Massachusetts by qualifying program (or income); or
4. A report of the number of complaints related to the Lifeline program during the previous calendar year per 1,000 Massachusetts Lifeline subscribers

TracFone currently reports similar information in other states. TracFone would suggest that the information be reported on a quarterly or annual basis, as opposed to monthly. Of the 40 states in which TracFone offers SafeLink, only one (Maine) requires monthly reporting, and that is simply the total number of customers that month. TracFone believes monthly reporting would be unnecessarily burdensome for both the ETC and the Department.

TracFone does not track subscriptions by census tract. Preparing such a report would be burdensome and involve processes TracFone does not currently employ for any other purpose. It's also not required by any other state, to TracFone's knowledge. The Further Request for Comment identifies no benefits of compiling and reporting enrollments by census tract, nor is TracFone aware of any such benefit. TracFone would suggest the Department consider, as an alternative, a report of active subscriptions by zip code. Such a report would not be unduly burdensome, if provided on a quarterly or annual basis.

TracFone cannot currently provide a report of the number of Lifeline applications denied. TracFone's existing processes do not track this information. Applications may be denied for a wide variety of purposes. TracFone would oppose a requirement to produce such information, since providing information on applications which have been denied would do little to prevent waste, fraud and abuse.

With respect to the definition of complaint, TracFone would suggest adoption the same definition used in the FCC Form 481 report. USAC has clarified that this includes complaints filed or reported to a state or federal government agency. Tracking and reporting on every customer service interaction in which the person "expresses dissatisfaction with an act, omission, product or service" would be

tremendously impractical. Adoption of the Form 481 definition would also allow reconciliation of data provided to both the Department and the FCC.

#### **4. Annual Subscriber Recertification**

TracFone recommends that the Department follow the FCC rule and require Lifeline providers to verify annually their Lifeline customers' continuing eligibility. All providers should be required to contact their customers and to de-enroll from Lifeline those customers who are no longer eligible and those customers who fail to respond to verification requests. However, whether to make multiple attempts to contact non-responding customers is a business and resource allocation decision which is most appropriately left to each provider. Providers can determine how much effort to expend in making follow-up efforts to reach non-responding Lifeline customers knowing that those who do not respond and who do not verify their continuing Lifeline eligibility must be de-enrolled. TracFone's subscriber recertification practices involve multiple attempts across numerous avenues of communication (including voice, email, text message and mail). While TracFone believes these practices are necessary to achieve a high response rate, they are resource intensive, and may not be practical for other ETCs. To the extent the Department requires a voice call, TracFone would suggest the rule allow a prerecorded voice message, and not require a call by a live operator.

The Department should not require ETCs to annually verify with the National Lifeline Accountability Database ("NLAD") that a subscriber household is only receiving one service. First, NLAD is designed to make it impossible for a household to sign up for more than one service. Based on TracFone's initial investigation, there

does not appear to be any possible interaction with the NLAD system that would indicate an existing customer (as opposed to a new applicant) is receiving service from another carrier (even if, somehow, the system failed and they were). Any query regarding an existing customer would reveal the customer was receiving active service from an ETC, and nothing else.

TracFone strongly opposes a requirement for Lifeline subscribers to provide eligibility documentation on an annual basis. As the Department will recall, prior to the FCC's 2012 Lifeline Reform Order, document-based annual verification was conducted for a statistically valid sample of Lifeline customers. Conducting such a process for even a few hundred customers was extremely expensive, labor intensive, and resulting in a high rate of non-response. It is also burdensome for the consumer. Conducting such a process on an entire customer base every year would simply be cost-prohibitive, and result in a high level of disconnection of eligible subscribers. For these reasons, the FCC rejected document based annual verification in the FCC Reform Order.

## **5. Lifeline Subscriber Protections**

TracFone believes that 48 hours is a reasonable period of time for completion of a Lifeline enrollment, provided the application does not require additional handling due to unusual circumstances. Eligibility verification, identity verification, and the NLAD process may create additional delays.

TracFone opposes making the approval date of an application retroactive to the date the application is received, at least for no charge Lifeline service. There may be some utility in such a policy for billed, post-paid service, but a provider of no

charge Lifeline service cannot provide benefits (e.g. airtime minutes) prior to the application approval date. Further, the FCC Lifeline Reform Order explicitly prohibits carriers providing free Lifeline from receiving universal service support from a customer until the subscriber “activates” the service (See 47 CFR 54.407(c)). Logically speaking, the initiation of Lifeline benefits and universal service support must occur simultaneously.

TracFone currently offers Lifeline materials in only English and Spanish. TracFone would oppose a rule to require materials in any additional language. While producing a brochure or application document in another language might not, in itself, be an excessive burden, doing so would be useless without back office support (such as enrollment and customer service support) in these additional languages. TracFone does not believe adding multiple additional languages is practical. TracFone conducts outreach through a number of organizations that reach subscribers who speak languages other than Spanish or English.

TracFone does not deduct minutes for calls to customer service, provided the customer does so by dialing 611. Calls to TracFone’s 800 number will result in minute deductions. Customers are advised to dial 611 to reach customer service. TracFone believes providing a dialing code to reach customer service with no airtime charges is a reasonable solution to customer needs.

With respect to changes in service offerings, TracFone believes communication to customers should be mandatory for any change resulting in an increase in rates or charges or a reduction in benefits, and at the ETCs discretion in other cases.

TracFone's current handset policy allows for replacement of a damaged, lost or stolen handset at no cost. TracFone will generally replace a lost or stolen handset only once, and may provide a refurbished device. Customers may need to purchase a device if their handset is lost or stolen more than once. Lifeline benefits will be terminated on the lost or stolen device. Although TracFone does replace Lifeline customers' lost or damaged handsets as part of its Lifeline program, it does not believe that handset replacement should be a regulatory requirement. It is important that the Department recognize that handsets provided by ETCs, including TracFone, and provided at the ETC's expense and are not in any way supported by the Universal Service Fund.

## **6. Other Related Matters**

TracFone does not believe the Department is empowered to charge an annual assessment on wireless ETCs. G.L. 25C, §7 states in pertinent part: "The commissioner may make an assessment against each cable television, telephone and telegraph company under the jurisdictional control of the department." Wireless carriers, in general, are not under the jurisdictional control of the Department. There is nothing in the statute which reflects an intent to confer the status of "jurisdictional control" for assessment purposes to the Department as a result of designation as an eligible telecommunications carriers. The Department's authority to designate ETCs comes from federal law, specifically, Section 214(e)(2) of the Communications Act of 1934, as amended (47 U.S.C. § 214(e)(2)), and does not derive from the laws of the Commonwealth of Massachusetts.

There are other options to ensure the Department has adequate resources to administer the Lifeline program, such as assessing a reasonable fee to access the state eligibility database, once it is operational.

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Dated: September 12, 2014