

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197
	)	
Lifeline and Link Up Reform and	)	WC Docket No. 11-42
Modernization	)	
	)	
kajeet, Inc. – Compliance Plan	)	

**AMENDED COMPLIANCE PLAN**

kajeet Inc. (“kajeet”) hereby files an amended compliance plan in order to avail itself of the blanket forbearance that the Commission provided for mobile virtual network operators (“MVNOs”) like kajeet from the own-facilities requirement to become Lifeline eligible telecommunications carriers (“ETCs”).<sup>1</sup> As discussed herein, kajeet commits to comply with the conditions of forbearance imposed in the *Lifeline Reform Order*, including the conditions regarding 911 and E-911 access, verification of subscriber eligibility, marketing, and other matters. In support thereof, kajeet submits the following information and respectfully requests expeditious approval of this compliance plan. As explained below, kajeet intends to submit a proposal to participate in the Lifeline Broadband Pilot Program; thus, time is of the essence.<sup>2</sup>

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<sup>1</sup> *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) at ¶ 368 (“*Lifeline Reform Order*”). See also *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197, 11-42 DA 12-314 (rel. Feb. 29, 2012) (“*Compliance Plan PN*”).

<sup>2</sup> See *infra* Section VI. kajeet also has submitted a petition for designation as an ETC in the states for which the FCC performs such designations for wireless carriers.

**I. INFORMATION REGARDING KAJEET AND ITS LIFELINE SERVICE OFFERINGS**

(a) Names and identifiers used by the carrier, its holding company, operating company and all affiliates. kajeet, Inc., is not currently an ETC and thus does not hold any Study Area Codes (“SACs”). kajeet, Inc. has one wholly owned subsidiary, kajeet/Airlink LLC which also is not an ETC and does not have an SACs. Neither kajeet, Inc. nor kajeet/Airlink LLC has any pending applications for ETC status in any other jurisdiction, other than kajeet, Inc.’s concurrently filed petition for Lifeline ETC status before this Commission.

(b) Detailed information demonstrating that the carrier is financially and technically capable of providing the supported Lifeline service in compliance with the Commission’s rules. kajeet is financially and technically capable of providing Lifeline service in compliance with the FCC’s rules. kajeet has offered non-Lifeline service to subscribers since 2007. In addition to its focused non-Lifeline MVNO offering, kajeet offers various wholesale carrier and non-carrier services to other communications providers. kajeet receives substantial revenues from these other sources, and does not intend to rely exclusively on USF disbursements to operate. kajeet has not been the subject of any proceedings to revoke ETC status. On December 5, 2011, the Commission released a Notice of Apparent Liability and Order finding that kajeet and its wholly owned subsidiary, kajeet/Airlink LLC, apparently had failed to make required contributions to support USF, Telecommunications Relay Service (“TRS”), and local number portability (“LNP”), and had transferred an international section 214 authorization without proper authorization.<sup>3</sup> kajeet has been working cooperatively with the Enforcement Bureau to reach an

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<sup>3</sup> *Kajeet Inc. and kajeet/Airlink LLC Apparent Liability for Forfeiture*, File No. EB-09-IH-1972, Notice of Apparent Liability for Forfeiture and Order, 26 FCC Rcd 16684 (2011).

expeditious resolution to the matter. These financial problems resulted from wrongdoing by one of kajeet's banks, which resulted in a settlement between the bankers and the Securities and Exchange Commission, and *not* from any wrongdoing or mismanagement by kajeet or its management.<sup>4</sup> During this financial crisis, kajeet was unable to make its required contributions. However, kajeet has made all of its back payments, including penalties and interest, and currently has a credit balance with USAC. The Company is now in "green light" status with the FCC. These past financial difficulties resulted from no fault of kajeet or its management, and kajeet does not believe that they should have an impact on this petition.

(c) Detailed information, including geographic locations, of the carrier's current service offerings if the carrier currently offers service. kajeet currently offers its non-Lifeline service throughout the nationwide service footprint of Sprint.

(d) Terms and conditions of each Lifeline service plan offering, including rates, the number of minutes provided, and additional charges, if any, for toll calls.

kajeet's initial Lifeline offering will be as follows:

- \$4.99 per month
- 250 minutes per month
- 100 text messages per month
- Free parental controls (contact manager, time manager, feature manager)
- A range of top-quality affordable handsets starting at \$34.99
- Additional minutes at \$0.10 per minute

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<sup>4</sup> See "UBS Securities LLC and UBS Financial Services, Inc. Agree in Principle to Auction Rate Securities Settlement; Firm Will Provide Liquidity and Remediate Losses," Press Release, Securities and Exchange Commission (Aug. 8, 2008), available at <http://www.sec.gov/news/press/2008/2008-171.htm>.

- Additional text messaging at \$0.10 per message
- Other services such as mobile data and picture messaging are available at standard kajeet rates

In addition, as kajeet has noted, kajeet is in the process of formulating a Lifeline broadband offering that it will submit in the window for Pilot Program proposals.

(e) All other certifications required under newly amended section 54.202 of the Commission's rules. Kajeet commits to complying with the additional requirements for Commission designation of Lifeline ETCs.<sup>5</sup> Specifically:

(1) kajeet certifies that it will comply with the service requirements applicable to the support that it receives.

(2) kajeet has the ability to remain functional in emergency situations, including a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability to manage traffic spikes resulting from emergency situations. As a CMRS reseller, kajeet relies upon its underlying carrier, Sprint, for the operation of its network. kajeet's contract with Sprint obligates Sprint to ensure that Sprint takes reasonable measures to remain functional in emergency situations.

(3) kajeet agrees to satisfy applicable consumer protection and service quality standards by complying with CTIA's Consumer Code for Wireless Service.

## **II. SUBSCRIBER ENROLLMENT AND VERIFICATION OF ELIGIBILITY**

If designated as an ETC, kajeet will participate fully in all federal and state efforts to eliminate waste, fraud, and abuse of Lifeline program funds, including without limitation efforts

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<sup>5</sup> 47 C.F.R. § 54.202. The information required by sections 54.202(a)(4)-(5) is provided earlier in this section.

to ensure that ineligible consumers do not receive Lifeline benefits and eligible consumers do not receive duplicate benefits. kajeet will comply with all requirements for verifying that its Lifeline subscribers are eligible for Lifeline benefits, and that no one else in the subscriber's household is receiving Lifeline benefits, including checking documentation where necessary or querying applicable databases where available. Specifically, kajeet will require all prospective Lifeline customers to complete an application form (see Exhibit B) that collects information about eligibility and contains the required certifications. Initially kajeet will accept the form by fax or mail, and will develop an online version of the form for its website. Customers will be directed to submit their documentation of eligibility via fax or by mail (kajeet will mail self-addressed stamped envelopes to customers for this purpose if they lack access to a fax).

kajeet will train customer service employees to review the application forms and the documentation of eligibility to ensure eligibility. These customer service employees also will query applicable databases, and check kajeet's own records, to avoid duplicate Lifeline subscriptions for the same consumer or the same household, and also will check eligibility databases wherever available. In checking its own records, kajeet will follow the following procedure:

- The kajeet staff processing Lifeline orders will have access to an automated "Lifeline Duplicate Search" feature to assist with identifying/mitigating risk with kajeet duplicate subscriptions. This feature will be accessed from the same front-end system that is used to service accounts by Customer Care and Operations teams.
- kajeet's Lifeline Duplicate Search feature will function as follows:
  1. Agent enters the first name, last name, street address, city, state, zip code, and alternate contact number (if provided)
  2. The duplicate search feature will return the following:
    - a. A listing of all Lifeline accounts where first initial of first name and last name match the information that was entered from the application

- b. A listing of all Lifeline accounts where the last name, city, and state match the information that was entered from the application
- c. A listing of all Lifeline accounts where the street address matches the information that was entered from the application
- d. A listing of all Lifeline accounts where the street number, city, and state matches the information that was entered from the application
- e. A listing of all Lifeline accounts where the last name and zip code matches the information that was entered from the application
- f. A listing of all accounts where the account phone number matches the alternate contact number that was entered from the application

The search results will be reviewed and possible matches will be researched further, either through kajeet online systems or additional reporting, to determine if the application could result in a duplicate Lifeline account. Accounts determined to be duplicates will be declined.

A sample of the draft customer certification form that kajeet will use for Lifeline subscribers is attached as Exhibit A. kajeet will require all customers to complete this form before obtaining Lifeline benefits, and annually thereafter. This form explains in clear, easily understood language that the offerings are Lifeline-supported services; that only eligible consumers may enroll in the program; what documentation is necessary for enrollment; that the program is limited to one benefit per household, consisting of either wireline or wireless service; that Lifeline is a government benefit program, and that consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

### **III. EMERGENCY ACCESS CONDITIONS**

kajeet currently provides its customers, and will provide its Lifeline customers, with 911 and E-911 access, regardless of activation status and availability of minutes. kajeet uses the Sprint network, and its agreements with Sprint state that Sprint will provide access to 911 and E-911 for

kajeet's customers, and impose on Sprint an obligation to comply with all applicable federal, state, county, and local laws, rules, regulations and orders, which would encompass 911 and E-911 requirements. kajeet determines its own handset selections, and will provide its Lifeline subscribers with E911-compliant handsets, and replace, at no additional charge to the subscriber, non-compliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services.

#### **IV. MARKETING AND DISCLOSURE REQUIREMENTS**

kajeet commits to explain in clear, easily understood language in the customer certification forms for its Lifeline offerings that the offerings are Lifeline-supported services; that only eligible consumers may enroll in the program; what documentation is necessary for enrollment; that the program is limited to one benefit per household, consisting of either wireline or wireless service; that Lifeline is a government benefit program, and that consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. All of kajeet's marketing materials for its Lifeline offerings (in any media, including but not limited to print, audio, video, Internet, and outdoor signage) will advise potential subscribers that the offering is Lifeline-supported, that certain eligibility requirements and other restrictions apply, and will refer to kajeet's website for the detailed information included on the certification form. kajeet also will include additional, specific required disclosures in its marketing materials for its Lifeline offerings if and when an applicable requirement becomes effective.<sup>6</sup>

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<sup>6</sup> See, e.g., *Lifeline Reform Order* at ¶ 275; see also 77 FR 25609.

**V. OTHER PROCEDURES AND EFFORTS TO PREVENT WASTE, FRAUD, AND ABUSE**

Upon designation as a Lifeline ETC, kajeet commits to implement policies and procedures to prevent duplicate Lifeline subsidies within its own subscriber base and de-enroll subscribers receiving more than one Lifeline subsidy per household. kajeet will implement specific policies and procedures to comply with all requirements for verifying that its Lifeline subscribers are eligible for Lifeline benefits, and that no one else in the subscriber's household is receiving Lifeline benefits, including checking documentation where necessary or querying applicable databases where available. kajeet also will query applicable databases, and check its own records, to avoid duplicate Lifeline subscriptions for the same consumer or the same household.

A sample of the draft customer certification form that kajeet will use for Lifeline subscribers is attached as Exhibit B. This form also includes information regarding the internal procedures that kajeet will employ to ensure compliance with the rules. kajeet will require all customers to complete this form before obtaining Lifeline benefits, and annually thereafter.

kajeet also commits to ensuring that it does not claim Lifeline credit for customers that do not make use of kajeet's Lifeline service. Specifically, consistent with the Commission's new rules, kajeet will not treat any consumer as enrolled in its Lifeline service, and will not claim Lifeline credit for any subscriber, until the subscriber personally activates the service. Furthermore, kajeet will not claim Lifeline support for inactive subscribers who have not used the service for a consecutive 60-day period. kajeet will notify its subscribers at service initiation about the non-transferability of the service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.

**VI. REQUEST FOR EXPEDITIOUS APPROVAL FOR PILOT PROGRAM PARTICIPATION**

As noted in kajeet's concurrently filed ETC designation petition, kajeet seeks Lifeline ETC status at this time principally to participate in the Lifeline Broadband Pilot Program. As discussed in that petition, kajeet has significant experience in the provision of educational broadband services and digital literacy training, and possesses unique patented mobile policy control and mobile walleting technologies, and expects to make a valuable contribution to the Pilot Program. kajeet recognizes that the Commission anticipates taking applications for the Pilot Program in the near term, and therefore requests expeditious approval of this Compliance Plan in order that its ETC designation petition can be considered in a timely fashion.

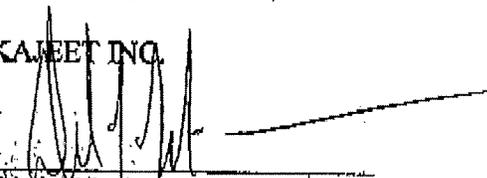
**VII. CONCLUSION**

As demonstrated above, kajeet will meet all of the conditions of the blanket forbearance from the own-facilities requirement, and requests expeditious approval of this Compliance Plan to permit consideration of its petition for ETC designation in time for participation in the Lifeline Broadband Pilot Program.

Respectfully submitted,

KAJEET INC.

By:

  
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May 15, 2012

**Exhibit A**  
**Revised Draft kajeet Lifeline Customer Certification Forms**

KAJEET LIFELINE APPLICATION

This signed authorization is required in order to enroll you in the Lifeline Program in your state. This authorization is only for the purpose of verifying your participation in these programs and will not be used for any other purpose. Service requests will not be processed until this form has been received and verified by Company.

Things to know about the Lifeline Program:

- (1) Lifeline is a federal benefit.
(2) Lifeline Service is available for only one line per household. A household cannot receive benefits from multiple providers; and
(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.

Applicant Information:

First Name: MI: Last Name: Date of Birth: Month Day Year

Social Security Number (or Tribal ID Number) : (XXX-XX-XXXX) Contact Telephone Number:

Residence Address (No P.O. Boxes, Must be your principal address): This address is Permanent Temporary Multi-Household (If temporary must update every 60 days.)

APT/ Floor/ Other City: State: ZIP Code:

Billing Address (May Contain and P.O. Box)

APT/ Floor/ Other City: State: ZIP Code:

I hereby certify that I participate in at least one of the following programs: (Check all that apply)

Initial Here

- Supplemental Nutrition Assistance Program (SNAP)
Supplemental Security Income (SSI)
Federal Public Housing Assistance
Low- Income Home Energy Assistance Program (LIHEAP)
National School Lunch Program
Temporary Assistance for Needy Families (TANF)
Medicaid

FOR OFFICE USE ONLY:

Company Representative:

Documentation Verified:

Representative Signature:

Date:

Is this a multi- family dwelling? \_\_\_\_\_

I certify that my household income is at or below 135% of the Federal Poverty Guidelines (FPG). There are individuals in my household.

Initial Here

You must provide documented proof of your participation in the above programs or your income.

I certify, under penalty of perjury: (Initial by Each Certification)

- (1) The information contained in my application remains true and correct to the best of my knowledge and I acknowledge that willfully providing false or fraudulent information to receive Lifeline benefits is punishable by law and may result in me being barred from the program.
(2) I am a current recipient of the program checked above, or have an annual household income at or below 135% of the Federal Poverty Guidelines
(3) I have provided documentation of eligibility if required to do so.
(4) I understand that I and my household can only have one Lifeline-supported telephone service. Kajeet, Inc. has explained the one-per household requirement. I understand that violation of the one-per-household requirement constitutes a violation of the FCC's rules and will result in my de-enrollment from the Lifeline program, and could result in criminal prosecution by the United States Government.
(5) I attest to the best of my knowledge, that I and no one in my household is receiving a Lifeline-supported service from any other land line or wireless company such as, for example, Safelink, Assurance, T-Mobile or Reachout Wireless.
(6) I understand my Kajeet Lifeline service is non-transferable. I may not transfer my service to any individual, including another eligible low-income consumer.
(7) I understand that if my service goes unused for sixty (60) days, my service will be suspended, subject to a thirty (30) day period during which I may use the service or contact Kajeet to confirm that I want to continue receiving their service.
(8) I will notify Kajeet within thirty (30) days if I no longer qualify for Lifeline. I understand this requirement and may be subject to penalties if I fail to notify my phone company. Specifically, I will notify my company if:
(1) I cease to participate in the above federal or state program, or my annual household income exceeds 135% of the Federal Poverty Guidelines.
(2) I am receiving more than one Lifeline supported service;
(3) I no longer satisfy the criteria for receiving Lifeline support.
(9) I will notify Kajeet within thirty (30) days of moving. Additionally, if my address listed above is a temporary address, I understand that I must verify my address with Kajeet every ninety (90) days. If I fail to respond to Kajeet's address verification attempts within thirty (30) days, my Kajeet Lifeline service may be terminated.
(10) Kajeet has explained to me that I am required each year to re-certify my continued eligibility for Lifeline. If I fail to do so within thirty (30) days, it will result in the termination of my Kajeet Lifeline service.
(11) I hereby authorize Kajeet to release information in this application to the administrator of the Lifeline Program (the Universal Service Administrative Company) or its contractors. This information will be kept confidential.
(12) (Residents of Tribal Lands only) I hereby certify that I am a resident of Tribal Lands (includes any federally recognized Indian Tribe's reservation, pueblo, or colony, including former reservations in Oklahoma; Alaska Native Regions, Indian Allotments; and Hawaiian Home Lands).

APPLICANT'S SIGNATURE

DATE