

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of
The Southern New England Telephone Company
d/b/a Frontier Communications of Connecticut

File No.: EB-IHD-15-00018544
Acct. No.: 201532080013
FRN: 0003576931

ORDER

Adopted: April 29, 2015

Released: April 29, 2015

By the Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission has entered into a Consent Decree to resolve its investigation into whether The Southern New England Telephone Company d/b/a Frontier Communications of Connecticut (SNET), while it was affiliated with AT&T Inc., failed to timely de-enroll Lifeline subscribers who did not respond to SNET's annual eligibility recertification requests in 2012 and 2013, and whether SNET obtained and maintained current and complete certifications of eligibility from all of their Lifeline customers. The rules governing Lifeline eligibility recertification, de-enrollment, and recordkeeping encourage consumer accountability and ensure that universal service support is not directed toward consumers who may be ineligible for Lifeline, thereby protecting the integrity of this important Universal Service Fund (USF) program. To settle this matter, SNET admits that, while it was affiliated with AT&T Inc., it failed to timely de-enroll subscribers who did not respond to their annual re-certification requests in 2012 and 2013; it failed to keep adequate certification records; and it agrees to implement a compliance plan and pay a civil penalty totaling \$4,000,000.

2. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the referenced investigation regarding SNET's compliance with the Commission's Rules and order mandating de-enrollment of Lifeline customers within five calendar days of failing to respond within 30 days after a recertification request, as prescribed by Section 54.405(e)(4) of the Rules, as well as obtaining and maintaining Lifeline customer certifications as required by Sections 54.410 and 54.417(a) of the Rules.

3. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether SNET possesses the basic

1 This investigation, initiated under Case File No. EB-IHD-14-00017387, was subsequently assigned to Case File No. EB-IHD-15-00018544.

2 See 47 C.F.R. §§ 54.405(e)(4); 54.410; Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (Lifeline Reform Order).

3 47 C.F.R. §§ 54.410, 54.417(a).

qualifications, including those related to character, to hold or obtain any Commission license or authorization.

4. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Act⁴ and the authority delegated by Sections 0.111 and 0.311 of the Rules,⁵ the attached Consent Decree **IS ADOPTED** and its terms incorporated by reference.

5. **IT IS FURTHER ORDERED** that the above-captioned matter **IS TERMINATED**.

6. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to David H. Solomon, Wilkinson, Barker, Knauer, LLP, 2300 N Street, N.W., Suite 700, Washington, DC 20037-1128.

FEDERAL COMMUNICATIONS COMMISSION

Travis LeBlanc
Chief
Enforcement Bureau

⁴ 47 U.S.C. § 154(i).

⁵ 47 C.F.R. §§ 0.111, 0.311.

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)
The Southern New England Telephone Company) File No.: EB-IHD-15-00018544^1
d/b/a Frontier Communications of Connecticut) Acct. No.: 201532080013
) FRN: 0003576931
)

CONSENT DECREE

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission and The Southern New England Telephone Company d/b/a Frontier Communications of Connecticut (SNET) by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigation into whether SNET, while it was affiliated with AT&T Inc., violated Sections 54.405, 54.410, and 54.417 of the Commission’s rules (Rules) and its order governing the provision of Lifeline service to low-income customers.^2 The Bureau’s investigation focused on whether SNET failed to de-enroll within the requisite five days a number of Lifeline customers after they failed to respond to SNET’s recertification requests within the 30-day period mandated by Section 54.405(e)(4) of the Rules, and whether SNET obtained and maintained current and complete certifications of eligibility from all of their Lifeline customers as required by Sections 54.410 and 54.417(a) of the Rules.^3 The Lifeline discounts that SNET provided to these customers were all for traditional landline service; they were not provided for mobile service.

I. DEFINITIONS

- 2. For the purposes of this Consent Decree, the following definitions shall apply:
(a) “Act” means the Communications Act of 1934, as amended.^4
(b) “Adopting Order” means an order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
(c) “AT&T LOI” means the Letter of Inquiry issued by the Bureau to AT&T Services, Inc., on December 22, 2014 in File No. EB-IHD-14-00017387 seeking information and documents relating to whether SNET violated the Lifeline De-Enrollment, Certification and Recordkeeping Rules.
(d) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
(e) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.

^1 This investigation, initiated under Case File No. EB-IHD-14-00017387, was subsequently assigned to Case File No. EB-IHD-15-00018544.

^2 47 C.F.R. §§ 54.405, 54.410, 54.417; Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (Lifeline Reform Order).

^3 47 C.F.R. §§ 54.405(e)(4), 54.410, 54.417(a).

^4 47 U.S.C. § 151 et seq.

- (f) “Communications Laws” means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which SNET is subject by virtue of its business activities, including but not limited to the Lifeline De-Enrollment, Certification and Recordkeeping Rules.
- (g) “Compliance Plan” means the compliance obligations, program, and procedures described in this Consent Decree at paragraph 17.
- (h) “Covered Employees” means all employees and agents of SNET who perform, or supervise, oversee, or manage the performance of, duties that relate to SNET’s responsibilities under the Lifeline De-Enrollment, Certification and Recordkeeping Rules. This term includes employees of any vendor(s) performing work related to the Lifeline De-Enrollment, Certification and Recordkeeping Rules on behalf of SNET.
- (i) “Effective Date” means the date by which both the Bureau and SNET have signed the Consent Decree.
- (j) “ETC” shall mean an eligible telecommunications carrier designated under, or operating pursuant to Section 214(e) of the Communications Act, as amended, 47 U.S.C. § 214(e), as eligible to offer and receive support for one or more services that are supported by federal universal service support mechanisms pursuant to Section 254(e) of the Act, 47 U.S.C. § 254(e).
- (k) “Frontier” means Frontier Communications Corporation and its affiliates, subsidiaries, predecessors-in-interest, and successors-in-interest.
- (l) “Investigation” means the investigation commenced by the Bureau in Case File No. EB-IHD-14-00017387, and subsequently assigned to Case File No. EB -IHD-15-00018544, regarding whether SNET, while it was affiliated with AT&T Inc., violated the Lifeline De-Enrollment, Certification and Recordkeeping Rules. The Investigation concerned only traditional landline services provided by SNET and did not include mobile services or services provided by other companies related to SNET or Frontier.
- (m) “Lifeline De-Enrollment, Certification and Recordkeeping Rules” means Sections 54.405, 54.410 and 54.417 of the Rules, 47 C.F.R. §§ 54.405, 54.410, 54.417; *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (*Lifeline Reform Order*).
- (n) “Operating Procedures” means the standard internal operating procedures and compliance policies established by SNET to implement the Compliance Plan.
- (o) “Parties” means SNET and the Bureau, each of which is a “Party.”
- (p) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.
- (q) “SNET” or “Company” means The Southern New England Telephone Company d/b/a Frontier Communications of Connecticut and its subsidiaries, predecessors-in-interest, and successors-in-interest.
- (r) “SNET LOI” means the Letter of Inquiry issued by the Bureau to Frontier Communications of America, Inc., on January 5, 2015 in File No. EB-IHD-14-00017387 seeking information and documents relating to whether SNET, while it was affiliated with AT&T Inc., violated the Lifeline De-Enrollment, Certification and Recordkeeping Rules.

(s) “USAC” shall mean the Universal Service Administrative Company.

II. BACKGROUND

3. *Lifeline Service.* Lifeline is a federal Universal Service Fund (USF or Fund) program that helps ensure qualifying consumers have the opportunities and security that phone service brings, including being able to connect to jobs, family members, and emergency services.⁵ ETCs designated pursuant to the Communications Act of 1934, as amended (Act), provide Lifeline service to consumers.⁶ Under the Lifeline program rules, ETCs provide discounted service to qualifying consumers and may seek and receive reimbursement from the USF for the revenue they forgo as a result of the discount.⁷

4. The Commission’s Lifeline rules establish explicit requirements that ETCs must meet to receive federal Lifeline support.⁸ Section 54.407(a) of the Rules requires that Lifeline support “shall be provided directly to an eligible telecommunications carrier, based on the number of actual qualifying low-income consumers it serves.”⁹ Pursuant to Section 54.407(b), an ETC may receive Lifeline support only for “each qualifying low-income consumer served.”¹⁰ A low-income consumer is “qualifying” only if he or she meets the eligibility criteria set forth in Section 54.409.¹¹ Section 54.410(a) of the Commission’s rules requires that ETCs have procedures in place “for ensuring that their Lifeline subscribers are eligible to receive Lifeline services,” Section 54.410(b) prohibits ETCs from seeking reimbursement for a particular subscriber unless the ETC has confirmed the subscriber’s eligibility, and Section 54.417(a) requires ETCs to maintain records to document compliance with all Commission and state Lifeline requirements.¹²

5. ETCs that provide qualifying low-income consumers with Lifeline discounts can file an FCC Form 497 with USAC to request reimbursement for providing service at the discounted rates. An ETC’s FCC Form 497 documents the number of qualifying low-income customers served and the total amount of Lifeline support claimed by the ETC during the specified time period. Section 54.407(d) provides that an ETC may receive reimbursement from the Fund, however, only if it certifies as part of its reimbursement request that it is in compliance with the Lifeline rules.¹³ An ETC may revise its Form 497 data within 12 months after the data are submitted.¹⁴

⁵ See *Lifeline Reform Order*, 27 FCC Rcd at 6662–67, paras. 11–18; see also 47 C.F.R. §§ 54.400–54.422.

⁶ 47 U.S.C. § 254(e) (providing that “only an eligible telecommunications carrier designated under section 214(e) of this title shall be eligible to receive specific Federal universal service support”); *id.* § 214(e) (prescribing the method by which carriers are designated as ETCs).

⁷ 47 C.F.R. § 54.403(a). An ETC may receive \$9.25 per month for each qualifying low-income consumer receiving Lifeline service, and up to an additional \$25 per month if the qualifying low-income consumer resides on Tribal lands. See *id.* Lifeline provides a single discounted wireline or wireless phone service to each qualifying low-income consumer’s household. See *id.* § 54.401; see also *id.* § 54.400(h) (defining “household” as “any individual or group of individuals who are living together at the same address as one economic unit”); *Lifeline Reform Order*, 27 FCC Rcd at 6760, para. 241 (noting that the costs of wireless handsets are not supported by the Lifeline program).

⁸ See 47 C.F.R. §§ 54.400–54.422.

⁹ *Id.* § 54.407(a).

¹⁰ *Id.* § 54.407(b).

¹¹ 47 C.F.R. § 54.409(c); see also *id.* § 54.400(a) (defining “qualifying low income subscriber”).

¹² See *id.* §§ 54.410(a)–(b), 54.417(a).

¹³ See 47 C.F.R. § 54.407(d).

¹⁴ See *Lifeline Reform Order*, 27 FCC Rcd at 6788, para. 305.

6. Section 54.410 of the Rules requires that all Lifeline subscribers certify their eligibility upon enrollment in Lifeline and annually thereafter.¹⁵ The certification rules are designed to encourage consumer accountability and ensure that universal service support is not directed toward consumers who may not be eligible for Lifeline.¹⁶ ETCs were required to perform the initial annual re-certification for customers served beginning in June 2012, and to follow de-enrollment procedures set forth in Section 54.405 of the Rules for any subscribers who failed to respond to the ETC's re-certification efforts.¹⁷ Prior to de-enrolling a subscriber who fails to re-certify, the ETC must provide 30-days' notice. The ETC must de-enroll the subscriber from Lifeline within five business days after the expiration of the subscriber's time to respond to the re-certification efforts.¹⁸

7. Section 54.417 of the Rules requires ETCs to maintain records documenting compliance with applicable federal and state requirements governing the Lifeline program for the three full preceding calendar years and provide that documentation to the Commission or USAC upon request.¹⁹ In addition, ETCs must maintain initial customer eligibility certification forms and annual re-certification forms for as long as the subscriber receives Lifeline service from that ETC.²⁰

8. *Southern New England Telephone Company*. SNET is a Connecticut corporation headquartered in Stamford, Connecticut, and is a wholly-owned subsidiary of Frontier that operates solely in Connecticut as an incumbent local exchange carrier under the name Frontier Communications of Connecticut. Frontier acquired SNET from AT&T Inc. on October 24, 2014, in a transaction that transferred SNET's assets as well as liabilities. SNET began providing wireline service to low income consumers prior to the Telecommunications Act of 1996 and currently operates as an ETC in Connecticut.

9. In late 2013, while SNET was affiliated with AT&T Inc., and in conjunction with a USAC audit, SNET discovered that there were a number of SNET Lifeline subscribers who should have been de-enrolled following the annual Lifeline Program recertification process for 2012 and 2013. In addition, AT&T Services discovered it lacked eligibility certification documentation for some SNET Lifeline customers. In May 2014, SNET filed revised FCC Forms 497 for Connecticut with USAC that accounted for and reimbursed the Fund for the Company's Lifeline subscribers who were not timely de-enrolled, or for whom adequate records were not kept.

10. After the FCC's Wireline Competition Bureau referred the matter for enforcement, the Bureau issued a letter of inquiry (LOI) to AT&T Services, Inc., requesting information and documents relating to SNET's compliance with the Lifeline De-Enrollment, Certification and Recordkeeping Rules.²¹ After learning that SNET had been acquired by Frontier, the Bureau sent an LOI to Frontier on January 5, 2015 seeking the same information.²² AT&T Services Inc. submitted a response on behalf of SNET,²³ and Frontier subsequently submitted an LOI Response on behalf of SNET.²⁴

¹⁵ See 47 C.F.R. § 54.410(c) and (f).

¹⁶ See *Lifeline Reform Order*, 27 FCC Rcd at 6697-98, paras. 91-92.

¹⁷ See 47 C.F.R. § 54.405(e)(4).

¹⁸ *Id.*

¹⁹ 47 C.F.R. § 54.417(a).

²⁰ *Id.* See also 47 C.F.R. § 54.410(d) and (f) (setting forth eligibility certification and annual recertification requirements).

²¹ See Letter from Pamela S. Kane, Deputy Chief, Investigations and Hearings Division, FCC Enforcement Bureau, to Robert W. Quinn and Mary L. Henze, AT&T Services, Inc. (Dec. 22, 2014) (on file in EB-IHD-14-00017387) (AT&T LOI).

²² See Letter from Pamela S. Kane, Deputy Chief, Investigations and Hearings Division, FCC Enforcement Bureau, to Allison Ellis, Frontier Communications of America, Inc. (Dec. 22, 2014) (on file in EB-IHD-14-00017387) (SNET LOI).

III. TERMS OF AGREEMENT

11. **Adopting Order.** The provisions of this Consent Decree shall be incorporated by the Bureau in an Adopting Order without change, addition, deletion, or modification.

12. **Jurisdiction.** SNET agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

13. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. As of the Effective Date, the Parties agree that this Consent Decree shall have the same force and effect as any other order of the Commission.

14. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigation. In consideration for the termination of the Investigation, SNET agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, or any other facts relating to the time while SNET was affiliated with AT&T Inc., to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against SNET concerning the matters that were the subject of the Investigation. The Bureau also agrees that, in the absence of new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against SNET with respect to their basic qualifications, including their character qualifications, to be Commission licensees or hold Commission licenses or authorizations. New material evidence can potentially include, among other things, any information required to be developed or submitted pursuant to this Consent Decree.

15. **Admission of Liability.** SNET admits for the purpose of this Consent Decree and for Commission civil enforcement purposes, and in express reliance on the provisions of paragraph 14 herein, that its failure, while SNET was affiliated with AT&T Inc., to timely de-enroll subscribers who failed to respond to the Company's annual re-certification requests in 2012 and 2013, and for whom SNET lacked eligibility certification documentation, violated Sections 54.405 and 54.410 of the Rules, and that its failure to keep adequate records violated Section 54.417(a) of the Rules.

16. **Compliance Officer.** Within thirty (30) calendar days after the Effective Date, SNET shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as a Compliance Officer and to discharge the duties set forth below. The person designated as the Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and ensuring that SNET complies with the terms and conditions of the Compliance Plan and this Consent Decree. In addition to the general knowledge of the Communications Laws necessary to discharge his/her duties under this Consent Decree, the Compliance Officer shall have specific knowledge of the Lifeline De-Enrollment, Certification and Recordkeeping Rules prior to assuming his or her duties.

17. **Compliance Plan.** For purposes of settling the matters set forth herein, SNET shall, within seventy-five (75) calendar days after the Effective Date, develop and implement a Compliance Plan designed to ensure future compliance with the Lifeline De-Enrollment, Certification and Recordkeeping Rules and the terms and conditions of this Consent Decree. With respect to the Lifeline

(Continued from previous page) _____

²³ See Letter from Cathy Carpino, Counsel for AT&T Services, Inc. on behalf of SNET, to Jeffrey J. Gee and Mindy Littell, FCC (Jan. 21, 2015) (on file in File No. EB-IHD-14-00017387) (AT&T LOI Response).

²⁴ Letter from Allison M. Ellis, SNET, to Mindy Littell, FCC (Jan. 26, 2015) (on file in File No. EB-IHD-15-00018544) (SNET LOI Response). Frontier clarified that SNET is a wholly owned subsidiary of Frontier, which provides Lifeline service, and Frontier Communications of America, Inc., the addressee of the SNET LOI, only provides long distance service. *Id.* at 1.

De-Enrollment, Certification and Recordkeeping Rules, SNET will implement, at a minimum, the following procedures:

- (a) **Operating Procedures.** Within thirty (30) calendar days after the Effective Date, SNET shall establish Operating Procedures that all Covered Employees must follow to help ensure that SNET complies with the Lifeline De-Enrollment, Certification and Recordkeeping Rules, as well as a Compliance Checklist that describes the steps that a Covered Employee must follow to ensure compliance with the Lifeline De-Enrollment, Certification and Recordkeeping Rules. The Operating Procedures and Compliance Checklist shall include internal procedures and policies specifically designed to ensure compliance with the following requirements:
 - i. Subscribers who fail to respond to a request for recertification are de-enrolled within five business days following the mandatory 30-day period following the recertification request, pursuant to Section 54.405(e)(4).
 - ii. SNET must not seek reimbursement for providing Lifeline to a subscriber unless SNET has received a certification of eligibility from the subscriber that complies with the requirements set forth in Section 54.410(d) of the Rules and has confirmed the subscriber's eligibility using the processes set forth in Section 54.410.
 - iii. Prior to submitting a Form 497 claim for reimbursement, SNET must compare and reconcile billing data with subscriber records in order to confirm their consistency. SNET will adopt procedures that provide checks and balances on accounting, billing, and subscriber data that assure consistency and timely updating between the data sets and systems, and describe these checks and balances in its Compliance Reports.
 - iv. To the extent SNET uses a third-party or parties for verifying, maintaining or updating subscriber information, providing records management and storage, or processing enrollments or de-enrollments, SNET will establish oversight procedures, including regular compliance checks, to ensure compliance with all applicable Lifeline requirements and the terms of this Consent Decree. SNET will describe these compliance checks in its Compliance Reports.
- (b) **Compliance Manual.** Within seventy-five (75) calendar days after the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall explain the Lifeline De-Enrollment, Certification and Recordkeeping Rules and set forth the Operating Procedures that Covered Employees shall follow to help ensure SNET's compliance with the Lifeline De-Enrollment, Certification and Recordkeeping Rules. SNET shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and accurate. SNET shall promptly distribute any revisions to the Compliance Manual to all Covered Employees.
- (c) **Compliance Training Program.** SNET shall establish and implement a Compliance Training Program on compliance with the Lifeline De-Enrollment, Certification and Recordkeeping Rules and the Operating Procedures. As part of the Compliance Training Program, Covered Employees shall be advised of SNET's obligation to report any noncompliance with the Lifeline De-Enrollment, Certification and Recordkeeping Rules under paragraph 18 of this Consent Decree and shall be instructed on how to disclose noncompliance to the Compliance Officer. All Covered Employees shall be trained pursuant to the Compliance Training Program within seventy-five (75) calendar days as to SNET Covered Employees, and within ninety (90) days as to vendor

Covered Employees, after the Effective Date, except that any person who becomes a Covered Employee at any time after the initial Compliance Training Program shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee. SNET shall repeat compliance training on an annual basis, and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

18. **Reporting Noncompliance.** SNET shall report any noncompliance with the Lifeline De-Enrollment, Certification and Recordkeeping Rules and with the terms and conditions of this Consent Decree within fifteen (15) calendar days after discovery of such noncompliance. SNET shall file a report within forty-five (45) days including a detailed explanation of: (i) each instance of such noncompliance; (ii) the steps that SNET has taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that SNET has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Room 4-C224, Washington, DC 20554, with a copy submitted electronically to Jeffrey.Gee@fcc.gov and Mindy.Littell@fcc.gov.

19. **Compliance Reports.** SNET shall file compliance reports with the Commission ninety (90) calendar days after the Effective Date, twelve (12) months after the Effective Date, twenty-four (24) months after the Effective Date, and thirty-six (36) months after the Effective Date.

- (a) Each Compliance Report shall include a detailed description of SNET's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Lifeline De-Enrollment, Certification and Recordkeeping Rules. In addition, each Compliance Report shall include a certification by the Compliance Officer on behalf of SNET, stating that the Compliance Officer has personal knowledge that SNET: (i) has established and implemented the Compliance Plan; (ii) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (iii) is not aware of any instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in paragraph 18 of this Consent Decree.
- (b) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and shall comply with Section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein.²⁵
- (c) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer shall provide the Commission with a detailed explanation of the reason(s) why and describe fully: (i) each instance of noncompliance; (ii) the steps that SNET has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial actions will be taken; and (iii) the steps that SNET has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.
- (d) All Compliance Reports shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Room 4-C224, Washington, DC 20554, with a copy submitted electronically to Jeffrey.Gee@fcc.gov and Mindy.Littell@fcc.gov.

20. **Termination Date.** Unless stated otherwise, the requirements set forth in paragraphs 16 through 19 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

²⁵ 47 C.F.R. § 1.16.

21. **Section 208 Complaints; Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act²⁶ against SNET for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by SNET with the Communications Laws.

22. **Civil Penalty.** SNET will pay a civil penalty to the United States Treasury in the amount of four million dollars (\$4,000,000) within thirty (30) calendar days of the Effective Date.

SNET shall send electronic notification of the payment to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Room 4-C224, Washington, DC 20554, with a copy submitted electronically to Jeffrey.Gee@fcc.gov and Mindy.Littell@fcc.gov on the date said payment is made. The payment must be made by check or similar instrument, wire transfer, or credit card, and must include the respective Account Number and FRN referenced above. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted.²⁷ When completing the FCC Form 159, enter the Account Number in block number 23A (call sign/other ID) and enter the letters "FORF" in block number 24A (payment type code). Below are additional instructions that should be followed based on the form of payment selected:

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.
- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

Questions regarding payment procedures should be addressed to the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

23. **Waivers.** As of the Effective Date, SNET and each of the SNET Lifeline Affiliates waive any and all rights they may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order. SNET and each of the SNET Lifeline Affiliates shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If any Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Consent Decree or the Adopting Order, neither SNET, the SNET Lifeline Affiliates, nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and SNET shall waive any statutory right to a trial

²⁶ 47 U.S.C. § 208.

²⁷ An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

de novo. SNET hereby agree to waive any claims they may otherwise have under the Equal Access to Justice Act²⁸ relating to the matters addressed in this Consent Decree.

24. **Severability**. The Parties agree that if any of the provisions of the Consent Decree shall be held unenforceable by any court of competent jurisdiction, such unenforceability shall not render unenforceable the entire Consent Decree, but rather the entire Consent Decree shall be construed as if not containing the particular unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly.

25. **Invalidity**. In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

26. **Subsequent Rule or Order**. The Parties agree that if any provision of the Consent Decree conflicts with any subsequent Rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which SNET does not expressly consent) that provision will be superseded by such Rule or Order.

27. **Successors and Assigns**. SNET agree that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

28. **Final Settlement**. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation.

29. **Modifications**. This Consent Decree cannot be modified without the advance written consent of both Parties.

30. **Paragraph Headings**. The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

31. **Authorized Representative**. Each Party represents and warrants to the other that it has full power and authority to enter into this Consent Decree. Each person signing this Consent Decree on behalf of a Party hereby represents that he or she is fully authorized by the Party to execute this Consent Decree and to bind the Party to its terms and conditions.

²⁸ See 5 U.S.C. § 504; 47 C.F.R. §§ 1.1501–1.1530.

32. **Counterparts.** This Consent Decree may be signed in counterpart (including electronically or by facsimile). Each counterpart, when executed and delivered, shall be an original, and all of the counterparts together shall constitute one and the same fully executed instrument.

Travis LeBlanc
Chief
Enforcement Bureau

Date

Allison M. Ellis
Vice President, Regulatory Affairs
The Southern New England Telephone Company

Date