

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	File No.: EB-11-SE-047
	)	
Centennial Communications Corporation, wholly-owned subsidiary of AT&T, Inc.	)	NAL/Acct. No.: 201232100013
	)	
	)	FRN: 0009631136

**NOTICE OF APPARENT LIABILITY FOR FORFEITURE**

**Adopted: December 28, 2011**

**Released: December 29, 2011**

By the Chief, Enforcement Bureau:

**I. INTRODUCTION**

1. In this *Notice of Apparent Liability for Forfeiture* (“NAL”), we propose a forfeiture in the amount of seventy-five thousand dollars (\$75,000) against Centennial Communications Corporation (“Centennial”).<sup>1</sup> As detailed herein, we find that Centennial apparently willfully and repeatedly violated sections 20.19(d)(3)(ii) and 20.19(e)(2) of the Commission’s rules (“Rules”).<sup>2</sup> Specifically, Centennial apparently failed to offer to consumers the required number or percentage of hearing aid-compatible digital wireless handset models that operate on the GSM and WCDMA air interfaces as set forth in the Rules. These hearing aid compatibility requirements serve to ensure that consumers with hearing loss have access to advanced telecommunications services.

**II. BACKGROUND**

2. In the 2003 *Hearing Aid Compatibility Order*, the Commission adopted several measures to enhance the ability of consumers with hearing loss to access digital wireless telecommunications.<sup>3</sup> The

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<sup>1</sup> Centennial is a Tier II carrier serving six states in the continental United States, Puerto Rico, and the U.S. Virgin Islands. Tier II carriers are non-nationwide wireless radio service providers with more than 500,000 subscribers as of the end of 2001. See *Revision of the Commission’s Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, Phase II Compliance Deadlines for Non-Nationwide CMRS Carriers*, Order to Stay, 17 FCC Rcd 14841, 14847-48 ¶¶ 22-23 (2002). In 2009, the Commission and the Department of Justice approved the merger of Centennial and AT&T, Inc., subject to divestiture of Centennial’s wireless operations in certain areas. See *Applications of AT&T Inc. and Centennial Communications Corp. for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Leasing Arrangements*, Memorandum Opinion and Order, 24 FCC Rcd 13915 (2009) (“*Centennial-AT&T Merger*”); *United States v. AT&T & Centennial Corporation*, Final Judgment, available at <http://www.justice.gov/atr/cases/f255200/255275.pdf>. As a consequence of the merger, Centennial became a wholly-owned subsidiary of AT&T, Inc. See *Centennial-AT&T Merger*, 24 FCC Rcd 13920 ¶ 13. Centennial offers service over the Global System for Mobile Communications (“GSM”) and Wideband Code Division Multiple Access (“WCDMA”) a.k.a. Universal Mobile Telecommunications System (“UMTS”) air interfaces.

<sup>2</sup> 47 C.F.R. § 20.19(d)(3)(ii), (e)(2).

<sup>3</sup> *Section 68.4(a) of the Commission’s Rules Governing Hearing Aid-Compatible Telephones*, Report and Order, 18 FCC Rcd 16753 (2003); Erratum, 18 FCC Rcd 18047 (2003) (“*Hearing Aid Compatibility Order*”); Order on Reconsideration and Further Notice of Proposed Rulemaking, 20 FCC Rcd 11221 (2005). The Commission adopted (continued....)

Commission established technical standards that digital wireless handsets must meet to be considered compatible with hearing aids operating in acoustic coupling and inductive coupling (telecoil) modes.<sup>4</sup> Specifically, the Commission adopted a standard for radio frequency interference (the “M3” rating) to enable acoustic coupling between digital wireless phones and hearing aids operating in acoustic coupling mode, and a separate standard (the “T3” rating) to enable inductive coupling with hearing aids operating in telecoil mode.<sup>5</sup>

3. In the 2008 *Hearing Aid Compatibility First Report and Order*, the Commission established several deadlines between 2008 and 2011 by which manufacturers and service providers must offer specified numbers or percentages of digital wireless handset models that are rated as hearing aid-compatible.<sup>6</sup> The number or percentage of digital wireless handset models required to be offered to consumers by each deadline depends on the applicable compatibility standard (“M” rating or “T” rating), and the deployment schedule is tailored to the size of the service provider as measured by its number of subscribers.

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these requirements for digital wireless telephones under the authority of the Hearing Aid Compatibility Act of 1988, codified at section 710(b)(2)(B) of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 610(b)(2)(B).

<sup>4</sup> See *Hearing Aid Compatibility Order*, 18 FCC Rcd at 16777 ¶ 56. See also 47 C.F.R. § 20.19(b)(1), (2). The *Hearing Aid Compatibility Order* described the acoustic coupling and the inductive coupling (telecoil) modes as follows:

In acoustic coupling mode, the microphone picks up surrounding sounds, desired and undesired, and converts them into electrical signals. The electrical signals are amplified as needed and then converted back into sound by the hearing aid speaker. In telecoil mode, with the microphone turned off, the telecoil picks up the audio signal-based magnetic field generated by the voice coil of a dynamic speaker in hearing aid-compatible telephones, audio loop systems, or powered neck loops. The hearing aid converts the magnetic field into electrical signals, amplifies them as needed, and converts them back into sound via the speaker. Using a telecoil avoids the feedback that often results from putting a hearing aid up against a telephone earpiece, can help prevent exposure to over amplification, and eliminates background noise, providing improved access to the telephone.

*Hearing Aid Compatibility Order*, 18 FCC Rcd at 16763 ¶ 22.

<sup>5</sup> As subsequently amended, section 20.19(b)(1) provides that, for the period beginning January 1, 2010, a wireless handset is deemed hearing aid-compatible for radio frequency interference if, at a minimum, it meets the M3 rating associated with the technical standard set forth in the standard document “American National Standard Methods of Measurement of Compatibility between Wireless Communication Devices and Hearing Aids,” ANSI C63.19-2007 (June 8, 2007) (“ANSI C63.19-2007”), except that grants of certification issued before January 1, 2010 under earlier versions of ANSI C63.19 remain valid for hearing aid compatibility purposes. 47 C.F.R. § 20.19(b)(1). Section 20.19(b)(2) provides that, for the period beginning January 1, 2010, a wireless handset is deemed hearing aid-compatible for inductive coupling if, at minimum, it meets the T3 rating associated with the technical standard set forth in ANSI C63.19-2007, except that grants of certification issued before January 1, 2010 under earlier versions of ANSI C63.19 remain valid for hearing aid compatibility purposes. 47 C.F.R. § 20.19(b)(2).

<sup>6</sup> These handset deployment requirements apply to each air interface over which the service providers offer service. See *Amendment of the Commission’s Rules Governing Hearing Aid-Compatible Mobile Handsets*, First Report and Order, 23 FCC Rcd 3406, 3419 ¶¶ 35-36 (2008) (stating that the hearing aid compatibility handset deployment requirements apply on a per air interface basis) (“*Hearing Aid Compatibility First Report and Order*”), Order on Reconsideration and Erratum, 23 FCC Rcd 7249 (2008).

4. Specifically, between May 15, 2009 and May 14, 2010, non-Tier I service providers were required to ensure that at least nine handset models per digital air interface,<sup>7</sup> or at least 50% of the models offered per digital air interface, met or exceeded the M3 rating,<sup>8</sup> and that at least five handset models per digital air interface, or at least one-third of the models offered per digital air interface, met or exceeded the T3 rating.<sup>9</sup> Beginning May 15, 2010, non-Tier I service providers were required to offer to consumers at least ten handset models per digital air interface, or at least 50% of the models offered per digital air interface, that met or exceeded the M3 rating.<sup>10</sup> Similarly, between May 15, 2010 and May 14, 2011, non-Tier I service providers were required to offer at least seven handset models per digital air interface, or at least one-third of the models offered per digital air interface, that met or exceeded the T3 rating.<sup>11</sup> However, these handset deployment benchmarks do not apply to service providers and manufacturers that meet the *de minimis* exception.<sup>12</sup> The *de minimis* exception provides that manufacturers or mobile service providers that offer two or fewer digital wireless handset models per air interface are exempt from the hearing aid compatibility deployment requirements, and manufacturers or service providers that offer three digital wireless handset models per air interface must offer at least one compliant model.<sup>13</sup>

5. On January 18, 2011, Centennial submitted a hearing aid compatibility status report covering January 1, 2010 to December 31, 2010.<sup>14</sup> Centennial identified each handset model it offered to consumers and specified the model's FCC Identification ("FCC ID") as well as the hearing aid compatibility rating, if any. After a careful review of Centennial's submission, the Wireless Telecommunications Bureau referred this matter to the Enforcement Bureau ("Bureau") for investigation. As part of its investigation, the Bureau consulted the FCC Office of Engineering and Technology ("OET") Equipment Authorization System to independently confirm the hearing aid compatibility rating of each handset model as established in the grant of equipment authorization issued by the Commission for that handset.<sup>15</sup> Taking into account the manufacturer-reported information in the OET database, we conclude that Centennial apparently failed to offer during the 2010 calendar year the required number or

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<sup>7</sup> The term "air interface" refers to the technical protocol that ensures compatibility between mobile radio service equipment, such as handsets, and the service provider's base stations. Currently, the leading air interfaces include GSM, WCDMA a.k.a. UMTS, Code Division Multiple Access ("CDMA"), and Integrated Digital Enhanced Network ("iDEN").

<sup>8</sup> See *Hearing Aid Compatibility First Report and Order*, 23 FCC Rcd at 3419 ¶ 35; 47 C.F.R. § 20.19(c)(3)(ii).

<sup>9</sup> See *Hearing Aid Compatibility First Report and Order*, 23 FCC Rcd at 3419 ¶ 36; 47 C.F.R. § 20.19(d)(3)(ii).

<sup>10</sup> See *supra* note 8.

<sup>11</sup> See *supra* note 9.

<sup>12</sup> See *Hearing Aid Compatibility First Report and Order*, 23 FCC Rcd at 3413 ¶ 20; 47 C.F.R. § 20.19(e).

<sup>13</sup> 47 C.F.R. § 20.19(e). Effective September 10, 2012, the *de minimis* exception will not be available to manufacturers or mobile service providers that do not meet the definition of a "small entity" beginning two years after their initial offerings. 47 C.F.R. § 20.19(e)(1)(ii); see also *Amendment of the Commission's Rules Governing Hearing Aid-Compatible Mobile Handsets*, Policy Statement and Second Report and Order and Further Notice of Proposed Rulemaking, 25 FCC Rcd 11167, 11180-89 ¶¶ 35-59 (2010).

<sup>14</sup> See Centennial Communications Corporation, Hearing Aid Compatibility Status Report (filed Jan. 18, 2011), available at [http://wireless.fcc.gov/hac\\_documents/110210/5950495\\_307.PDF](http://wireless.fcc.gov/hac_documents/110210/5950495_307.PDF) ("2010 Report").

<sup>15</sup> The FCC Office of Engineering and Technology Equipment Authorization System is the electronic database of all equipment certified under FCC authority. The database identifies the hearing aid compatibility rating of each device by FCC ID, as reported by the handset manufacturer in test reports submitted to the Commission at the time of an equipment authorization or of any modifications to such authorization. See <http://transition.fcc.gov/oet/ea/fccid/>.

percentage of handset models with a minimum T3 rating that operate on both the GSM and WCDMA air interfaces.<sup>16</sup>

### III. DISCUSSION

#### A. Failure to Comply with Hearing Aid-Compatible Handset Deployment Requirements

6. We find that Centennial apparently failed to offer to consumers the required number or percentage of hearing aid-compatible handset models rated T3 or higher that operate on the GSM and WCDMA air interfaces. As noted above, the Commission has imposed varying benchmarks for the deployment of hearing aid-compatible handsets. In November and December 2010, Centennial was required to offer at least *four* handset models rated T3 or higher that operate on the GSM air interface<sup>17</sup>—significantly fewer than the 11 to 12 handset models it made available to consumers without hearing loss.<sup>18</sup> As set forth in greater detail in Appendix A, Centennial apparently failed to meet this standard by offering only three handset models with a minimum T3 rating that operate on the GSM air interface.<sup>19</sup> Accordingly, we find that in November and December 2010 Centennial apparently willfully<sup>20</sup> and repeatedly<sup>21</sup> violated section 20.19(d)(3)(ii) of the Rules by failing to offer to consumers the required number or percentage of digital wireless handset models rated T3 or higher that operate on the GSM air interface.

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<sup>16</sup> See *supra* note 15 and accompanying text.

<sup>17</sup> See 47 C.F.R. § 20.19(d)(3)(ii) (requiring non-Tier I digital wireless service providers to ensure that between May 15, 2010 and May 14, 2011, at least one-third of the handset models they offered, or at least seven handset models, met or exceeded the T3 rating for inductive coupling).

<sup>18</sup> We note that while non-hearing aid-compatible handsets are technically available to all consumers, these handsets may not function effectively with hearing aids and can create excessive feedback and “noise.” See *Hearing Aid Compatibility Order*, 18 FCC Rcd at 16756 ¶ 6 (“[D]igital wireless phones can cause interference to hearing aids and cochlear implants because of electromagnetic energy emitted by the phone’s antenna, backlight, or other components. This interference can be significant enough to prevent individuals with hearing aids or cochlear implants from using digital wireless phones and services. In addition, most wireless phones do not internally provide the capability to inductively couple with hearing aids containing telecoils, as wireline phones do.”).

<sup>19</sup> See Appendix A, Centennial Communications Corporation Hearing Aid-Compatible Handset Offerings, GSM Air Interface (T3 or higher rating) (indicating that Centennial fell short of the hearing aid-compatible handset deployment requirements for inductive coupling by one handset model in November and December 2010).

<sup>20</sup> Section 312(f)(1) of the Act defines “willful” as “the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate” the law. 47 U.S.C. § 312(f)(1). The legislative history of section 312 clarifies that this definition of willful applies to both sections 312 and 503 of the Act, H.R. Conf. Rep. No. 97-765 (1982), and the Commission has so interpreted the term in the section 503(b) context. See *Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 ¶ 5 (1991), *recon. denied*, 7 FCC Rcd 3454 (1992) (“*Southern California*”); see also *Telrite Corporation*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 7231, 7237 ¶ 12 (2008); *San Jose Navigation, Inc.*, Forfeiture Order, 22 FCC Rcd 1040, 1042 ¶ 9 (2007), *consent decree ordered*, Order and Consent Decree, 25 FCC Rcd 1494 (2010).

<sup>21</sup> Section 312(f)(2) of the Act, which also applies to forfeitures assessed pursuant to section 503(b) of the Act, provides that “[t]he term ‘repeated’ ... means the commission or omission of such act more than once or, if such commission or omission is continuous, for more than one day.” 47 U.S.C. § 312(f)(2). See *Callais Cablevision, Inc.*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359, 1362 ¶ 9 (2001), *forfeiture ordered*, Forfeiture Order, 17 FCC Rcd 22626 (2002) (forfeiture paid); *Southern California*, 6 FCC Rcd at 4388 ¶ 5.

7. With respect to handsets that operate on the WCDMA air interface, Centennial was required to offer at least *one* handset model rated T3 or higher in December 2010.<sup>22</sup> As set forth in greater detail in Appendix B, Centennial also apparently failed to meet this standard, offering no handset models with a minimum T3 rating that operate on the WCDMA air interface.<sup>23</sup> Accordingly, we also find that in December 2010 Centennial apparently willfully and repeatedly violated section 20.19(e)(2) of the Rules by failing to offer to consumers any digital wireless handset models with a minimum T3 rating that operate on the WCDMA air interface.

## B. Proposed Forfeiture

8. Under section 503(b)(1)(B) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.<sup>24</sup> To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability for forfeiture and the person against whom such notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.<sup>25</sup> The Commission will then issue a forfeiture if it finds by a preponderance of the evidence that the person has violated the Act or a Commission rule.<sup>26</sup> We conclude under this standard that Centennial is apparently liable for a forfeiture for its apparent willful and repeated violations of sections 20.19(d)(3)(ii) and 20.19(e)(2) of the Rules.

9. Section 503(b)(2)(B) of the Act authorizes a forfeiture assessment against a common carrier up to \$150,000 for each violation, or for each day of a continuing violation, up to a maximum of \$1,500,000 for a single act or failure to act.<sup>27</sup> In exercising such authority, we are required to take into account “the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”<sup>28</sup>

10. The Commission’s *Forfeiture Policy Statement* and section 1.80 of the Rules do not establish a base forfeiture amount for violations of the hearing aid-compatible handset requirements set

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<sup>22</sup> See 47 C.F.R. § 20.19(e)(2) (requiring digital wireless service providers offering three handset models to offer at least one handset model rated T3 or higher and at least one handset model rated M3 or higher).

<sup>23</sup> See Appendix B, Centennial Communications Corporation Hearing Aid-Compatible Handset Offerings, WCDMA Air Interface (T3 or higher rating).

<sup>24</sup> 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(1).

<sup>25</sup> 47 U.S.C. § 503(b)(4); 47 C.F.R. § 1.80(f).

<sup>26</sup> See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591 ¶ 4 (2002).

<sup>27</sup> 47 U.S.C. § 503(b)(2)(B). The Commission has amended section 1.80(b)(2) of the Rules, 47 C.F.R. § 1.80(b)(2), three times to increase the maximum forfeiture amounts, in accordance with the inflation adjustment requirements contained in the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461 note, as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701 note. The most recent inflation adjustment took effect September 2, 2008, and applies to violations that occur after that date. See *Amendment of Section 1.80(b) of the Commission’s Rules, Adjustment of Forfeiture Maxima to Reflect Inflation*, Order, 23 FCC Rcd 9845, 9847 (2008) (adjusting the maximum statutory amounts for common carriers from \$130,000/\$1,325,000 to \$150,000/\$1,500,000); 73 Fed. Reg. 44663-5.

<sup>28</sup> 47 U.S.C. § 503(b)(2)(E). See also 47 C.F.R. § 1.80(b)(5), Note to paragraph (b)(5): Section II. Adjustment Criteria for Section 503 Forfeitures.

forth in section 20.19 of the Rules.<sup>29</sup> The fact that the Forfeiture Policy Statement does not specify a base amount in no way suggests that a forfeiture should not be imposed. The *Forfeiture Policy Statement* states that “any omission of a specific rule violation from the ... [forfeiture guidelines] ... should not signal that the Commission considers any unlisted violation as nonexistent or unimportant.”<sup>30</sup> The Commission retains the discretion, moreover, to depart from the *Forfeiture Policy Statement* and issue forfeitures on a case-by-case basis, under its general forfeiture authority contained in section 503 of the Act.<sup>31</sup>

11. In determining the appropriate forfeiture amount for violation of the hearing aid-compatible handset deployment requirements, we take into account that these requirements serve to ensure that consumers with hearing loss have access to advanced telecommunications services. In adopting the hearing aid compatibility rules, the Commission underscored the strong and immediate need for such access, stressing that individuals with hearing loss should not be denied the public safety and convenience benefits of digital wireless telephony.<sup>32</sup> Moreover, as the Commission has noted, the demand for hearing aid-compatible handsets is likely to increase with the public’s growing reliance on wireless technology and with the increasing median age of our population.<sup>33</sup>

12. We have previously determined that violations of the hearing aid-compatible handset deployment requirements are serious in nature because failure to make compatible handsets available to consumers actually prevents hearing aid users from accessing digital wireless communications.<sup>34</sup> As such, we generally apply a base forfeiture amount of \$15,000 to reflect the gravity of these violations.<sup>35</sup> We have applied the \$15,000 base forfeiture on a per handset model basis (*i.e.*, for each handset model

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<sup>29</sup> See *The Commission’s Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, Report and Order, 12 FCC Rcd 17087 (1997), *recon. denied*, Memorandum Opinion and Order, 15 FCC Rcd 303 (1999) (“*Forfeiture Policy Statement*”); 47 C.F.R. §§ 1.80, 20.19.

<sup>30</sup> *Forfeiture Policy Statement*, 12 FCC Rcd at 17099 ¶ 22.

<sup>31</sup> *Id.*

<sup>32</sup> *Hearing Aid Compatibility Order*, 18 FCC Rcd at 16755 ¶ 4.

<sup>33</sup> *Id.* at 16756 ¶ 5 (noting that approximately one in ten Americans, or 28 million Americans, have some level of hearing loss, that the proportion increases with age, and that the number of those affected will likely grow as the median age increases). See also *Section 68.4(a) of the Commission’s Rules Governing Hearing Aid-Compatible Telephones*, Report on the Status of Implementation of the Commission’s Hearing Aid Compatibility Requirements, 22 FCC Rcd 17709, 17719 ¶ 20 (2007) (noting, just four years later, that the number of individuals with hearing loss in the United States was “at an all time high of 31 million people – with that number expected to reach approximately 40 million people at the end of [2010]”).

<sup>34</sup> See *South Canaan Cellular Communications Company, L.P.*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 20, 24 ¶ 11 (Enf. Bur., Spectrum Enf. Div. 2008) (forfeiture paid) (“*South Canaan*”) (finding that “a violation of the labeling requirements, while serious because it deprives hearing aid users from making informed choices, is less egregious than a violation of the handset requirements because failure to make compliant handsets available actually deprives hearing aid users from accessing digital wireless communications.”). See also, *e.g.*, *NEP Cellcorp, Inc.*, Notice of Apparent Liability for Forfeiture, 24 FCC Rcd 8, 13 ¶ 11 (Enf. Bur., Spectrum Enf. Div. 2009) (forfeiture paid) (“*NEP Cellcorp*”); *Pinpoint Wireless, Inc.*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 9290, 9295 ¶ 11 (Enf. Bur., Spectrum Enf. Div. 2008), *consent decree ordered*, Order and Consent Decree, 24 FCC Rcd 2951 (Enf. Bur., Spectrum Enf. Div. 2009) (“*Pinpoint Wireless*”); *Smith Bagley, Inc.*, Notice of Apparent Liability for Forfeiture, 24 FCC Rcd 14113, 14118 ¶ 11 (Enf. Bur., Spectrum Enf. Div. 2009), *response pending* (“*Smith Bagley*”).

<sup>35</sup> See, *e.g.*, *NEP Cellcorp*, 24 FCC Rcd at 13 ¶ 11; *Pinpoint Wireless*, 23 FCC Rcd at 9295 ¶ 11; *Smith Bagley*, 24 FCC Rcd at 14118 ¶ 11; *South Canaan*, 23 FCC Rcd at 24 ¶ 11.

below the minimum number of hearing aid-compatible models required by the Rules).<sup>36</sup> We also impose separate base forfeitures for each air interface over which the service provider offers service.<sup>37</sup>

13. For purposes of calculating the base forfeiture amount for Centennial's apparent T3-related violations on the GSM air interface, we focus on the company's failure in December 2010 to offer to consumers the requisite number or percentage of handset models with a minimum T3 rating, when Centennial missed the benchmark by one handset model.<sup>38</sup> Accordingly, and consistent with section 503(b)(6) of the Act, we start with a base forfeiture of \$15,000 for Centennial's apparent failure to offer to consumers the required number or percentage of handset models with a minimum T3 rating that operate on the GSM air interface in willful and repeated violation of section 20.19(d)(3)(ii) of the Rules.

14. Similarly, the record establishes that Centennial apparently failed in December 2010 to offer to consumers any handset models with a minimum T3 rating that operate on the WCDMA air interface.<sup>39</sup> Accordingly, and consistent with section 503(b)(6) of the Act, we assess a base forfeiture of \$15,000 for Centennial's apparent failure to offer to consumers the required number or percentage of handset models with a minimum T3 rating that operate on the WCDMA air interface in willful and repeated violation of section 20.19(e)(2) of the Rules.

15. These base forfeiture amounts, however, are subject to adjustment. Given the totality of the circumstances, and consistent with the *Forfeiture Policy Statement*, we conclude that a substantial upward adjustment of the \$30,000 base forfeiture amount is warranted. In this regard, we have previously held that violations of the hearing aid-compatible handset deployment requirements by larger entities such as Tier II carriers are more egregious, warranting a higher forfeiture amount.<sup>40</sup> We also have found it appropriate to set the forfeiture amount at a higher level for highly profitable entities to ensure that the forfeiture serves as an effective deterrent against their future non-compliance with the hearing aid compatibility handset requirements.<sup>41</sup> Finally, we take into account that Centennial has previously

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<sup>36</sup> See *supra* note 35.

<sup>37</sup> See *supra* note 6.

<sup>38</sup> See *supra* para. 6.

<sup>39</sup> See *supra* para. 7.

<sup>40</sup> See *Centennial Communications Corporation*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 9406, 9412-13 ¶ 13 (Enf. Bur. 2008) (forfeiture paid) (“2008 Centennial NAL”) (finding that a substantial upward adjustment of the base forfeiture was warranted for larger entities, such as Tier II carriers); *SunCom Wireless, Inc.*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 8681, 8688 ¶ 17 (Enf. Bur. 2008) (forfeiture paid) (“*SunCom Wireless*”) (same).

<sup>41</sup> See, e.g., *2008 Centennial NAL*, 23 FCC Rcd at 9412-13 ¶ 13; *SunCom Wireless*, 23 FCC Rcd at 8688 ¶ 17. As the Commission made clear in the *Forfeiture Policy Statement*, highly profitable entities should expect forfeitures higher than those reflected in the base amounts. Specifically, the Commission stated:

[W]e recognize that for large or highly profitable communication entities, the base forfeiture amounts ... are generally low. In this regard, we are mindful that, as Congress has stated, for a forfeiture to be an effective deterrent against these entities, the forfeiture must be issued at a high level. For this reason, we caution all entities and individuals that, independent from the uniform base forfeiture amounts ..., we intend to take into account the subsequent violator's ability to pay in determining the amount of a forfeiture to guarantee that forfeitures issued against large or highly profitable entities are not considered merely an affordable cost of doing business. Such large or highly profitable entities should expect in this regard that the forfeiture amount set out in a Notice of

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violated our hearing aid-compatible handset deployment requirements.<sup>42</sup> Therefore, based on all the factors and evidence, including Centennial's status as a Tier II carrier, its ability to pay the proposed forfeiture, its history of noncompliance with the hearing aid-compatible handset deployment requirements, and the potentially significant impact of the apparent violation on consumers with hearing loss, we propose a forfeiture of \$75,000 against Centennial for apparently willfully and repeatedly failing to comply with the hearing aid-compatible handset deployment requirements set forth in sections 20.19(d)(3)(ii) and 20.19(e)(2) of the Rules.<sup>43</sup>

#### IV. ORDERING CLAUSES

16. Accordingly, **IT IS ORDERED** that, pursuant to section 503(b) of the Act, and sections 0.111, 0.311, and 1.80 of the Rules,<sup>44</sup> Centennial Communications Corporation **IS NOTIFIED** of its **APPARENT LIABILITY FOR A FORFEITURE** in the amount of seventy-five thousand dollars (\$75,000) for apparent willful and repeated violation of sections 20.19(d)(3)(ii) and 20.19(e)(2) of the Rules.

17. **IT IS FURTHER ORDERED** that, pursuant to section 1.80 of the Rules,<sup>45</sup> within thirty (30) calendar days after the release date of this *Notice of Apparent Liability for Forfeiture*, Centennial Communications Corporation **SHALL PAY** the full amount of the proposed forfeiture or **SHALL FILE** a written statement seeking reduction or cancellation of the proposed forfeiture.

18. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Account Number and FRN referenced above. Payment by check or money order may be mailed to the Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account

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Apparent Liability against them may in many cases be above, or even well above, the relevant base amount.

*Forfeiture Policy Statement*, 12 FCC Rcd at 17099-100 ¶ 24. In addition, we note that the Commission has upwardly adjusted a proposed forfeiture based on the revenues of the parent corporation. *See, e.g., ACR Electronics, Inc.*, Notice of Apparent Liability for Forfeiture, 19 FCC Rcd 22293, 22303 n.62 and accompanying text (2004), *forfeiture ordered*, Forfeiture Order, 1 FCC Rcd 3698 (2006). In the instant case, AT&T, Inc., Centennial's ultimate parent corporation, had estimated gross revenues of more than \$124 billion in 2010. *See AT&T Inc. Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Fiscal Year Ended December 31, 2010*, Form 10-K Exhibit 13-Selected Financial and Operating Data at 1 (filed Feb. 28, 2011), available at <http://www.sec.gov/Archives/edgar/data/732717/000073271711000014/0000732717-11-000014-index.htm>.

<sup>42</sup> *See 2008 Centennial NAL*, 23 FCC Rcd at 9409-10 ¶ 6 (proposing a \$15,000 forfeiture against Centennial for its failure to offer one handset model rated T3 or higher that operates on the GSM interface, and admonishing Centennial for its failure to offer any handset models rated T3 or higher that operate on the CDMA interface). *See also Forfeiture Policy Statement*, 12 FCC Rcd at 17116 (including "prior violations of any FCC requirements" as an upward adjustment factor); 47 C.F.R. § 1.80(b)(5), Note to paragraph (b)(5); Section II, Adjustment Criteria for Section 503 Forfeitures (same).

<sup>43</sup> 47 C.F.R. § 20.19(d)(3)(ii), (e)(2).

<sup>44</sup> 47 U.S.C. § 503(b); 47 C.F.R. §§ 0.111, 0.311, 1.80.

<sup>45</sup> 47 C.F.R. § 1.80.

Number in block number 23A (call sign/other ID), and enter the letters “FORF” in block number 24A (payment type code). Requests for full payment under an installment plan should be sent to: Chief Financial Officer – Financial Operations, 445 12th Street, S.W., Room 1-A625, Washington, D.C. 20554. Please contact the Financial Operations Group Help Desk at 1-877-480-3201 or email [ARINQUIRIES@fcc.gov](mailto:ARINQUIRIES@fcc.gov) with any questions regarding payment procedures. Centennial Communications Corporation must also send electronic notification to Nissa Laughner at [Nissa.Laughner@fcc.gov](mailto:Nissa.Laughner@fcc.gov), Pamera Hairston at [Pamera.Hairston@fcc.gov](mailto:Pamera.Hairston@fcc.gov), and Samantha Peoples at [Sam.Peoples@fcc.gov](mailto:Sam.Peoples@fcc.gov) on the date said payment is made.

19. The written statement seeking reduction or cancellation of the proposed forfeiture, if any, must include a detailed factual statement supported by appropriate documentation and affidavits pursuant to sections 1.80(f)(3) and 1.16 of the Rules.<sup>46</sup> The written statement must be mailed to the Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554, ATTN: Enforcement Bureau – Spectrum Enforcement Division, and must include the NAL/Account Number referenced in the caption. This statement also must be emailed to Nissa Laughner at [Nissa.Laughner@fcc.gov](mailto:Nissa.Laughner@fcc.gov) and Pamera Hairston at [Pamera.Hairston@fcc.gov](mailto:Pamera.Hairston@fcc.gov).

20. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices (“GAAP”); or (3) some other reliable and objective documentation that accurately reflects the petitioner’s current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

21. **IT IS FURTHER ORDERED** that a copy of this *Notice of Apparent Liability for Forfeiture* shall be sent by first class mail and certified mail return receipt requested to William L. Roughton, Jr., Vice President, Legal and Regulatory Affairs, Centennial Communications Corporation, 3349 Route 148, Building A, Wall, NJ 07719.

FEDERAL COMMUNICATIONS COMMISSION

P. Michele Ellison  
Chief  
Enforcement Bureau

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<sup>46</sup> 47 C.F.R. §§ 1.80(f)(3), 1.16.

**APPENDIX A**  
**Centennial Communications Corporation**  
**Hearing Aid-Compatible Handset Model Offerings**  
**GSM Air Interface**  
**(T3 or higher rating)**

Period	Total Handset Models Offered	T3-rated Handset Models Offered	T3-rated Handset Models Required	T3 Compliance?
January 2010	5	3	<b>At least 1/3 of the total number of handset models offered or at least 5 handset models</b> (1/1/10-5/14/10)	Yes
February 2010	6	3		Yes
March 2010	6	3		Yes
April 2010	6	3		Yes
May 1-14, 2010	6	3		Yes
May 15-31, 2010	6	3	<b>At least 1/3 of the total number of handset models offered or at least 7 handset models</b> (5/15/10-12/31/10)	Yes
June 2010	6	3		Yes
July 2010	7	3		Yes
August 2010	7	3		Yes
September 2010	8	3		Yes
October 2010	9	3		Yes
November 2010	11	3		No
December 2010	12	3	No	

**APPENDIX B**  
**Centennial Communications Corporation**  
**Hearing Aid-Compatible Handset Model Offerings**  
**WCDMA Air Interface**  
**(T3 or higher rating)**

<b>Period</b>	<b>Total Handset Models Offered</b>	<b>T3-rated Handset Models Offered</b>	<b>T3-rated Handset Models Required</b>	<b>T3 Compliance?</b>
January 2010-September 2010	0	0	<b>At least one handset model if offering three handset models; Exempt if offering two or fewer models (<i>de minimis</i>)</b>	Exempt
October 2010	1	0		Exempt
November 2010	2	0		Exempt
December 2010	3	0		No