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JAN 19 2017

Federal Communications Commission
Office of the Secretary

January 19, 2017

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197; *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 – Q Link WIRELESS LLC, Petition for Designation as a Lifeline Broadband Provider

Dear Ms. Dortch:

Q Link Wireless LLC ("Q Link") requests that, pursuant to Sections 0.457 and 0.459 of the Commission's rules, 47 C.F.R. §§ 0.457, 0.459, the Commission withhold from any future public inspection and accord confidential treatment to information submitted as part of an ex parte in the above-captioned proceedings. The ex parte contains sensitive commercial information that falls within Exemption 4 of the Freedom of Information Act ("FOIA").

Exemption 4 of FOIA provides that the public disclosure requirement of the statute "does not apply to matters that are . . . (4) trade secrets and commercial or financial information obtained from a person and privileged or confidential." 5 U.S.C. § 552(b)(4). Because Q Link is providing commercial information "of a kind that would not customarily be released to the public" in accordance with the application requirements in Section 64.606 of the Commission's rules, this information is "confidential" under Exemption 4 of FOIA. *See Critical Mass Energy Project* v. *NRC,* 975 F.2d 871, 879 (D.C. Cir. 1992).

In support of this request and pursuant to Section 0.459(b) of the Commission's rules, Q Link hereby states as follows:

1. Identification of the Specific Information for Which Confidential Treatment Is Sought (Section 0.459(b)(1))

Q Link seeks confidential treatment with respect to the information marked as "Confidential" in the attached ex parte letter. This information reflects specific details regarding outcomes of NLAD verifications that Q Link keeps confidential.

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2. Description of the Circumstances Giving Rise to the Submission (Section 0.459(b)(2))

Q Link met with Commission staff on January 17, 2017 regarding the above-captioned proceedings. The information was presented in order to illustrate the multiple layers of safeguards in Q Link's Lifeline enrollment process.

3. Explanation of the Degree to Which the Information Is Commercial or Financial, or Contains a Trade Secret or Is Privileged (Section 0.459(b)(3))

The portions of the ex parte for which confidential treatment is sought contain information that is commercial, financial, and a trade secret. This information constitutes sensitive commercial information "which would customarily be guarded from competitors." 47 C.F.R. § 0.457.

4. Explanation of the Degree to Which the Information Concerns a Service that Is Subject to Competition (Section 0.459(b)(4))

The information relates to Q Link's provision of wireless telecommunications, and the market for such services is highly competitive.

5. Explanation of How Disclosure of the Information Could Result in Substantial Competitive Harm (Section 0.459(b)(5))

Disclosure of this information would provide Q Link's competitors with sensitive insights related to Q Link's Lifeline enrollment process—which would work to Q Link's severe competitive disadvantage.

6. Identification of Any Measures Taken to Prevent Unauthorized Disclosure (Section 0.459(b)(6))

Q Link does not distribute the information for which confidential treatment is sought.

7. Identification of Whether the Information Is Available to the Public and the Extent of Any Previous Disclosure of the Information to Third Parties (Section 0.459(b)(7))

Q Link has not made the information for which confidential treatment is sought publicly available.

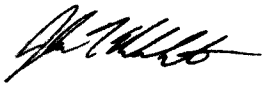
8. Justification of the Period During Which the Submitting Party Asserts That Material Should Not Be Available for Public Disclosure (Section 0.459(b)(8))

Q Link requests that the information remain confidential for three years, because its disclosure during that time could give Q Link's competitors insights into how to compete with Q Link or prejudice it in transactions.

9. Any Other Information That the Party Seeking Confidential Treatment Believes May Be Useful in Assessing Whether Its Request for Confidentiality Should Be Granted (Section 0.459(b)(9))

Data subject to this request also would qualify for Exemption 4 of the Freedom of Information Act. Exemption 4 protects information that is (i) commercial or financial; (ii) obtained by a person outside of the government; and (iii) privileged or confidential. 5 U.S.C. § 552(b)(4).

Sincerely,



John T. Nakahata
Counsel to Q Link Wireless LLC

Attachment

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Ex Parte Notice

Ms. Marlene H. Dortch
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Re: *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197; *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 – Q LINK WIRELESS LLC, Petition for Designation as a Lifeline Broadband Provider

Dear Ms. Dortch:

On January 17, 2017, Issa Asad, CEO, Paul Turner, President, and Noha Asad, Vice President, Q Link Wireless LLC ("Q Link"), and Hank Kelly, Michael Dover, Lance Steinhart and I, each counsel for Q Link, met separately with Commissioner Mignon Clyburn and her Legal Advisor, Claude Aiken; Nicholas Degani, Legal Advisor to Commissioner Pai; and Amy Bender, Legal Advisor to Commissioner O'Rielly, regarding Q LINK's Petition for Designation as a Lifeline Broadband Provider ("LBP").[1] In each meeting, we urged the Commission to move forward promptly to grant Q Link's LBP designation, particularly with respect to those states for which the FCC designates wireless ETCs.

Q Link has been awaiting an FCC ETC designation to serve ten states for the past five years. During that time, Q Link has grown to serve 1.3 million Lifeline households in 27 states, with an unparalleled record for reaching eligible, low-income households. Q Link reaches and enrolls customers in suburban, exurban, and rural areas outside of high-density urban areas. Eighty-five percent of Q Link's Lifeline customers were new to Lifeline when they subscribed to Q Link. These households are demonstrably in need of support—56 percent are "unbanked." And as Q Link has added these households, it has undergone 31 USAC or state audits without finding any duplicate or otherwise ineligible household. Q Link is fulfilling the Lifeline's program's goals, while avoiding waste, fraud and abuse.

As summarized in the attached document, which was provided to each of the FCC participants, Q Link has developed and implemented an enrollment process with multiple layers of safeguards to avoid single points of failure that could permit fraud. Q Link does not provide any incentive compensation on Lifeline subscriptions, and does not employ street agents to sign up customers or hand out phones. Q Link dips multiple databases to verify customer identity,

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[1] *See* Q LINK WIRELESS LLC Petition for Designation as a Lifeline Broadband Provider, WC Docket Nos. 11-42, 09-197 (filed Sept. 22, 2016) ("LBP Petition").

address, and, when possible, eligibility. This includes at least three separate NLAD dips. When it is necessary to review physical documents to verify identity or eligibility, those documents undergo three separate reviews to confirm that they adequately confirm identity or eligibility. And Q Link only ships phones to the subscriber's verified home address.

At this juncture, the Commission should move forward to grant Q Link's LBP Petition, particularly with respect to the states in which the FCC grants wireless ETC designations. Q Link has addressed the sole concerns raised in the record, and it is not aware of any additional concerns with its LBP Petition. Granting Q Link's LBP Petition would allow it immediately to bring competition to these FCC-designated states—where currently there are only two significant mobile Lifeline providers—and would make Lifeline much more accessible to qualified households in the rural, exurban, and suburban portions of these states.

Please contact me if there are any questions.

Sincerely,

John T. Nakahata
Counsel to Q Link Wireless LLC
jnakahata@hwglaw.com
(202) 730-1320

cc: Hon. Mignon Clyburn
Claude Aiken
Nicholas Degani
Amy Bender
Kris Monteith
Trent Harkrader
Ryan Palmer
Christian Hoefly

Attachment

Q LINK'S ENROLLMENT PROCESS

Q Link conducts 100% of enrollments through an online process with multiple, multilayered checks for subscriber identity, duplicates and eligibility. Q Link strives to avoid a single point of failure for Lifeline fraud.

- 71% of customers sign up from a business or public internet address, rather than a private address. The remainder includes signups through a community center's or a friend's internet service.
- 56% of Q Link customers are "unbanked." Few can purchase "top-ups."
- 85% of Q Link customers are new to Lifeline (i.e., did not previously have Lifeline).
- Q Link does not pay any commissions or sales incentives on Lifeline sign-ups. Q Link does not use street agents or store fronts, and does not hand out phones at the time of sign-up. All phones are mailed to the customer's verified home address.
- Because of its extensive vetting of customers, Q Link has undergone 31 USAC or state audits without finding a duplicate or otherwise ineligible enrollee or household.

As the customer enters data during the online application process, Q Link conducts multiple, real-time database checks to vet the customer to ensure the name and address match a real person and a real address.

- Q Link checks the address in real-time with the USPS and Melissa to verify that the address is a bona fide residential address. When those databases indicate apartments, Q Link requires the customer to provide the unit number.
- Q Link checks the customer's name and address, date of birth and last four digits of the customer's Social Security Number in Lexis/Nexis to verify that the person lives at the given address.
- When flagged by NLAD, Q Link collects and submits physical proof of identity as part of the initial application process.

Q Link checks state eligibility databases, where available, and otherwise requires proof of eligibility, as specified by FCC rules.

- For states that do not have eligibility databases, Q Link personnel review all documents submitted to ensure that they meet FCC criteria, are legible and match the customer's name.
- For states that do not have eligibility databases, Q Link also contracts with CGM for CGM to review the customer-provided documentation, as well as to conduct other checks.

Q Link runs multiple checks against the NLAD and CGM databases to ensure the customer's household is not receiving duplicate Lifeline services, and to ensure NLAD has the subscriber identity information it requires.

- Q Link checks all customers against NLAD and CGM in real time at least once during the customer's enrollment session, and again against NLAD before a handset is shipped to the customer. If the customer is not approved and additional information cannot be collected at either check, service is denied and no handset is sent.

- If NLAD returns codes seeking a Household Worksheet or additional address or social security number verification, Q Link collects the additional worksheet or identity/address documentation, and submits that information to NLAD, including copies.
    - In 2016, Q Link provided Household worksheets (and thus had a household "override") for ****BEGIN CONFIDENTIAL** [redacted] **END CONFIDENTIAL**** of customers activated.
    - In 2016, Q Link provided additional address or SSN information (and thus had a "TPIV override") for ****BEGIN CONFIDENTIAL** [redacted] **END CONFIDENTIAL**** of customers activated.
- Q Link then runs an NLAD check again to ensure that all documentation is complete and that there are no additional issues.

After Q Link has taken the customer's completed application and the customer has passed its initial NLAD check, but before Q Link ships a phone to a customer, Q Link has a separate compliance team review all identity and eligibility information submitted by a customer to ensure that it complies with FCC rules. This review is separate from the documentation review that occurs while the customer is completing the online application.

After compliance review, but before a phone is shipped to the customer's verified home address (no other shipping address is permitted), Q Link runs a final check against the NLAD database to ensure that the customer's household has not obtained duplicate Lifeline service in the interval between completing the application and shipping the phone.

- The pre-shipping NLAD check catches newly-developed duplicates in ****BEGIN CONFIDENTIAL** [redacted] **END CONFIDENTIAL**** of cases.
- Q Link uploads the customer's phone number to NLAD at the time the phone is shipped, ensuring NLAD is up-to-date.
- Over 90% of phones shipped by Q Link over the past two years are wi-fi enabled, data-capable smartphones.