

February 20, 2018

VIA ELECTRONIC FILING

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

Re: WC Docket No. 17-287, Bridging the Digital Divide for Low-Income Consumers
WC Docket No. 11-42, Lifeline and Link Up Reform and Modernization
WC Docket No. 09-197, Telecommunications Carriers Eligible for Universal Service Support
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

This letter is submitted on behalf of our client, TracFone Wireless, Inc. (“TracFone”). By this letter, TracFone brings to the Commission’s attention certain continuing concerns it has regarding the plans for the National Lifeline Eligibility Verifier (“National Verifier”) under development by the Universal Service Administrative Company (“USAC”) and the Commission. USAC recently issued its January 2018 update to the National Verifier Plan. This latest update to the National Verifier Plan includes processes that are unnecessarily inefficient and burdensome and that contradict the Commission’s stated goals for the National Verifier. By this letter, TracFone advises the Commission of its continued concerns about certain aspects of the National Verifier Plan.

API

The National Verifier Plan fails to require the use of an Automated Programming Interface (“API”) to facilitate the efficient delivery of Lifeline applicant eligibility information from Lifeline service providers to the National Verifier. In a previous ex parte letter dated September 29, 2017, TracFone explained why service provider APIs should be implemented. For the reasons stated in that letter and as further explained in this letter, TracFone urges the Commission and USAC to develop APIs for use by service providers.

As TracFone previously detailed in the September 2017 letter, an API exists between service providers and the National Lifeline Accountability Database (“NLAD”). The existence of an API with NLAD has allowed USAC and service providers to successfully detect and prevent Lifeline enrollments with multiple service providers and efficiently administer Universal Service Fund support payments. USAC has not indicated that there are any issues regarding service providers’ use of APIs to interact with NLAD. Indeed, USAC recognizes the benefits of APIs by noting, at page 17, the efficiencies gained by having an “[a]utomated API link to federal and state data sources.” Although TracFone and others have expressed concern to USAC and to the Commission regarding the failure to include APIs as part of the National Verifier, USAC has

yet to provide any explanation for its failure to develop APIs for service providers. Rather, the National Verifier Plan simply states at page 75 that “there is no API available associated with the NV Web Portal.” As discussed below, requiring service providers to access the National Verifier via a web portal is antithetical to the Commission’s goals for the National Verifier.

As stated in the recently issued January 2018 National Verifier Plan, at page 6, the Commission has identified three main goals for the National Verifier: (1) strong program integrity; (2) enhanced customer experience; and (3) cost effectiveness. Per the National Verifier Plan, at page 6, the National Verifier is designed to meet these goals by providing “streamlined, consistent processes to distinguish mistakes from waste, fraud, and abuse,” offering “streamlined access to eligibility information for Service Providers,” and lowering costs with “more streamlined processes” such as “[m]ore automated verification to reduce costly manual reviews.” Web portal access to the National Verifier is cumbersome and inefficient, not streamlined as claimed without explanation by USAC. USAC’s continued refusal to support the development of APIs for service providers to interact with the National Verifier is inconsistent with Commission’s goals for the National Verifier.

The National Verifier Plan offers consumers and service providers a web portal to check eligibility. USAC’s own description of how a web portal works highlights the deficiencies of this type of access. At page 21, the plan describes manual web look-up as follows: “Databases that have a portal function that allow people to type in certain identity information to determine the eligibility of an applicant based on their participation in a qualifying program.” The manual web portal application process set forth at page 28 of the National Verifier Plan necessitates Lifeline applicants inputting their identity information (such as name, address and date of birth) to access the National Verifier to check their eligibility and then inputting the same identity information again in a service provider’s enrollment system when they seek to receive Lifeline service. If an applicant chooses to apply for Lifeline service with a service provider, without first confirming eligibility with the National Verifier, then the applicant will need to provide their identity information to the service provider, the service provider will use the web portal to check the applicant’s eligibility with the National Verifier, and then the applicant will need to enter the same identity information he or she just provided to the service provider on the service provider’s enrollment form. TracFone processes approximately 20,000 applications each day, seven days a week. Performing manual checks on eligibility via the web portal would require an exponential increase in TracFone’s workforce and dramatically delay the processing time of all applications. As such, requiring service providers to rely solely on a web portal to check eligibility is neither practical nor feasible.

APIs between the National Verifier and service providers would eliminate the delays and inefficiencies of the application process in which only a web portal is available to check eligibility. APIs would enable the National Verifier to transmit applicant eligibility information directly to the service provider for those individuals who access the National Verifier to check their eligibility and request service from a particular service provider. APIs with the National Verifier would also allow Lifeline service providers to transmit applicant eligibility information to the National Verifier in an efficient manner, with little delay and no consumer inconvenience or disruption. Thus, instead of engaging in a several step process to enroll an applicant in Lifeline by relying on a web portal to access the National Verifier, if an API is available an

applicant could enter enrollment information into the service provider's enrollment system, the service provider would send an API request to the National Verifier to validate the applicant's Lifeline eligibility, and then the National Verifier would send an API response to the service provider. The API response also could be integrated with NLAD so that a qualified applicant could be enrolled within moments of providing his or her eligibility information to a service provider.

As described above, the manual web portal process contemplated by the National Verifier Plan will result in the need for applicants' identity data to be entered multiple times by the applicants thereby increasing the opportunities for data entry errors and imposing unnecessary roadblocks to completion of the Lifeline enrollment process by qualified low-income consumers. In addition, using a web portal, rather than an API raises security issues in that sensitive personally identifiable information must be input manually and transmitted multiple times, rather than be transmitted via an established automated interface. Web portal access to the National Verifier compromises program integrity by increasing the chances for error and security breaches. In contrast, APIs would support program integrity by establishing a direct interface between the information provided by the applicant and the National Verifier.

Manual web portal access also diminishes the customer experience. With APIs between the service providers and the National Verifier, an applicant could enter eligibility information on a service provider's application available online and that information would be directly transmitted to the National Verifier for immediate verification and approval. In contrast, without available APIs the applicant would need to provide eligibility information to the service provider and then the service provider would use the web portal to check the applicant's eligibility. This process would be tedious and cumbersome, and would unnecessarily delay processing of Lifeline applications, thereby preventing real-time approval or denial of applications submitted online. Notably, establishing APIs between service providers and the National Verifier will not enable service providers to access any more information than they are currently permitted to access via a web portal. Rather, APIs would facilitate a more efficient transfer of information between the service providers and the National Verifier and promote an enhanced customer experience.

Finally, web portal access will increase USAC's costs as it will need to address web portal queries on an individual basis, and, as such, will not be an efficient use of USAC resources. TracFone, one of many Lifeline service providers, receives millions of applications each year, a large percentage of which are incomplete or inaccurate. Under the current enrollment process TracFone uses several identity and eligibility validation systems to review whether the applicants are eligible for Lifeline service and only sends to NLAD those applicants who are determined to be eligible. In 2017, TracFone's validation process determined that approximately 95 percent of Lifeline applicants were not eligible for Lifeline services. Under the National Verifier system, USAC will need to process all applications received by TracFone (not just the reduced number of applications that are currently being sent to NLAD after TracFone's review) which, as noted above, is approximately 20,000 each day. USAC will receive every applicant's information via the web portal, rather than information from a thousand applicants (which is the approximate number of applications TracFone currently sends to NLAD after filtering applications that do not meet the Lifeline program's requirements). By not taking

advantage of the efficiencies inherent with APIs, USAC will need to devote substantial effort and time to process each query on an individual basis.

Application and Reverification Processes

TracFone also has concerns that certain aspects of the application process as described in the National Verifier Plan will limit the channels through which consumers can apply for Lifeline service. The National Verifier Plan, at page 29, states that applicants may check eligibility with assistance from a service provider. However, on page 31, which describes the application process with service provider assistance, the plan notes that a service provider representative can ask a consumer for information, such as name, address, and date of birth, but that the consumer must “check a box indicating they agree that it is okay to use their information to check if they qualify for Lifeline” and must “initial electronically that they agree to the Lifeline certifications and must type in their name to sign the application form.” This process indicates that the consumer must be present with the service provider representative (to check a box after providing information and type in their name to sign the application). TracFone currently allows consumers to complete applications via telephone using a live customer service representative who completes the application with information provided by the consumer and then obtains and records the required certifications. TracFone also allows customers to submit Lifeline applications and any necessary supporting documentation via its website and fax. The Commission’s rules do not prohibit service providers from receiving completed Lifeline applications by a website, fax, in person, or telephone. Indeed, the Commission has expressly stated that a service provider may rely on interactive voice response (“IVR”) systems, “which record and save an applicant’s certification of eligibility over the telephone” as an acceptable method to verify a consumer’s signature for a Lifeline application. *See Lifeline and Link Up Reform and Modernization*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, ¶¶ 167-69 (2012). As such, the National Verifier Plan must not preclude consumers from completing Lifeline applications via website, telephone, or facsimile machine.

The application process with service provider assistance, as described on page 31 of the National Verifier Plan, highlights another efficiency concern. The plan states that after a consumer is determined to be qualified, the consumer needs to be enrolled in Lifeline via NLAD within 90 days or their qualified eligibility will expire. For those consumers who do not request the service provider to immediately enroll them in Lifeline, the service provider will need to confirm the qualified status of every applicant via the web portal to ensure that the applicant remains eligible. As detailed throughout this letter, requiring use of a web portal to check the eligibility of applicants on an individual and manual basis is inefficient and cumbersome. Establishing APIs between the service providers and the National Verifier would streamline the application process and provide an enhanced customer experience.

TracFone advises the Commission that the mandatory National Verifier application form, as referenced on page 74 of the National Verifier Plan, is not ideal. This form is required to be used for all hard copy applications. TracFone recommends that this six page form be revised, without removing any necessary information, to a more concise format. TracFone further notes that some states require certain fields that are not contained on the form. As such, USAC should ensure that the form incorporates all applicable state requirements.

Finally, TracFone continues to be concerned about the reverification process set forth at pages 50 through 54 of the National Verifier Plan. Specifically, TracFone opposes the requirement that existing Lifeline customers whose eligibility cannot be confirmed by the National Verifier database will be directed to provide new eligibility documentation as of July 2017. TracFone detailed the reasons for its opposition in letters filed with the Commission on June 12, 2017 and September 29, 2017. As explained by TracFone, there are millions of Lifeline customers who began receiving Lifeline service prior to July 2017 (and provided proof of eligibility) and who have completed their annual eligibility recertification in accordance with the Commission's rules. A requirement that these customers provide new eligibility documentation even though they already provided valid eligibility documentation at the time of enrollment is inconsistent with the Commission's recertification rules, which do not require documentation of eligibility, and confusing to Lifeline enrollees who already have recertified their continuing Lifeline eligibility as required. TracFone reiterates its request that this issue be addressed and rectified.

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,



Mitchell F. Brecher

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