



March 18, 2019

Via Electronic Submission

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th St., SW, Room TW-A325
Washington, DC 20554

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

Dear Ms. Dortch:

The Lifeline National Eligibility Verifier (“NV”) has been hard-launched in 16 jurisdictions, soft-launched in 11 jurisdictions, and will potentially be soft-launched in all remaining jurisdictions by the end of 2019.¹ Sprint has long supported the deployment of the NV, and continues to believe that the NV is a critical tool for minimizing waste, fraud and abuse in the Lifeline program. To improve the NV deployment process, while simultaneously protecting the Lifeline benefits of eligible end users, Sprint urges the adoption of a few practical administrative proposals, all of which can be implemented quickly and at minimal expense. Sprint also suggests that the Commission consider whether to temporarily waive the annual recertification rules in jurisdictions in which the NV has not yet been launched. These proposals are discussed below.

Defer De-Enrollments and Maintain Soft Launch Status for the NV Until USAC Has Automated Access to SNAP and Medicaid Databases

In 16 of the 27 states and territories in which the NV has been launched to date, USAC has automated access only to the Federal Public Housing Assistance (FPHA) database.² In eight states, USAC has successfully negotiated automated access to the FPHA, SNAP and Medicaid databases,³ an important achievement given that an estimated 61% of current Lifeline applicants

¹ The FCC has stated that it “expect[s] Lifeline eligibility will be determined in all states and territories using the National Verifier” by December 31, 2019. *See Lifeline and Link Up Reform and Modernization et al., Third Report and Order, Further Report and Order, and Order on Reconsideration*, 31 FCC Rcd 3962, para. 164 (2016) (*2016 Lifeline Order*).

² These jurisdictions are Guam, Hawaii, Idaho, Montana, New Hampshire, North Dakota, South Dakota and Wyoming (all of which are hard launch states), and American Samoa, Alaska, District of Columbia, Delaware, Maine, Northern Marianas Islands, Rhode Island, and Virgin Islands (soft launch states). *See* <https://www.usac.org/li/tools/national-verifier/decisions.aspx>.

³ Colorado, Missouri, New Mexico, Pennsylvania, Utah, Indiana, Kentucky and Michigan (*see id.*).

demonstrate eligibility through their participation in SNAP and Medicaid.⁴ In 11 jurisdictions, the NV will launch “without a connection to a state [SNAP or Medicaid] database due to cost effectiveness constraints.”⁵ For all cases in which a consumer claims eligibility under a program to which the NV does not have automated access to the relevant program database, and for all income-based eligibility determinations, the NV must perform a manual eligibility verification using documentation that is uploaded or mailed in by the end user or the Lifeline service provider.

As has become clear through multiple rounds of Lifeline reverification, recertification, and Third Party Identity Verifications (TPIVs), manual eligibility determinations are highly problematic and can result in large numbers of customer de-enrollments due to extremely low end user response rates. End users fail to respond to even repeated requests for action for many entirely understandable reasons – confusion, inertia, lost or ignored reminders, and difficulty finding and submitting requested documentation, to name only a few -- and as a result, non-responsive end users who are otherwise Lifeline-eligible are nonetheless denied or lose the Lifeline benefit. Eligibility confirmation rates are far higher when the determination is based on an automated process that does not require an affirmative response from the end user (completing a form or producing supplemental documentation).

The impact of automated versus manual verification is striking, with reverification rates rising sharply depending upon the number of program databases to which the NV has automated access. As summarized in the table below, Sprint’s Virgin Mobile/Assurance Wireless affiliate has experienced reverification rates as high as 74% (Colorado) where the NV has automated access to the SNAP, Medicaid and FPHA databases, as compared to only 11% (Idaho) and 18% (New Hampshire), where the NV has automated access only to the FPHA database.

	SNAP	MEDICAID	FPHA	REVERIF RATE
CO	Y	Y	Y	74%
NM	Y	Y	Y	73%
PA	Y	Y	Y	71%
NC	Y	N	Y	64%
MO	Y	Y	Y	62%
UT	Y	Y	Y	58%
MS	Y	N	Y	52%
TN	Y	N	Y	47%
NH	N	N	Y	18%
ID	N	N	Y	11%

⁴ Lifeline National Verifier Plan, January 2019, slide 12. Only 0.6% of applicants are deemed eligible based on their participation in FPHA (*id.*).

⁵ *Id.*, slides 8 and 9. These jurisdictions are Alaska, American Samoa, Delaware, the District of Columbia, Maine, Nebraska, Northern Marianas Islands, Oregon, Rhode Island, Vermont, and the Virgin Islands.

There is no data to suggest that Assurance Wireless' Lifeline subscribers in states such as Idaho and New Hampshire are less likely to be otherwise eligible than are the subscribers in states such as Colorado, New Mexico or Pennsylvania – the primary (possibly the only) differentiating factor is whether reverification is automatic or manual. Other Lifeline service providers have indicated similar outcomes. For example, the National Lifeline Association (NaLA) has stated that in states where automated access is limited to the FPHA database, “the percentage of de-enrollments is likely to approach 100 percent.”⁶ Sprint is deeply concerned that in the 11 jurisdictions in which USAC is not pursuing automated access due to “cost effectiveness constraints” (see footnote 5 *supra*), reverification rates for the approximately 425,000 Lifeline subscribers⁷ will be, at best, in the single digits.

An informal survey conducted by Assurance Wireless of certain of its Lifeline subscribers highlights some of the problems associated with requiring an affirmative customer response (as opposed to automated eligibility determinations via a program database) in order to complete NV reverification. This survey, to which approximately 500 Assurance Wireless subscribers in six NV states⁸ responded, indicated that over a third of the customers who remembered receiving a message from Assurance Wireless were confused about why they needed to reverify. The self-reported response rate among “confused” customers was 11 points lower than among customers who said they were not confused. Of course, failure to respond will lead to customer de-enrollment, even if that Lifeline customer is otherwise eligible.

The mass de-enrollment of potentially millions of otherwise-eligible Lifeline subscribers because of a difficult and ineffective reverification process clearly is not in the public interest. To avoid such a draconian outcome, and to help prevent an otherwise avoidable widening of the digital divide, Sprint urges that USAC suspend de-enrollments implicated by this constrained reverification process, and that the Commission defer hard launches of the NV, until the reverification process has been upgraded to enable reasonable performance levels. For the 11 jurisdictions in which no automated access to the SNAP or Medicaid databases is anticipated at all, Lifeline subscribers should be deemed reverified if they provide appropriate eligibility documentation on their next annual certification date (that is, the annual recertification that would follow the deployment of the NV in that state).

It is Sprint's understanding that USAC is working vigorously to gain access to relevant state or federal program databases (in particular, for SNAP and Medicaid), and Sprint applauds such efforts. Given the critical importance of automated database access, Sprint urges the Commission and USAC to establish hard launch dates for the NV in each state only after the NV has automated access to, at a minimum, the SNAP and Medicaid databases in that state. De-enrollments suggested by the current constrained reverification process (that is, where there is no automated access to the SNAP and Medicaid databases) should also be put on hold until an

⁶ See comments filed by NaLA in WC Docket Nos. 17-287, 11-42 and 09-197 on December 18, 2018, p. 2 (citing Wyoming, a FPHA-only state, where an estimated 98% of subscribers were not found in the available state database).

⁷ Total Lifeline subscriber counts in these 11 jurisdictions based on USAC disbursement data for January 2019; see <https://www.usac.org/li/tools/disbursements/default.aspx>.

⁸ Colorado, Idaho, Mississippi, New Hampshire, New Mexico and Utah.

automated database review can be performed. Where no automated database access is planned, reverification should be based on the subscriber's proof of eligibility submitted in his/her next annual recertification cycle. While this is far from ideal (manual verifications will still be required for eligibility based upon participation in SSI, Veterans Pension, and Tribal programs, or upon income), linking de-enrollment decisions and hard launch dates to access to SNAP and Medicaid (as well as the existing nationwide FHPA) databases will at least reduce the reverification burden on a substantial percentage of Lifeline subscribers. Sprint's proposed approach is entirely consistent with, and actively promotes, the Commission's and USAC's goals of stronger program integrity (including "independent eligibility verification, with more automatic checks"); enhancing the customer experience (including "more automatic checks of data sources to determine eligibility"); and cost effectiveness (including "more automated verification to reduce costly manual reviews; and more automated recertification to reduce costly outreach").⁹

Refine Database Search Criteria

Where the NV has access to a state or federal program database, it apparently does a search of the database(s) using a combination of name (last and sometimes first name), date of birth, and last 4 digits of Social Security number.

In Sprint's view, requiring an exact name match when searching a program database will result in significant errors and an excessively low percentage of matching end users. Name mismatches (*i.e.*, "no match found") between a program database and Lifeline enrollment lists can arise because of nicknames, middle initials, hyphenated last names, typing first name in the last name field, and simple typographical errors. False negatives will deprive otherwise eligible end users of the Lifeline benefit.

In Sprint's experience, searching program databases to determine Lifeline eligibility is likely to result in more accurate results if date of birth + last 4 digits of Social Security Number are used to perform the preliminary match. In cases where the DoB and last 4 SSN returns inconclusive results, a validation could then be performed through the use of "fuzzy logic" checks on names. While not perfect, these criteria tend to generate a higher percentage of correct matches because an individual's DoB and last 4 of SSN do not change, and the likelihood that two separate end users would have the same name, DoB and last 4 of SSN is quite low. Sprint accordingly urges USAC to adopt this approach, to the extent that it does not already use such logic, to perform database eligibility searches. Use of these search criteria to help determine Lifeline eligibility will increase accuracy and enhance, not compromise, program integrity efforts.

Enhanced Feedback on Reverification Failure Causes

In order to perform manual reverifications, USAC requires the submission of certain documentation from the service provider and/or the end user. Assurance Wireless does extensive outreach to its affected Lifeline subscribers, contacting those end users multiple times via texts,

⁹ See, e.g., *2016 Lifeline Order*, para. 135 (because electronic verification is "the more efficient means" for the NV to determine end user eligibility, the Commission directed USAC to "seek the most cost effective and efficient means to incorporate electronic eligibility certification into the National Verifier wherever feasible"); see also *Lifeline National Verifier Plan*, January 2019, slide 3.

service-oriented recorded outbound calls, and emails to request that they provide the requested proof of eligibility. As noted above, end user response rates where affirmative action is required tend to be very low. Providers would be able to better address reverification failure if USAC were to provide information detailing the issues with end user responses, such as failure to respond entirely; provision of incorrect, incomplete, or illegible information; untimely response; or question or concern from the end-user to USAC. With this information, Sprint and other providers could improve outreach efforts and ensure a more effective reverification process. For that reason, Sprint requests that USAC provide service providers with reports detailing reverification failure causes.

Consistent, Transparent Application of Eligibility Criteria

USAC clearly is committed to bridging the digital divide through the Lifeline program, and to reducing program waste, fraud and abuse – goals which Sprint fully endorses. However, even sincere and well-meaning policies implemented to promote one goal can have negative unintended repercussions for the other goal. To avoid such a situation, USAC should, at a minimum, be required to provide reasonable public advance notice of its eligibility evaluation criteria as well as any changes to those criteria. Eligibility determinations must be consistent with the rules in effect at the time of the transaction being evaluated. Thus, in the reverification process, USAC must accept and use documentation properly obtained at the time the customer was required to submit such information. USAC cannot apply new eligibility criteria retroactively.

A case in point is USAC's recently amended policy requiring that SNAP cards be accepted as proof of eligibility in the reverification process only if they include a recent (within previous 12 months) issue or an expiration date. This policy was announced only 2 days prior to its implementation, without input from interested parties. This is problematic for several reasons:

- In developing this new policy, it is unclear whether USAC considered how many states issue SNAP cards with an issue/expiration date or how many end users might be affected by this policy. A google search performed by Sprint suggests that the SNAP cards issued by 45 of the 50 states reviewed do **not** include an issue or expiration date. Thus, SNAP cards have effectively been eliminated as acceptable proof of eligibility for NV reverification purposes.
- Existing FCC rules, as well as the FCC- and USAC-sanctioned Lifeline universal forms for initial eligibility, reverification and annual certification, all currently list SNAP cards as acceptable proof of eligibility, without reference to any date requirements, and carriers are explicitly precluded from altering those forms. The inconsistency with USAC's revised SNAP policy is a source of confusion for end users and service providers about what is required in order to demonstrate end user eligibility.
- USAC has advised that award letters rather than SNAP cards should be presented as proof of eligibility. It is unclear how many SNAP participants can easily produce (or even have) their award letter; in contrast, in Sprint's experience, most SNAP participants tend to have their SNAP cards in their wallets. Insofar as Sprint is aware, no attempt has been made to estimate how many subscribers might lose or be denied Lifeline benefits because they are unable to produce what USAC considers acceptable SNAP eligibility documentation.

- Because the revised SNAP card policy went into effect on December 6, 2018, such policy cannot be applied to eligibility documentation properly obtained for customers enrolled prior to that date who are now undergoing reverification.
- Due to lack of notice about the change in policy, Assurance Wireless had no opportunity to upgrade its outreach material, re-train its agents, update its website, etc. before the new policy took effect.

Temporarily Suspend Lifeline Recertification Process in Remaining Non-NV States

In states and territories in which the NV has been launched, service providers are instructed not to begin any recertifications for Lifeline subscribers in those states.¹⁰ As noted above, the NV is tentatively scheduled for deployment nationwide by the end of 2019. Given that USAC is about to reverify the eligibility of every current Lifeline subscriber as part of the NV deployment process, Sprint urges the Commission to initiate a proceeding to consider whether it should temporarily suspend the recertification process for Lifeline end users in states where the NV has not yet been deployed.¹¹

The annual recertification process and the NV reverification process have significant overlap – both are designed to ascertain the eligibility of end users to continue to participate in the Lifeline program. To subject subscribers to reverification within weeks or months of recertification is confusing to end users, costly for USAC and service providers, and will serve no apparent purpose. Pre-NV recertification percentages are as low as 50%, and Sprint is deeply concerned that Lifeline subscribers who may have just been bombarded with multiple requests to recertify their eligibility will simply ignore requests for reverification. Suspending the annual recertification process¹² in the remaining states and territories where NV deployment has yet to occur until the end of 2019 or until the date the NV is launched (whichever is later) would protect low income Americans' access to vital telecommunications and broadband services without material harm to program integrity.

¹⁰ See, e.g., *Wireline Competition Bureau Announces the Launch of the National Lifeline Eligibility Verifier in Four Additional States*, WC Docket No. 11-42, Public Notice DA 18-1201 released November 27, 2018.

¹¹ As proposed above, Sprint does suggest carving out the 11 jurisdictions in which automated database access will not be pursued by USAC, and to use recertification documentation in lieu of reverification.

¹² 47 C.F.R. Section 54.410(f).

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Pursuant to Section 1.1206 of the Commission's Rules, a copy of this letter is being filed electronically in the above-referenced dockets. If you have any questions, please feel free to contact me at (703) 433-4503.

Sincerely,

/s/ Norina T. Moy

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Director, Government Affairs

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