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March 22, 2019

VIA ELECTRONIC FILING

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

Notice of In-Person Ex Parte Communications

Dear Ms. Dortch:

On March 20, 2019, TracFone Wireless, Inc. representatives met in person with members of the Commission's Wireline Bureau Staff. The Staff attendees were:

- Trent Harkrader - Deputy Bureau Chief, Office of the Bureau Chief, Wireline Competition Bureau
- Allison Baker - Economic Advisor, Office of the Bureau Chief, Wireline Competition Bureau
- Allison Jones – Attorney Advisor, Telecommunications Access Policy Division, Wireline Competition Bureau
- Ryan Palmer - Division Chief, Telecommunications Access Policy Division, Wireline Competition Bureau
- Jodie Griffin - Deputy Division Chief, Telecommunications Access Policy Division, Wireline Competition Bureau

The TracFone attendees that met with Staff included the following:

- Mark Rubin - Senior Executive for Government Affairs

- Geoff Why - Verrill Dana, LLP, counsel for TracFone

The discussions concerned the Lifeline Program and the National Verifier. More specifically, Staff and TracFone discussed how to supplement Supplemental Nutrition Assistance Program (“SNAP”) cards to show that a Lifeline applicant is *currently* enrolled in SNAP. In most states, the SNAP participant’s name and account number is printed on the SNAP/Electronic Benefits Transfer (“EBT”) card. Upon review, only the states of Colorado, Idaho, Illinois, Kansas, Nevada, and Virginia use SNAP cards that do *not* have the participant’s name printed on the card. Colorado has two types of SNAP cards: a “Quest Card” and a “Colorado Quest Card.” The Quest Card does include the participant’s name; however, the Colorado Quest Card does include the participant’s name.¹

TracFone proposed to Staff that in the states where the SNAP participant’s name and account number is printed on the SNAP card, the vast majority of states, the SNAP card accompanied by a receipt of a SNAP purchase within the last fourteen days would be proof of current enrollment in the SNAP program during the manual verification process for Lifeline eligibility. In a survey of receipts where a SNAP card was used, each receipt contained the following information: (1) the last 4 digits of the SNAP recipient’s account number; (2) the date of the transaction; and (3) the amount remaining on the SNAP recipient’s account. Thus, the SNAP card through its account number can be cross-referenced to the receipt through the last four digits; and the date on the receipt indicates that the account is active. TracFone shared examples of such receipts. Those examples are attached as Attachment A.

Regarding the Lifeline National Verifier re-verification process and Universal Service Administration Company’s (“USAC”) access to state databases of Lifeline qualifying low-income programs, such as SNAP and Medicaid, TracFone reiterated its concern that many states do not have access to SNAP and Medicaid databases. Because of the lack of access to SNAP and Medicaid databases,² the Bureau and TracFone recognized that there are significant Lifeline re-verification failure rates. TracFone and the industry are concerned that these current Lifeline participants, who rely on Lifeline service to meet critical needs, will be de-enrolled from the program when they fail re-verification.³ In states where there is no access to SNAP and Medicaid databases, the industry has experienced failure rates of 90% or more. In fact, the National Lifeline Association has stated that in states where USAC’s automated database access is limited to only the Federal Public Housing Authority database (and therefore USAC must rely primarily on manual processes), “the percentage of de-enrollments is likely to approach 100%.”⁴ After

¹ Both the Quest Card and the Colorado Quest Card have account numbers on them.

² In fact, an estimated 61% of current Lifeline applicants prove Lifeline eligibility through their participation in SNAP and Medicaid. *See* Lifeline National Verifier Plan, January 2019, slide 12. Consequently, these are the two most important databases for Lifeline eligibility determinations.

³ *See* Letter of Sprint to Marlene Dortch dated March 18, 2019 at 1-4, WC Docket Nos. 17-287, 11-42 and 09-197 at 3 (the “Sprint Filing”) (explaining that 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”).

⁴ *See* comments filed by NaLA in WC Docket Nos. 17-287, 11-42 and 09-197 on December 18,

manual reverification, TracFone and others in the industry have not experienced an increase in the number of verified Lifeline participants, as would be expected. Staff and TracFone discussed that the low-income population can be especially challenged by the manual verification process and the need to provide additional documents to prove enrollment in a government program. *See* Letter of Sprint to Marlene Dortch dated March 18, 2019 at 1-4, WC Docket Nos. 17-287, 11-42 and 09-197.⁵

Finally, TracFone emphasized with Staff that TracFone supports Sprint's March 18, 2019 filing in WC Docket Nos. 17-287, 11-42, and 09-197. In particular, TracFone strongly supports Sprint's requests to **defer all de-enrollment of current Lifeline participants and to defer the hard launch of the National Verifier in states in which USAC does not yet have automated access to both SNAP and Medicaid databases until USAC has automated access to both of those databases (i.e. maintain the soft launch status).**

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is filed in ECFS. Please do not hesitate to contact me with any questions.

Sincerely,

/s/ Geoffrey G. Why
Geoffrey G. Why

CC:

2018, p. 2 (citing Wyoming, a FPHA-only state, where an estimated 98% of subscribers were not found in the available state database).

⁵ For example, Sprint explained:

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.

Sprint Filing at 2.

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