

**JUDSON H. HILL, ESQ.**

May 15, 2019

**BY ECFS**

Marlene Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: Sage Telecom Communications, LLC and Telscape Communications, Inc. d/b/a TruConnect; WC Docket Nos. 17-287, 11-42, 09-197, 18-213.

Dear Ms. Dortch:

On May 13, 2019 I, counsel to Telscape Communications, Inc. d/b/a TruConnect and Sage Telecom Communications, LLC (“TruConnect”) talked by telephone with Nicholas Degani, Esq. Senior Counsel to the Chairman, to discuss the FCC Order, Notice of Proposed Rulemaking and Notice of Inquiry released by the NOI telecom, and Commission on December 1, 2017<sup>1</sup> and Notice of Inquiry, released by the Federal Communications Commission on August 3, 2018, WC Docket No. 18-213.<sup>2</sup>

I emphasized that TruConnect shared the FCC Commissioners’ objective to root out any remaining waste, fraud and abuse in the Lifeline program to ensure that only people who are eligible will receive Lifeline services. Without this service, many low-income Americans including numerous elderly citizens and veterans would incur even greater challenges finding employment, accessing healthcare and reaching emergency first responders. We shared the broad support within the Lifeline service provider community for the Commission’s work to improve the Lifeline eligibility National Verifier implementation. Before the verifier should continue to be rolled out, I emphasized that more work is needed to avoid harming the people it was intended to serve. I recommended that the hard launch state roll-outs of the National Verifier be frozen immediately or even revert to soft launch status to allow critical technological improvements, APIs, and data access improvements to be completed.

Currently many government services databases in many states cannot be accessed or are sometimes unreliable. Consequently, Lifeline subscriber new enrollments have dropped substantially. Reduced enrollments do not indicate that fraud has been found but actually that either certain databases are not now accessible or that the technology interface is cumbersome and does not really work yet. I shared that other options exist to improve and account for the unperfected and unduly cumbersome enrollment and verification process which does not allow sufficient access to a government database to determine eligibility.

The flaws in the verification system has its consequences. Eligible customers suffer when they cannot find a good or better job, or access emergency and healthcare services. In the short-term fewer enrollments may save USF dollars, however, when this safety net program fails then the federal and states’ budgets suffer the direct financial impact of higher un-employment, under-employment and a less healthy and safe citizenry.

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<sup>1</sup> See *Bridging the Digital Divide for Low-Income Consumers et al.*, WC Docket No. 17-287 et al. Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, FCC 17-155 (Nov. 16, 2017); Notice of Inquiry, released by the Federal Communications Commission WC Docket No. 18-213.

Next, I shared that implementation of a 60-day port-freeze will help make eligibility confirmations more accurate and reliable. A port freeze will effectively reduce a large percentage of waste, fraud and abuse since frequent switching, or churning is often caused by program fraud and is also wasteful. There is no real benefit to frequently switching Lifeline providers. And, the typical Lifeline eligible customer is someone who is very difficult to pursue if a long-term contract is signed to “voluntarily” minimize churn. I suggested there is no program downside to a 60-day port freeze. I also shared that the Commission’s initiatives can be better advanced with a short port freeze since the greater certainty and customer stability helps offset increasing data costs “encourages” ETCs to readily expand their offerings such as adding innovative healthcare and job search application technologies to Lifeline devices.

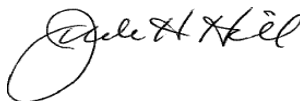
Next, we discussed the data requirements and I expressed a concern that on December 1, 2019 the mobile broadband minimum data requirements are scheduled to rise again. If the data minimum standard requirements increase above current levels it will force ETC’s to pick up the added data expense for each Lifeline subscriber because many Lifeline subscribers cannot afford to pay more for the mandated data, and they may not even want it. It is expected that many ETCs will exit the program if data mandates increase. This harms many veterans and elderly who the program was intended to serve. The impact of this loss will be expensive for the federal government and state budget not to mention the low income people the program serves.

I suggested that the FCC consider to 1. Freeze the expected data escalation mandate, or 2. at least freeze the coming escalation in minimum data service standards until well after the National Verifier (as improved as discussed above), the necessary state databases are accessible for the National Verifier, and until the Lifeline program changes and improvements can be reassessed. There should then be a new determination of both the need and demand for increased data, the economics, and viable solutions to pay more it. Otherwise, the current minimum standard data mandates will likely collapse the program with attendant consequences for subscribers, states and the federal government.

I concluded our conversations expressing a desire to actively and constructively participate in the Lifeline rulemaking to help the Commission achieve their stated objectives.

Pursuant to section 1.1206(b) of the Commission’s rules, this letter is being filed electronically.

Respectfully submitted,



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cc: Nicholas Degani, Esq.

<sup>2</sup> See Ex Parte filing from Counsel to Q Link Wireless, LLC, WC Docket No. 17-287, WC Docket No. 11-42 and WC Docket No. 09-197 filed May 25, 2018 and supplemented May 31, 2018.