

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
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
	)	

**EMERGENCY PETITION OF TRACFONE WIRELESS, INC. FOR AN ORDER DIRECTING USAC TO ALTER THE IMPLEMENTATION OF THE NATIONAL VERIFIER TO OPTIMIZE THE AUTOMATED AND MANUAL ELIGIBILITY VERIFICATION PROCESSES**

Javier Rosado  
Senior Officer, Alternative Business Channels  
Elizabeth Simonhoff Perez  
Senior Manager, Healthcare  
Mark Rubin  
Senior Executive for Government Affairs

Shawn H. Chang  
Sara M. Baxenberg  
WILEY REIN LLP  
1776 K Street, NW  
Washington, DC 20006  
Phone: (202) 719-7010

TracFone Wireless, Inc.  
9700 NW 112th Avenue  
Miami, FL 33178

*Counsel to TracFone Wireless, Inc.*

August 9, 2018

**TABLE OF CONTENTS**

EXECUTIVE SUMMARY ..... iii

I. INTRODUCTION AND SUMMARY ..... 1

II. THE COMMISSION SHOULD EXPEDITE ACCESS TO KEY DATABASES SUCH AS  
MEDICAID AND POSTPONE THE LAUNCH OF THE NATIONAL VERIFIER IN A GIVEN  
STATE UNTIL THE AUTOMATED PROCESS INCLUDES SUCH ENROLLMENT  
DATABASES IN THAT STATE..... 4

    A. The National Verifier’s Automated Process Does Not Universally Accept Eligibility  
    Based on Enrollment in Key Programs Such as Medicaid Because USAC Does Not Have  
    Access to Necessary Databases in All States. .... 5

    B. Launching the National Verifier With Insufficient Automated Eligibility Verification  
    Frustrates the Commission’s Policy Objectives and Creates Tremendous Burdens for USAC  
    and Eligible Consumers. .... 8

    C. The Commission Should Direct USAC to Obtain Access to Key Databases Such as  
    Medicaid Enrollment Databases Prior to Launching the National Verifier in Additional States.  
    ..... 13

III. IN THE ALTERNATIVE, THE COMMISSION SHOULD ENSURE CONSUMERS  
HAVE REASONABLE ACCESS TO LIFELINE SERVICES BY REQUIRING USAC TO  
ACCEPT RELIABLE, AUTHENTIC DOCUMENTATION GENERATED BY THIRD PARTY  
ACCESS TO GOVERNMENT DATABASES THAT SUBSTANTIATES ELIGIBILITY IN  
THE MANUAL REVIEW PROCESS. .... 15

IV. CONCLUSION ..... 17

## EXECUTIVE SUMMARY

In 2016, the Federal Communications Commission (“Commission”) directed the Universal Service Administrative Company (“USAC”) to establish a comprehensive nationwide system to determine subscriber eligibility for the Commission’s Universal Service Fund Lifeline program (“National Verifier”). As the National Verifier has been rolled out in six states through a soft launch, it has become clear that USAC’s implementation of the Verifier suffers from a significant and unnecessary flaw: USAC is launching the Verifier before obtaining access to key databases necessary to automatically verify subscriber eligibility based on participation in qualifying federal programs, particularly Medicaid. Compounding this problem is USAC’s policy of rejecting reliable, authentic proof of eligibility generated by managed care organizations (“MCO”) through its manual eligibility verification process. As a result of USAC’s missteps in National Verifier implementation, subscriber eligibility verification under the new regime will be inefficient and burdensome, creating tremendous administrative costs for USAC, undermining the Commission’s policy goals for the Verifier, and harming low-income consumers who are greatly in need of Lifeline services.

TracFone Wireless Inc. (“TracFone”) submits this Emergency Petition to urge the Commission to exercise its oversight authority over the implementation of the National Verifier. Specifically, TracFone asks the Commission to direct USAC to expedite efforts to obtain access to key databases and postpone including a state in a hard launch of the National Verifier until access to such key databases has been secured. In the alternative, the Commission should direct USAC to accept documentation produced through third parties’ automated access to state databases as part of the Verifier’s manual process, including MCO letterhead proof of Medicaid eligibility.

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
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
	)	

**EMERGENCY PETITION OF TRACFONE WIRELESS, INC. FOR AN ORDER DIRECTING USAC TO ALTER THE IMPLEMENTATION OF THE NATIONAL VERIFIER TO OPTIMIZE THE AUTOMATED AND MANUAL ELIGIBILITY VERIFICATION PROCESSES**

**I. INTRODUCTION AND SUMMARY**

TracFone Wireless Inc. (“TracFone”), through its attorneys, hereby submits this Emergency Petition to the Federal Communications Commission (“FCC” or “Commission”) to urge the Commission to take steps to ensure that the Universal Service Administrative Company’s (“USAC”) implementation of the National Verifier for the Commission’s Universal Service Fund (“USF”) Lifeline program meets the Commission’s policy objectives for the Verifier and ensures that eligible subscribers will continue to have reasonable access to the program. Specifically, the Commission should direct USAC to accelerate its efforts to secure access to key databases to verifier subscriber eligibility, such as Medicaid enrollment databases, and refrain from deploying the National Verifier in a given state until USAC has obtained such access. In the alternative, the Commission should direct USAC to accept documentation produced through

third parties' automated access to state databases as part of the Verifier's manual process, including managed care organization ("MCO") letterhead proof of Medicaid eligibility.

The Commission established the National Verifier in 2016 to serve as a singular, comprehensive process for Lifeline subscriber eligibility verification.<sup>1</sup> Animating the Commission's creation of the National Verifier were three policy goals: "to protect against and reduce waste, fraud, and abuse; to lower costs to the Fund and Lifeline providers through administrative efficiencies; and to better serve eligible beneficiaries by facilitating choice and improving the enrollment experience."<sup>2</sup>

Although well-intentioned, USAC's implementation of the National Verifier has suffered from significant flaws that have frustrated, rather than served, these policy objectives. A serious implementation flaw that has emerged during USAC's soft launch of the first six states has to do with USAC's lack of access to data from key eligibility trigger programs such as Medicaid. FCC rules enable subscribers to verify their eligibility for Lifeline services through multiple federal programs, yet USAC has been deploying the National Verifier and migrating to this new process without access to key databases necessary to verify eligibility automatically based on participation in qualifying assistance programs, including Medicaid, which accounts for 29% of enrollments. Moreover, USAC has decided not to accept certain reliable sources of verification of program participation through its manual verification process. As a result, some of the subscribers who need Lifeline the most—especially those enrolled in Medicaid who depend on Lifeline services not just to connect to society but also to manage their care and communicate with their MCOs through innovative programs such as SafeLink Health Solutions—are left to

---

<sup>1</sup> *Lifeline and Link Up Reform and Modernization*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962 (2016) ("2016 Lifeline Reform Order").

<sup>2</sup> *Id.* ¶ 128.

languish, deprived of reasonable and timely access to the program. By failing to establish policies that use available and reliable sources of data, USAC's implementation of the National Verifier will undermine the fundamental purpose and function of the Lifeline program: "ensuring that telecommunications service is available to all people of the United States"<sup>3</sup> by "provid[ing] support for qualifying low-income consumers throughout the nation, regardless of where they live."<sup>4</sup>

TracFone urges the Commission, in its oversight role over the National Verifier, to correct course with respect to this aspect of the Verifier's implementation. Specifically, the Commission should direct USAC to delay the implementation of the National Verifier in a given state until USAC has access to state and/or federal data sources necessary to verify subscribers in that state using the automated process based on the top qualifying assistance programs, including Medicaid enrollment. In the alternative, the Commission should direct USAC to leverage private parties' existing access to state databases and accept MCO letterhead verification of subscriber eligibility through the National Verifier's manual process until the databases are available through the automated process. These corrections will enable the implementation of the National Verifier to better satisfy the Commission's goals for the program by maximizing administrative efficiency, improving the enrollment process for eligible subscribers, and curbing Lifeline waste, fraud, and abuse.

---

<sup>3</sup> *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, ¶ 335 (1997).

<sup>4</sup> *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, Order, 20 FCC Rcd 15095 (2005), modified by 24 FCC Rcd 3375 (2009).

**II. THE COMMISSION SHOULD EXPEDITE ACCESS TO KEY DATABASES SUCH AS MEDICAID AND POSTPONE THE LAUNCH OF THE NATIONAL VERIFIER IN A GIVEN STATE UNTIL THE AUTOMATED PROCESS INCLUDES SUCH ENROLLMENT DATABASES IN THAT STATE.**

Prior to the establishment of the National Verifier, Lifeline eligibility verification was handled by Lifeline providers, state administrators, or state databases. In the *2016 Lifeline Reform Order*, the Commission decided to require USAC to assume Lifeline eligibility determination functions through implementation of a nationwide verification system (the “National Verifier”). As discussed above, the Commission asserted that the National Verifier would meet three policy objectives: “to protect against and reduce waste, fraud, and abuse; to lower costs to the Fund and Lifeline providers through administrative efficiencies; and to better serve eligible beneficiaries by facilitating choice and improving the enrollment experience.”<sup>5</sup>

USAC’s implementation of the National Verifier threatens to fall short on meeting each of these policy objectives because of a simple and unnecessary flaw: USAC is deploying the National Verifier before it has access to all the databases necessary to verify subscribers through the National Verifier’s automated process, particularly Medicaid databases. To ensure that the National Verifier serves the Commission’s policy goals and to avoid placing enormous burdens on USAC and subscribers in need of services, the Commission should direct USAC to delay implementation of the National Verifier in a given state *until* USAC has access to the data necessary to verify subscriber eligibility through automated processes based on enrollment in top qualifying assistance programs, including Medicaid.

---

<sup>5</sup> *Id.* ¶ 128.

**A. The National Verifier’s Automated Process Does Not Universally Accept Eligibility Based on Enrollment in Key Programs Such as Medicaid Because USAC Does Not Have Access to Necessary Databases in All States.**

Under FCC rules, a consumer can qualify for Lifeline services if the consumer’s household income is at or below 135% of the Federal Poverty Guidelines or if the consumer or a consumer’s dependent receives benefits from one of an enumerated list of qualifying federal assistance programs: Medicaid, the Supplemental Nutrition Assistance Program (“SNAP”), Supplemental Security Income (“SSI”), Federal Public Housing Assistance (“FPHA”), Veterans and Survivors Pension Benefit, and certain Tribal benefits programs.<sup>6</sup> In 2016, the Commission reaffirmed its decision to enable consumers to demonstrate Lifeline eligibility based on Medicaid, SNAP, SSI, and FPHA, acknowledging that these programs “target a broad audience of low-income households in need of improved access to voice and broadband services,” and finding that continued use of these programs to determine Lifeline eligibility “will maintain access to Lifeline support for those most in need of Lifeline services.”<sup>7</sup>

Central to the Commission’s vision for the National Verifier was a “near real-time” automated eligibility verification process that would leverage the “robust program integrity and enrollment procedures” of qualifying federal assistance programs.<sup>8</sup> Indeed, the Commission explained in its *2016 Lifeline Reform Order* that the National Verifier’s automated certification process would “rely on communications between the National Verifier and other systems and databases,” and that “the program databases checked should, to the extent possible, include those

---

<sup>6</sup> 47 C.F.R. § 54.409. A consumer living on Tribal lands may demonstrate Lifeline eligibility through participation in several Tribal-specific federal assistance programs: Bureau of Indian Affairs general assistance, Tribally administered Temporary Assistance for Needy Families, Head Start (if the household meets its income qualifying standard), and the Food Distribution Program on Indian Reservations. *Id.* § 54.409(b).

<sup>7</sup> *2016 Lifeline Reform Order* ¶ 178.

<sup>8</sup> *Id.* ¶ 133.



owned by states, those owned by Federal entities, or those owned by other entities.”<sup>9</sup> The *Order* expressed the Commission’s “expect[ation] that the National Verifier will be able to accommodate and utilize many of the varying state databases available,” and that the automated process “will produce at least near real-time results.”<sup>10</sup>

Despite the Commission’s best intentions for the National Verifier, USAC is currently deploying the Verifier with an insufficient automated eligibility verification process. These inadequacies stem from USAC’s failure to obtain access to certain databases for qualifying federal assistance programs prior to soft launching the Verifier. Indeed, in each soft-launching state, USAC lacks access to data for multiple qualifying programs:

**National Verifier Automated Verification**

<b>State</b>	<b>Programs for Which Automated Verification Is Available</b>	<b>Programs for Which Automated Verification Is <u>Unavailable</u></b>
Colorado	SNAP, Medicaid, FPHA	SSI, Veterans Pension, Tribal programs
Mississippi	SNAP, FPHA	Medicaid, SSI, Veterans Pension, Tribal programs
Montana	FPHA	Medicaid, SNAP, SSI, Veterans Pension, Tribal programs
New Mexico	SNAP, Medicaid, FPHA	SSI, Veterans Pension, Tribal programs
Utah	SNAP, Medicaid, FPHA	SSI, Veterans Pension, Tribal programs
Wyoming	FPHA	Medicaid, SNAP, SSI, Veterans Pension, Tribal programs

Source: <https://www.usac.org/li/tools/national-verifier/decisions.aspx>

According to USAC’s most recent Lifeline National Verifier Plan, USAC has only established connection with one federal data authority – the United States Department of Housing and Urban Development (“HUD”) for participants of the FPHA, which is responsible

---

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

for qualifying 0.6% of the current Lifeline participants.<sup>11</sup> In two of the six soft-launched states – Montana and Wyoming – the National Verifier does not have any automated connection with state data sources at all “due to cost and technology constraints.”<sup>12</sup> That means every single eligibility verification performed for applicants living in Montana or Wyoming has to rely on either the FPHA database as the sole federal data source, or manual review of documentation submitted by the applicant in those states. For the rest of the soft-launch states, at most only two types of enrollment data for qualifying federal benefits program are available for the automated process, which are responsible for qualifying only a little over 60% of current Lifeline participants. If the FCC proceeds with the hard launch under such low utilization of state or federal databases, then the manual eligibility verification process will be the default method for USAC to conduct eligibility verification, not the exception, with tremendous negative implications for the cost and efficiency of the National Verifier.

The inadequacies of the automated eligibility verification process are particularly acute for Medicaid enrollees. In half of the states in which the National Verifier has been soft-launched, consumers that are eligible for Lifeline services based on their participation in the Medicaid program are unable to use the Verifier’s automated process, despite the availability of numerous robust and reliable Medicaid enrollment databases. Although USAC is supposedly in the process of obtaining access to a nationwide database maintained or to be maintained by the Centers for Medicare and Medicaid Services (“CMS”), USAC has not provided a timeline for adding this database to its automated process. Such access should be prioritized and accelerated.

---

<sup>11</sup> Universal Service Administrative Company, “Lifeline National Verifier Plan (July 2018),” slides 7, 21 (submitted to WC Docket Nos. 17-287, 11-42, 10-90, and 09-197 on July 31, 2018) (“July 2018 National Verifier Plan”).

<sup>12</sup> *Id.* at slide 21.

In the meantime, the Verifier soft launch continues with an unfinished automated process that fails to recognize enrollment in Medicaid and other qualifying federal programs.

**B. Launching the National Verifier with Insufficient Automated Eligibility Verification Frustrates the Commission’s Policy Objectives and Creates Tremendous Burdens for USAC and Eligible Consumers.**

Launching the National Verifier without the ability to verify subscriber eligibility based on participation in key federal programs such as Medicaid through the Verifier’s automated process undermines the policy goals the Commission sought to achieve by establishing the Verifier, to the detriment of USAC as well as vulnerable consumers who would benefit greatly from the services. Such an incomplete effort also weakens innovative health care management programs offered to Lifeline participants through partnerships between MCOs and Lifeline providers.

Deploying the Verifier without access to key databases directly contradicts the Commission’s goals that the National Verifier “determine eligibility for potential Lifeline subscribers in a manner that is cost-effective and administratively efficient” and provide an enrollment process that “better serve[s] eligible beneficiaries.”<sup>13</sup> Indeed, rolling out the Verifier in this manner will be far *less* efficient and more wasteful than the carrier- and state-administered verification processes that the Verifier is replacing. This is because without access to the automated eligibility verification process, applicants will be subject to the Verifier’s manual process. USAC—which has not previously handled subscriber eligibility determination—will assume the role traditionally carried out by Lifeline service providers and state administrators. Although entities that have taken on the responsibility of verifying subscriber eligibility have, through years of experience, developed processes for determining eligibility both efficiently and

---

<sup>13</sup> 2016 Lifeline Reform Order ¶¶ 133, 128.

accurately, USAC will be forced to staff up a workforce to conduct manual review of eligibility documentation that is far costlier than necessary because of its decision to proceed without having in place the automated database-pinging processes for key qualifying assistance programs. In the case of Medicaid alone, 35 million low-income adult consumers are served by the program each year,<sup>14</sup> while fully one-third of all Lifeline subscribers are qualified through the Medicaid program.<sup>15</sup> Despite already having access to 19 state databases, 25 MCO databases, and one nationwide Medicaid enrollment database maintained by a third party, TracFone currently still employs 300 customer service representatives to conduct manual review of eligibility documentation in order to enroll roughly one third of existing Lifeline subscribers in the program. Scaling that for the National Verifier means USAC will have to add thousands of new employees at tens of millions of additional overhead expenses to the Lifeline program that could bloat the administrative expenses of the program, all for the sake of performing a task that could easily and almost entirely be substituted by a more efficient and less costly process. Few actions USAC could have taken would be more befitting to define the term “waste” than what USAC has thus far planned for the unnecessarily extensive use of the manual eligibility verification process for the National Verifier.

For those consumers relegated to the manual process, Lifeline enrollment will be time-consuming and burdensome. First, for Lifeline applicants who choose to use [checklifeline.org](https://www.checklifeline.org), there is a presumption that they possess the necessary equipment and computer literacy skills to scan-in and upload the requisite physical documents to demonstrate eligibility. For those who are

---

<sup>14</sup> Centers for Medicare & Medicaid Services, Medicaid Child & CHIP Total Enrollment in April 2018, <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/child-and-chip-enrollment/index.html> (including Medicaid enrollment data from 48 states).

<sup>15</sup> July 2018 National Verifier Plan at slide 7.

subject to the manual verification process but are unable to submit the paperwork, they have to either locate a Lifeline service provider's agent and apply in-person, or mail-in a completed application form with copies of the necessary documentation at their own expense – and that is just for verifying their eligibility, not for actually obtaining Lifeline service with a service provider. The process particularly disadvantages those living in rural communities or living with disabilities that make their mobility a challenge. That is in sharp contrast to the existing carrier-assisted model where Lifeline providers can help guide an applicant step-by-step when the manual verification process is required. For those who are able to upload the documents via the **checklifeline.org** portal or through the service provider portal, USAC has not publicly announced the expected wait time for customers subject to the manual verification. An applicant could submit the paperwork during the evening or on weekends – presumably when USAC's manual review team is unstaffed or understaffed, leading to a multi-day delay. Even when the wait is only a few minutes, it is possible that the prospective customer, frustrated by the lag time, will abandon the process altogether. Between the need to submit additional eligibility documentation and the inevitable delay caused by a person conducting the documentation review, the manual eligibility verification process imposes significant new barriers for Lifeline applicants to obtain the service.

The efficiency losses and harms to the enrollment process that result from USAC launching the Verifier without sufficient database access are compounded by the fact that USAC will not accept reliable eligibility verification provided by third parties. Indeed, USAC has announced its plan to permit only state, federal, or tribal government-issued eligibility documentation – a policy choice that USAC made on its own without any specific instruction from the FCC directing it to do so. TracFone has leveraged private party access to state

databases by entering into agreements with MCOs around the country pursuant to which the MCOs use their proprietary databases of Medicaid-enrolled customers—compiled from data directly provided by state governments—to help TracFone verify eligible subscribers. Under the current system, TracFone routinely relies on this robust and reliable automated mechanism to confirm the eligibility of prospective subscribers. Since inception, TracFone has enrolled approximately 4 million Medicaid recipients in Lifeline using MCO verification. Thus, far from “improving the enrollment process” as the Commission envisioned, USAC’s current implementation of the National Verifier will make the Lifeline enrollment process more burdensome and administratively costly than the predecessor regime. These costs are avoidable and should not be added onto the already high expenditures of public dollars on the Verifier.

Moreover, by limiting the manual verification process to state and federal government-issued documents, USAC is actually making the process *more* vulnerable to waste, fraud, and abuse. MCO letterhead proof of eligibility—obtained from a reputable third party that gets its data from state governments and through an automated process—can serve as a reliable check of Lifeline eligibility. This check ensures that the subscriber is currently enrolled in the Medicaid program and eligible to receive Lifeline benefits. Without the ability to use MCO letterhead proof as a source of eligibility documentation, USAC must rely on subscriber-provided copies of government-issued documents that carry the risk of being falsified. At a minimum, such documentation may be illegible or no longer valid, requiring more USAC resources to verify its accuracy. In contrast, USAC has been relying, and should continue be able to rely, on an MCO-generated eligibility confirmation that is based on current, government-issued data, printed cleanly to a PDF from the MCO’s automated verification process.

The National Verifier’s data limitations and the enrollment burdens they create threaten to depress Lifeline participation by eligible consumers. This is particularly troubling with respect to Medicaid recipients, who need Lifeline services not only to stay connected with friends, family, and modern-day society, but also to communicate with their doctors, refill prescriptions, schedule appointments, and otherwise take steps to manage their health care and costs.<sup>16</sup> TracFone’s health initiative – SafeLink Health Solutions – helps millions of Lifeline subscribers improve their health outcomes through mobile health programs and free calls and text messages to participating MCOs. Moreover, by making Lifeline enrollment more difficult for Medicaid participants, the Commission jeopardizes access not only to beneficial mobile health services but also to Medicaid itself. Indeed, states have begun enacting work requirements for Medicaid eligibility, some of which require Medicaid recipients to report work hours exclusively through online portals.<sup>17</sup> Under such regimes, it is essential that Medicaid recipients have access to telecommunications services to communicate with their place of employment, maintain their employment, and meet the state’s reporting requirements. Thus, these developments in Medicaid eligibility policies further justify the need for the Commission

---

<sup>16</sup> See, e.g., Letter from Luis Belen CEO, National Health IT Collaborative; Nai Kasick, L.A. Care; Greg Pugh, Passport Health Plan; Sylvia Kelly Community, Health Network of CT; Donna Christensen, Christensen Institute for Community Health and Empowerment; Ángel Javier Jiménez, Puerto Rico Primary Care Association Network, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 17-287, 11-42, 09-197, at 2 (filed Mar. 28, 2018) (“Lifeline provides important access to health care and also enables the medical community . . . to provide care to low-income Lifeline customers to whom access would be difficult and, in some cases, impossible.”); Letter from Howard Weiss, EmblemHealth, WC Docket Nos. 17-287, 11-42, 09-197, at 1 (filed Feb. 22, 2018) (describing the importance of Lifeline services to “the more than 140,000 Medicaid beneficiaries [EmblemHealth] serves in New York State who have come to rely on [EmblemHealth’s] innovative approach to providing high quality health care services”).

<sup>17</sup> Phil Galewitz, “5 Things To Know About Medicaid Work Requirements,” Kaiser Health News (June 14, 2018), <https://khn.org/news/5-things-to-know-about-medicaid-work-requirements/>.

to intervene in the National Verifier implementation process to ensure that enrollment by Medicaid recipients is as streamlined, efficient, and accessible as possible.

**C. The Commission Should Direct USAC to Obtain Access to Key Databases Such as Medicaid Enrollment Databases Prior to Launching the National Verifier in Additional States.**

Deploying the National Verifier without the necessary data infrastructure in place would be detrimental to the Lifeline program and frustrate the Commission’s policy goals, particularly where USAC lacks access to Medicaid enrollment databases. The Commission should direct USAC to implement the Verifier in a given state *only* once USAC has access to sufficient data sources to verify eligibility automatically.

This intervention in the National Verifier implementation would be consistent with the role the Commission envisioned for itself in this process. When it established the National Verifier, the Commission delegated implementation of the National Verifier to USAC, while retaining with the agency key oversight authority. Specifically, the Commission “delegate[d] to the [Wireline Competition] Bureau and [the Office of Managing Director (“OMD”)] all aspects of the development, implementation, and performance management of the National Verifier” and “delegate[d] to the Bureau authority to provide any rule clarifications or guidance with respect to the National Verifier.”<sup>18</sup>

Further, nothing in the Commission’s rules requires the National Verifier to be implemented on a specific timeline or prior to the acquisition of access to critical databases. Although the *2016 Lifeline Reform Order* established an expected timeline for rollout of the Verifier,<sup>19</sup> this is not legally binding, and the Commission can alter it without additional rulemaking. Indeed, launch of the Verifier has already been delayed, with the soft launch of the

---

<sup>18</sup> *2016 Lifeline Reform Order* ¶ 126.

<sup>19</sup> *Id.* ¶ 164.



first six states being shifted from the December 2017 expected timeframe established in the *2016 Lifeline Reform Order* to June 2018.<sup>20</sup>

Although USAC was vested with discretion over multiple aspects of the National Verifier implementation, the Commission’s exercise of its oversight authority is certainly warranted here. According to USAC’s own Lifeline National Verifier Plan, the estimated cost savings to be derived from the use of the National Verifier is predicated upon an increase in the use of automated verification for enrollment, not a decrease. Automated eligibility verification through the National Verifier is also central to USAC’s strategy to address several program integrity risks found in the current Lifeline program, including the lack of standardization and the potential for “confusion, errors, and inconsistency” that could be created by an undue reliance on the manual process.<sup>21</sup> If the Commission continues to allow the Verifier to be deployed with inadequate automated processes, then USAC will create tremendous and unnecessary administrative burdens for itself, increase the program integrity risks for Lifeline that USAC has thus far identified, undermine the cost-saving potentials of the National Verifier, and make Lifeline enrollment more difficult for eligible subscribers, thereby frustrating the Commission’s goals for the Verifier and harming the program. Instead, the Commission should enable the current regime—which leverages the years of experience of Lifeline providers and state administrators and the robust eligibility verification mechanisms they have developed that leverage private party access to state databases—to continue providing the path to Lifeline enrollment while USAC takes the necessary steps to make its own access to those databases a reality.

---

<sup>20</sup> *Wireline Competition Bureau Announces Postponement of Initial Launch Date of the National Lifeline Eligibility Verifier*, Public Notice, WC Docket No. 11-42 (rel. Dec. 1, 2017); *Wireline Competition Bureau Announces Initial Launch of the National Lifeline Eligibility Verifier Database*, Public Notice, WC Docket No. 11-42 (rel. June 18, 2018).

<sup>21</sup> July 2018 National Verifier Plan at slide 10.

**III. IN THE ALTERNATIVE, THE COMMISSION SHOULD ENSURE CONSUMERS HAVE REASONABLE ACCESS TO LIFELINE SERVICES BY REQUIRING USAC TO ACCEPT RELIABLE, AUTHENTIC DOCUMENTATION GENERATED BY THIRD PARTY ACCESS TO GOVERNMENT DATABASES THAT SUBSTANTIATES ELIGIBILITY IN THE MANUAL REVIEW PROCESS.**

Should the Commission decide to continue allowing USAC to deploy the National Verifier before the databases needed for the automated process are available, at a minimum the Commission should direct USAC to accept, as part of its manual enrollment process, proof of eligibility generated through third party access to state databases, including MCO letterhead proof of Medicaid-based eligibility. Although this directive will not remove the burdens for both USAC and eligible Medicaid-enrolled consumers that result from relegating such consumers to the manual process, it will mitigate some of the efficiency losses and reduce the risk of fraud and abuse that could be created by an overreliance on the manual verification process.

If USAC accepts MCO letterhead proof of eligibility, then eligible consumers will be able to navigate the manual process more efficiently than if they were able to demonstrate eligibility solely through government-issued documents. Carriers can ping the MCO-managed databases to which they already have access, generating reliable, up-to-date documentation of subscriber eligibility that can be submitted to USAC to facilitate processing of the manual application. Granted, access to MCO letterhead proof of eligibility is only available to applicants who were able to obtain the assistance of a Lifeline provider's agent in-person, but USAC will still face fewer administrative burdens because it can rely on MCOs' attestations of eligibility, which are based solely on state and federal data. Until USAC has access to these data sources itself, streamlining the manual process will help the National Verifier better meet the Commission's policy objectives and limit its costs.

Although USAC’s guidelines assert that eligible subscribers may submit only federal or state-issued documentation through the manual process,<sup>22</sup> this is not a Commission-imposed requirement, but rather a policy imposed by USAC. Indeed, in the *2016 Lifeline Reform Order* the Commission explained its expectation that “the program databases checked [through the National Verifier] should, to the extent possible, include those owned by states, those owned by Federal entities, *or those owned by other entities.*”<sup>23</sup> The Commission further clarified that “USAC may also as part of developing and maintaining the National Verifier, procure *from other entities* (including other government entities), access to or connection with databases and systems[.]”<sup>24</sup> Although these excerpts contemplate USAC’s direct access to data, they support the notion that third-party data can be a reliable source of eligibility verification that USAC should consider. Moreover, nothing in the Commission’s rules precludes USAC from using reputable third-party generated verification mechanisms.

If the Commission declines to halt the Verifier until the automated process is supported by sufficient databases, then directing USAC to accept MCO letterhead proof will make the manual process administratively efficient and streamlined while also improving the integrity of the process. This relief, in conjunction with grant of Q Link’s pending petition asking the Commission to direct USAC to produce an application programming interface for the Verifier’s

---

<sup>22</sup> USAC, “National Verifier Acceptable Document Guidelines” at 2, [https://www.usac.org/\\_res/documents/li/pdf/nv/Guidelines-Accepted-Documentation-Service%20Providers.pdf](https://www.usac.org/_res/documents/li/pdf/nv/Guidelines-Accepted-Documentation-Service%20Providers.pdf).

<sup>23</sup> *2016 Lifeline Reform Order* ¶ 133 (emphasis added).

<sup>24</sup> *Id.* ¶ 159 (emphasis added).

checklifeline.org online enrollment process,<sup>25</sup> will bring the process closer to what the Commission envisioned when it established the Verifier.

#### **IV. CONCLUSION**

Based on the foregoing, TracFone respectfully urges the Commission to direct USAC to accelerate the National Verifier's access to state and/or federal data sources necessary to verify subscribers using the automated process and refrain from launching the National Verifier in a given state until USAC has incorporated eligibility verification based on enrollment in key federal benefits programs, such as Medicaid, into the Verifier's automated process for that state. In the alternative, the Commission should direct USAC to accept third party-generated proof of Lifeline eligibility, such as MCO letterhead proof of Medicaid enrollment, through its manual verification process.

---

<sup>25</sup> Emergency Petition of Q Link Wireless, LLC for an Order Directing the Universal Service Administrative Company to Implement Machine-To-Machine Interfaces for the National Verifier, WC Docket Nos. 17-287, 11-42, 09-197 (filed July 5, 2018).

Respectfully Submitted,

**TRACFONE WIRELESS, INC.**

/s/ Shawn H. Chang

Shawn H. Chang  
Sara M. Baxenberg  
Wiley Rein LLP  
1776 K Street, NW  
Washington, DC 20006  
Phone: (202) 719-7010

*Counsel to TracFone Wireless, Inc.*

Javier Rosado  
Senior Officer, Alternative Business Channels  
Elizabeth Simonhoff Perez  
Senior Manager, Healthcare  
Mark Rubin  
Senior Executive for Government Affairs

TracFone Wireless, Inc.  
9700 NW 112th Avenue  
Miami, FL 33178

August 9, 2018