HWG | HARRIS, WILTSHIRE & GRANNIS LLP

August 10, 2017

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

Re: *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42

Dear Ms. Dortch:

On August 8, 2017, Issa Asad, Chief Executive Officer, Q-Link Wireless LLC ("Q-Link"), met with Ryan Palmer, Chief, and Jodie Griffin, Deputy Chief, of the Telecommunications Access Policy Division regarding the above-referenced proceeding. Specifically, we discussed USAC's recently announced plans for implementing the National Verifier. We distributed the attached documents, which outline and summarize the principal points discussed during our meeting. We addressed three issues:

- The operational problems for carriers and USAC created by USAC's decision not to create an API to allow carriers to initiate an eligibility determination on behalf of a customer. Providers today handle much of the work of ensuring that USAC receives "clean" data from applicants and of answering applicants' questions. USAC is likely unprepared for the volume of consumer interactions, and for the consumer confusion that will result when a carrier denies service to a consumer that USAC has told is eligible, or when a consumer has a service problem and calls USAC for resolution rather than the provider.

- The lack of a clear reason for USAC's decision to require *new* eligibility documentation as of or after July 2017 for any subscriber transitioned to the National Verifier who cannot be automatically verified – which is likely to be a substantial number because the National Verifier will not have SNAP participant data. USAC should review the documentation that providers by rule have been required to maintain since May 2016, rather than requiring new documentation for all these Lifeline subscribers.

- USAC should not require providers every month to revise USAC's NLAD-based subscriber list, but should have carriers provide the list of subscribers for whom they are claiming reimbursement and then check that list against NLAD and the National Verifier. This will be a much more efficient way of handling customer drop or ports within a month, disconnections for non-usage, and instances in which provider decides not to seek reimbursement for a particular customer (for example, if a provider determines service was erroneously provided).

Q-Link has worked hard to develop a highly automated enrollment process that has been uniquely successful in avoiding waste, fraud and abuse. Q-Link is direct to consumer and uses

no street agents to enroll subscribers, all of whom complete online enrollment forms (frequently from public or work computers). Q-Link has passed 47 audits, with no duplicates or other findings of ineligible users, all while growing organically to serve 1.7 million consumers – 85% of whom were new-to-Lifeline. The irony is that by deciding not to include an API to support machine-to-machine enrollment via the service provider, USAC will break Q-Link's enrollment process. Instead, USAC will favor entities that use street agents, as these same street agents that have been known to abuse the system, could help the consumer navigate the National Verifier's enrollment eligibility website, and then the Lifeline provider's enrollment process. This is a step backwards in fraud prevention.

It is hard to overstate the detrimental impact that USAC's proposed implementation will have on Lifeline consumers and their ability to obtain life-saving and critical service. By forcibly separating service providers from the initial process of consumers enrolling in the Lifeline program, USAC will remove the critical support and infrastructure that service providers supply in helping consumers to assemble all of the documentation that they need to verify identity, place of residence, and eligibility. There is no plausible way that USAC can duplicate all of the necessary support provided by service providers. Without such support, Lifeline and the National Verifier will fail: as USAC told GAO, one of its identified challenges to successful launch, build, and operation of the National Verifier is "inadequate operational capacity to effectively manage new processes and high volumes of eligibility verifications."[1] And most importantly, without such support, consumers will be effectively denied access to Lifeline services, as they will become frustrated with navigating the USAC enrollment process and simply give up. This surely is not what the Commission seeks to achieve with the National Verifier implementation, but it will be the result if the Commission permits USAC to proceed as currently planned, without an API to allow consumers to enroll via a service provider.

Q-Link understands exactly what the National Verifier must do to successfully enroll consumers using online systems. Q-Link today runs such processes, including in states with state eligibility databases. Low-income consumers often have many questions as they attempt to provide the information and documentation necessary, enter data with errors, fail to supply a complete address (such as missing apartment numbers), supply addresses in the wrong format, use nicknames, and supply the wrong or illegible documents. Illustratively, when Q-Link collects eligibility documentation today, it has to collect 4-5 documents before obtaining a usable copy verifying eligibility, due to consumers supplying the wrong document or illegible copies. Consumers also start and stop, and then resume the enrollment process as they retrieve necessary documents. Q-Link runs processes to correct for all of these consumer errors and deficiencies, which allows the consumer to stop, and then resume the application at the point they left off; with an API, USAC could leverage and benefit from all of Q-Link's work – as it does today with the NLAD – rather than having to duplicate that effort. Low income consumers need a way to transmit documents to the National Verifier. Q-Link today not only sends consumers a stamped, self-addressed envelope for sending copies of documents to Q-Link, but it has established

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[1] Government Accountability Office, *Additional Action Needed to Address Significant Risks in FCC's Lifeline Program*, GAO 17-538, at 51 (May 30, 2017).

relationships with services such as UPS to allow consumers to use fax machines at UPS Stores to send documentation, with the charges billed to Q-Link. In the attached Q-Link presentation from August 8th (Attachment A), slide 3 shows how this process works in states with state eligibility databases today, and slide 8 shows how it could work with the National Verifier if USAC builds an API.[2] Notably, under the state process and the Q-Link/Industry proposed process with an API, the provider bears the burden of ensuring the collection of legible, properly formatted information. In addition, because every provider must also ensure that they are licensed, have coverage, and are an ETC in the area where the customer resides, the Q-Link/Industry process avoids burdening USAC with applications that the carrier will later have to deny – which would lead to further consumer confusion and calls to USAC. If USAC proceeds on its current course, it will have to be prepared to answer millions of consumer calls per month from consumers attempting to navigate the National Verifier enrollment process, as well as other calls that will come from consumers who are not differentiating between USAC and the service provider.

We understand that there may be a desire for USAC to be able to verify the exact language to which a consumer certified, and to have a record of that certification. This could be done as part of the API, with a mechanism to use USAC's site to record the actual certification, and then return the consumer to the provider's site. Q-Link will follow up with additional technical detail. This could also be done by having the service provider submit a copy of the consumer's actual application (not just representative language) to the National Verifier as part of an automated enrollment process through the API, along with all documents and proof of eligibility so that the National Verifier makes the ultimate eligibility decision, not the provider. The National Verifier could then also reject applications that have non-compliant certifications.

Notably, USAC originally contemplated use of an API to allow consumers to apply via a service provider. In the presentation USAC gave to providers on October 2016 (Attachment B), a copy of which was also provided to the FCC attendees, slide 5 clearly stated that an applicant could "Apply via [Service Provider]," and slide 9 was entitled "individual consumer applies directly through [National Verifier] *(including through API provided to service providers)*" (emphasis added). Nowhere during the meetings and workshops held during the USAC development and outreach process was it suggested that USAC would not provide an API to permit enrollment via a provider, until USAC dropped that bombshell in its most recent webinar on July 26, 2017.

With respect to eligibility verification at the time of migration to the National Verifier, it is difficult to see how that will occur without an API. Even to do the automated check against available electronic databases, an API will be necessary. With respect to any Lifeline subscriber that cannot be verified through the electronic database, USAC proposes a new collection of eligibility documentation, and then to review all the new documentation. This will require a new collection of eligibility documents by providers, and concomitant USAC review of millions of eligibility documentations. This is a tremendous and unnecessary burden with respect to any

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[2] Slide 8 shows multiple dips of the integrated NLAD and National Verifier. Only the dip at the bottom of the left hand column is for eligibility verification. This slide reflects Q-Link's process. Other providers may sequence this differently.

consumer that has signed up since the FCC started requiring providers to maintain eligibility documentation. Moreover, it will lead to the unwarranted disconnection of eligible Lifeline consumers who will not understand why they must again provide documentation and who will again have to navigate all the logistical hurdles to transmitting documents to their service provider. Consumers that do not provide their eligibility verification again – even if they had just signed up in June 2017 with documents that the National Verifier would find acceptable, would be unfairly and unnecessarily burdened.

There is a better and more sensible way to do this. The FCC and USAC should permit providers to submit the eligibility documentation that they have. This utilizes documentation that is already in the providers' possession, but still allows for an independent review by the National Verifier to ensure that it is bona fide. This is only a partial solution, as providers will need to obtain documentation for any subscriber for which they did not retain documentation, and those consumers will face disconnection if they do not supply new documents. But at least it would mitigate the disruption to low-income consumers.

Finally, we see no reason why the reimbursement process needs to start with a carrier's subscribers as of a snapshot date. Because the NLAD does not track which customer subscribed to which carrier over time, its lists will not adequately address ports, new adds or disconnects. A cleaner process is to require providers to submit data files of all consumers for which they are claiming reimbursement – the back-up to the Form 497. USAC can then ensure that all these consumers are in the NLAD and National Verifier as eligible and non-duplicative. This process will require fewer corrections and reduce the burden on both providers and USAC, without sacrificing protection against waste, fraud, and abuse.
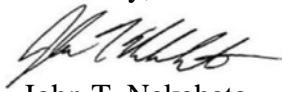
Q-Link is fully supportive of having a National Verifier, and will use the database, just as it uses the NLAD, to ensure that the consumers it serves are actually eligible for Lifeline, are bona fide, and are who they say they are. But it is critical that the database be built in a way that allows for efficient operation, that minimizes the operational burdens placed on USAC, and that does not confuse consumers or make it difficult for them to obtain Lifeline service. This can be done as a win-win-win process. But the directions USAC is currently on will create unnecessary burdens and costs, and disadvantage providers such as Q-Link that do not employ agents.

USAC is on the wrong track. If it proceeds as it currently plans, divorcing service providers from the Lifeline enrollment process and potentially disconnecting millions of eligible Lifeline consumers at migration to the National Verifier, it will harm low income consumers without any benefit in eliminating waste, fraud, or abuse that could not be achieved through a less disruptive approach. USAC will also remove the incentive for providers to advertise and promote awareness of Lifeline services, because the provider that successfully encourages an eligible consumer to enroll will have the consumer go through USAC's process with only the hope that the consumer will then return. It is predictable that Lifeline enrollment will drop, not because of elimination of waste, fraud, and abuse, but because the Lifeline enrollment process will simply be too difficult and frustrating for low income consumers to navigate. That is directly contrary to the objectives of the universal service provision of the Communications Act,

which states, "Consumers in all regions of the Nation, including low-income consumers . . ., should have access to telecommunications and information services, including . . . advanced telecommunications and information services, that are reasonably comparable to those service provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas."[3] When the FCC ordered USAC to implement the National Verifier, it stated that it "expect[ed] the National Verifier to have varying interface methods . . . that promote the objectives of the National Verifier and service the needs of users in a cost-effective and efficient manner,"[4] and that an "important function of the National Verifier will be to allow for cost effective and administratively efficient ways to populated the [Lifeline Eligibility Database]."[5] USAC's implementation fails to meet these Commission directives.

 Please contact me if you have any questions.

     Sincerely,

     John T. Nakahata
     Counsel to Q-Link Wireless, LLC

cc: Trent Harkrader
  Ryan Palmer
  Jodie Griffin

Attachments (3)

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[3] 47 U.S.C. § 254(b)(3).
[4] *Lifeline and Link Up Reform and Modernization*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd. 3962, ¶ 138 (2016).
[5] *Id*. ¶ 137.

Attachment A

NATIONAL VERIFIER INTEGRATION

QLINK MEETING WITH TAPD ON 8/8/17

CURRENT USAC NATIONAL VERIFIER IMPLEMENTATION DISRUPTS Q-LINK'S NO AGENT ENROLLMENT

- Unlike any other lifeline provider, Q-Link has a highly automated, no agent enrollment process that has passed 47 audits with no duplicates or other findings of ineligibility, while adding 85% new-to-Lifeline subscribers.

- Q-Link runs a multilayered enrollment process that takes multiple steps to verify consumer identity and to verify eligibility including address before running USAC.

- Q-Link has successfully integrated with those state eligibility databases that allow for machine-to-machine eligibility verification of new-to-Lifeline customers and Lexis Nexis for Identity validation.

- USAC's National Verifier now will not have machine-to-machine capability to support new-to-Lifeline enrollment.

Q-LINK'S ENROLLMENT PROCESS WITH A STATE ELIGIBILITY DATABASE

Demographics	Service Type	Disclosures	Image Capture	Review Queue	Order Confirmation
Capture PII	Service Offering Selection	IEH	ID	3rd Party Audit Enrollment	
Address Type	Handset Activation	Lifeline Application	Program Proof		
Address Verification (Melissa Data)	MDN Assignment	Signature (eSign)	Address Proof (if needed)		
Address GeoCode (Tribal vs Non-Tribal			SSN Proof (if needed)		
LexisNexis ID Check					
Intra Company Duplicate Check					
IEH (Internal Check)					
State ETC Boundry Check					
Network Coverage Map					
Program Proof Duplicate Check					
3rd Party Subscriber Checks					
State API Check					
NLAD Verify					

2 Business architecture **1** Individual application

Consumer verifies eligibility directly through NV; SPs enroll verified applicants

Service Provider

8 As part of SP claim process, NLAD verifies eligibility through LED and performs duplicate subscriber / address checks

7 Applicant goes to SP to enroll in Lifeline, providing PII

Applicant

1 Applicant applies through LED (through web portal, incl. SP web portal, or mail)

6 LED confirms (or denies) eligibility for Lifeline program, and sends application number to applicant[2]

Lifeline Eligibility Database (LED)

LED components

Universal Service Administrative Co.

8 **SP claims subscriber in NLAD**
Universal Service Administrative Co.

2 **LED checks TPIV, AMS**

3 **LED verifies eligibility w/ automatic data sources**
- Automatic API, updated real time
- Automatic API, updated periodically

4 **8** **LED checks duplicate subscribers, addresses[4]**
Universal Service Administrative Co.

5 **As req'd, LED checks eligibility**
- Manual check, updated real time
- Manual check, updated periodically
- Manual document review[1] (e.g., of SNAP card)

May perform Steps 2-4 concurrently

Manual document review process[1] invoked if failure in Step 2 or Step 4

Note: Number balls represent steps in process; all actions on step 8 happen simultaneously 1. Eligibility and/or identity verified through document review at the USAC call center as failsafe process of last resort 2. Eligibility determinations remain valid for 90 days

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USAC PROPOSED SOLUTION INTRODUCES HARDSHIPS/INEFFICIENCIES TO ENROLLMENT PROCESS

- USAC Model is needlessly burdensome to Consumer Applicants and doesn't prevent agent fraud but actually enables it.
  - Will require Applicant to enter their PII data multiple times in the enrollment process.
  - Will introduce data re-entry errors to the enrollment process where none exist today, as Applicants will be forced to jump between multiple websites to complete enrollment which is not feasible nor practical and will result in eligible consumers being denied service due to overburdensome, unbeneficial, unnecessary process..
  - Will introduce significant confusion to the enrollment process by presenting two separate approval decisions, where only one is needed and exists today. Tens of thousands of applicants each month will be approved by the National Verifier, then denied by the carrier for reasons such as:
    - Advanced carrier duplicate prevention measures
    - Lack of carrier coverage
    - Address is outside of State-approved footprint
    - Additional program Integrity checks such as identity, one per household, and fraud prevention algorithms.
- USAC Model favors agents over automated agentless enrollment, thereby enabling agent fraud.
  - Since an Agent can help the customer through the USAC portal and then through the SP process, but an automated system cannot, an Agent can complete the entire process on behalf of customer but an automated system cannot.

USAC PROPOSED WORK FLOW

National Verifier	Must Switch Websites	Demographics	Service Type	Disclosures	Image Capture	Review Queue	Order Confirmation
Collection of PII		Capture PII	Service Offering Selection	IEH	ID	3rd Party Audit Enrollment	
Lifeline Application		Address Type	Handset Activation	Lifeline Application	Program Proof	Carrier Decission Provided to Subscriber	
Image Collection (as needed)		NLAD Verify	MDN Assignment	Signature (eSign)	Address Proof (if needed)		
NV Decission Provided to Subscriber		Address Verification (Melissa Data)			SSN Proof (if needed)		
		Address GeoCode (Tribal vs Non-Tribal					
		LexisNexis ID Check					
		Intra Company Duplicate Check					
		IEH (Internal Check)					
		State ETC Boundry Check					
		Network Coverage Map					
		Program Proof Duplicate Check					
		3rd Party Subscriber Checks					

QLINK/INDUSTRY PROPOSED WORK FLOW

Demographics	Service Type	Disclosures	Image Capture	Real Time Review Queue	National Verifier Document Review (if needed)	NLAD/NV Dip to verify no changes to eligibility, identify or duplicates, and upload telephone number
Capture PII	Service Offering Selection	IEH	ID	3rd Party Audit Enrollment	NV/Carrier Decision Provided to Provider & Subscriber	Order Confirmation
Address Type	Handset Activation	Lifeline Application	Program Proof			
Address Verification and Normalization (USPS, UPS and Melissa Data)	MDN Assignment	Signature (eSign)	Address Proof (if needed)			
Address Geo Code (Tribal vs Non-Tribal			Additional ID Proof (if needed)			
IP ADDRESS VALIDATION GEO IP VALIDATION			SSN Proof (if needed)			
NLAD Dip to Verify Address and Duplicate Check						
LexisNexis ID Check						
Intra Company Duplicate Check						
NLAD Dip to Verify Identify						
IEH (Internal Check)						
State ETC Boundry Check						
Network Coverage Map						
Program Proof Duplicate Check						
3rd Party Subscriber Checks						
NLAD/NV Dip to Verify Eligibility Including Document Upload, if Required						

BENEFITS OF THE QLINK/INDUSTRY SOLUTION VS. THE PROPOSED USAC SOLUTION

- Meets all the requirements of The Order.

- Will require ETC's to adhere to the NV Approval/Denial Reponses leaving NV in control of ALL consumer Approvals or Denials as per The Order.

- Leverages API technology and Fraud prevention ETC technology to render a single, combined decision to the Applicant, which will considerably reduce Applicant confusion and calls to USAC call center.

- Requires Applicant to enter PII information only once and lowers cost and overhead to USAC.

- Doesn't require Applicant to jump between websites, which they cannot do so easily at public computers to complete an enrollment. (Amazon and eBay embed PayPal in their apps to achieve this same experience)

- Will Reduce availability to consumers because of reducing offerings by ETC'S, a core of USAC rules is to advertise the service.

FCC MANDATES FOR NATIONAL VERIFIER ROLLOUT

March 31, 2016 - Third Report And Order…

- Paragraph 138: "Access by different users. The National Verifier will also function as an interface for many users for many different activities. We agree with commenters and anticipate that eligible subscribers, **Lifeline providers**, states, and Tribal nations will require access to establish or verify eligibility. We also expect the national verifier to have varying interface methods to accommodate these different groups of users. (note 390) We direct USAC to work with the Bureau to develop interfaces that promote the objectives on the National Verifier and service the needs of users in a cost-effective and efficient manner."

FCC MANDATES FOR NATIONAL VERIFIER ROLLOUT

- Paragraph 137: "…As such, another important function of The National Verifier will be to allow for <u>cost effective and administratively efficient ways to populate the LED.</u>"

- Proposed NV would require USAC be capable of answering 100,000 plus calls a day 24 hours a day from consumers regarding an wide array of issues as well as eligibility and process thus increasing costs which is the direct opposite mandated cost effective intention to populate LED.

- Note 390…For example the National Verifier **<u>may</u>** have an interface that is consumer-friendly and geared towards subscribers. <u>It may have another interface that is geared toward providers that may allow application programming interfaces – APIs – (machine-to-machine interaction).</u>

- Consumers without access to computers and the NV interface will be subject to an automated IVR (Interactive response system) that will fall short of answering all consumer issues- typical of any IVR in ANY business or service dealing directly with consumers. USAC has overlooked and disregarded this fact in its proposed NV. Therefore, causing consumer confusion, preventing and hindering eligible consumers from receiving lifeline services, treating consumers as a second class individual due to their income.

USAC'S PROPOSED SOLUTION DOES NOT MEET FCC MANDATES

- Does not "provide Lifeline Providers as per FCC' Paragraph 138, access to establish eligibility" for applicants , increasing cost and waste of time for non Qualified applicants, increasing costs for USAC and the lifeline Program.

- Does not "provide varying interfaces methods to accommodate" Lifeline providers.

- Does not provide "interfaces that promote the objectives of the National Verifier and service the needs of (99%) of users in a cost effective and efficient manner."

- Does not "provide cost effective and administratively efficient ways to populate the LED".

- Does not "have another interface geared toward providers that may allow application programming interfaces (machine-to-machine interaction)."

- Does not provide Lifeline Providers to use proven duplicate and fraud preventive algorithms.

SUMMARY

- The ETC community was literally shocked by the 180 degree change that was relayed on last week's , July 31, 2017 National Verifier webinar.

- At no time in the past 11 months, including the Working Group Calls, was anything other than direct API access for carriers mentioned, assumed, etc.

- If the concern is actually related to ensuring consistent certification form language, the simple and practical solution is for USAC to release to carriers, the standardize enrollment form that the Order required they create.   The industry has been requesting this for years.

Attachment B

USAC LIFELINE PROGRAM

INTRODUCING NATIONAL VERIFIER

OCTOBER 2016

Universal Service Administrative Co.

Welcome

Expectations for today

What you can expect from us

➢ We will share a high level overview of the National Verifier system and processes

➢ We will carefully consider and incorporate your feedback in the National Verifier Plan

➢ We will offer multiple opportunities to provide additional feedback on the National Verifier (e.g., webinars, calls, newsletters)

What we expect from you

➢ Please provide candid feedback on the proposed National Verifier system and processes

➢ All content presented today is preliminary and will be updated based on your feedback

➢ Please be patient! We may not have all the answers, but will share information as we have it

Agenda for today: plan to cover 5 topics

Let's start with a round robin of introductions

Time	Agenda Item	Presenter
10:00 – 10:10 am	**Introduction**	**Michelle Garber**
10:10 – 10:15 am	**Round robin introduction**	**All**
10:15 – 10:45 am	**1** **High level overview of National Verifier and changes to Lifeline Program** **2** **Overview of role for SPs and other stakeholders** **3** **Overview of benefits to SPs**	**Jaymie Gustafson**
10:45 am – 12:45 pm	**4** **High level overview of business architecture (I/II)** • Enrollment	**BCG**
12:45 – 1:30 pm	**Lunch**	
1:30 pm – 3:00 pm	**4** **High level overview of business architecture (II/II)** • Re-certification/de-enrollment • Payment/disbursement • Transfers across SPs • Reporting	**BCG**
3:00 – 3:45 pm	**5** **Rollout plan** • Steps to launch NV in each state • Release timeline • FAQ	**BCG**
3:45 – 4:00 pm	**Closing remarks** **(ask for volunteers to provide more feedback in follow up calls)**	**Michelle Garber**

Moving from the current state where service providers conduct eligibility verification....

Applicant	1200+ SPs	Federal/State databases

Applicant → Service Providers

- Medicaid
- SNAP
- Income at or below 135% of federal poverty guidelines
- State-specific programs

Apply via Service Provider (SP) | **SPs responsible for verifying** | **Verification databases have varying ease of accessibility**
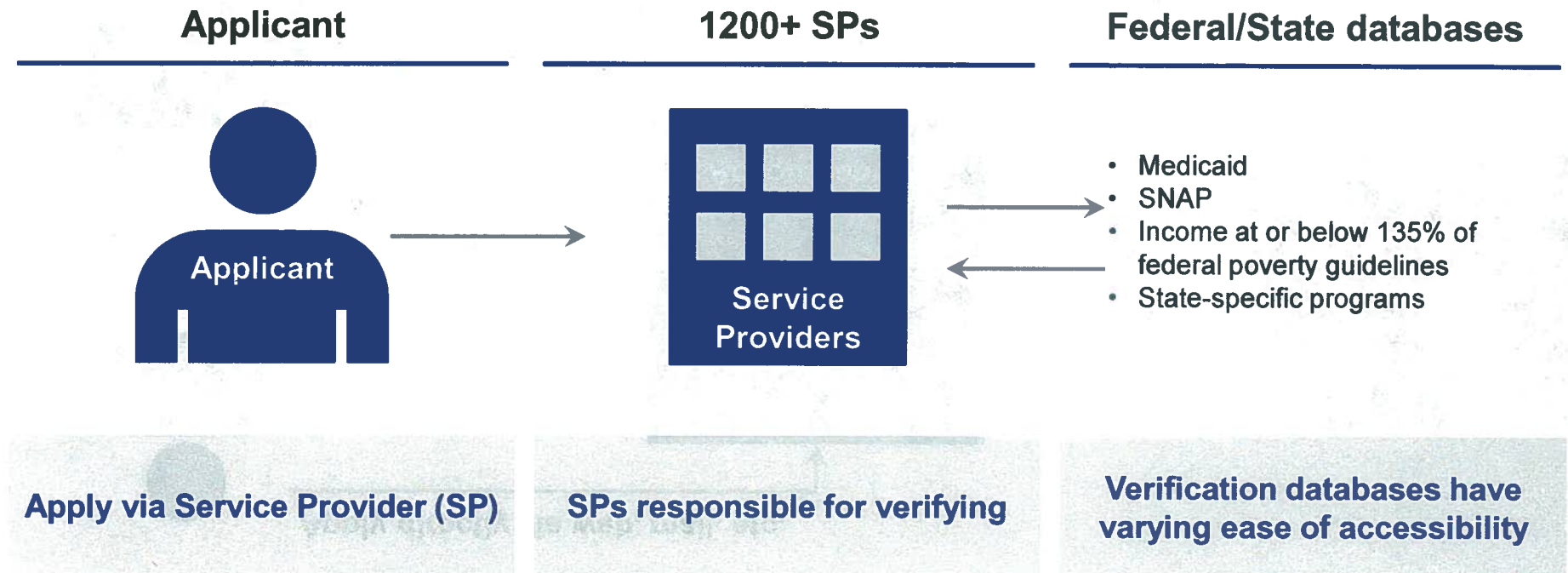
...To a future state where USAC conducts eligibility verification through the National Verifier

Apply directly via web, mail, etc.

Applicant

Apply via SP

SP checks eligibility through National Verifier

Service Providers

National Verifier:

Lifeline Eligibility Database (LED)

National Lifeline Accountability Database (NLAD)

Must recertify each year

Stage gated eligibility check through Federal/State databases

LED interfaces with Federal/State databases to check eligibility

Role for key stakeholders with National Verifier

States	Service Providers	USAC
Data owners provide data sharing agreements to access database	**Facilitate application** (e.g., via in-store, web, etc.)	**Conduct identity and duplicate check (NLAD)**

States

Data owners provide data sharing agreements to access database
- E.g., PUC provides access to Lifeline database
- E.g., FNS provides access directly to SNAP database

Facilitate transfer of data from database to LED for eligibility verification
- E.g., Real-time API link
- E.g., Periodically post electronic batch file on secure server

Enable manual review if needed

Focus

Service Providers

Facilitate application (e.g., via in-store, web, etc.)

Support document upload for manual review if needed

Provide broadband/mobile service

Provide customer support if needed

Comply with all requirements to get reimbursed

USAC

Conduct identity and duplicate check (NLAD)

New

Process application and conduct eligibility check for both initial enrollment AND re-certification (LED)

Provide customer support

National Verifier offers several benefits for service providers

Less Complexity	Lower Cost	Less Liability
• No longer need MOUs with states to access eligibility data • No longer have to conduct eligibility verification for enrollment or re-certification • Fewer forms to fill	• Fewer program staff to conduct enrollment and re-certification • Fewer database connections to maintain • Automated eligibility verification through federal and state databases improves response time and can help reduce cost of lags	• USAC will be responsible for eligibility verification • Fewer auditing and reporting requirements from USAC

Today we will cover 5 components of the National Verifier business architecture

(1) Enrollment
- Individual
- Batch
- Application status check

(2) Re-certification/de-enrollment

(3) Payment/disbursement

(4) Transfers across service providers

(5) Reporting for service providers

Individual consumer applies directly through NV (including through API provided to service providers)

Service Provider	Prepaid wireless	Postpaid wireless
	Broadband	Wireline

⑧ As part of SP claim process, NLAD verifies eligibility through NV and performs duplicate subscriber/address checks

⑦ Applicant signs up for Lifeline through SP, providing application number

Applicant	Applicant

① Applicant applies through NV consumer interface (or other means, e.g., mail)

⑥ NV confirms (or denies) eligibility for Lifeline program; if confirm, sends application number to applicant

National Verifier (NV)

NV components

Universal Service Administrative Co.

⑧ SP claims subscriber (NLAD database)
Universal Service Administrative Co.

② NV checks TPIV, AMS
LexisNexis
UNITED STATES POSTAL SERVICE

③ NV verifies eligibility w/ automatic data sources
Automatic API, updated realtime (FL)
Automatic API, updated periodically (TX)

④ ⑧ NV checks duplicate subscribers, addresses
Universal Service Administrative Co.

⑤ If necessary, NV checks manual data sources
Manual check, updated realtime (PA)
Manual check, updated periodically (MS)

May perform Steps 2-4 concurrently

Separate manual review process[1] invoked if failure in Step 2 or Step 4

Note: All actions on step 8 happen simultaneously
1. Eligibility and/or identity verified through document review at the USAC call center as failsafe process of last resort

Third-party batch application/enrollment process

| Applicant | Applicant |

1 Third parties collect information and consent from individual applicants

4 Third party informs applicant of application decision

| Approved third parties | Service Provider | State/federal agency |
| | Social services program | Other approved third parties |

2a Third parties submit properly formatted batch of applicant information to the NV

2b Variant: if third party is an approved governmental agency (e.g. HUD), NV records batch applicants as eligible without further checks

3 After checking eligibility on each applicant, NV sends batch results back to third parties

4 NV sends results to individual applicants through preferred means of communication

| National Verifier (NV) | NV components | Universal Service Administrative Co. |

Applicants requiring manual review will be rejected and must go through the individual application process

Application status check

| Applicant | Applicant |

1 Applicant requests status update from LED (web portal, mail, phone)

2 LED returns status update to applicant via preferred method of communication (web portal, mail, phone, text, email)

| National Verifier (NV) | NV components | Universal Service Administrative Co. |

Individual consumer re-certifies (includes de-enrollment)

Service Provider	Prepaid wireless	Postpaid wireless
	Broadband	Wireline

Applicant	Applicant

National Verifier (NV)

NV components

Universal Service Administrative Co.

③ NLAD confirms (or denies) eligibility for Lifeline program; if deny, communicates self-certification requirement to applicant (via letter, phone, text, email)

④ Non-verified applicants return self-certification

⑦ SPs de-enroll ineligible subscribers from Lifeline

⑥ NLAD notifies SPs of now-ineligible subscribers

② NV verifies eligibility w/ automatic data sources

Automatic API, updated realtime (FL)

Automatic API, updated periodically (TX)

① 90-120 days before service initiation anniversary, NLAD automatically begins re-certification process

⑤ NLAD initiates self-certification process and updates when self-certifications received

NLAD compiles list of subscribers with lapsed eligibility

Universal Service Administrative Co.
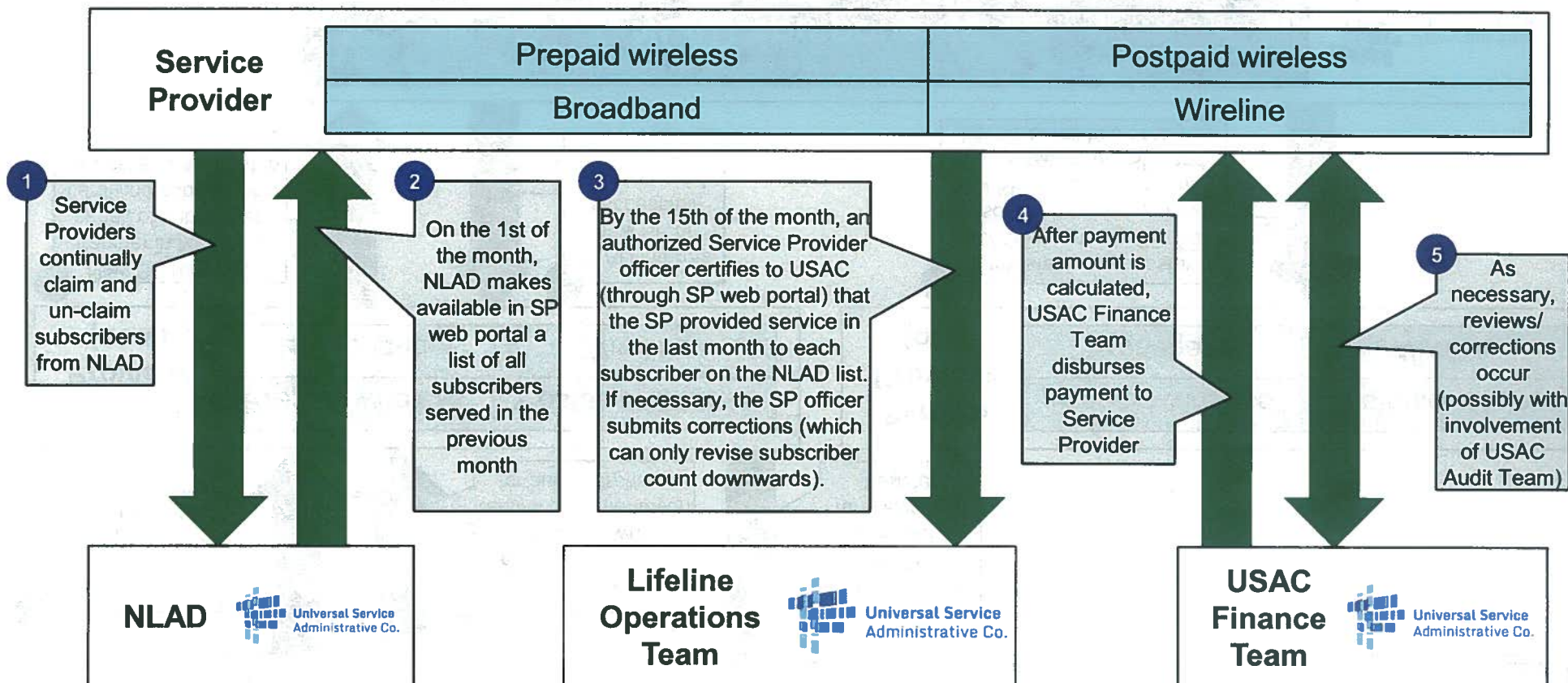
Note: still to determine who is responsible for notifying applicant that he/she failed recertification; Note: potential to eliminate TPIV during re-cert process

Batch re-certification process

Only for governmental agency-submitted batches; others are recertified individually
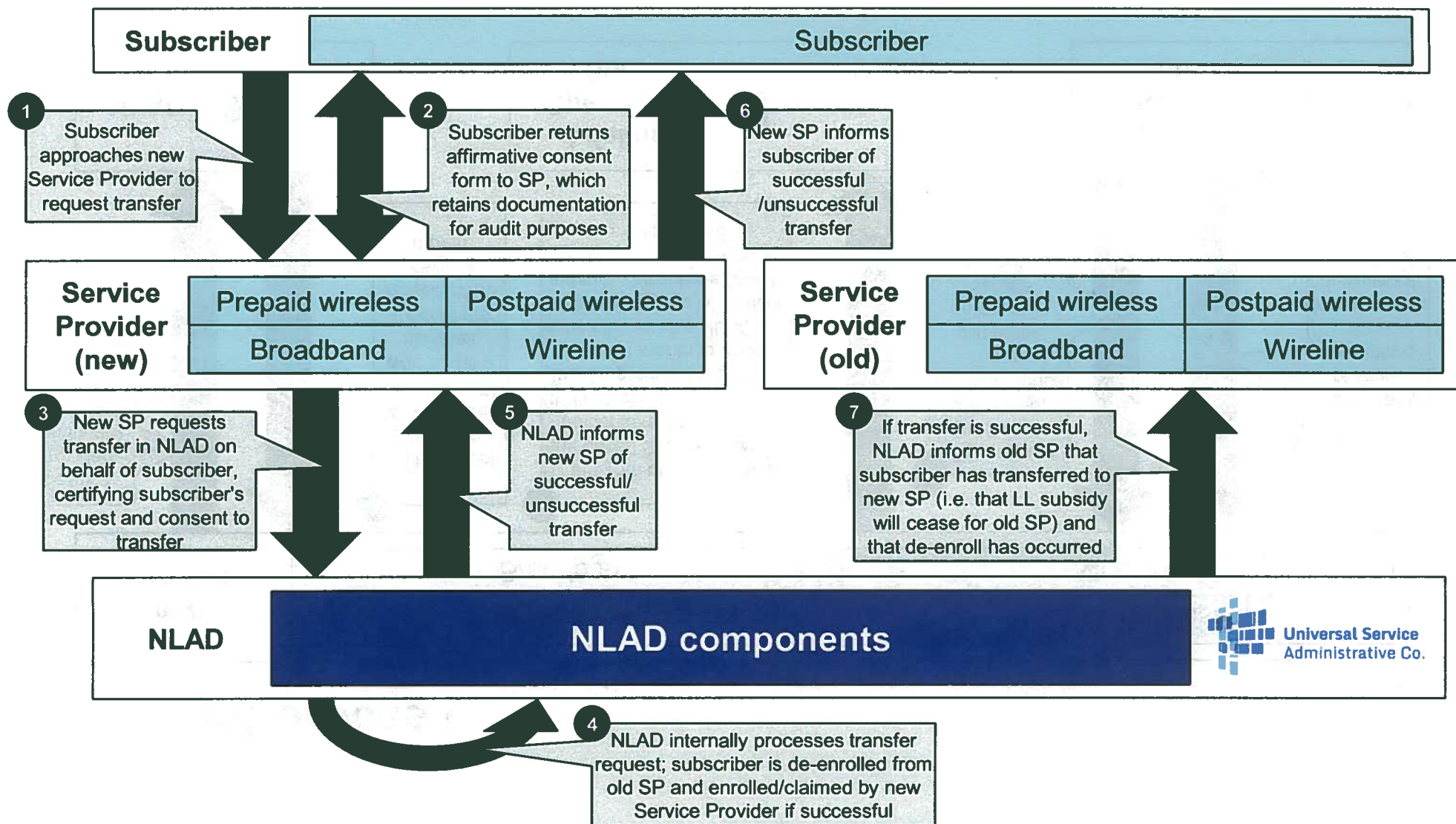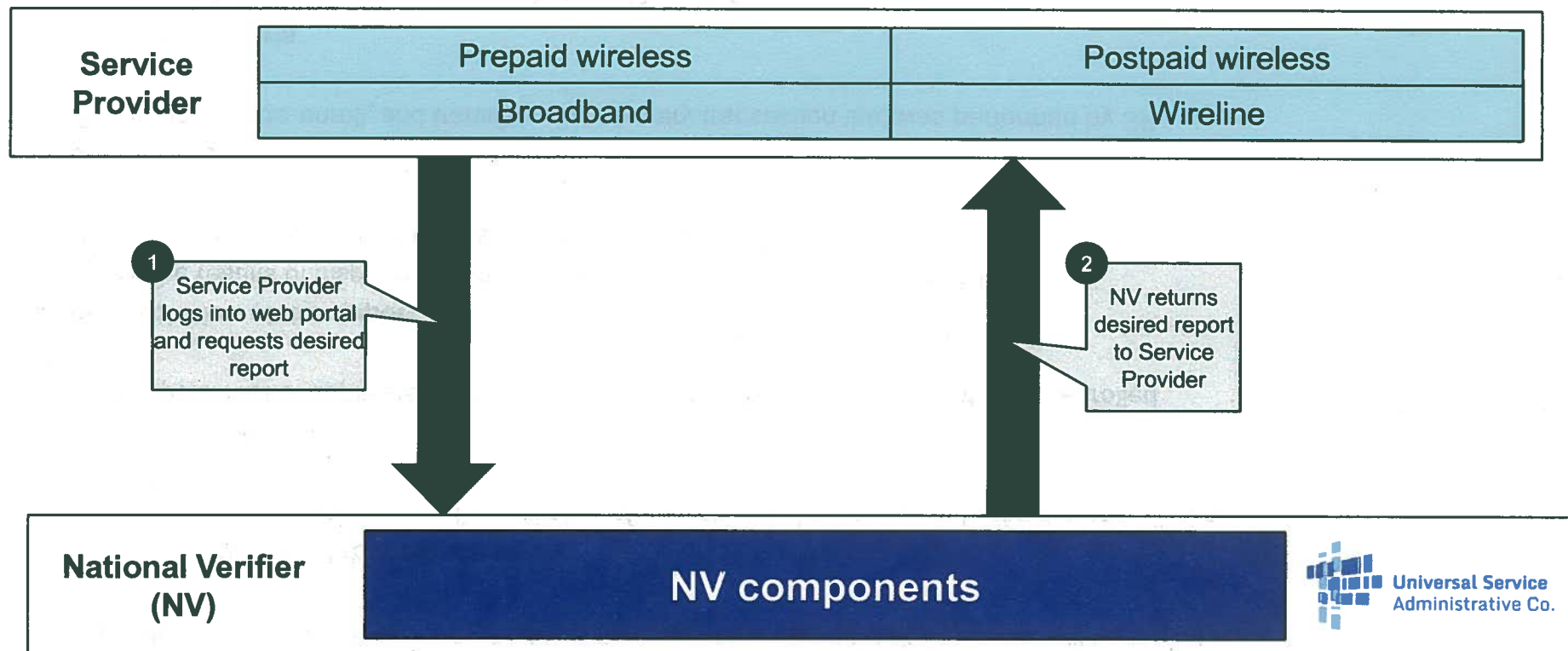

Applicant

Applicant

Approved third parties

State/federal agency

Other approved third parties

1 At appropriate intervals (e.g. every 6 months), approved third party sends latest list of eligible subscribers, including unique identification numbers for exact matching

2 NLAD confirms receipt of the latest information and notifies approved third party of any issues (e.g. inexact matches)

3 NLAD confirms re-certification of subscribers re-certified by approved third party; individual re-certification process initiated at appropriate time for all others

NLAD

NLAD components

Universal Service Administrative Co.

Payment process

Service Provider	Prepaid wireless	Postpaid wireless
	Broadband	Wireline

1 Service Providers continually claim and un-claim subscribers from NLAD

2 On the 1st of the month, NLAD makes available in SP web portal a list of all subscribers served in the previous month

3 By the 15th of the month, an authorized Service Provider officer certifies to USAC (through SP web portal) that the SP provided service in the last month to each subscriber on the NLAD list. If necessary, the SP officer submits corrections (which can only revise subscriber count downwards).

4 After payment amount is calculated, USAC Finance Team disburses payment to Service Provider

5 As necessary, reviews/corrections occur (possibly with involvement of USAC Audit Team)

NLAD — Universal Service Administrative Co.

Lifeline Operations Team — Universal Service Administrative Co.

USAC Finance Team — Universal Service Administrative Co.

Transfer: subscriber requests transfer between service providers

Reporting functionality

Starting list of reports for service providers

List of enrolled subscribers during a defined time period (summary and detail)
- Will not include SSN, DOB; will include re-cert date
- Monthly snapshot report (as of 6:00 AM on first day of the month) that payments will be based on

List of month-by-month disbursements
- Should include revisions, as well as number of subscribers (broken down to regular and tribal enhancement)

Duplicate resolution reports
- First report – list of duplicates; second report – list of subscribers that must be de-enrolled

Detailed resolution status report
- Show the results of disputes that are submitted as a result of enrollment failures
- This could also be part of the exception report (e.g., port freezes)

Transaction report
- Enroll, update, de-enroll, and transfer – list of every transaction that was performed by SP

Re-certification reports
- Subscribers (by SAC) who had to recertify; who passed and failed
- Subscribers SP need s to de-enroll (failed re-certs)

Initial steps for service providers to launch the National Verifier in each state
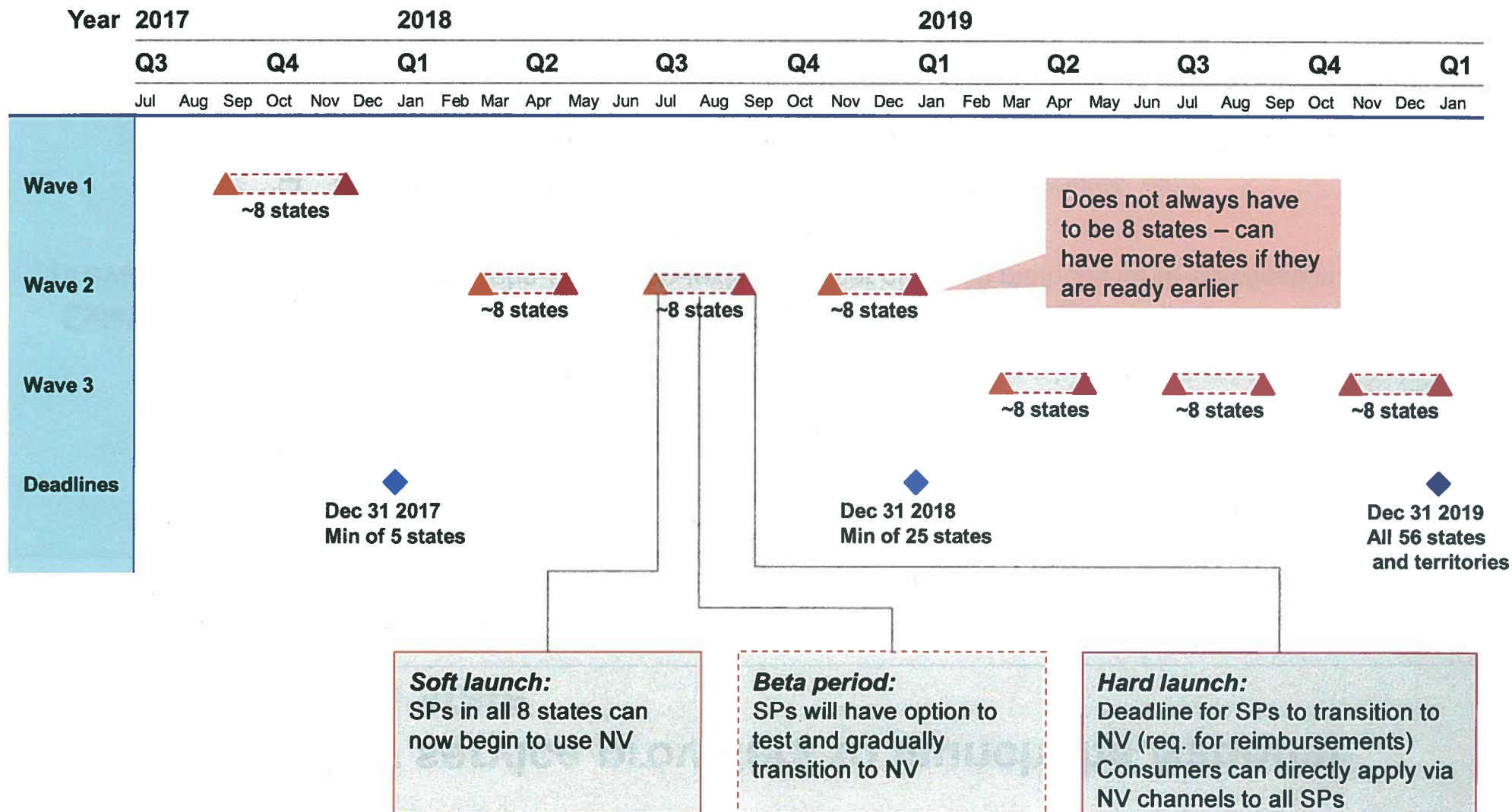
Action

Existing providers

- ❑ Terminate data sharing agreements with states for federal Lifeline program
- ❑ Align existing systems/processes for eligibility verification for both enrollment and re-certification
  - – FTEs who support verification (e.g., call center agents who conduct manual reviews)
  - – IT systems and back-end processes that support verification
  - – IVR, mail, robo-calls, robo-texts and other outreach methods for re-certification
- ❑ Build branded interface with API if desired
- ❑ Update any customer facing materials (e.g., website, brochures, etc.)
- ❑ Test National Verifier during Beta period; need to fully transition by end of period
- ❑ Continue additional verification systems/processes required for state Lifeline program

New providers

- ❑ New service providers must apply to be an LBP/ETC
- ❑ Build branded interface with API if desired
- ❑ Build systems/processes needed for Lifeline

Will build pipeline for states to launch NV across multiple waves; propose 3 windows for states to launch each year

Frequently asked questions for discussion

Which states will be in the first wave?
- We are actively working across states and will announce when states are finalized

Can we wait until all states we operate in launch NV before we use it?
- **No**. After the soft launch of NV, service providers will have approximately 2 months to transition to NV, but there is a hard deadline to start using NV in each state. After this hard deadline, service providers who do not use NV will not be reimbursed

Can we use the federal data sources even in states that have not launched yet?
- **Not initially**. Service providers will not have access to the federal data sources until NV has launched in their state. Contemplating change for future waves

Does NV cover eligibility for state Lifeline programs?
- **No**. Service providers will still have to maintain MOUs and conduct eligibility verification separately for state Lifeline programs for now

What is the response time for eligibility verification?
- Automated checks will operate in nearly real time; evaluating the time required for manual processes

Are there any other questions that we did not cover today?

Thank you for participating today

Are there any service providers interested in providing additional detailed feedback?

If so, please let us know and we will contact you!

Attachment C

Industry Proposal for Carrier/National Verifier Interaction

We request that USAC take advantage of current technology and implement an API-based model that leverages a single data-entry transaction for Lifeline Applicants, as is the case today. This will be much less burdensome to consumers, create far fewer data-entry errors, comply with all FCC regulations regarding implementation of the National Verifier (see paragraph 138, 139 and note 390, all on Page 51 of the Order, relative to "Access by different users"), and leverage the advanced program integrity technology employed throughout the industry today, to provide an experience to the low-income consumer which doesn't treat them like a second-class citizen.

The proposed solution ("A Better Model", below) retains the natural flow of a Lifeline enrollment, rendering a single, comprehensive decision to the applicant at either the point of failure or the point of application approval. Conversely, the current USAC model will present the enrollment approval decision in two distinct parts, one for eligibility determination at the National Verifier, and one for carrier approval, at the carrier. This will introduce considerable confusion to the Lifeline enrollment process, as tens of thousands of applicants per month will pass the National Verifier portion and fail the carrier portion due to advanced duplicate detection scrubs, lack of carrier coverage, unapproved operating territory, and a host of other program integrity checks built into the carriers' current platforms. Q LINK performs address validation through UPS and the Melissa Database, identity validation through Lexis Nexis, duplicate checks through CGM, and employs many other propriety algorithms to prevent waste, fraud and abuse, all while delivering a much needed service to low income consumers. To illustrate this, in the model we have highlighted in yellow the only place decisions will be presented to Applicants.

We urge USAC not to take a giant step backward as they add the National Verifier to the Lifeline enrollment process. Please embrace a workflow that best supports the 99% of Lifeline applicants who enroll through a carrier, and provide the industry a USAC-approved, standard enrollment form that can be implemented on carrier platforms. This will replace the forms that were approved by the FCC in carrier Compliance Plans and solve the biggest issue found in USAC audits: enrollment form language that is gently out of compliance. We believe that USAC's current model is an overreaction by USAC to this issue. A standardized enrollment form would allow for A Better Model, provide an infinitely better, less confusing Applicant experience, meet federal requirements, and retain all program integrity checks in place in the industry today.

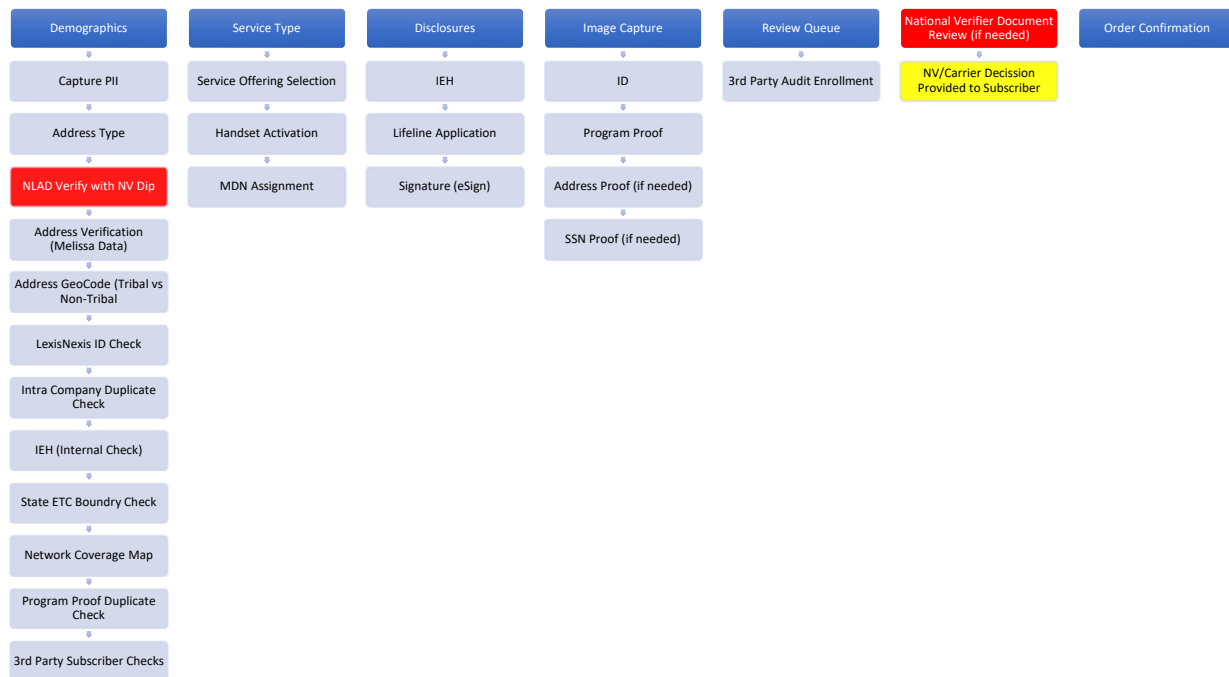The National Verifier is mandated to:

- Determine subscriber's eligibility either through matching the subscriber to a record in a State or Federal eligibility database, or manually viewing valid proof of eligibility;

A Better Model.   API Based Workflow to Introduce National Verifier into Enrollment Vetting Process: Meets Stated FCC Requirements, Favors Applicant Convenience/Significantly Reduced Confusion by Rendering a Single Decision to Applicant, Supports Use of Highly Automated System of Program Integrity Checks in Place at Carriers.

This model incorporates the National Verifier into the Lifeline industry's current data flow paradigm, which much to the benefit of low income consumers, provides APIs for all data interaction between carrier and USAC. This model will require the following minor modifications to NLAD's API specifications:

- Modify the Verify Call API to include eligibility determination response from Federal or State eligibility database.
- Modify the Dispute Resolution API to accommodate the ability for the Carrier to provide eligibility, identity, or any other required document to the National Verifier.
- Modify the Enroll Call API to accommodate the transfer of the USAC developed Lifeline Application form (PDF) from Carrier to USAC for retention by the National Verifier.
- Create new uniform API specification to be hosted by Carriers for use by the National Verifier, to notify Carriers of eligibility decisions rendered by the National Verifier.

(Red identifies carrier dips to the NLAD/National Verifier platform. Yellow identifies the count of unique application decisions presented to the Applicant – one in the model below).

Demographics	Service Type	Disclosures	Image Capture	Review Queue	National Verifier Document Review (if needed)	Order Confirmation
Capture PII	Service Offering Selection	IEH	ID	3rd Party Audit Enrollment	NV/Carrier Decission Provided to Subscriber	
Address Type	Handset Activation	Lifeline Application	Program Proof			
NLAD Verify with NV Dip	MDN Assignment	Signature (eSign)	Address Proof (if needed)			
Address Verification (Melissa Data)			SSN Proof (if needed)			
Address GeoCode (Tribal vs Non-Tribal						
LexisNexis ID Check						
Intra Company Duplicate Check						
IEH (Internal Check)						
State ETC Boundry Check						
Network Coverage Map						
Program Proof Duplicate Check						
3rd Party Subscriber Checks						

We're confident that we can work with USAC to bring state-of-the art security to the handshake proposed in A Better Model, and believe it is the best solution for consumers, the National Verifier, and Carriers. We'll make ourselves available to walk you through this anytime at your convenience. Please let Q Link know a time that works for you.