In the Matter of	)
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Bridging the Digital Divide for Low-Income Consumers	) WC Docket No. 17-287
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Lifeline and Link Up Reform and Modernization	) WC Docket No. 11-42
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	)
Telecommunications Carriers Eligible for Universal Service Support	) WC Docket No. 09-197
	)

REPLY OF Q LINK WIRELESS, LLC IN SUPPORT OF EMERGENCY PETITION

On July 5, 2018 Q Link Wireless, LLC ("Q Link") petitioned the FCC to direct the

Universal Service Administrative Company ("USAC") to implement application programming

interfaces ("APIs") for the National Verifier that permit Eligible Telecommunications Carriers

("ETCs") to exchange information with USAC on a machine-to-machine basis when consumers

enroll in Lifeline.[1] The Petition does not need to consume precious staff time to draft a written

order: the Commission or Wireline Competition Bureau need only direct USAC informally to

develop the necessary APIs. Once those APIs are implemented, the Petition would be moot.

The Petition explained that without carrier APIs, the National Verifier would erect steep

barriers to Lifeline access in rural America, while creating an unnecessarily difficult and

confusing enrollment process for all consumers and increasing their exposure to fraud. Q Link

also explained that the efficiencies created by carrier APIs would reduce the National Verifier's

operating expenses by tens of millions of dollars *annually*. Yet USAC would need to allocate

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[1]   *See* 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 et al. (filed July 5, 2018) ("Petition").

only minimal time and fiscal resources to implement the APIs, which are standard features of information technology systems in government and the private sector alike.

State commissioners, consumer groups, and industry providers voiced the same concerns in response to the Petition, and expressed unanimous support for urgent corrective action to restore carrier APIs into the National Verifier's implementation. They also made clear that by implementing carrier APIs, USAC can ensure that the National Verifier preserves and advances rural access to Lifeline while also equipping it to better serve all qualifying low-income Americans. Nothing in USAC's latest version of its National Verifier implementation plan suggests that the problems identified by Q Link and others have been resolved. Accordingly, the Commission should direct USAC to implement carrier APIs immediately, whether it does so by issuing an order or through other means.

I.   THE SUCCESS OF THE NATIONAL VERIFIER DEPENDS ON CARRIER APIS.

In the Petition, Q Link explained that qualifying low-income Americans living in rural areas have reduced access to retail storefronts, and to the in-person service enrollment processes that physical outlets enable. As a result, these Americans disproportionately depend on online enrollment to subscribe to Lifeline service. Q Link also explained that Lifeline consumers need considerable assistance as they navigate the enrollment process. By leveraging online enrollment, and by providing tenacious, remote assistance to low-income consumers, Q Link has developed a uniquely rural customer base that includes at least 20,000 rural Lifeline consumers in Ohio, Michigan, Missouri, Pennsylvania, Indiana, Texas, and Kentucky, among other states.

Notwithstanding the critical need for online enrollment and robust customer support, USAC's current implementation of the National Verifier would make it impossible for online customers to complete eligibility verification and service enrollment as part of a single continuous process, and to obtain assistance from service providers during eligibility

verification. This is because USAC's implementation scheme does not permit carriers to

exchange information with USAC on a machine-to-machine basis using APIs, and forcibly

separates carriers from assisting online enrollees. As a result, to obtain Lifeline service, an

online consumer must find the National Verifier's consumer portal on his or her own, and

complete the eligibility verification process without assistance from any carrier. Then, the online

consumer would have to find and contact a Lifeline ETC—and go through yet *another* process

involving the collection and verification of his or her information.

The redundant, multi-step procedure envisioned by USAC is far more difficult than

online Lifeline enrollment is today for most of the U.S. population—and far clunkier than one

would expect from a system built in 2018. More importantly, it suffers from too many points of

failure at which a consumer predictably will abandon or fail to complete the enrollment process,

each of which stands to decrease rural participation in an essential universal service program.

USAC's plan also threatens to expose consumers to even more incidents of online fraud: by

reducing the ability and incentive of legitimate ETCs to connect with hard-to-reach consumers

through online marketing, USAC will open the door for scamsters and phishers that already prey

on Lifeline consumers today. Thus, without corrective action, a "$30 million project billed as

consumer-friendly and state-of-the-art" would actually "turn the clock on online enrollment—

and the Lifeline program's back on rural America," as Q Link's Petition explained.[2]

A diverse group of parties filed comments recognizing these harms, and urged the

Commission to avoid the fate of yet another failed public-sector IT project. The National

Association of Regulatory Utility Commissioners ("NARUC") agreed that there are "serious

flaws in the current implementation for the National Verifier," and reiterated its support for FCC

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[2]   Petition at 26.

action directing "USAC to incorporate [APIs] into its National Verifier implementation plan."[3]

Calling the "[f]ailure to include carrier APIs . . . inefficient at all levels," NARUC stressed that

"even the most computer-savvy consumer" would find the online enrollment process "daunting"

and "unnecessarily complicated."[4] The result would be a failed implementation that "threatens

to disconnect millions of qualified Americans," especially Americans living in "rural areas" and

others who "are uniquely dependent on online enrollment."[5]

Over fifteen consumer groups, including those representing the interests of rural

America, likewise agreed that the "overly cumbersome enrollment system" created by USAC

"threatens the integrity of Lifeline and risks deterring eligible individuals from enrolling

altogether."[6] These groups urged the Commission to ensure that Lifeline ETCs are "able to

interface with the National Verifier in the most efficient and effective means possible,"

cautioning that USAC's failure to adopt "modern technology . . . will harm the Lifeline program

and the implementation of the National Verifier, and exacerbate the digital divide."[7]

Sprint likewise confirmed that "APIs are critical for on-line enrollment," and that without

APIs, the enrollment process would "discourage eligible low-income Americans from

undertaking or completing the process for applying for Lifeline service."[8] TracFone similarly

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[3] Comments of NARUC at 4-5, WC Docket Nos. 17-287 et al. (filed Aug. 10, 2018).

[4] *Id.* at 7.

[5] *Id.* at 7, 9.

[6] Comments of New America's Open Technology Institute, Access Humboldt, Benton Foundation, Center for Rural Strategies, Common Cause, Consumers Union, Electronic Frontier Foundation, Free Press, NAACP, National Consumers League, National Digital Inclusion Alliance, National Hispanic Media Coalition, Native Public Media, Public Knowledge, The Greenlining Institute, United Church of Christ, OC Inc. at 3, WC Docket Nos. 17-287 et al. (filed Aug. 10, 2018) ("Public Interest Commenters").

[7] *Id.* at 1-2.

[8] Comments of Sprint Corporation at 2, WC Docket Nos. 17-287 et al. (filed Aug. 10, 2018).

explained that "[w]ithout a mechanism for ETCs' websites and systems to exchange information

with the National Verifier's portals and vice versa, the process for Lifeline application will be far

more burdensome for consumers in terms of both the sheet number of steps it takes to enroll in

Lifeline as well as the availability of customer support from service providers throughout the

entire process."[9] As a result, "USAC's decision not to provide the National Verifier's API to

service providers . . . threatens access to Lifeline service" for millions of rural low-income

Americans, and "further disadvantages a significant subset of our nation's neediest: those who

experience challenges with mobility."[10]

Sage Telecom/TruConnect also explained that USAC's approach "unfairly

disenfranchises those consumers dependent on online enrollment—a common method of

enrollment in rural America or for homebound consumers such as elderly or disabled

Americans."[11] TruConnect further explained that APIs are critical to ensuring that ETCs are

"incented to invest in" reaching "rural or hard-to-reach" areas, noting that, without APIs, "the

ETC does not have the same expectation that a consumer will ultimately make it back to the ETC

to apply for service."[12] The National Lifeline Association ("NaLA") similarly concluded that the

"National Verifier cannot effectively and efficiently serve consumers . . . without a service

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[9] Comments of TracFone Wireless, Inc. at 4, WC Docket Nos. 17-287 et al. (filed Aug. 10, 2018) ("TracFone Comments").

[10] *Id.* at 5.

[11] Comments of Sage Telecom Communications, LLC d/b/a TruConnect at 2-3, WC Docket Nos. 17-287 (filed Aug. 10, 2018) ("TruConnect Comments").

[12] *Id.* at 5.

provider API," and agreed with Q Link's concerns about the "detrimental impacts particularly on rural consumers" of USAC's current plan, including exposure to "phishing scams."[13]

No commenter opposed Q Link's petition, or otherwise expressed views adverse to the implementation of carrier APIs. Moreover, several commenters noted that with APIs in place, USAC would ensure that the National Verifier remains responsive to the needs of rural Americans while also equipping it to improve the Lifeline program in additional critical ways. For example, as TracFone noted, carrier APIs facilitate partnerships between ETCs and managed care organizations, and between ETCs and anti-poverty organizations like "the Salvation Army and the Community Action Partnership."[14] Moreover, carrier APIs also can improve the efficiency of the in-person enrollment process, as NaLA and Sprint explained.[15]

II. CARRIER APIS WILL REDUCE ADMINISTRATIVE COSTS SUBSTANTIALLY.

In its Petition, Q Link explained that carrier "APIs will reduce the costs of operating the National Verifier because they will reduce the amount of work USAC has to do for the big-ticket recurring expenses of verifications and customer support."[16] While Q Link reasonably estimated that APIs would reduce the National Verifier's workload by as much as 38 times given the sheer volume of customer calls, emails, and unusable documents handled by ETCs today— and the ability of ETCs to narrow millions upon millions of initial inquiries down to a more manageable volume of applications from households actually eligible for and interested in Lifeline service—a reduction in verification and customer support costs of just 50 percent would

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[13] Comments of the National Lifeline Association at 1-3, WC Docket Nos. 17-287 et al. (filed Aug. 10, 2018) ("NaLA Comments").

[14] TracFone Comments at 6.

[15] *See* Sprint Comments at 2; NaLA Comments at 2.

[16] Petition at 24.

result in savings of $17 million to $22 million *each year* based on USAC's own customer support cost estimates.[17]

Commenters agreed that APIs would decrease administration costs substantially. Sprint explained that it "works extensively with Lifeline applicants and potential applicants to answer questions, . . . to help ensure that the application is properly filled out, and to help ensure that the proper (and legible) eligibility documentation is provided"—and that it ultimately denies "as many as 75% of applications received (depending on the sales channel)."[18] As a result, "[i]f Assurance Wireless, Q Link, and the dozens of other ETCs are divorced from the initial screening process because of lack of APIs, the NV/USAC likely will be flooded with millions of consumer inquiries and incomplete or unacceptable applications."[19]

TracFone similarly explained that it engages in a "tremendous amount of work . . . to screen millions of inquiries and hundreds of thousands of created applications to ultimately send completed applications to NLAD—work that would fall to USAC if carriers cannot perform prescreening."[20] Indeed, TracFone reports that just 3.5 percent of leads result in qualified applications, meaning that USAC will find itself fielding inquiries from tens of millions of individuals each year that never even complete the enrollment process if it prohibits ETCs from assisting online customers.[21] Thus, without APIs, "the National Verifier would unnecessarily take on tens of millions of dollars in applicant screening and associated transaction costs that are

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[17] *See id.* at 25.

[18] Sprint Comments at 3-4.

[19] *Id.*

[20] TracFone Comments at 10; *see also* TruConnect Comments at 5-6.

[21] *Id.*

currently shouldered by the service providers when they screen applicants as part of the intake process," as NaLA concluded.[22]

Importantly, commenters also agreed that USAC can implement APIs quickly and securely, and while reducing waste, fraud, and abuse. Consumer groups reported that "[t]here is no apparent reason to avoid using APIs," noting that "[o]ther agencies have successfully implemented APIs."[23] NaLA similarly explained that "[a] service provider API is simple, secure and cost effective," and would "not introduce any new security risks or Federal Information Security Management Act (FISMA) compliance concerns because the NLAD, which has been used by service providers for more than four years and will be integrated with the National Verifier, already includes service provider APIs."[24] TracFone likewise reported that "[more] than half of all the traffic for major companies . . . come through APIs," and that "there are now over 400 APIs found across federal agencies to help facilitate interoperability, openness, and transparency."[25]

In addition, TracFone emphasized that by allowing carriers to "employ robust validation methods" that "go above and beyond USAC's existing procedures . . . USAC's decision to exclude APIs from the Verifier's online portal plainly undermines rather than serves the Commission's policy goal of curbing Lifeline waste, fraud, and abuse."[26] Moreover, although a carrier API would allow ETCs to *reduce* erroneous verifications by the National Verifier, it

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[22]   NaLA Comments at 3.

[23]   Public Interest Commenters at 2-3 (observing that if "APIs can be used to transmit sensitive medical information, they could be used for the Lifeline program").

[24]   NaLA Comments at 4.

[25]   TracFone Comments at 3.

[26]   *Id.* (noting that "USAC itself uses APIs for other aspects of the National Verifier").

would not allow ETCs to substitute their judgment that a consumer is eligible for that of

USAC's. As Sprint explained, the "[u]se of APIs will in no way compromise the [National

Verifier's] ability to make eligibility determinations."[27]

III.   USAC'S REVISED NATIONAL VERIFIER PLAN DOES NOT ADDRESS THE PROBLEM.

Several weeks after Q Link filed its Petition, USAC released a new version of its

National Verifier implementation plan on July 31, 2018.[28] The plan makes no mention of carrier

APIs, and Q Link has not heard of any USAC plans to implement them. Thus, the relief sought

in the Petition remains necessary, and urgent.

At times, USAC's implementation Plan suggests that problems created by the lack of

carrier APIs have been addressed. As explained below, however, that simply is not the case—

and USAC's suggestions to the contrary are in some cases misleading. For example:

- On Slide 9, the Plan indicates that Lifeline applicants "can apply via [a Service Provider]." But Slide 9 neglects to mention that applications facilitated by service providers are permitted only *in person*—not online. Also, the slide's process flow diagram does not make clear that applicants will have to complete duplicative information collection procedures—once with the National Verifier, and again with the ETC—that carrier APIs would eliminate.

- Similarly, the Plan suggests that service providers can "assist[] consumer through application in the NV Web Portal" on Slide 26, and that customers "can ask for assistance from a service provider representative if needed" on Slide 34. Again, these slides do not mention that service providers may not offer such assistance to *online applicants*. They may do so only when the consumer uses the consumer web portal in the physical presence of a service provider representative.

- On Slide 16, the Plan estimates very large cost-savings to service providers from having the National Verifier, rather than the service provider, verify eligibility. While the National Verifier is (and should be) the final arbiter of eligibility, it would be foolish to assume that ETCs will not verify identity and eligibility on their own as

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[27]   Sprint Comments at 3.

[28]   USAC, Lifeline National Verifier Draft Plan, WC Docket No. 11-42 (July 31, 2018), https://ecfsapi.fcc.gov/file/1073108231829/National%20Verifier%20Plan%20-%20Final%20-%20July%202018%20.pdf ("Plan").
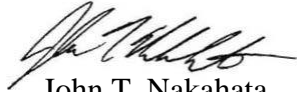
well, because the FCC has made clear that use of the National Verifier does not provide a "safe harbor" with respect to liability for an incorrect eligibility determination.[29] Moreover, USAC does not calculate the savings that more plausibly would result if it used carrier APIs (1) to eliminate duplicative information gathering and entry through use of carrier APIs, (2) to allow carriers to prescreen tens of millions of ineligible subscribers each year, and (3) to allow carriers to shoulder the load of assisting online enrollees with the eligibility verification process.

What the Plan *does* make clear is that time is of essence. On Slides 3 and 26, it states that USAC plans to launch the consumer portal concurrently with the hard launch of the National Verifier in each state. If online consumers' only option at the time of hard launch is an untested, cumbersome, and redundant two-step enrollment process, then the enrollment of new rural subscribers, and the recertification of existing ones, will begin to drop shortly after that date.

CONCLUSION

The record strongly supports implementing carrier APIs into the National Verifier—and USAC's current schedule indicates that this must happen before hard launch. Accordingly, the Commission should work with USAC to restore carrier APIs as soon as possible.

> Respectfully submitted,
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[29] *See Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of Their Ongoing Responsibility To Claim Lifeline Support Only for Eligible Low-Income Consumers*, Public Notice, DA 17-636, 32 FCC Rcd. 5129 (rel. June 29, 2017).