

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 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
	)	

**COMMENTS OF SPRINT CORPORATION**

Sprint Corporation (“Sprint”), pursuant to the Public Notice released on August 13, 2018 (DA 18-846), hereby respectfully submits its comments in support of the petition filed by TracFone Wireless, Inc. in the above-captioned proceedings.<sup>1</sup> The Commission should direct USAC to “expedite efforts to obtain access to key databases,”<sup>2</sup> and to proceed with a hard launch of the National Verifier (“NV”) after USAC has secured access to federal program databases which contain information on end users who participate in the Medicaid, SSI, SNAP, and FPHA programs.<sup>3</sup> Automated access to this information will help the NV to verify an end user’s initial and on-going eligibility to

---

<sup>1</sup> “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,” filed August 9, 2018.

<sup>2</sup> Petition, p. iii.

<sup>3</sup> Medicaid, SNAP and SSI are the three largest federal benefits programs used to qualify for Lifeline service, and USAC has already secured access to the FPHA database (*see* USAC July 2018 Lifeline National Verifier Plan, slides 7 and 22). As specified in Section 54.409 of the Rules, an end user also may qualify for Lifeline service if he participates in the Veterans and Survivors Pension Benefits program, various Tribal programs, or on the basis of income.

receive the federal Lifeline benefit in an efficient and user-friendly manner, and will reduce the need for resource-intensive manual processing.

Sprint has long supported the deployment of a neutral third party NV to determine end users' Lifeline eligibility, and believes that the NV will help minimize waste, fraud and abuse in the Lifeline program as well as reduce service provider liability for incorrect eligibility determinations in the application process. The efficiency and effectiveness of the NV will be maximized if the NV has access to the relevant federal program databases. The default alternative – manual processing – is extremely costly for both the NV and ETCs, and is cumbersome and frustrating for end users. Given the inefficiencies associated with manual processing, the Commission should take reasonable steps to ensure that eligibility determinations are made by the NV on an automated basis, using relevant program databases, to the maximum extent possible.

### **1. Current NV Deployment Plans Do Not Include Wide-Spread Automated Verification**

The Commission has emphasized that “[t]he ability to access eligibility databases for federal assistance programs is key to the success of the National Verifier.”<sup>4</sup> It noted that the “overwhelming majority [then, almost 80%] of current Lifeline consumers enroll based on participation in SNAP, Medicaid, and SSI.”<sup>5</sup> If the NV confirms that an end user participates in a qualifying federal benefits program via automated access to a relevant program database, the end user can then proceed to the next step (requesting

---

<sup>4</sup> *Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, 31 FCC Rcd 3962, para. 171 (2016) (“*Third Report and Order*”).

<sup>5</sup> *Third Report and Order*, para. 177, footnote omitted. USAC data for June 2018 indicate that approximately 65% of end users qualified for the federal Lifeline benefit on the basis of their participation in Medicaid (29%), SNAP (33%), SSI (2%), and FPHA (.6%). See July 2018 Lifeline National Verifier Plan, slide 7.

service from a specific ETC); otherwise, eligibility must be determined by the NV through a manual review of documentation that has been submitted on-line or mailed in. Given the millions of eligibility determinations to be made, and the millions of end users seeking Lifeline service based on their participation in the specified federal programs, it is clear that automated access to relevant databases that confirm end users' participation in these qualifying programs is critically important to the efficient operation of the NV.

Unfortunately, USAC does not yet appear to have secured automated access to all of the major federal program databases even in the first six states in which the NV has been deployed on a soft launch basis. TracFone has pointed out that in each of these six states, USAC has “fail[ed] to obtain access to certain databases for qualifying federal assistance programs prior to soft launching the Verifier.”<sup>6</sup> For example, in Montana and Wyoming, the NV has access to the FPHA database (although it lacks an automated connection),<sup>7</sup> but not to the Medicaid, SNAP, SSI, Veterans Pensions, or Tribal Program databases. In Montana and Wyoming, the NV must make manual eligibility determinations for end users participating in any federal program other than FPHA, as well as for end users qualifying on the basis of income.

Insofar as Sprint is aware, USAC has not publicly disclosed the status of its negotiations to secure access to the Medicaid, SNAP, and SSI program databases in any of the remaining 44 states.

---

<sup>6</sup> Petition, p. 6.

<sup>7</sup> July 2018 Lifeline National Verifier Plan, slide 21 (citing “cost and technology constraints”).

## **2. Lack of Access to Federal Program Databases Will Increase Manual Verifications and Administrative Costs, and Decrease End User Participation**

If the NV does not have access to federal program databases, it will be forced to make eligibility determinations – both for the end user’s initial application and for his annual recertification -- on the basis of a manual review process. This is costly and time consuming for the NV and for ETCs. Even worse, manual processing is a user-unfriendly process and could discourage eligible low-income Americans from undertaking or completing the process for applying for Lifeline service. Manual processing is burdensome and resource-intensive, and should be avoided to the greatest extent possible.

While USAC certainly has anticipated the need to perform some manual eligibility reviews (*e.g.*, for end users seeking to qualify on the basis of income<sup>8</sup>), it is not clear whether NV staffing levels and budgets will be sufficient to accommodate the significant volume of manual reviews that will be required if the NV does not have automated access to federal program databases. What is clear is that manual review will be extremely costly, in contravention to one of the Commission’s central goals of establishing a cost-effective eligibility process that will “reduce costly manual reviews and costly outreach.”<sup>9</sup> In Sprint’s experience, a paper review costs almost *four times* as much as an automated (API) database check. The strain on NV resources resulting from a higher-than-expected volume of manual reviews will be compounded by the current lack of APIs (machine-to-machine interfaces between the NV and service providers),

---

<sup>8</sup> Only 7% of Lifeline applicants qualified on the basis of income (July 2018 Lifeline National Verifier Plan, slide 7).

<sup>9</sup> July 2018 Lifeline National Verifier Plan, slide 6.

which, as discussed in comments in a related proceeding, will result in a flood of unscreened Lifeline eligibility packets submitted to the NV.<sup>10</sup>

Although it will be the NV and not ETCs which will be responsible for making eligibility determinations, the NV's lack of automated access to federal program databases will affect ETCs as well. For example:

- If the NV cannot confirm an end user's participation in a federal program or does not have access to a relevant state database, the ETC has approximately 20 days to provide documentation to support the subscribers' eligibility (for selected tenure groups). At a minimum, the ETC will incur the cost of checking its customer archives for the requisite information, and of retrieving such information if it is available.
- It is likely that ETCs will feel compelled to engage in outreach to end users, both to educate them about what is required, and to encourage (and, where possible to assist) them to provide the information the NV needs to perform a manual eligibility review. Sprint estimates that it costs a minimum of \$.60 to send out a direct mail letter; text reminders and outbound calls are an additional expense.
- The longer time needed to determine eligibility through manual review affects how quickly an eligible end user can be brought on board as a Lifeline subscriber.
- Initial eligibility and annual recertification rates are demonstrably higher when done on an automated basis as compared to situations in which an end user response is required. If otherwise eligible consumers do not respond with accurate and timely eligibility information, their Lifeline benefit will be denied (requests for service) or canceled (existing subscribers).

Finally, as TracFone has described,<sup>11</sup> manual eligibility reviews are extremely burdensome on end users: the consumer must gather relevant documentation, find a way to submit it to the NV (if on-line, the end user must first establish an account and figure out how to upload the documents; if via USPS, the end user must make a copy of the information, and then mail it in), respond to any follow-up questions/requests for

---

<sup>10</sup> See, e.g., comments of Sprint filed on August 10, 2018, in response to a petition filed by Q Link Wireless in WC Dockets 17-287, 11-42 and 09-197.

<sup>11</sup> Petition, pp. 9-11.

additional documentation from the NV (*e.g.*, if the documentation originally provided is incorrect, incomplete, out-of-date, or illegible), then wait for a decisions by the NV.

Sprint is concerned that the complexity of this process will discourage low income Americans from seeking Lifeline service at all, or will lead a significant number of end users to abandon the process out of frustration or confusion. This surely is not an outcome the Commission would want to see.

The NV is a critical tool for reducing waste, fraud and abuse in the Lifeline program, and should be deployed expeditiously. The public interest is best served by linking hard launch of the NV system to technical and administrative capabilities that ensure its efficient and effective operation. To ensure that the NV can perform automated eligibility determinations for the maximum percentage of end users possible, hard launch should occur once the NV has secured access to the Medicaid, SNAP and SSI program databases.

Respectfully submitted,

**SPRINT CORPORATION**

*/s/ Charles W. McKee*

---

Charles W. McKee  
Vice President, Government Affairs  
Federal and State Regulatory

Norina T. Moy  
Director, Government Affairs

900 Seventh St. NW, Suite 700  
Washington, DC 20001  
(703) 433-4503

September 12, 2018