

September 29, 2017

VIA ELECTRONIC FILING

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

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

Dear Ms. Dortch:

This letter is submitted on behalf of our client, TracFone Wireless, Inc. (“TracFone”). By this letter, TracFone brings to the Commission’s attention a profound shortcoming in the plans for the National Lifeline Eligibility Verifier (“National Verifier”) under development by the Universal Service Administrative Company (“USAC”) and the Commission. As the Commission is aware, development of the National Verifier has progressed and will soon be launched in the first six states. Therefore, changes to the National Verifier to enable it to best achieve its intended purposes without causing undue and unnecessary consumer hardship should be made in an expeditious manner.

TracFone is particularly concerned that the National Verifier, as presently envisioned, will not include an Automated Programming Interface (“API”). API is necessary so as to enable direct communication of Lifeline applicant identity and eligibility information from Lifeline providers to the National Verifier. Prior to implementation of the National Verifier, API technology has been used to transmit Lifeline customer data between providers and USAC. For example, API has been used as part of the National Lifeline Accountability Database (“NLAD”). NLAD was also a Commission-required undertaking by USAC with industry input to develop a system for detecting and preventing duplicate Lifeline enrollments within the same household in violation of the Commission’s one-per-household rule. API has worked well in the NLAD context and TracFone knows of no valid reason why API is not similarly appropriate as part of the National Verifier. TracFone is aware that several other Lifeline providers, including Q-Link Wireless, LLC and the Lifeline Connects Coalition, have raised concerns about the failure of the National Verifier to provide for API. TracFone concurs with those concerns and with the solutions proposed therein.

It seems counterintuitive and indeed, ironic that a system designed to facilitate access by all Americans, including low-income households, to telecommunications services and advanced services (*e.g.*, broadband Internet access service) through the Lifeline program would deploy an enrollment and eligibility determination process using antiquated technology. In short, the gateway to the digital world is being blocked by an analog eligibility determination process. API enables Lifeline providers to transmit applicant eligibility information to the National Verifier in

an efficient manner, with little delay and no consumer inconvenience or disruption. In contrast, the paper process envisioned by the National Verifier will necessitate Lifeline applicants mailing documentation to providers, having the providers review that documentation, return the documentation to applicants when it is incomplete or incorrect, and then manually sending the correct documentation, if and when received from the applicant, to the National Verifier. In situations where applicant personal identity and eligibility information is obtained by a provider or an agent acting on behalf of a provider, and the National Verifier is unable to affirm the applicant's eligibility through a database query, it will become necessary for the provider to contact the applicant and have the applicant again provide the identity information and provide eligibility documentation. This process will be time-consuming, cumbersome, and will undoubtedly result in many qualified low-income consumers not being able to complete the enrollment process. There are no efficiency benefits to such a process. Moreover, the manual process contemplated by the current plans for the National Verifier will result in the need for applicants' data to be entered multiple times thereby increasing the opportunities for data entry errors.

TracFone knows from its own experience how inefficient and burdensome this system will be. TracFone receives many millions of completed applications for its SafeLink Wireless[®] service. Many are completed on line or by consumers sending in paper applications. Before sending those applicants' information to the NLAD, TracFone performs a series of rigorous screenings using LEXIS NEXIS tools, U.S. Postal Service data, and reviews of Independent Household Worksheets for those applicants who reside at the same address as other Lifeline enrollees. Only those applications which pass all steps of that internal review process and are pre-qualified to receive Lifeline services are sent to NLAD. Based on 2017 year-to-date data, less than 3.5 percent of completed applications are sent to NLAD. Under the National Verifier plan, 100 percent of completed applications would be sent to the National Verifier. In short, TracFone and other providers would be unable to perform an initial screening before sending every completed application to the National Verifier. The National Verifier will be overwhelmed by having to filter out millions of incomplete, inaccurate and unqualified applications. Those that are rejected for any reason would be returned to the provider, and the provider would have to ask the applicant to resubmit his/her identity and eligibility information manually again. It is difficult to imagine a system design less efficient and less conducive to facilitating enrollment of qualified low-income households in the Lifeline program than the system about to be implemented

If the reason for the decision for the National Verifier not to allow for API is to somehow prevent Lifeline program fraud, TracFone submits that API does not create fraud opportunities. Indeed, API will reduce fraud by limiting the opportunity for persons (either applicants or their agents) to manipulate the enrollment process by providing false information. More importantly, if the concern is to prevent fraud (a goal shared by Congress, the Commission and by TracFone and other providers), then TracFone respectfully suggests that direct fraud prevention measures should be adopted. If there is concern that unscrupulous "street" agents may abuse API to commit fraud, the better solution would be to remove any incentives for agents to engage in such conduct and to better regulate the conduct of such agents. TracFone has long been a vocal

proponent of fraud detection and prevention measures. It has been at the forefront of nearly every fraud prevention measure adopted by the Commission and has proposed several others which have not yet been adopted. In developing and implementing the National Verifier, USAC and the Commission need to balance the competing objectives of program efficiency, program integrity, and program availability to those who qualify for Lifeline and who need Lifeline-supported services. A National Verifier without API would not fulfill those objectives.

In addition, TracFone remains concerned about another National Verifier shortcoming which was the subject of a prior TracFone ex parte presentation. By letter dated June 12, 2017 and filed in this docket, TracFone notified the Commission of a National Verifier migration policy which had been presented by USAC at a recent webinar. As explained by USAC, existing Lifeline customers whose eligibility cannot be confirmed by the National Verifier database checks will be required to provide eligibility documentation as of July 2017. Millions of Lifeline customers have been enrolled in the program since long before July 2017 and have re-certified their continuing eligibility in conformance with the Commission's annual re-certification rules. Notwithstanding those annual re-certifications, the National Verifier migration plan will require such enrolled customers to provide post-July 2017 eligibility documentation. This additional documentation requirement is nowhere codified in the Commission's rules. In fact, it is facially contrary to the Commission's annual re-certification rules, is wholly unnecessary, and will confuse and inconvenience Lifeline enrollees who already have re-certified their continuing Lifeline eligibility as required. Although TracFone and others brought this concern to the Commission's attention more than three months ago, so far as we are aware, that migration process remains part of the National Verifier plan. TracFone reiterates its request that this be addressed and rectified prior to the initial National Verifier launch.

Finally, it is imperative that the concerns described herein by TracFone as well as by other stakeholders be addressed expeditiously. With the initial launch of the National Verifier scheduled for December, TracFone and other providers will need to adjust their internal operations to implement the National Verifier. Those adjustments need to be started no later than early October in order to be ready for the December National Verifier launch. If the Commission does not require the changes to the National Verifier requested herein, then TracFone respectfully requests that the Commission monitor the National Verifier during the initial states' launch and that it be prepared to require such adjustments as necessary and appropriate based on its initial performance. TracFone fears that the enrollment process as currently envisioned will complicate and delay the enrollment of qualified Lifeline households and reduce the number of qualified household able to enroll, while doing nothing to detect or prevent program fraud.

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Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,



Mitchell F. Brecher

Jay Schwarz, Ph.D
Ms. Amy Bender
Mr. Claude Aiken
Mr. Nathan Eagan
Ms. Kris Monteith
Mr. Trent Harkrader
Mr. Ryan Palmer
Ms. Jodie Griffin