

**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
AND A WAIVER OF 47 C.F.R. § 54.410(d)(3) AND PETITION FOR RULEMAKING**

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I. EXECUTIVE SUMMARY

In 2016, the Federal Communications Commission (“FCC”) directed the Universal Service Administrative Company (“USAC”) to establish a comprehensive nationwide system to determine subscriber eligibility for the FCC’s Universal Service Fund Lifeline program, the National Lifeline Eligibility Verifier (“National Verifier”). Following a brief, five-month soft launch, on November 2, 2018, USAC implemented the National Verifier hard-launch in six states: Colorado, Mississippi, Montana, New Mexico, Utah, and Wyoming.

Over the last several months, TracFone Wireless, Inc. (“TracFone”) has identified a number of serious shortcomings associated with the implementation of the National Verifier. These problems compromise the FCC’s own policies by imposing burdensome and inefficient requirements that harm the very low-income consumers that the FCC seeks to support through universal access, *without* reducing potential waste, fraud, and abuse.

Through this Emergency Petition and Petition for Rulemaking, TracFone urges the FCC to direct USAC to implement fifteen specific modifications of the National Verifier and its associated processes. TracFone’s requested modifications range from the relatively straightforward: simplify the paper application; to the more complex: allowing service providers to check applicant verification via Application Program Interfaces (“APIs”).¹ One of the proposed modifications, permitting applicants to check mark certain boxes on the paper application, rather than requiring that applicants initial each of these boxes requires a waiver of 47 C.F.R. § 54.410(d)(3). Some of the requests involve policymaking that is strictly within the purview of FCC’s rulemaking authority, not USAC. Each of the modifications will maximize the

¹ Note that two prior Emergency Petitions filed separately by Q Link and TracFone have been pending before the FCC, after the FCC sought comments on each of them. In this Emergency Petition, TracFone has attempted to avoid repeating the issues that were of concern in those two prior Emergency Petitions. However, the concerns set forth in those earlier Emergency Petitions continue to exist and are not resolved.

efficiency and effectiveness of the National Verifier, and importantly, allow USAC to at all times retain full control of the ultimate Lifeline eligibility determination. Specifically, TracFone respectfully requests that the FCC direct USAC to *promptly*:

1. Suspend the additional proof requirement associated with proof of current low-income program participation. This requires immediate FCC attention given the December 4th implementation.
2. Suspend the additional proof requirement associated with submitting online the latitude and longitude of an “invalid” address. This requires immediate FCC attention given the December 4th implementation.
3. Waive the “initialing” requirement of 47 C.F.R. § 54.410(d)(3), and allow applicants to use either check marks in boxes or initials.
4. Redesign the Lifeline paper application to one page, double sided, in a form similar to Exhibit 2.
5. Simplify the paper application language using clear and direct language.
6. To the extent that applications continue to include instructions and legal disclosures on separate pages, not require those pages to be included in the application in order for USAC to deem the application complete.
7. Allow the applicant to select the service provider’s name on the paper application, and for USAC to inform the chosen service provider for enrollment purposes once the subscriber eligibility has been verified by USAC.
8. Provide a field on the paper application for the service provider to enter its company logo.
9. Put the service provider back into the paper process by allowing the consumer to send the service provider the paper application, the service provider to submit it to National Verifier via API, and allowing the service provider to further work with USAC to verify the application via API.
10. Allow service providers to check applicant eligibility via API. Each of TracFone’s recommendations are important; however, this is perhaps the highest priority request.
11. Enable service provider pre-screening of applicants and communicate pre-screening results to National Verifier via API by implementing APIs.

In addition, TracFone respectfully petitions the FCC to initiate a new rulemaking proceeding to properly develop the policies that would:

12. Explore other methods by which current low-income program participation could be verified more efficiently.
13. Explore other methods by which invalid addresses could be verified more efficiently.
14. Foreclose the use of commercial addresses, except in the case of homeless and other shelters.
15. Reasonably limit the number of households that may qualify for Lifeline service at a single residential address.

Over the past year, TracFone has raised many of the concerns described in this Petition with USAC. While TracFone appreciates USAC staff's time and concern, these concerns have not yet been addressed, and in fact, USAC staff has recommended that TracFone seek redress with the FCC because these issues are a matter of policy and are the purview of the FCC.

Pursuant to USAC's recommendation and with several other Emergency Petitions still awaiting FCC action, TracFone wishes to use this Petition to convey the seriousness of the challenges presented by the implementation of the National Verifier and the urgency with which the FCC must respond. If the course is not corrected immediately, the Lifeline program will be significantly harmed, as it will continue to lose participants at an unprecedented pace while failing to meet its statutory mandate of making essential communications services affordable to those with limited means. TracFone strongly urges the FCC to ensure that the Lifeline application and eligibility processes will not be complex, time-consuming, and inaccessible for low-income households.

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II. INTRODUCTION AND SUMMARY

TracFone Wireless, Inc. (“TracFone”), through its attorneys, respectfully submits this Emergency Petition and Petition for Rulemaking, in which TracFone requests certain modifications to the Lifeline National Verifier and associated processes.²

As the nation’s largest reseller of wireless telecommunications service, TracFone, through its Safelink product, provides Lifeline service to approximately 2 million low-income customers, who rely on the Lifeline program for critical and often, life-saving resources. TracFone supports the FCC’s efforts to minimize potential waste, fraud, and abuse through the new National Verifier. However, TracFone has identified significant shortcomings associated with the National Verifier’s implementation that are undermining the FCC’s goal of providing

² As noted in the Executive Summary, two prior Emergency Petitions filed separately by Q Link and TracFone have been pending before the FCC, after the FCC sought comments on each of them. In this Emergency Petition, TracFone has attempted to avoid repeating the issues that were of concern in those two prior Emergency Petitions. However, the concerns set forth in those earlier Emergency Petitions remain and are not resolved.

essential communications service to eligible low-income consumers. Fortunately, the FCC can address these shortcomings in ways that will both maximize the FCC's efforts to address waste, fraud, and abuse by leaving eligibility verification in the hands of USAC and the National Verifier, and that will also achieve the critical goal of providing Lifeline service to eligible, low-income consumers by streamlining the process. Specifically, TracFone respectfully requests that the FCC direct USAC to *promptly*:

1. Suspend the additional proof requirement associated with proof of current low-income program participation. This requires immediate FCC attention given the December 4th implementation.
2. Suspend the additional proof requirement associated with submitting online the latitude and longitude of an "invalid" address. This requires immediate FCC attention given the December 4th implementation.
3. Waive the "initialing" requirement of 47 C.F.R. § 54.410(d)(3), and allow applicants to use either check marks in boxes or initials.
4. Redesign the Lifeline paper application to one page, double sided, in a form similar to Exhibit 2.
5. Simplify the paper application language using clear and direct language.
6. To the extent that applications continue to include instructions and legal disclosures on separate pages, not require those pages to be included in the application in order for USAC to deem the application complete.
7. Allow the applicant to select the service provider's name on the paper application, and for USAC to inform the chosen service provider for enrollment purposes once the subscriber eligibility has been verified by USAC.
8. Provide a field on the paper application for the service provider to enter its company logo.
9. Put the service provider back into the paper process by allowing the consumer to send the service provider the paper application, the service provider to submit it to National Verifier via API, and allowing the service provider to further work with USAC to verify the application via API.

10. Allow service providers to check applicant eligibility via API. Each of TracFone's recommendations are important; however, this is perhaps the highest priority request.
11. Enable service provider pre-screening of applicants and communicate pre-screening results to National Verifier via API by implementing APIs.

In addition, TracFone respectfully petitions the FCC to initiate a new rulemaking proceeding to properly develop the policies that would:

12. Explore other methods by which current low-income program participation could be verified more efficiently.
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14. Foreclose the use of commercial addresses, except in the case of homeless and other shelters.
15. Reasonably limit the number of households that may qualify for Lifeline service at a single residential address.

III. BACKGROUND

In 2016, the FCC directed USAC to establish the National Verifier for the federal Lifeline program.³ The FCC's objectives for the National Verifier were threefold: to (1) protect against and reduce waste, fraud, and abuse; (2) lower costs to the Universal Service Fund and Lifeline providers through administrative efficiencies; and (3) improve service to beneficiaries by facilitating choice and improving the enrollment experience.⁴ To accomplish these objectives, the FCC transferred the eligibility certification process away from service providers to a central point of independent verification, the National Verifier.⁵ The FCC envisioned the National Verifier as a "single, unified platform for administering the new modernized Lifeline program."⁶

³ *Lifeline and Link Up Reform and Modernization*, Nos. 11-42, 09-197, 10-90, FCC 16-38 ¶ 126 (March 31, 2016).

⁴ *See e.g. id.* ¶ 128.

⁵ *Id.* ¶¶ 130, 131.

⁶ *Id.* ¶ 131.

The National Verifier determines subscriber eligibility, but should also perform other necessary functions, such as enabling service providers to efficiently verify subscriber eligibility.⁷ At the National Verifier’s core is a list of Lifeline eligible, non-duplicative potential subscribers,⁸ the Lifeline Eligibility Database (“LED”).⁹

Using both manual and electronic certification, the FCC envisioned that the National Verifier would assess eligibility via human review of documents and electronic communications between the National Verifier and other systems and databases, including state databases, and that electronic certification would produce “at least near real-time results.”¹⁰ The FCC identified a long-term goal of relying on efficient, electronic certification for most subscribers.¹¹ As Q Link Wireless, LLC has explained, the FCC recognized that the success of the National Verifier would depend on strong interfaces, (*e.g.*, Application Program Interfaces or “APIs”).¹²

The FCC expected that the LED would contain the records of Lifeline-eligible subscribers, and that it would be efficiently populated through a number of methods, including

⁷ *Id.* ¶ 132.

⁸ *Id.*

⁹ A pre-existing database, the National Lifeline Accountability Database (the “NLAD”), is used to detect and eliminate duplicative Lifeline service within a single household. The NLAD contains only a subset of the information that the FCC contemplated that LED would contain. *See* 47 C.F.R. § 54.400(g), (i), (o).

¹⁰ *Lifeline and Link Up Reform and Modernization*, Nos. 11-42, 09-197, 10-90, FCC 16-38 ¶ 133 (March 31, 2016).

¹¹ *Id.* ¶ 135.

¹² *See id.* ¶¶ 138, 138, n. 390, 140; *Emergency Petition of Q Link Wireless, LLC for an Order Directing the USAC to Implement Machine-to-Machine Interfaces for the National Verifier*, WC Docket Nos. 17-287, 11-42, 09-197 at 7-9 (filed on July 5, 2018). *See also* USAC, *The National Verifier Draft Plan – Lifeline National Verifier* (Nov. 21, 2016), [http://www.lifelinenationalverifier.org/2016/11/hello-world/\(USAC+initially+planned+to+use+APIs+in+the+National+Verifier\)](http://www.lifelinenationalverifier.org/2016/11/hello-world/(USAC+initially+planned+to+use+APIs+in+the+National+Verifier)); USAC, *Draft Lifeline National Verifier Plan* (Nov. 30, 2016), <https://www.usac.org/res/documents/li/pdf/nv/2016-Nov-Draft-National-Verifier-Plan%20--%20Copy.pdf>; *Emergency Petition of Q Link Wireless, LLC for an Order Directing the USAC to Implement Machine-to-Machine Interfaces for the National Verifier*, WC Docket Nos. 17-287, 11-42, 09-197 at 8-9 (filed on July 5, 2018).

state databases.¹³ In particular, the FCC found that it was “vitally important” that National Verifier use existing databases for the Supplemental Nutrition Assistance Program, Medicaid, Supplemental Security Income, Federal Public Housing Assistance, and the Veterans Pension benefit program to “enable a long-term technological solution to eligibility determination.”¹⁴ The FCC envisioned that the National Verifier would have varying interfaces to accommodate different groups of users such as service providers “to establish or verify [Lifeline] eligibility.”¹⁵ The National Verifier would use a variety of methods to communicate with subscribers, such as mail.¹⁶ Moreover, the FCC directed that the National Verifier would “quickly” modify and make available listings, de-listings, and other record changes.¹⁷ Finally, given the complexity of the National Verifier and its importance, the FCC delegated to its Wireline Bureau the “role of providing USAC with any needed clarifications or interpretations of the Commission’s orders for all aspects of the National Verifier, including but not limited to, development, design, and maintenance of the National Verifier,” and allowed the Bureau to guide USAC in the event of “unforeseen circumstances.”¹⁸

USAC soft launched the National Verifier in six states on June 18, 2018, six more states/U.S. Territories on October 15, 2018, and plans to soft launch in four more states on December 4, 2018. Only five months after the first soft-launch, and without publishing any

¹³ *Lifeline and Link Up Reform and Modernization*, Nos. 11-42, 09-197, 10-90, FCC 16-38 ¶ 137 (March 31, 2016). Also, the “LED will, at a minimum, maintain a list of subscribers for whom eligibility has been confirmed for Lifeline-supported services and a list of claimed subscribers.” *Id.* ¶ 147.

¹⁴ *Id.* ¶ 179.

¹⁵ *Id.* ¶¶ 138, 139.

¹⁶ *Id.* ¶ 141.

¹⁷ *Id.* ¶ 147.

¹⁸ *Id.* ¶ 158.

evaluation of the soft launch, USAC hard launched the National Verifier in the initial six participating states (Colorado, Mississippi, Montana, New Mexico, Utah, and Wyoming) on November 2, 2018.¹⁹ Currently, TracFone and other service providers are operating in a “transition period” with National Verifier fully launched in six states, but not fully launched in all states. For example, USAC redesigned the paper application for Lifeline benefits. Service providers are now required to use the redesigned paper application in all states, not just the states in which the National Verifier has been fully launched. Also, TracFone and other service providers continue to directly supply consumers with applications (whether in paper form or through the service provider’s own webpage) in states in which the National Verifier has not launched, but no longer directly supply consumers with paper applications in the six hard launch states (TracFone does allow consumers in the six hard launch states to print blank applications from TracFone’s SafeLink website).

Through this transition period and its experience working with the National Verifier, TracFone and other service providers²⁰ have already identified significant shortcomings associated with the National Verifier that undermine the efficiency and effectiveness of the National Verifier and overall participation in Lifeline by eligible consumers. TracFone recognizes that USAC has an important role in the launching of the National Verifier and has worked hard on making it successful. However, as USAC has recognized, it is not a policy-

¹⁹ FCC Public Notice DA 18-1009, Oct. 2, 2018. <http://www.berrybest.com/relay14.asp?df=100218&pf=DA-18-1009A1.pdf>

²⁰ See e.g. *Emergency Petition of Q Link Wireless, LLC for an Order Directing the USAC to Implement Machine-to-Machine Interfaces for the National Verifier*, WC Docket Nos. 17-287, 11-42, 09-197 (filed on July 5, 2018); *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*, WC Docket Nos. 17-287, 11-42, 09-197 (filed on Aug. 9, 2018) (urging the FCC 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”); *Petition of Q Link Wireless, LLC for a Limited Waiver to Permit Alternative Transmission of Lifeline Eligibility Information and Customer Certifications to the National Verifier*, WC Docket Nos. 17-287, 11-42, 09-197 (filed on November 1, 2018).

making organization.²¹ Consequently and pursuant to USAC's recommendation, TracFone files this petition, **and respectfully requests that the FCC direct USAC to address the specific issues identified below before proceeding with further soft or hard launches of the National Verifier.**

IV. USAC'S RECENT REQUIREMENTS ASSOCIATED WITH ADDITIONAL PROOF OF CURRENT PARTICIPATION IN FEDERAL LOW-INCOME PROGRAMS AND GEOGRAPHIC ADDRESS VERIFICATION ARE UNDULY BURDENSOME

On November 14, 2018, during a webinar for service providers, USAC rolled out new requirements for proof of Lifeline eligibility. USAC provided email notice of these changes on November 28, 2018 (at 2:46 pm). These new guidelines will take effect on December 4, 2018, less than three weeks following the webinar and only six days after email notification. Even though these USAC changes were well-intentioned, there are two requirements that TracFone has identified as very concerning because they will impose an undue burden on consumers, which will result in the National Verifier rejecting many eligible Lifeline consumers. They are each addressed in turn below. Because these two changes will go into effect on December 4, 2018, urgent FCC action is required to suspend these two new requirements.

A. Additional Proof of Current Federal Low-Income Program Participation

USAC has indicated that it will now require a level of additional proof associated with low-income program participation designed to ensure that a consumer is a *current* participant in one of the five-low income programs. If this change in USAC policy is implemented as announced, it will preclude TracFone and other Lifeline providers from continuing to accept SNAP electronic benefit cards and, in some instances Medicaid enrollment cards, as proof of

²¹ TracFone recognizes that the FCC is the policy-making entity, not USAC. *See* 47 C.F.R § 54.702 (requiring USAC to seek FCC guidance on policy and interpretation questions).

Lifeline eligibility, despite the fact that SNAP and Medicaid are the primary Lifeline eligibility programs provided for in the FCC's Lifeline rules.²² This change is not contemplated by the FCC's rules, and is inconsistent with FCC requirements.

More Lifeline enrollees qualify through participation in SNAP and Medicaid than through any other programs. For many years, TracFone has accepted SNAP benefit cards and Medicaid cards as proof of eligibility. The FCC has known that all SNAP benefit cards and many Medicaid cards are not issued with issue or expiration dates on their face. In fact, the FCC explicitly stated that SNAP benefit cards and Medicaid cards are acceptable documentation of program-based eligibility.²³

Regardless, USAC has announced that a copy of a consumer's SNAP card will no longer be sufficient proof of the consumer's current participation in the SNAP program because the SNAP card does not include either an "issued on" date or an "expiration date."²⁴ As a result, USAC will require consumers to prove current participation in a program such as SNAP by supplying other proof of current participation, such as the letter that the consumer originally received from SNAP approving the consumer's program participation.²⁵ Unfortunately, many

²² TracFone promptly brought this issue to USAC's attention in a November 20, 2018 letter from Javier Rosado, Senior Officer – Alternate Business Units, TracFone, to Radha Sekar, Chief Executive Officer, USAC. USAC has not yet responded to Mr. Rosado's letter.

²³ See *Lifeline Reform Order*, 27 FCC Rcd 6656, p. 101 (stating that "acceptable documentation of program eligibility would include:...(3) program participation documents [*e.g.*, the consumer's Supplemental Nutritional Assistance Program (SNAP) electronic benefit transfer card or Medicaid participation card])."

²⁴ Presumably, the SNAP card does not include issue or expiration dates because the card itself is in fact proof of current SNAP participation.

²⁵ According to an untitled document, USAC stated:

low-income consumers do not retain all of their records, including their initial SNAP letter due to a variety of reasons such as residing in transitory or unstable housing.

USAC indicated that this additional proof requirement will first be applied to eligibility via the SNAP program, and later to Medicaid and other low-income programs. Further, it will be applied in all states, not just those states participating in the National Verifier's hard launch.

TracFone understands that this requirement will be applied not only to new Lifeline applicants, but also to re-verification of current Lifeline participants (as data is migrated to the National Verifier) as well as annual eligibility re-certification of current participants.

TracFone appreciates that current low-income program participation is important to proper Lifeline eligibility. However, this proposed change imposes an unduly burdensome requirement that will disproportionately disqualify those individuals who are in fact eligible but who may not have retained sufficient records, resulting in significant under-enrollment. Instead of focusing on whether the eligibility documentation itself sufficiently demonstrates contemporaneous participation in a qualifying low-income program, USAC should focus on obtaining access to eligibility databases from state and federal authorities to adequately populate the LED with SNAP and Medicaid enrollment data. This will negate the need to obtain such additional documentation. Therefore, TracFone requests that the FCC direct USAC to suspend this additional proof requirement.

Acceptable Documentation Guidelines

- See USAC's website for [acceptable document guidelines](#)
- Beginning December 4, all documentation must be issued or dated within the past 12 months or have a future expiration date
- Documents without an issue or expiration date will not be accepted (e.g. undated SNAP or Medicaid cards)
- The acceptable documentation guidelines that begin on December 4 do not affect re-verification for Launch 1 states (CO, MS, MT, NM, UT & WY)
- All new applications for Launch 1 states, as well as all new and re-verification applications for all other launches, are subject to the new guidelines

B. Additional Proof of Geographical Location of Physical Address

Also on November 14, USAC rolled out a new proof requirement related to consumer addresses that are considered “invalid” because the address does not match that on file with the United States Postal Service.²⁶ In the case of invalid addresses, USAC used to accept documentation such as a utility bill to resolve address errors. However, USAC will now require the consumer to use a tool on USAC’s webpage in the consumer portal that will search for and identify the latitude and longitude of the consumer’s address by requiring the consumer to “drop a pin” in the location of their residential address on a map. The consumer must then submit the latitude and longitude of his/her address to USAC. In short, USAC is requiring additional proof of address *via latitude and longitude via USAC’s webpage*. This is unduly burdensome for many low-income customers such as the disabled and seniors who may not have easy access to the internet, may struggle to use the electronic tool or who may simply decline to even attempt to use the tool because the concept of latitude and longitude may be unfamiliar or not well understood.

The process for resolving an invalid address error for paper applications is even more egregious and challenging for consumers. An applicant mailing in a paper application will be required to submit a printout of an image that “must include a satellite view with a mapping tool icon identifying the consumer’s residence and grid coordinates displayed (cannot be handwritten).”²⁷ While USAC specifies that carriers who submit consumer applications by mail can submit a printout of an image of the customer’s residential address using the Tribal Mapping Tool in NLAD to resolve an invalid address error, it is unclear how a consumer mailing in the

²⁶ https://www.usac.org/li/tools/national-verifier/first-wave-states-training.aspx?utm_source (stating that “The process to resolve AMS errors in the National Verifier will change on December 4, 2018. USAC will no longer accept documents such as a utility bill to resolve AMS errors. Instead, users will supply the latitude and longitude coordinates of the residential address to resolve the error. The National Verifier portal will include a mapping tool to help users capture the latitude and longitude coordinates of their address....”)

²⁷ https://www.usac.org/li/tools/national-verifier/first-wave-states-training.aspx?utm_%C2%ACsource

paper application directly to USAC – as they are expected to do in states where the National Verifier has been launched – could obtain such an image. Applicants who rely on paper application by mail most likely do so because they do not have easy access to the internet. To require them to perform such a task to resolve an issue as simple as an address mismatch is truly “unduly burdensome.”

Again, TracFone recognizes the need to validate “invalid” addresses, but these unduly burdensome requirements will have an enormously negative impact on Lifeline participation by consumers that are in fact eligible but do not understand the latitude and longitude requirement, have easy access to a computer or a printer, or the skills to navigate the online tool. As a result, TracFone requests that the FCC direct USAC to suspend this additional proof requirement and initiate a rulemaking to explore other methods by which invalid addresses could be verified more efficiently, such as returning to the past method of verifying a consumer’s address via a utility bill.

V. THE FCC SHOULD DIRECT USAC TO REDESIGN THE PAPER APPLICATION AND THE PAPER APPLICATION PROCESS

TracFone has already experienced a significant decline in the number of SafeLink customers that have signed up through paper applications as a result of USAC’s recent changes to the paper application and its process. Since July 2018, when the paper applications became standardized, the percentage of TracFone’s Lifeline customers that had signed-up through paper application has been cut by 50%.²⁸ Declining participation is the result of the burdensome new

²⁸ Even though the National Verifier has hard launched in six states and TracFone no longer sends out paper applications to consumers in those states, TracFone continues to send out approximately the same number of paper applications as it did prior to the hard launch because TracFone continues to send paper applications to the states in which the National Verifier has not hard launched, and TracFone only provides service in three of the six states that were subject to the hard launch. Therefore, the decline in customers who have signed-up via paper application is not the result of TracFone sending fewer paper applications since the hard launch.

paper application and its process, not necessarily better identification of waste, fraud, and abuse. TracFone expects that this trend will only worsen when the National Verifier is rolled out nationwide. Therefore, the FCC should direct USAC to redesign the paper application and the paper application process.

A. USAC Should Redesign the Paper Application

Paper applications are important to many Lifeline applicants because some applicants are not comfortable filling out forms online for security reasons; are disabled and cannot easily use a computer; or otherwise require a friend or family member to assist with understanding and filling out the application in a home or other setting where a computer is not readily available. Prior to the new paper application, TracFone estimates that it signed-up approximately 10% of its SafeLink Wireless²⁹ customer base via paper applications each year.

The Lifeline program serves America's neediest. Approximately 11 million U.S. households currently receive Lifeline service.³⁰ Lifeline consumers include low-income seniors, veterans,³¹ the disabled, and rural residents with limited access to service centers and the internet. Based on the demographics of TracFone's own Lifeline customers, TracFone estimates that approximately one-third are single mothers, more than ten percent are veterans, close to fifteen percent are elderly, and approximately forty percent are minorities. It is TracFone's understanding and experience that many Lifeline subscribers may have difficulty understanding

²⁹ SafeLink Wireless is TracFone's Lifeline support service.

³⁰ A household is defined as "any individual or group of individuals who live together at the same address and share income and expenses." 47 C.F.R. § 54.410(d)(1)(iii).

³¹ Approximately 1.3 million veterans (twelve percent of all Lifeline support beneficiaries) participate in the Lifeline program. See Commissioner Jessica Rosenworcel, "This Program Helps 1.3 Million Vets Stay Connected. The FCC Wants to Gut It", Military Times (June 8, 2018), <https://www.militarytimes.com/opinion/commentary/2018/06/08/this-program-helps-13-million-vets-stay-connected-the-fcc-wants-to-gut-it/>

complex written material. Therefore, the National Verifier paper application should use language that is clear and direct.³² As the FCC has recognized, consumers use Lifeline for access to telehealth, job searches, banking, learning and training opportunities, and for critical communications during natural disasters and other emergencies.³³ Applicants that choose to submit paper applications rather than apply online may be among the low-income consumers with the least access to technology resources, such as computers, printers, and the internet.

In July 2018, USAC changed the paper application from a service provider specific one page application to a standardized eight page application.³⁴ The new paper application with detailed legal disclosures, blank spaces, and significant fine print is not well-designed for comprehension by many low-income consumers. For example, many potential applicants are apparently so intimidated by the length and complexity of the application that they decline to complete the application. TracFone estimates that since July, when USAC introduced the new paper application, the number of paper applications sent out by TracFone that were returned to TracFone has significantly declined by approximately 51%.

The paper application is also overly burdensome in its technical requirements. In Section 4 of the application, applicants are required to acknowledge and/or agree to nine different

³² See *Lifeline and Link Up Reform and Modernization*, Nos. 11-42, 09-197, 10-90, FCC 16-38 ¶ 141 (March 31, 2016) (explaining that the FCC expects National Verifier “to use a variety of methods to communicate with subscribers who have limited means of communication, both in terms of the mode used (such as mail, telephone, text messages, email, etc.) and in terms of form used (such as various languages and access for disabled individuals)).

³³ See *e.g. Lifeline and Link Up Reform and Modernization*, Nos. 11-42, 09-197, 10-90, FCC 16-38 ¶¶ 14,15 16 (March 31, 2016).

³⁴ The current application is attached as Exhibit 1. Note that because the application does not incorporate information from the service provider, when TracFone sends paper applications to applicants, TracFone includes an additional page with its service provider information, including its offerings and how to sign-up for SafeLink.

statements. Applicants are required to initial nine separate boxes to signify their assent.³⁵

However, many applicants incorrectly interpret the boxes as checkboxes, check-marking each statement rather than initialing it. Because of the initialing requirement, these applications are rejected by the National Verifier and service providers for the non-National Verifier states. The “initialing” requirement is codified as 47 C.F.R. § 54.410(d)(3). Consequently, the FCC should waive this rule and allow the consumer to either initial *or check* the boxes.

Also, USAC requires that every page of the application be returned to the National Verifier for the application to be considered complete. The first page of the application contains only instructions, and the last page contains only legal disclosures, both of which require no input from the applicant.³⁶ As a result, many applicants fail to return these pages of the application, causing the National Verifier to deem those applications incomplete and reject them.

Because these applications fail to meet these types of technical requirements, TracFone rejects many applications. For example, TracFone has experienced a 127% increase in rejected paper applications since USAC introduced the new paper application. TracFone has begun tracking the number of paper applications rejected for technical reasons such as checked versus initialed boxes to demonstrate that these technical requirements are simply an unnecessary barrier to Lifeline participation, rather than effectively addressing waste, fraud and abuse.

A table comparing TracFone customers’ paper application submissions and application approvals before and after USAC’s launch of the new designed paper application summarizes this trend.

³⁵ 47 C.F.R. § 54.410(d)(3) (requiring that “[t]he form provided by the entity enrolling subscribers shall require each prospective subscriber to initial his or her acknowledgement of each of the certifications in paragraphs (d)(3)(i) through (viii) of this section individually and under penalty of perjury . . .”).

³⁶ Also, the seventh page requests agent information, which information is only applicable to Street Team agents or agents working in a physical retail store. Like the first and last pages, this page is also often not returned.

Table 1

	Paper applications returned to TracFone	Paper applications rejected	Overall Percentage of SafeLink customers signed-up through paper applications
Pre-National Verifier (July 2018)	47%	30%	10%
Post-National Verifier (July 2018)	23%	68%	5%
Change	51% decrease	127% increase	50% decrease

Because the new paper application is much more burdensome for applicants to complete successfully, and to address other problems with the National Verifier, TracFone reached out to USAC to discuss developing ways to streamline the application process, including potential issues with the standardized paper application form. USAC and TracFone met on April 18, 2018. During that meeting, TracFone presented a re-designed paper application that is one page, double-sided, with simplified language and which TracFone believes complies with all necessary legal and technical requirements. That sample application is attached as Exhibit 2. TracFone requests that the FCC direct USAC to redesign the paper application in a form similar to Exhibit 2, which (1) is one page, double-sided, (2) simplifies the application language, (3) allows consumers to use checkmarks or initials in boxes, and (4) allows the consumer to select a service provider's name on the application.³⁷

With respect to the fourth point, allowing the consumer to select a service provider's name on the application, TracFone believes that this would greatly assist consumers in

³⁷ To the extent that the Office of Management and Budget must approve the redesigned paper application pursuant to 44 U.S.C. §§ 3502, 3507 because the redesign would constitute a revision of a "collection of information," that should not dissuade the FCC from directing USAC to redesign the paper application, which is critical to the success of the Lifeline program.

completing the Lifeline enrollment process because once a consumer has searched for the service providers that provide service in that consumer's geographical area via USAC's webpage, the consumer could then communicate their choice of service provider to USAC, who would in turn communicate the consumer's choice to the service provider. This would help complete the application-enrollment loop and minimize the chance that eligible consumers fail to contact service providers to enroll in Lifeline service.

Ideally, the redesigned application would also contain a field in which the service provider's logo could be inserted by the service provider, so that if the application is printed from the service provider's own website, the service provider's logo will appear on the application. With the consumer's selection of the service provider on the application and, ideally, the service provider's logo on the application, once USAC verifies the application, USAC could then inform the service provider selected by the consumer that the consumer is eligible, allowing the service provider to follow-up with the consumer for service enrollment.

The most efficient and effective way for USAC to communicate the consumer's choice of service provider is through an API. Once the consumer has selected a service provider on the Lifeline application, USAC could then send an API interface request to that service provider, allowing the service provider to efficiently complete the enrollment process. This process would maintain consumer choice because the consumer, not USAC or a service provider, would select his/her preferred service provider, and would, therefore, increase consumer participation by streamlining the process. It would also reduce cost and the time it takes between eligibility verification and enrollment. Finally, this redesigned paper application is needed for the periods both prior to the full launch of the National Verifier and after the full launch.

B. USAC Should Modify the Paper Application Process

Not only is the paper application itself more burdensome, the paper application process has become unnecessarily burdensome as well. What was once a one-step process from the consumers' perspective is now a two-step process, which requires that the applicant have access to the internet, a computer, and a printer so that the applicant can obtain the paper application. The consumer is now also responsible for mailing in the application him/herself. These changes result in increased consumer costs.³⁸

More specifically, following the November 2, 2018 hard launch in six states, consumers in those states no longer receive paper applications directly from TracFone, but TracFone does allow consumers to print blank applications from TracFone's SafeLink website to be sent by the consumer directly to USAC. Consumers may also access paper applications through a consumer portal on USAC's webpage.³⁹ Whether the application is accessed through TracFone's webpage or USAC's, the applicant must have access to the internet and a computer to download the application, as well as a printer to print the blank application. These requirements are particularly challenging for low-income consumers who may not have easy access to these costly resources in their own homes and may have to access these facilities in local libraries or other service centers. Not surprisingly, broadband adoption by low-income households significantly lags higher income households. In late 2016, only 53% of adults with annual incomes of less than

³⁸ While USAC is transitioning to the National Verifier, service providers are obligated to use the new eight page paper application in all states. This new paper application has increased the costs of printing and mailing to Lifeline applicants. TracFone estimates that the cost per application has increased by \$0.41, a 31% increase.

³⁹ <https://www.usac.org/li/default.aspx>

Note that the requirement that consumers access paper applications on USAC's webpage only applies to states in which USAC has launched the National Verifier. During the transition to the nationwide hard launch of the National Verifier, service providers will continue to provide paper applications to consumers in those states in which National Verifier has not yet launched and to mail them to USAC on behalf of the consumer. Therefore, the printing and mailing costs referenced in footnote 39 will not be shifted to consumers until National Verifier has hard launched in the consumer's state.

\$30,000 had access to home broadband, in contrast to 80% of adults with annual incomes of \$30,000-\$99,999, or 93% of adults with incomes above \$100,000.⁴⁰ Similarly, only 64% of low-income adults had mobile broadband access, compared to 95% of higher-income adults.⁴¹ Focusing on seniors, only 27% seniors with household income of less than \$30,000 have home broadband, while 87% of seniors with household income of greater than \$75,000 have home broadband.⁴² Only 42% of disabled Americans have home broadband.⁴³ Finally, only 65% of rural Americans have access to broadband and only 60% of Tribal land areas have access to broadband, in contrast to 97% of Americans in urban areas.⁴⁴

Once a consumer has printed the paper application, the consumer then, hopefully, fills out the application on their own and mails it directly to the National Verifier. In the past, service providers provided paper applications and self-addressed stamped envelopes for consumers to return the application to the service provider. The new process, with consumers mailing applications directly to USAC, eliminates service providers as an intermediary, who could otherwise assist consumers with the submission of additional material to USAC that may be required such as proof of address. In short, a consumer could previously obtain Lifeline service in one step, by applying for service via the service provider and allowing the service provider to help the consumer navigate the application process and enroll the consumer in Lifeline service. Now, the consumer must first apply to USAC for verification of eligibility, and once deemed

⁴⁰ M. Anderson, *Digital Divide Persists Even as Lower-Income Americans Make Gains in Tech Adoption*, Pew Research Center, Mar. 22, 2017, <http://www.pewresearch.org/fact-tank/2017/03/22/digital-divide-persists-even-as-lower-income-americans-make-gains-in-tech-adoption/>

⁴¹ *Id.*

⁴² <http://www.pewinternet.org/2017/05/17/technology-use-among-seniors/>

⁴³ <https://transition.fcc.gov/national-broadband-plan/broadband-adoption-in-america-paper.pdf>

⁴⁴ <https://www.fcc.gov/about-fcc/fcc-initiatives/bridging-digital-divide-all-americans>

eligible, take the second separate step of enrolling for service through a service provider after USAC has confirmed eligibility.

Therefore, TracFone requests that the process associated with paper applications be modified to allow service providers to participate in the process and help shepherd applicants through the process by allowing applicants to send providers paper applications and by allowing the service providers to work with USAC directly to verify the application. APIs are critical component of this process, which are necessary to not only the paper application process but the processing of all application channels. The benefits of and the need for APIs is discussed in more detail in Sections VII and VIII below.

VI. THE FCC SHOULD DIRECT USAC TO FORECLOSE THE USE OF COMMERCIAL ADDRESSES, EXCEPT IN THE CASE OF HOMELESS AND OTHER SHELTERS, TO BETTER ADDRESS WASTE, FRAUD, AND ABUSE

Only one family member per household may qualify for Lifeline service. However, it is possible to have multiple qualifying households that reside at the same physical address, as is the case with homeless shelters or other shared living arrangements.⁴⁵ With the use of the Independent Economic Household Worksheet (“Worksheet”), multiple households located at the same physical address may qualify for Lifeline service, be it residential or commercial.⁴⁶ Unfortunately, the process associated with Lifeline qualification in these instances can have issues. For example, TracFone has experienced application numbers associated with homeless

⁴⁵ For example, four roommates who live together but do not share money are four households, and may qualify for one Lifeline discount each. <https://www.usac.org/ls/do-i-qualify/household.aspx>

⁴⁶ <https://www.usac.org/res/documents/li/doc/Lifeline-household-worksheet.pdf>

shelters that far exceed the number of beds or rooms at those homeless shelters, indicating that many of the applications may not be Lifeline eligible.⁴⁷

Before the FCC reformed its rules and when it did not allow commercial addresses to be used for Lifeline eligibility, TracFone had created a database of homeless shelters that recorded the capacity of each shelter. If, for example, TracFone received 500 applications from potential customers claiming to reside at a homeless shelter with only 50 beds, TracFone could quickly determine that many of these applications were not eligible using that database. TracFone maintained this database until 2012. In 2012, eligibility changes that allowed for multiple households located at the same commercial address to qualify for Lifeline service caused TracFone to abandon its use of this database.

Similarly, using the Worksheet, multiple households at a single commercial address may properly qualify for Lifeline service. Unfortunately, this is another area that has issues. For example, TracFone has experienced high numbers of ineligible applications using a single commercial address, such as the address of a SNAP office. Apparently, Lifeline applicants oftentimes use a SNAP office address as the consumer's own address. The Worksheet enabled multiple households at the same commercial address to qualify for Lifeline with no limit on the number of households that could so qualify, inadvertently creating an eligibility loophole. Because of this experience, TracFone developed a "blacklist" of commercial address that TracFone had determined were used for ineligible applications in the past, which would allow TracFone to be alert to applications using those commercial addresses in the future.

TracFone assumes that USAC is not in a position at this time to develop both a database of homeless shelters with their associated capacity and a blacklist of commercial addresses that

⁴⁷ Because the population of homeless shelters is continually changing it is entirely possible to have some number of valid applications that exceed the overall capacity of a particular shelter on a particular day; however, applications that significantly exceed shelter capacity should be "flagged" for potential fraud and require careful evaluation.

will allow National Verifier to quickly identify and “flag” potential ineligibility in these two areas. As a result, TracFone recommends that the FCC direct USAC to develop the converse, a “whitelist” of verified homeless shelters, and other types of shelters, such as domestic violence shelters that could properly be used as consumer addresses for Lifeline applications, and otherwise foreclose the use of commercial addresses.

Moreover, with respect to multiple households located at the same residential addresses, TracFone believes that this is another area of potential issue associated with the Worksheet because an unlimited number of households at a single residential address may qualify.⁴⁸ Consequently, TracFone suggests that the FCC explore proposing new rules that would reasonably limit the number of households at the same residential address that could qualify for Lifeline service.

VII. THE FCC SHOULD DIRECT USAC TO IMPLEMENT APPLICATION PROGRAM INTERFACES

One of the highest priorities and most important changes that FCC should direct USAC to make is to develop and implement APIs to work with the National Verifier. The need for APIs has been the subject of earlier emergency petitions filed with the FCC by Q Link Wireless and TracFone. Sprint met with the Wireline Competition Bureau staff on November 19, 2018, and discussed, among other things, the need for APIs and automated access to eligibility databases.⁴⁹ The concerns addressed in those petitions and meeting continue to exist. Because the issue of

⁴⁸ The Worksheet may be found at <https://www.lifelinesupport.org/ls/do-i-qualify/default.aspx#household>, and does not limit the number of households at a single residential address that may qualify.

⁴⁹ <https://prodnet.www.neca.org/publicationsdocs/wwpdf/112018sprint2.pdf>

APIs is so critical to TracFone and others, TracFone again takes this opportunity to briefly highlight the need for APIs.⁵⁰

To facilitate consumer choice and ease of Lifeline enrollment, USAC must develop APIs to receive and transmit data to service providers. APIs are software that enable “machine-to-machine” communication, which enables real-time communication of large amounts of new data. APIs more accurately transmit data than manual transfers. APIs will benefit not just the mail/paper application channel of Lifeline certification, but will benefit all channels of Lifeline certification and enrollment. APIs should be designed and implemented between the National Verifier and the service providers, i.e. API software should be installed on USAC computers and service providers’ computers. APIs are a critical component for efficient and effective verification of enrollments between the National Verifier and the service providers because APIs avoid manual intervention and mismatched data due to typos. The benefits of real-time verification outweigh the costs of APIs because APIs simplify the eligibility process, allowing the enrollment of more qualified consumers. State databases that would be accessed via API are incomplete, but that does not diminish the value of APIs. APIs remain a sound investment because they supply necessary electronic interfaces that will become only more valuable to consumers, USAC, and the service providers as databases are further developed.

In fact, APIs are so valuable to the process that TracFone has, in the past, paid for some APIs for the states. This investment benefits the Lifeline program overall, including all competing service providers. TracFone supports a reasonable charge for the development of APIs to all service providers that would like to use APIs. TracFone would be willing to help

⁵⁰ TracFone believes that this discussion is consistent with its earlier pleadings related to the issue of APIs, and does not waive or amend any of its earlier requests. *See Emergency Petition of Q Link Wireless, LLC for an Order Directing the USAC to Implement Machine-to-Machine Interfaces for the National Verifier*, WC Docket Nos. 17-287, 11-42, 09-197, Comments of TracFone Wireless, Inc. (filed on Aug. 10, 2018).

support the cost of APIs going forward so long as all service providers that utilize the interfaces contribute proportionately. TracFone requests that the FCC direct USAC to implement APIs for the National Verifier, and to the extent necessary, develop a proportionate charge for service providers that will help fund the cost of the necessary APIs.⁵¹

VIII. IMPLEMENTING APPLICATION PROGRAM INTERFACES WILL ALLOW SERVICE PROVIDERS TO PRE-SCREEN APPLICATIONS, THEREBY REDUCING USAC’S BURDENS

USAC will also benefit from APIs because implementing APIs will allow service providers to pre-screen applications, thereby reducing USAC’s burdens. Prior to the National Verifier, service providers used many filters to pre-screen applicants and exclude applications that were patently ineligible. Specifically, after the applicant provided his/her name, address, date of birth and the last four social security number digits, TracFone sent that information to LexisNexis, and LexisNexis provided a score between zero and twelve related to the strength of the identify verification of those four components. TracFone would then check the addresses against the records of the United States Postal Service for address validity. Last, TracFone would check its own databases to make sure that no other household members were already receiving SafeLink service. If the application passed each of those screens, TracFone assigned a unique identifier to the applicant for use through the remainder of the process. Next, TracFone would proceed with low-income verification, the step that is now the exclusive responsibility of USAC, to verify the applicant’s participation in at least one of the five, federal, low-income programs or income proof. TracFone would only proceed to request National Lifeline Accountability Database (“NLAD”) enrollment for applicants that passed TracFone’s internal validation.

⁵¹ Note that as Q Link Wireless has explained, the FCC recognized that the success of the National Verifier would depend on strong interfaces, (e.g. APIs), and USAC initially planned to use APIs, but then USAC abandoned that plan. See *Emergency Petition of Q Link Wireless, LLC for an Order Directing the USAC to Implement Machine-to-Machine Interfaces for the National Verifier*, WC Docket Nos. 17-287, 11-42, 09-197 at 7-9 (filed on July 5, 2018).

According to Q Link Wireless, LLC, its prescreening weeded out approximately 50% of consumers before consumers' applications were transmitted to NLAD for final approval.⁵²

Now, the National Verifier will be the exclusive verifier of eligibility without any pre-screening by service providers. Because consumers will now be required to go to the National Verifier first rather than the service provider, the opportunity for service provider pre-screening has been functionally removed. TracFone believes that the benefits of service provider pre-screening have not been fully understood and that without pre-screening by service providers, the National Verifier will be overwhelmed by the volume of applications.⁵³ This will waste National Verifier's resources and impair its ability to focus on approving eligibility promptly for qualified consumers.

TracFone requests that the FCC direct USAC to implement APIs, which will allow service providers to pre-screen applications and weed-out those applications that are patently ineligible.⁵⁴ More specifically, TracFone would pre-screen applications from consumers that contact the service provider directly to enroll in Lifeline service in the first instance, whether via the service provider's web page, by telephone or otherwise. Service providers would not pre-

⁵²*Bridging the Digital Divide*, WC Docket Nos. 17-287, 11-42, 09-197, Q Link Wireless, LLC Nov. 8, 2018 Letter to FCC at 3, ("More than half of consumers that start the Q Link application process are screened out because they cannot clearly demonstrate eligibility.") Note that Q Link only accepts applications through one channel, the web channel, consequently 50% is likely the low end of the percentage of consumers that would be weeded out by a service provider that accepts applications via multiple channels.

⁵³ In 2016, FCC considered and rejected a "pre-approval process that would allow Lifeline providers to claim Lifeline support for a subscriber prior to a full review." *Lifeline and Link Up Reform and Modernization*, Nos. 11-42, 09-197, 10-90, FCC 16-38 ¶¶ 136 (March 31, 2016). The proposed pre-screening process differs from the rejected pre-approval process because applicants that pass the service provider's pre-screen will not be able to claim Lifeline support prior to National Verifier's full review.

⁵⁴ TracFone previously addressed the need for pre-screening and APIs in its August 10, 2018 Comments filed in support of Q Link Wireless, LLC's Emergency Petition filed on July 5, 2018 for an order directing USAC to implement APIs between the online enrollment process offered by Lifeline service providers and USAC's automated Lifeline eligibility verification conducted by the National Verifier. *See Emergency Petition of Q Link Wireless, LLC for an Order Directing the USAC to Implement Machine-to-Machine Interfaces for the National Verifier*, WC Docket Nos. 17-287, 11-42, 09-197, Comments of TracFone Wireless LLC at 9-11 (filed on Aug. 10, 2018).

screen applications from consumers that choose to directly contact USAC in the first instance because service providers do not have visibility into those contacts or the ability to pre-screen at that stage. The ability of service providers to pre-screen applications from consumers that contact a service provider in the first instance would only work if USAC adopts APIs and a one-stop process for consumers because after the service provider has passed an application through its pre-screen, the service provider would send a verification request via API to the National Verifier for the National Verifier's eligibility determination. National Verifier would then communicate its eligibility determination to the service provider via API.

This type of service provider pre-screening would allow USAC to properly allocate its resources, and would, at all times, allow USAC to maintain control over the ultimate eligibility determination because service providers will only turn away ineligible applications through pre-screening. Importantly, this type of pre-screening is different from the "pre-approval" process that the FCC previously considered and rejected in the 2016 Lifeline Order because applicants that pass the service provider's prescreen will not be "pre-approved" enabling them to claim Lifeline support prior to National Verifier's full review (*see* footnote 54 herein).⁵⁵

Again, APIs are necessary to this process. Service providers should be able to use APIs to receive and transmit consumer data between the National Verifier and the service provider in real-time. This will provide a great consumer experience because consumers will benefit from a single stop application process, in which the consumer/applicant will enter his/her Personally Identifiable Information ("PII") only once in the service provider's Lifeline enrollment system.

⁵⁵ Moreover, service provider pre-screening would not usurp USAC's own "pre-screening" for address verification etc. Presumably, USAC would continue to verify the same information that had passed a service provider's pre-screen, using USAC's own methods (which may vary from a service provider's methods). Service provider pre-screening is not a substitute for USAC's full authority to verify all aspects of a consumer's application, rather service provider pre-screening enables USAC to focus its efforts on those applications that are more likely to be verified and not waste its resources on those that will not be verified. Nor is service provider pre-screening necessarily redundant of USAC's efforts, because USAC uses its own methods for address verification etc.

The service provider will then complete all internal validations (identity, address and check for duplicates) and submit an API request to the National Verifier to check on the National Verifier's eligibility determination on behalf of the applicant. Next, in a matter of seconds, the National Verifier will respond via API to the service provider with a "YES" or "NO" flag communicating the applicant's Lifeline benefit eligibility.

This will minimize the burden on consumers by allowing service providers to help shepherd applicants through the process and, importantly, will allow the National Verifier to retain full control over the final verification of eligibility. In other words, if TracFone is able to submit applications that it has pre-screened to the National Verifier via API and check on the National Verifier's eligibility determinations via API, the applicant (in many instances) need only take one step, apply through TracFone, which will enroll applicants that National Verifier has certified. Otherwise, the applicant will need to take two steps, apply to National Verifier and once certified, contact a service provider to enroll.

IX. CONCLUSION

The burden associated with qualifying for Lifeline service should be proportionate to the Lifeline benefit provided.⁵⁶ At some point, many eligible Lifeline applicants will be deterred from enrolling in Lifeline service because the burdens vastly outweigh the benefit. Preventing waste, fraud, and abuse of the Lifeline program is critical, but efforts to address waste, fraud, and abuse must not be so burdensome that they threaten the very existence of the program. Instead,

⁵⁶ For example, in Massachusetts, a monthly Women, Infants, and Children ("WIC") benefit for a household size of four is \$3,870.⁵⁶ To qualify for WIC in Massachusetts, an applicant must provide proof of current household income (e.g. a pay stub, or MassHealth/Medicaid Card); proof of Massachusetts residency (e.g. a utility bill, or driver's license); and proof of identity (e.g. a driver's license, or MassHealth Card). In short, a WIC applicant can qualify with simply a Medicaid Card and a driver's license. Applicants may apply online, via the phone, or in person at a WIC clinic. In comparison, to qualify for a monthly Lifeline benefit of \$9.25, applicants must jump through a multitude of hoops discussed above. See <https://www.mass.gov/service-details/check-eligibility-for-wic>. While not listed on the webpage, TracFone's understanding is that proof of pregnancy is also required.

the FCC and USAC should undertake additional reforms to foreclose known loopholes in the current system susceptible to abuse, as discussed herein. Those efforts will substantially improve the integrity of the Lifeline program, without undermining the participation of those who are eligible.

For all of the reasons stated above, TracFone respectfully requests that the FCC direct USAC to *promptly*:

1. Suspend the additional proof requirement associated with proof of current low-income program participation. This requires immediate FCC attention given the December 4th implementation.
2. Suspend the additional proof requirement associated with submitting online the latitude and longitude of an “invalid” address. This requires immediate FCC attention given the December 4th implementation.
3. Waive the “initialing” requirement of 47 C.F.R. § 54.410(d)(3), and allow applicants to use either check marks in boxes or initials.
4. Redesign the Lifeline paper application to one page, double sided, in a form similar to Exhibit 2.
5. Simplify the paper application language using clear and direct language.
6. To the extent that applications continue to include instructions and legal disclosures on separate pages, not require those pages to be included in the application in order for USAC to deem the application complete.
7. Allow the applicant to select the service provider’s name on the paper application, and for USAC to inform the chosen service provider for enrollment purposes once the subscriber eligibility has been verified by USAC.
8. Provide a field on the paper application for the service provider to enter its company logo.
9. Put the service provider back into the paper process by allowing the consumer to send the service provider the paper application, the service provider to submit it to National Verifier via API, and allowing the service provider to further work with USAC to verify the application via API.

10. Allow service providers to check applicant eligibility via API. Each of TracFone's recommendations are important; however, this is perhaps the highest priority request.
11. Enable service provider pre-screening of applicants and communicate pre-screening results to National Verifier via API by implementing APIs.

In addition, TracFone respectfully petitions the FCC to initiate a new rulemaking proceeding to properly develop the policies that would:

12. Explore other methods by which current low-income program participation could be verified more efficiently.
13. Explore other methods by which invalid addresses could be verified more efficiently.
14. Foreclose the use of commercial addresses, except in the case of homeless and other shelters.
15. Reasonably limit the number of households that may qualify for Lifeline service at a single residential address.

Also, as a general matter, the FCC should require USAC to provide service providers with at least six to eight weeks of notice of changes associated with the National Verifier and enrollment process. This advance notice will allow service providers to test and implement changes to the process in advance of relevant deadlines.

TracFone recognizes that it has identified an extensive "laundry list" of requests associated with the National Verifier, some of which are more pressing than others. However, the cumulative effect of all of these issues could significantly harm the program and the FCC's desired goal of connecting the disconnected. TracFone appreciates the FCC's careful consideration of its requests, appreciates USAC's oft stated position that *it does not make policy*, and looks forward to working with the FCC, USAC, service providers, consumer advocates, and other stakeholders to resolve these issues. Enhanced coordination and collaboration between all parties will only help make the National Verifier the success that policy makers are expecting.

Respectfully Submitted,

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