

September 24, 2014

VIA ELECTRONIC FILING

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

Re: WC Docket No. 11-42 In the Matter of Lifeline and Link-Up Reform and
Modernization

NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

On September 17, 2014, Gina Jasman of TracFone Wireless, Inc. and I had a telephonic meeting with Jonathan Lechter and Anita Patankar-Stoll of the Wireline Competition Bureau's Telecommunications Access Policy Division. During this meeting, we discussed recently-proposed revisions to the Lifeline Household Worksheet. That revised worksheet was developed by the Commission staff, the Universal Service Administrative Company ("USAC"), and several Lifeline providers and was posted on the USAC website on August 25. The worksheet is to be sent to enrolled Lifeline customers in situations where multiple persons at the same residential address are receiving Lifeline-supported services, but from different providers. Examples of such situations would include: a) one spouse is enrolled in Company A's Lifeline service, and the other spouse is enrolled in Company B's Lifeline service; and b) one adult is enrolled in Company C's Lifeline service and another adult residing at the same address (not a spouse) is enrolled in Company D's Lifeline service. When those persons are members of the same household, those situations are generically referred to as "intercompany duplicates" since two (or more) persons in the same household are receiving Lifeline-supported service from different providers.

A copy of the proposed worksheet is attached. The purpose for this worksheet is to identify "Track 2" duplicates (duplicates by address) that NLAD (National Lifeline Accountability Database) has identified for each Eligible Telecommunications Carrier ("ETC"). The proposed form would be sent to those persons residing at the same address who are enrolled in different providers' Lifeline programs. As described in this letter, TracFone has concerns regarding the use of this worksheet. Those concerns are not with the content of the worksheet itself but with the absence of any mechanism to verify the accuracy of consumer responses to the worksheet.

The form asks whether the recipient's husband, wife, or domestic partner living at the same address has a Lifeline program-discounted phone service. If the respondent answers "NO," the respondent would be directed to answer the next question: whether another adult (age 18 or

older, or emancipated minor) lives with you AND has a Lifeline program-discounted phone service. If the respondent answers "NO" to the second question, then that person would remain eligible for Lifeline service. If the respondent answers "YES" to the second question, then the person would be directed to question 3 which asks whether the respondent shares expenses for bills, food or other living expenses AND shares income with the person in question 2 who has a Lifeline Program-discounted phone service.

We explained to Mr. Lechter and Ms. Patankar-Stoll that TracFone is concerned that use of this form as proposed will create opportunities to defraud the Lifeline program. The form will only be as reliable as the veracity of the persons completing it. There will be no way either for Lifeline providers or USAC to verify whether the responses are truthful. For example (a), if a husband receiving Lifeline service from Provider A and his wife residing at the same address receiving Lifeline service from Provider B both answer question 1 "YES," and check "OPTION B" on the form and both return the signed forms, both Provider A and Provider B will assume the correctness of those answers and will continue to provide Lifeline service to their respective customers (the husband and the wife). For example (b), if adult roommate 1 receiving Lifeline service from Provider A and roommate 2 residing at the same address receiving Lifeline service from Provider B both answer question 1 "NO," question 2 "YES," question 3 "NO" and check "OPTION C" on the form, and both return the signed forms, both Provider A and Provider B will assume the correctness of those answers and will continue to provide Lifeline service to their respective customers (adult roommate 1 and adult roommate 2). In both examples, the four customers will continue to receive their respective Lifeline-supported services.

They will do so despite the fact that the husband and wife and are members of the same household and despite the fact that the one-per-household rule explicitly forbids members of the same household from receiving multiple Lifeline services. In short, this will be an "honor system" in which Lifeline providers will have to rely on the honesty of those customers responding to the worksheet questions. The worksheet will work well if – and only if – all respondents answer the questions honestly and correctly. Moreover, each carrier will be sending its own version of the cover letter and form. Also carriers will be sending these letters to their enrolled customers at different times, customers may forget what they have already answered, or each household member will respond to each carrier separately without consulting the other household member since each will have received his or her own personalized letter. The problem is that there is NO WRONG ANSWER on the form. Each form received by any ETC will be accepted without question as long as the form is signed by the recipient. Therefore as long as the form is completed, signed and returned to the ETC, each carrier will submit an enrollment transaction to NLAD with a "YES" flag for the "Independent Economic Household" field.

The critical question is whether and how the NLAD system will differentiate the first example of husband and wife (which is incorrect since they should be only ONE household that shares income and expenses) from the second example of adult roommate 1 and adult roommate 2 (which can be a valid example of two different households residing at the same address), when the system is only requesting carriers to send an enrollment record with "YES" flag for the "Independent Economic Household" field? If all the enrollment transactions are going to be transmitted to NLAD by each carrier with same IEH flag "YES," there is no way that the NLAD

can reconcile those responses and prevent duplicate enrollments in violation of the one-per-household rule.

To allow for such a customer “honor system” to determine Lifeline eligibility would undermine prior Commission efforts to ensure that only qualified low-income households receive Lifeline support and that there be only one supported service per household (*i.e.*, the “one-per-household” rule). In the Commission’s 2012 Lifeline Reform Order (Lifeline and Link Up Reform and Modernization, 27 FCC Rcd 6656 (2012)), the Commission eliminated a “self-certification under penalty of perjury” requirement for determining Lifeline eligibility and instead promulgated a rule requiring Lifeline applicants to present documentation of their Lifeline eligibility. In replacing self-certification with mandatory documentation, the Commission sought to eliminate opportunities for consumers to falsify their eligibility. At ¶ 104 of that order, the Commission stated as follows: “. . . self-certification does little to guard against those persons who wish to intentionally defraud the Lifeline program by enrolling in the program despite their ineligibility.”

Just as the Commission was concerned that self-certification (itself an honor system) created opportunities for program fraud, so too, would the recently-posted Track 2 inter-company duplicate form which relies solely on the honesty of consumers with no mechanism to verify their answers (also an honor system) create additional opportunities for program fraud. Unlike that worksheet, the version currently in use contains built in logic which prevents Lifeline support recipients in the same household from receiving multiple supported services by falsifying their answers. If the Commission is seriously committed to imposing strong and effective controls to prevent Lifeline fraud by unscrupulous enrolled persons, then the Commission should not allow this “Track 2” household worksheet to be used without there being a means by Lifeline providers and USAC to confirm the accuracy of consumer responses to the worksheet questions.

TracFone proposes to continue to use the IEH form and validation system currently being used for households with multiple Lifeline enrollments. For example if enrolled consumers provide a YES response to question 1 or a YES response to question 3, or if question 3 is not answered, then the customer would not remain eligible to continue to receive Lifeline services

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

Enclosure

Cc: Mr. Jonathan Lechter
Ms. Anita Patankar-Stoll

Attachment

[Company Letterhead]
Lifeline Household Worksheet

Lifeline Program support is a federal benefit that provides a monthly discount on home phone (i.e., landline phone) or cell phone service. **Only one Lifeline Program-supported service per household** is allowed under Federal law. Answer the questions on the following page to determine if there is more than one household living at your address, and if your household already receives a Lifeline Program benefit.

Providing false information on this form may result in losing your Lifeline Program-supported service and possible criminal penalties.

Your household is everyone who lives together at your address and contributes to, or shares in, the income and expenses of the household. Members of a household are not permitted to receive more than one Lifeline Program-supported service. You are receiving a copy of this form because records indicate that more than one person at this address is receiving a Lifeline Program benefit. Each person at this address who receives a Lifeline Program benefit and has not yet completed and returned a household worksheet will receive a copy of this form, pre-populated with his/her name, address and telephone number.

If you DO NOT share income and expenses with the other adult(s) living at this address who receive Lifeline Program benefits, or there are no other adult(s) living at this address receiving Lifeline Program benefits, you **MUST STILL** sign this form to continue to receive your Lifeline Program benefit. If you fail to do so, you will be de-enrolled from your Lifeline Program benefit.

If you live with another adult(s) who shares income and expenses with you and who has a Lifeline Program benefit on his or her phone service, your household is receiving more than one Lifeline Program benefit. If so, you **MUST** take the following steps: (1) consult with the other adult(s) in your household currently receiving a Lifeline Program benefit and decide who will keep the Lifeline Program benefit for the household; (2) the person who will keep the Lifeline Program benefit, **AND ONLY THAT PERSON** will fill out the form **IN FULL** and return it to his or her telephone service provider within 30 of days of the date of this communication. The telephone number listed on this form will be the number which will retain the Lifeline Program benefit.

If the PERSON IN YOUR HOUSEHOLD WHO WISHES TO KEEP THE LIFELINE PROGRAM BENEFIT FOR THE ENTIRE HOUSEHOLD HAS ALREADY PROVIDED a household worksheet to their service provider, then NO FURTHER ACTION IS NECESSARY. (The person named below does not need to sign and send this form to their ETC).

After 30 days of the date of this letter, all other subscribers at this address below who have not completed a household worksheet will NO LONGER have a Lifeline Program benefit.

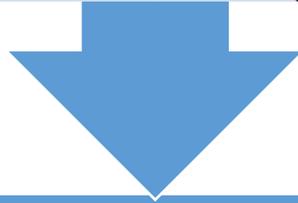
Name _____ Telephone Number _____

Address _____
Street Apt. City State Zip

1. Does your husband, wife, or domestic partner living at your address have a Lifeline Program-discounted phone service? (check no, if you do not have a husband, wife or domestic partner)

_____ **No.** Please answer question 2 below.

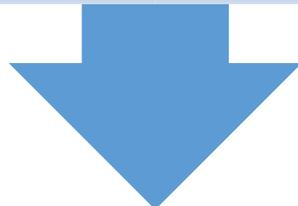
_____ **Yes.** Please discuss which of ONE you (either you, your husband, wife, or domestic partner) will keep the Lifeline Program benefit. If **YOU** are the person who will keep the Lifeline Program benefit, check **OPTION B** at the bottom and sign this Form. If you are not keeping your Lifeline Program benefit, **DO NOT** sign this form.



2. Does another adult (age 18 or older, or emancipated minor) live with AND have a Lifeline Program-discounted phone service? For example, parent, son, daughter, another relative (such as a sibling, aunt, cousin, grandparent, grandchild, etc.), a roommate, or another person.

_____ **No.** You are **ELIGIBLE** for the Lifeline Program because no one in your household has a Lifeline Program benefit. Please check **OPTION A** below and **SIGN THIS FORM.**

_____ **YES.** Please answer question 3 below.



3. Do you share expenses for bills, food, or other living expenses AND share income (salary, public assistance benefits, social security payments or other income) with the person in question #2 that has a Lifeline Program-discounted phone service

_____ **No.** You are **ELIGIBLE** for the Lifeline Program because no one in your household has a Lifeline Program benefit. Please check **OPTION C** below and **SIGN THIS FORM.**

_____ **Yes.** Please discuss which of ONE you will keep the Lifeline Program benefit. If **YOU** are the person who will keep the Lifeline Program benefit, check **OPTION B** at the bottom and sign this form. If you are not keeping your Lifeline Program benefit, **DO NOT** sign this form.

Please check the box below for the one that applies to you:

OPTION A. [] No one in my household, other than myself, is currently receiving a Lifeline Program benefit and therefore I may continue to receive a Lifeline Program benefit.

OPTION B. [] There are others in my household that are currently receiving a Lifeline Program benefit; by signing this form, I will be the only member of this household to continue to receive a Lifeline Program benefit.

OPTION C. [] There are other adults who reside at the above listed address who receive a Lifeline Program benefit but do not share income and expenses with me, therefore since I am the only member in my household receiving a Lifeline Program benefit, I may continue to receive that benefit.

I certify that the information provided above is true. I understand that violating the one-per-household requirement is against the Federal Communications Commission's rules and I may lose my Lifeline Program benefits, and may be prosecuted by the United States government for violating the rules.

Signature_____ Date_____

Please return the signed form to [Insert Company Name] at [address, email, fax]