BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of	
Lifeline and Link Up Reform and Modernization	WC Docket No. 11-42
Lifeline and Link-Up	WC Docket No. 03-109
Federal-State Joint Board on Universal Service	CC Docket No. 96-45
Advancing Broadband Availability Through Digital Literacy Training	WC Docket No. 12-23

PETITION OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION FOR WAIVER OF 47 C.F.R. §§ 54.410(d)(2)(vi) and 54.410(f)(3)(iii)

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February 6, 2015

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I. INTRODUCTION

The California Public Utilities Commission (CPUC or California) hereby files this Petition to request a waiver of 47 C.F.R. §§ 54.410(d)(2)(vi) and 54.410(f)(3)(iii) of the Federal Communications Commission's (FCC or Commission) rules. These sections require that, in order for an applicant to qualify for federal Lifeline service, Eligible Telecommunications Carriers (ETCs) and state Lifeline administrators must collect the last four digits of the applicant's Social Security Number (SSN4), or if the applicant is a member of a Tribal nation and does not have an SSN4, the Tribal identification number (ID).

On January 16, 2014 the CPUC unanimously adopted Decision 14-01-036[1] (Decision) setting forth policies to encourage wireless telephone service providers to voluntarily offer California LifeLine Program discounts, to promote competition, and to ensure that Californians' minimum telecommunications needs are met. Moreover, the CPUC adopted a policy to expand the program's accessibility to eligible low-income households without SSNs, but have some form of valid government-issued identification. The CPUC acknowledged that the California statute does not limit access to affordable telecommunications services only to Californians with an SSN.[2] Extending the discounted telecommunications services to Californians who otherwise would qualify, but for the SSN, is in the public interest and consistent with California's universal service objectives. Furthermore, neither federal nor California state law limit Lifeline support to

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[1] *See* http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M086/K541/86541587.PDF.

[2] *See* California Public Utilities Code §871 *et al.*

United States citizens, and the FCC's SSN4 requirement hampers the ability of income-eligible and non-duplicate households to access this vital resource.

Additionally, in light of California's robust enrollment processes, auditing, and extensive documentation verification as part of the California LifeLine Program, the CPUC is already equipped to prevent waste, fraud, and abuse. Under the CPUC's supervision, the California LifeLine Administrator (Administrator) verifies the eligibility of each and every LifeLine applicant, and no authorization for LifeLine support is given to the applicant until the Administrator has confirmed eligibility. The CPUC's third-party verification long preceded the FCC's recently implemented National Lifeline Accountability Database (NLAD) in 2014 and the institution of the SSN4 requirement adopted by the FCC in 2012.

Lastly, the CPUC aims to assist families that are affected by the severe and ongoing drought[3] in California. Consistent with the unanimously adopted CPUC Decision 14-01-036, California seeks a waiver of 47 C.F.R. §§ 54.410(d)(2)(vi) and 54.410(f)(3)(iii) so that otherwise eligible Californians may take advantage of both California and federal support for the discounted telecommunications services.

[3] *See* http://ca.gov/drought/topstory/top-story-22.html, http://www.kpbs.org/news/2015/jan/30/drought-expands-california-nevada-dry-january/, http://droughtmonitor.unl.edu/USDMNews.aspx, http://sucho.unl.edu/web_archive/AgInDrought/2015-01-27-AgInDrought.pdf, and http://www.saveourwater.com/whats-the-water-talk/blog-posts/california-bracing-for-a-fourth-year-of-drought/.

II. DISCUSSION

A. Sections 54.410(d)(2)(vi) and 54.410(f)(3)(iii) – Social Security Number (SSN) Requirement

The Commission, in its 2012 *Lifeline Reform Order*,[4] modified 47 C.F.R § 54.410 to require all applicants to provide their SSN4 in order to qualify for Lifeline service. The Commission adopted this change "to eliminate incidences of duplicative support"[5] and "to perform the identification verification check"[6] as part of its overall effort to eliminate waste, fraud, and abuse in the Lifeline program. Section 54.410(d)(2)(vi) requires ETCs and state Lifeline administrators, before enrolling applicants into the Lifeline program, to collect the applicant's SSN4, or Tribal ID if the applicant is a member of a Tribal nation and does not have an SSN. Section 54.410(f)(3)(iii) requires existing subscribers to provide the SSN4 or Tribal ID in order to renew their eligibility on an annual basis. The SSN4 or Tribal ID is in addition to other biographical information that the applicants are already required to provide under the Lifeline rules, including their full name, residential address, and date of birth (DoB), and supporting documentation that substantiates their income.

The CPUC has complied assiduously with the Commission's SSN4 requirement. The CPUC modified its California LifeLine Program rules and forms to require all consumers to provide their SSN4s in order to receive California and federal Lifeline

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[4] *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training;* WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23; (FCC 12-11);Report and Order; rel. February 6, 2012 (*Lifeline Reform Order*).

[5] *Id*. at ¶118.

[6] *Id*. at ¶¶ 191 and 200.

support. The Administrator denies program participation to consumers who do not provide an SSN4.[7] The Administrator uses the SSN4, along with other biographical information, to check for duplicates and to authenticate consumers' identities[8] before approving them for discounted telecommunications services.

B. California's Drought Crisis

The CPUC hereby requests a waiver from §§ 54.410(d)(2)(vi) and 54.410(f)(3)(iii) of the Commission's rules to provide discounted telecommunications services to the greatest number of households eligible by income for whom Lifeline service has not been provided, and to assist families affected by the current drought crisis in California. In January 2014, California's Governor Edmund G. Brown Jr. declared a State of Emergency and directed state officials to take all necessary actions to prepare for the drought conditions and assist communities throughout California that are economically impacted by the drought.[9] Several of California's Native American tribes have also declared a drought including the Hoopa Tribe, the Yurok Tribe, and the Winnemen Wintu Tribe. California continues to suffer from the drought.

The U.S. Drought Monitor estimates that 94% of California is currently experiencing either severe, extreme, or exceptional drought intensity.[10] The state

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[7] *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training;* WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23; (DA 12-863); Waiver Order; rel. May 31, 2012.

[8] The California LifeLine Administrator implemented California's identity authentication process on May 1, 2014.

[9] *See* http://gov.ca.gov/news.php?id=18368.

[10] *See* http://droughtmonitor.unl.edu/Home/StateDroughtMonitor.aspx?CA and Attachment 1.

government officials state that the water shortage and drought conditions will have a significant detrimental effect on California's $45 billion agriculture industry[11], and other industries[12] in the state including the fishing, manufacturing, transportation and material moving, retail, restaurant, housing, social services, and education sectors. The California Department of Social Services (CDSS) has identified 24[13] of California's 58 counties as having a high level of unemployment due to the drought, and these counties account for about 19% of California's low-income households living at or below the 150% of the federal poverty level. [14] Low-income families dependent on agricultural employment have been particularly affected and have to rely on private and government food assistance programs to feed their families.[15] In today's highly interconnected world, access to phone service is a necessity. The cost of activating and keeping phone service is expensive, and the drought crisis has made the situation even worse for many California households. A waiver of the SSN4 requirement would allow the CPUC to enroll more families than otherwise would be eligible, but for the SSN4, into the LifeLine

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[11] *See* http://www.ers.usda.gov/topics/in-the-news/california-drought-2014-farm-and-food-impacts.aspx#.U2k2LFfiP-Q, http://www.ers.usda.gov/topics/in-the-news/california-drought-2014-farm-and-food-impacts/california-drought-2014-farms.aspx#.U2k3QFfiO4E, http://www.ers.usda.gov/topics/in-the-news/california-drought-2014-farm-and-food-impacts/california-drought-2014-crop-sectors.aspx#.U2k3QlfiO4E, and http://www.ers.usda.gov/topics/in-the-news/california-drought-2014-farm-and-food-impacts/california-drought-2014-livestock,-dairy,-and-poultry-sectors.aspx#.U2k3RFfiO4E.

[12] *See* http://gov.ca.gov/news.php?id=18411, http://articles.latimes.com/2014/apr/02/business/la-fi-ucla-forecast-20140402, http://www.sfgate.com/news/article/California-drought-Jobs-money-dry-up-in-farm-5431129.php?cmpid=hp-hc-jobs#photo-6222897, and http://www.cde.ca.gov/nr/ne/yr14/yr14rel28.asp.

[13] These 24 primary counties include: Amador, Butte, Colusa, Fresno, Glenn, Kern, Kings, Lake, Lassen, Madera, Merced, Modoc, Monterey, San Benito, San Joaquin, Santa Cruz, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Tulare, Yolo and Yuba. See http://ca.gov/drought/news/story-37.html.

[14] *See* http://www.calmis.ca.gov/file/agric/ca-ag-profile.pdf.

[15] *See* Attachment 3 for key characteristics regarding California's agricultural labor force.

program, which in turn would help improve these families' financial situation, improve the delivery of drought emergency and social services, and enhance public safety.

C. California's New Driver's License Law

On January 1, 2015, the California Legislature implemented a new driver's license law[16] to allow non-citizens who pass a driving test and meet all other qualifications to obtain a driver's license. Under the new law, the California Department of Motor Vehicles (DMV) may accept, in lieu of an SSN, an applicant's taxpayer identification number or other number associated with the identity document that the DMV finds establishes the identity of the applicant.[17] Applicants may also sign an affidavit attesting that they are ineligible for an SSN to qualify for a driver's license. Since January 2, 2015, the DMV has issued 39,000 new driver's licenses under AB 60.[18]

Making Lifeline service available to undocumented immigrants newly licensed to drive through the special California Driver's License will promote public and road safety as drivers would have access to affordable Lifeline service for roadside emergency calls and other public safety calls. The DMV has developed a detailed list of the types of documents it will examine and accept to establish identify for purposes of the California driver's license. The California driver license can be used as an additional piece of information to establish an applicant's identity, and achieve the goals of detecting and preventing duplicate Lifeline support.

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[16] California Assembly Bill 60 (chapter 524, statutes of 2013). This bill modified Sections 12800, 12801 and 13002 of the California Vehicle Code.

[17] *See* http://dmv.ca.gov/portal/dmv/detail/ab60/index.

[18] *Id.*

If a waiver is granted, the CPUC commits to evaluating this process to examine, document, and report its effect on enrollment, duplicate support, and service. The CPUC will submit a report on this waiver process to the FCC by December 1, 2015, and will determine, based on the data, whether to rescind our waiver.

D. The CPUC's Duplicate Check Process

The *LifeLine Order* states that the FCC's primary reasons for adopting the SSN4 requirement are to check for duplicate Lifeline supports and to verify the identity of participants in the program. While the SSN4 is a factor that can assist in these tasks, it is neither essential nor the only means by which to meet these objectives. Since 2006, long before the Commission established NLAD, California has been performing duplicate checks as part of its enrollment process. The duplicate check process used an applicant's full name, service address, and telephone number for validation. The duplicate check process did not include the SSNs, but was sufficiently adequate to check for duplicates.

In February 2014, the Administrator, through its third-party vendor LexisNexis, ran several identity verification tests with a sample of California LifeLine participants to determine the rate of authentication using various combinations of their biographical information. The sample included 3,554 subscribers. In the first identity verification test, LexisNexis used the participants' full name, DoB, SSN4, service address, and telephone number, and validated the information against their database to verify identity. The test resulted in 96% pass rate for these participants.

In the second test, LexisNexis performed authentication by using different combinations of the same biographical information. Some of the combinations did not include the participants' SSN4s. The table below shows the results of this test.

Results of Sample Test for Identity Authentication Process		
Factor A	*Factor B*	*Percent of Sample Authenticated*
Year of DoB	Full Name	87.76%
Service Address	Last Name	86.72%
SSN4	Full Name	83.46%
Month and Year of DoB	Full Name	81.18%
Full DoB	Full Name	77.29%
Full DoB	Full SSN	72.20%
Telephone Number	Last Name	65.14%
Telephone Number	Full Name	47.50%

To see the impact of the SSN4 on the validation, LexisNexis ran a follow-up test for one of the combinations - SSN4 and Full Name combination (refer to the 83.46% in the table results above). In this test, LexisNexis removed the SSN4, but retained the full name, service address, DoB, and telephone number and this test yielded an authentication score of 98%.

Since California began its identity authentication process on May 1, 2014, the program has authenticated, on average, 97% of the consumer records. The CPUC's experience has shown that a check for duplicates and a verification of a person's identity can be achieved with a high level of confidence, even without the SSN4. California has also further strengthened its duplicates checks process by expanding the factors used to check for duplicates, by performing duplicates checks in multiple stages, and by instituting manual intervention as necessary.

III. CONCLUSION

For the foregoing reasons, the CPUC requests a waiver of the federal SSN4 requirement for consumers in California. This would allow the CPUC to ensure universal access to telecommunications services to the greatest number of Californians and bring this vital resource to Californians who have been severely affected by the drought and other natural disasters. The CPUC commits to make every effort to detect and prevent waste, fraud and abuse. The CPUC also commits to analyze the results of this waiver and report to the FCC by December 1, 2015. In light of California's significant monetary contribution through its $12.65 discounted recurring monthly telephone services, and exemption from surcharges and taxes as compared to federal Lifeline support of $9.25 to provide discounted telephone services, we still find we can preserve our fiduciary responsibility without the SSN4 requirement.

Respectfully submitted,

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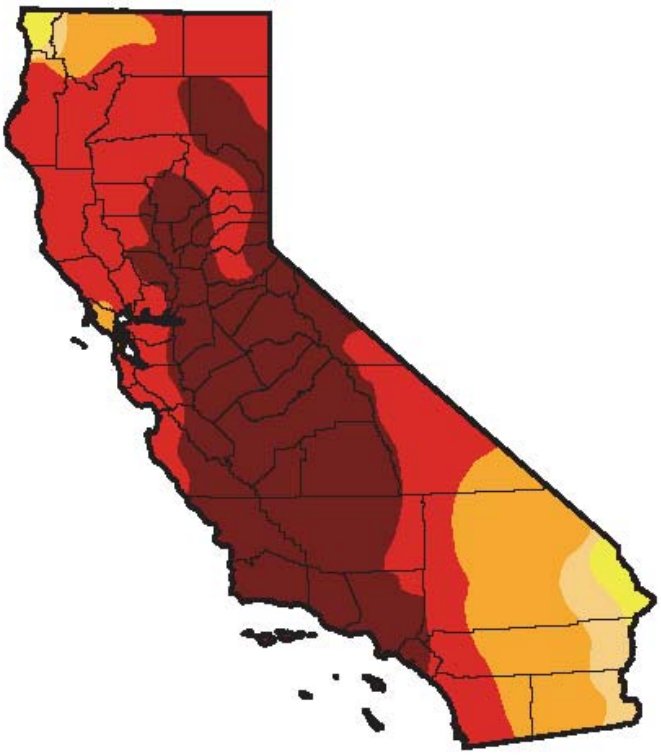
February 6, 2015

ATTACHMENT 1 – Map Depicting the Intensity Levels of California's Record-Breaking Drought

U.S. Drought Monitor

California



January 27, 2015

(Released Thursday, Jan. 29, 2015)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.00	100.00	98.13	94.34	77.52	39.99
Last Week *1/20/2015*	0.00	100.00	98.13	94.34	77.52	39.15
3 Months Ago *10/28/2014*	0.00	100.00	100.00	95.04	81.92	58.41
Start of Calendar Year *12/30/2014*	0.00	100.00	98.12	94.34	77.94	32.21
Start of Water Year *9/30/2014*	0.00	100.00	100.00	95.04	81.92	58.41
One Year Ago *1/28/2014*	1.43	98.57	94.18	89.91	67.13	8.77

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Brian Fuchs
National Drought Mitigation Center

http://droughtmonitor.unl.edu/

ATTACHMENT 2 – Map Depicting California's 2012 Annual Average Agricultural Employment

ATTACHMENT 3 – Key Characteristics of California's Agricultural Workforce

California's Employment Development Department (CEDD) developed a profile of California's agricultural workforce of 372,600 in 2008.[19]

- Immigrants play a prominent role
  a) over half (52.1%) was classified as "foreign-born, not a U.S. citizen" while 10.4% was identified as "foreign-born, naturalized U.S. citizens"
  b) about half (50.6%) of the employed agricultural workers were foreign-born, non-citizens with the construction industry (2nd highest share) employing 32.4% of its workforce as foreign-born, non-citizens
  c) most (87.9%) of the foreign-born, non-citizens agricultural workers worked in farming, fishing, and forestry occupations
  d) foreign-born, non-citizens reported the lowest annual family income of any other citizenship group
  e) foreign-born, non-citizens employed in the agricultural industry tended to earn less than working in different sectors
- Hispanics dominate the mix
  a) more than two-thirds (67.9%) were Hispanics
  b) nearly all (95.2%) of these Hispanics identified Mexico as their country of origin
  c) almost half (49.4%) stated Spanish as their only spoken language
  d) the majority of foreign-born, non-citizens (97.7%) and of foreign-born, naturalized U.S. citizens (83.2%) identified themselves as Hispanics
- Education levels are low
  a) 56.4% did not complete high school

[19] *See* http://www.calmis.ca.gov/file/agric/ca-ag-profile.pdf.

b) only 11.1% received a bachelor's degree or higher

c) most (85.5%) of the foreign-born, non-citizens did not graduate from high school

d) about a third (34.1%) had a 6th grade education or less

- Annual household incomes are meager

a) almost half (48.6%) reported income of less than $35,000

b) 1 of 8 reported income of less than $15,000

c) 61.8% earned $10 an hour or less

d) farm laborers working in farming, fishing, and forestry jobs tended to be the lowest paid of the agricultural labor force with almost 9 of 10 earning $10 an hour or less

CEDD depicts a decrease in 2013 in California's agricultural employment from 2012.[20]

California Agricultural Employment (In Thousands)									
	January	February	March	April	May	June	July	August	September
2013	326.5	323.0	320.0	348.3	438.3	467.5	450.9	450.2	450.5
2012	430.6	386.6	335.8	346.0	441.4	471.2	455.1	453.8	461.0
Variance Between 2013 and 2012	-104.1	-63.6	-15.8	2.3	-3.1	-3.7	-4.2	-3.6	-10.5

[20] *See* http://www.calmis.ca.gov/file/agric/ca2013emp.xls, http://www.calmis.ca.gov/file/agric/2013-1cab.pdf, http://www.calmis.ca.gov/file/agric/2013-2cab.pdf, and http://www.calmis.ca.gov/file/agric/2013-3cab.pdf.