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March 17, 2015

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

Re: Notice of Written *Ex Parte* Presentation Regarding National Lifeline Accountability Database Production Duplicates Resolution Process; WC Docket No. 11-42

Dear Ms. Dortch:

The Lifeline Reform 2.0 Coalition (“Coalition”),¹ the members of which are many of the nation’s largest wireless Lifeline providers, hereby responds to TracFone’s March 6, 2015 *ex parte* letter² regarding the proper removal of “production duplicates” in the National Lifeline Accountability Database (“NLAD”) to clarify the facts surrounding the Commission’s and the Universal Service Administrative Company’s (“USAC’s”) shifting, internally inconsistent and unjustified actions on this matter. The Coalition has no desire to promote public disputes between Lifeline providers, but TracFone’s letter misleads the public regarding the third-party identity verification (“TPIV”) obligations that Lifeline providers face and must be corrected. Further, the Commission and USAC are continuing with the flawed policy and announced on March 11, 2015 a new list of states wherein USAC is going to de-enroll production duplicates where the enrollment was completed using the established TPIV dispute resolution process if another enrollment for the same subscriber passed the TPIV check.³ The Commission should order USAC to immediately cease and desist from this illogical and unfair course of action.

¹ The Coalition is comprised of i-wireless, LLC, Telrite Corporation, Blue Jay Wireless, LLC and Global Connection Inc. of America.

² See TracFone Wireless, Inc. Notice of *Ex Parte* Presentation, WC Docket No. 11-42 (filed Mar. 6, 2015).

³ See NLAD Bulletin released Mar. 11, 2015.

Marlene Dortch, Secretary
March 17, 2015
Page Two

The Coalition agrees with TracFone that, “the primary purpose for the rules and policies first articulated in the Lifeline Reform Order is to prevent waste, fraud and abuse of USF resources, to ensure that only qualified low-income households receive Lifeline-supported service, and that such households receive only one Lifeline-supported service.”⁴ The Coalition, TracFone, the Commission and USAC all agree that duplicate Lifeline enrollments should not be permitted and should be removed from the NLAD and the Lifeline program. However, whether the Commission and USAC follow the process advocated by the Coalition or the process advocated by TracFone, each production duplicate subscriber, which USAC has determined is the same person, will only continue to receive one Lifeline-supported service. Therefore, the “primary purpose” on which the parties agree will be served.

Where the parties disagree is on the appropriate process for choosing the single Lifeline provider that should continue to serve the subscriber. The Coalition advocates for the previously announced and established duplicate resolution process utilized in 2014 and in each and every inter-carrier duplicate scrubbing process since 2011, based on the reasonable assumption that both ETCs serving the duplicate subscriber followed the rules and processes in place at the time of enrollment.⁵ On the other hand, TracFone advocates that USAC should prefer enrollments that passed the NLAD TPIV check over those that utilized the TPIV dispute resolution process, based on the assumption that the ETC utilizing the NLAD’s TPIV dispute resolution process failed to meet an obligation to verify all identification information provided by the applicant (e.g., confirm that the social security number provided was accurate).

When reading TracFone’s *ex parte* letter, one would assume that there is a Commission rule or provision in the *Lifeline Reform Order* that requires ETCs to verify all identification information provided by Lifeline applicants,⁶ but that TracFone merely forgot to cite to the rule or provision. TracFone did not overlook the cite because it does not exist. The *Lifeline Reform Order* states that “USAC must establish a process, as part of the resolution process described below, so that those customers who failed the identification verification are able to either provide additional information to verify their identity, or correct errors in the information utilized to validate the subscriber’s identification.”⁷ TracFone misreads that language to impose an obligation

⁴ See TracFone *Ex Parte* at 2.

⁵ This established process proportionally assigns a default ETC to each duplicate subscriber and then permits the subscriber to choose which provider to retain. It is designed not to favor any particular ETC, but rather provide paramount customer choice.

⁶ TracFone argues that the Commission and USAC should “de-enroll[] those Lifeline customers whose personal identifying information was never properly verified by the Lifeline provider.”

⁷ See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital*

Marlene Dortch, Secretary
March 17, 2015
Page Three

on ETCs to verify the applicant's name, address, date of birth, and social security number.⁸ What the language actually required was for USAC to establish a process that allows applicants that failed the TPIV check to provide additional information to verify their identity. And that is exactly what the Commission and USAC did – they established the TPIV dispute resolution process and gave ETCs a list of seventeen “T-codes” that corresponded to documentation that could be used by applicants to verify their identity, including drivers licenses, military IDs and passports. ETCs were required to accept those T-code documents to dispute the TPIV failure and enroll the subscribers. Under the policy at the time, a driver's license was determined by the Commission and USAC to be perfectly valid “additional information to verify their identity” even though most (if not all) driver's licenses do not verify a person's social security number. The USAC process established did not require ETCs to verify all identification information provided in the application. Although it was required to provide ETCs with error codes to identify the particular piece or pieces of identification information that could not be verified, USAC failed to do this and only began to provide this information to ETCs as of February 2, 2015 – more than two years after the deadline set by the Commission.⁹

As of February 2, 2015, the Commission and USAC have now changed the policy with respect to TPIV.¹⁰ As of last month, if an applicant fails the TPIV check, ETCs receive specific error codes telling them what information did not match, which allows applicants to correct the information.¹¹ If the information cannot be corrected, the ETC can submit a TPIV dispute resolution after verifying the first name, last name, last four digits of the social security number or Tribal ID and date of birth.¹² ETCs are now required to verify this identification information provided by applicants, but this is a new obligation limited to applicants utilizing the new TPIV exceptions process. It did not exist under the Commission's and USAC's TPIV policies and

Literacy Training, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, ¶ 201 (2012) (“*Lifeline Reform Order*”) (emphasis added).

⁸ See *TracFone Ex Parte* at 3 (“Those words mean that it is the responsibility of the ETC to obtain from the Lifeline applicant such additional documentation as needed to verify the applicant's name, address, date of birth, and Social Security number.”).

⁹ See *Lifeline Reform Order*, ¶ 201.

¹⁰ See NLAD Bulletin released Jan. 12, 2015.

¹¹ See USAC Dispute Resolution page at <http://www.usac.org/li/tools/nlad/nlad-dispute-resolution.aspx>.

¹² See *id.* Regrettably, consumers are required to provide and ETCs are required to verify each piece of information, rather than simply verify the piece of information the TPIV check was unable to verify. This deliberate imposition of unnecessary burdens on consumers is contrary to the Commission's Section 254 statutory mandate and should be rescinded immediately.

Marlene Dortch, Secretary
March 17, 2015
Page Four

guidance prior to February 2, 2015. Therefore, an ETC that enrolled a Lifeline applicant using the TPIV dispute resolution process prior to February 2, 2015 by viewing one of documents on the prescribed T-code list fully complied with the Commission-approved USAC-established process and should not automatically lose its subscriber in the production duplicate resolution process because the Commission has subsequently approved and USAC has adopted a different process.

Finally, TracFone argues that “unless a Lifeline applicant’s personal identifying information has been verified, the applicant is not entitled to enrollment in Lifeline and an ETC enrolling an applicant whose identity has not been properly verified is not entitled to receipt of Universal Service fund support for the applicant.”¹³ The statement is false,¹⁴ but following that logic, which is consistent with the Commission’s and USAC’s flawed decision to de-enroll production duplicates that utilized the TPIV dispute resolution process if another enrollment passed TPIV, all Lifeline subscribers that did not pass the TPIV check would be de-enrolled rather than be resolved through the “Track 1” process. The Commission and USAC have of course not decided to do that. They have instead said that where a production duplicate has Lifeline service from multiple different ETCs, but did not pass the TPIV check in any of the enrollments, the process “will allow subscribers to select their single Lifeline Program benefit or maintain the randomly identified default carrier, identical to the Duplicate Subscriber Resolution (Track 1) process.”¹⁵ If, prior to February 2, 2015, there had been an obligation to verify all identification information provided to entitle an ETC to Universal Service fund support for the applicant as TracFone contends, then all of those subscribers would be de-enrolled. There was no such obligation prior to February 2 and that is why the Commission and USAC have decided to resolve those duplicate enrollments via the Track 1 process. That is also why the Commission’s and USAC’s decision not to use the Track 1 process to resolve all production duplicates is illogical and patently unfair to the de-enrolling ETCs.

For all of the foregoing reasons, the Commission and USAC should cease and desist from continuing with its decision to commence de-enrollment of “production duplicate” subscribers that did not perfectly match the identity information in the Lexis Nexis TPIV system used in the NLAD and were therefore enrolled using the NLAD’s mandatory TPIV dispute resolution process in place at the time.

¹³ TracFone *Ex Parte* at 3.

¹⁴ It is false because the *Lifeline Reform Order* clearly requires USAC to establish a process to allow applicants that fail the TPIV check to provide additional information to verify their identity. See *Lifeline Reform Order*, ¶ 201.

¹⁵ USAC, Production Duplicate Subscriber Resolution, available at <http://www.usac.org/li/tools/nlad/production-duplicate-subscriber-resolution.aspx>.

KELLEY DRYE & WARREN LLP

Marlene Dortch, Secretary
March 17, 2015
Page Five

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically.

Respectfully submitted,



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