Cooley LLP

J.G. Harrington
T: +1 202 776 2818
jgharrington@cooley.com

March 31, 2015

VIA ECFS

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

Re: Cox Communications, Inc. and Its Affiliates
WC Docket No. 11-42
2013 Biennial Audit Report

Dear Ms. Dortch:

As required by the Commission's April 2, 2014 *Public Notice* in the above-referenced docket and by Section II, Item 15 of the 2013 Biennial Audit Plan, Universal Service Fund – Lifeline Program, Cox Communications, Inc. and its affiliates submit herewith the final report for the initial biennial Lifeline audit. This audit report covers the following companies that participate in the Lifeline program:

Cox Arizona Telcom, LLC	Cox Kansas Telcom, LLC
Cox Arkansas Telcom, LLC	Cox Louisiana Telcom, LLC
Cox California Telcom, LLC	Cox Nebraska Telcom, LLC
Cox Connecticut Telcom, LLC	Cox Nevada Telcom, LLC
Cox Florida Telcom, LP	Cox Oklahoma Telcom, LLC
Cox Georgia Telcom, LLC	Cox Rhode Island Telcom, LLC
Cox Iowa Telcom, LLC	Cox Virginia Telcom, LLC

Please inform me if any questions should arise in connection with this submission.

Respectfully submitted,

J.G. Harrington

Counsel to Cox Communications, Inc.

JGH/
Attachment

Deloitte.

Deloitte & Touche LLP
400 West 15th Street
Suite 1700
Austin, TX 78701
USA

Tel: 512 691 2300
Fax: 512 708 1035
www.deloitte.com

Independent Accountants' Report
On Applying Agreed-Upon Procedures
Cox Communications, Inc.

To the Management of Cox Communications, Inc. (Cox), the Universal Service Administrative Company (USAC), and the Federal Communications Commission (FCC or Commission):

We have performed the procedures detailed in Attachment A, which were agreed to by the FCC's Wireline Competition Bureau (Bureau) and Office of the Managing Director (OMD) in the Lifeline Biennial Audit Plan (AUP Audit Plan) , or as otherwise directed by the Bureau,[1] solely to assist you in evaluating Cox Communications' compliance with certain regulations and orders governing the Low Income Support Mechanism (also known as the Lifeline Program) of the Universal Service Fund, set forth in 47 C.F.R. Part 54, as well as other program requirements, including any state-mandated Lifeline requirements (collectively, the Rules) detailed in the Lifeline Biennial Audit Plan for the calendar year ended December 31, 2013. Cox Communications' management is responsible for compliance with the Rules. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Generally Accepted Government Auditing Standards (GAGAS) issued by the Government Accountability Office (2011 Revision).[2] The sufficiency of these procedures is solely the responsibility of the Bureau and OMD. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which this report has been requested or for any other purpose.

Specific procedures and related results are detailed in Attachment A to this report. In compliance with the Lifeline Biennial Audit Plan, this report does not contain any

[1] *See Wireline Competition Bureau Announces Release of Final Lifeline Biennial Audit Plan*, WC Docket No. 11-42, Public Notice, DA 14-450 (rel. Apr. 2, 2014).
[2] *See* U.S. Government Accountability Office, *Government Auditing Standards*, GAO 12-331G (rev. Dec. 2011).

personally identifiable information or individually identifiable customer proprietary network information.[3]

Deloitte & Touche LLP (Deloitte) faced a limitation with regard to the availability of recorded calls during the audit period. Specifically, the recorded calls for 2013 were no longer available therefore Deloitte was unable to perform the requested testing of 2013 recorded customer calls.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on Cox Communications' compliance with the Rules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of Cox Communications, USAC, and the FCC, and is not intended to be and should not be used by anyone other than these specified parties. This report becomes a matter of the public record upon the filing of the final report with the FCC. The final report is not confidential.

Deloitte & Touche LLP

March 30, 2015

[3] *See* 18 U.S.C. § 1028(d)(7) (definition of means of identification) and 47 U.S.C. § 222(h)(1) (definition of customer proprietary network information).

Attachment A details the agreed-upon procedures for Cox Communications, the associated results, and any management responses obtained in relation to the exceptions identified.

Objective I: Carrier Obligation to Offer Lifeline

Procedure 1

Description/Discussion

Inquired of Cox management during the AUP audit conducted between November 2014 and January 2015 and obtained Cox's policies and procedures in response to Item 4 of Appendix A (Requested Documents) of the Lifeline Biennial AUP Audit Plan for offering Lifeline service to qualifying low-income consumers.

Examined Cox's policies and procedures, and compared those policies and procedures, as well as management's responses to the inquiries, to the Commission's Lifeline rules set forth in Appendix F of the Lifeline Biennial AUP Audit Plan.

Noted no discrepancies between the carrier's procedures, management's responses to the inquiries, and the Commission's Lifeline rules.

Results

No exceptions noted.

Procedure 2

Description/Discussion

Inspected 10 examples of Cox's marketing materials describing the Lifeline service (i.e., print, audio, video and web materials used to describe or enroll subscribers in the Lifeline service offering, including standard scripts used when enrolling new subscribers and application and certification forms), as provided in response to Items 4, 6 and 7 of Appendix A of the Lifeline Biennial AUP Audit Plan.

Results

Noted the inspected marketing materials contained the required information, with the exception of the following:

- One e-mail advertisement in Virginia, omitted the disclosures that the service is a government assistance program, the service is non-transferable, and only one Lifeline discount is allowed per household.

- One mailer in Oklahoma did not specifically mention that Lifeline is a government assistance program.

There is no monetary effect associated with this finding.

Beneficiary Response:

Cox agrees that both pieces should have contained the items referenced and regrets that they were omitted inadvertently. Cox provided Deloitte with an internal e-mail from late June 2013 explaining the standard Lifeline disclosure language to be used and instructing that it be included in all marketing materials. All of the items referenced are included in the first two sentences of the standard disclosures for all states. Cox Lifeline Applications, which a potential subscriber must complete before service is provided, and which were reviewed under Objective III, Procedure 3a, do contain all of the required disclosures.

Procedure 3

Description/Discussion

Requested Cox management to provide the recorded calls from 2013. Cox management, stated its business policy in 2013 was to record all of its customer calls and retain for 90 days. Therefore no recorded customer calls from 2013 were available for testing when the final AUP Audit Plan was published in April 2014, or when the AUP audit commenced in October 2014.

Results:

The test could not be performed therefore this was noted as an exception due to the limitation.

Beneficiary Response:

The recording of customer contacts regarding Lifeline services is not required by any FCC Rule. Likewise there is no FCC Rule requiring that if any such calls are recorded they be retained for any period of time or use.

As a business policy Cox records all of its customer contacts for its own purposes but only retains those recordings for 90 days.

The requirement to use recorded calls for Objective I, Procedure 3 was published for the first time in the AUP Audit Plan attached to FCC Public Notice DA 14-450 (Released April 2, 2014).

The original procedure, published for comment, in the AUP Audit Plan attached to FCC Public Notice DA 13-2016 (Released September 30, 2013) called for the AUP audit firm to monitor live incoming calls. Such monitoring could only have occurred on calls made in 2014 when the AUP audit was being performed.

The FCC explained the change to the procedure at page four of DA 14-450 as follows:

> *Customer Care for Lifeline Service.* Based, in part, on concerns raised by commenters, the AUP Audit Plan has been revised to require AUP auditors to review recorded calls involving Lifeline service as opposed to requiring the AUP auditor to monitor incoming calls to telephone number(s) used as customer care for Lifeline service. This change was made because many ETCs use such customer care telephone number(s) for non-Lifeline services.

During the USAC training, in October 2014, the USAC presenters stated that these recorded calls were required to be from 2013 even though the original procedure would have monitored live calls in 2014.

On October 13, 2014, Cox sought clarification from USAC and the FCC. On November 5, 2014, USAC responded confirming that the recorded calls were required to be from 2013.

As Cox has an established 90-day retention policy there were no recorded calls from 2013 available and none would have been even on April 2, 2014, when the procedure change was published.

Nevertheless, Cox provided 50 recorded calls to Deloitte from 2014 and requested that they be tested per the procedure for the value it would provide to the business. Deloitte performed the testing and reported to Cox that it found no exceptions in the calls it reviewed.

In anticipation that the same interpretation might be applied to the next Biennial AUP audit, whose AUP audit period would be 2015, Cox has initiated a program to capture and archive recordings of one Lifeline related customer contact per state, per month. This will result in an inventory of 168 recordings in 2015. There is no FCC Rule requiring the actions Cox is taking.

Procedure 4

Description/Discussion

Inquired of Cox management with regards to de-enrollment from the program, including when Cox will de-enroll subscribers based on lack of eligibility, duplicative support, non-usage, and failure to recertify, as further described below. Obtained the background questionnaire responses (Appendix B of the Lifeline Biennial AUP Audit Plan) and/or internal control questionnaire responses (Appendix C of the Lifeline Biennial AUP Audit Plan):

- Inspected Cox's procedures for de-enrollment where Cox has information indicating that a Lifeline subscriber no longer meets the criteria to be considered a qualifying low-income consumer under 47 C.F.R. §54.409 of the Lifeline Biennial AUP Audit Plan, as provided in response to Item 4 of Appendix A of the Lifeline Biennial AUP Audit Plan. Inspected Cox's procedures for reviewing communications between the subscriber and ETC regarding de-enrollment, including, but not limited to: (1) notifying subscribers of impending termination of service; (2) allowing the subscriber to demonstrate continued eligibility; and (3) termination of service for failure to demonstrate eligibility. Noted no discrepancies between the carrier's procedures, management's responses to the inquiries, and the Commission's Lifeline rules with section 54.405(e)(1) of the Commission's rules.

- Inquired of Cox management on procedures for de-enrolling subscribers that are receiving Lifeline service from another ETC or where more than one member of a subscriber's household is receiving Lifeline service (duplicative support). Inspected whether Cox's procedures state that the ETC will de-enroll subscribers within five business days of receiving notification from the USAC program management that a subscriber or a subscriber's household is receiving duplicative Lifeline support, as required by section 54.405(e)(2) of the Commission's rules.

- Noted the non-usage rule does not apply to Cox as a monthly fee is collected by Cox from its subscribers.

- Reviewed Cox's procedures for de-enrolling a Lifeline subscriber that does not respond to the carrier's attempts to obtain recertification, as part of the annual eligibility recertification process.

- For the three selected states (Oklahoma, Rhode Island and Georgia), requested samples of the notice of impending de-enrollment letters and all other communications sent to the subscribers involving recertification:

- Rhode Island: Cox performed the recertification and, as allowed under USAC guidance, retained no copies of the notices to individual customers.

- Obtained and inspected the notice templates for de-enrollment letters regarding re-certification. Noted the communications explain that the subscriber has 30 days following the date of the notice of impending de-enrollment to demonstrate continued eligibility or the carrier will terminate the subscriber's Lifeline service. No subscriber sample selection was required. Since only three templates for Rhode Island existed in 2013 all were selected as per the requirement of USAC guidelines.

- Oklahoma and Georgia: USAC performed the recertification. Cox possessed no individual recertification notices to subscribers in 2013 for these states and no templates are available as USAC performed re-certification. Hence, no sample selection is required.

Results

No exceptions noted.

Objective II: Consumer Qualification for Lifeline

Procedure 1

Description/Discussion

Inquired of Cox management on limiting Lifeline support to a single subscription per household as provided by that of the Lifeline Biennial AUP Audit Plan. Obtained the background questionnaire responses (Appendix B of the Lifeline Biennial AUP Audit Plan) and/or internal control questionnaire responses (Appendix C of the Lifeline Biennial AUP Audit Plan).

Examined Cox's policies and procedures, and compared those policies and procedures, as well as management's responses to the inquiries, to the Commission's single subscription per household rules set forth in 54.409(c) in Appendix F the Lifeline Biennial AUP Audit Plan.

Results

No exceptions noted.

Procedure 2

Description/Discussion

Requested the procedures Cox has in place to complete the FCC Form 497. Inquired of management about process for completing the FCC Form 497. Obtained the background questionnaire responses (Appendix B of the Lifeline Biennial AUP Audit Plan) and/or internal control questionnaire responses (Appendix C of the Lifeline Biennial AUP Audit Plan)

Based on the response to the inquiry with management, examined Cox's procedures and processes for completing the FCC Form 497 included the following:

- The position title of the person responsible for obtaining data for the FCC Form 497;
- The process for determining which subscribers should be included monthly in the FCC Form 497.
- The verification of the procedures including cut-off and billing cycle dates, and only those subscribers active as of the start or end of the month;
- That a corporate officer signature is required for the FCC Form 497;
- That a verification process exists to perform an independent review; that is, the person reviewing or validating the form's data is different from the person completing the form;

- Provide the billing system name used to generate completion of the form; and
- If applicable, the description of the process for completing the Tribal Link Up portions of the FCC Form 497.

Results

No exceptions noted.

Procedure 3

Description/Discussion

Obtained the Subscriber List in response to Item 1 of Appendix A. Obtained Cox's FCC Form 497(s) for each study area in the 3 selected states (Oklahoma, Rhode Island and Georgia) for the selected month (October 2013).

Examined the number of subscribers claimed on the Form(s) 497 and compared the number of subscribers reported on the Form 497(s) to the number of subscribers contained on the Subscriber List for each study area.

Results

No exceptions noted.

Procedure 4

Description/Discussion

Used computer-assisted AUP audit techniques to find duplicate addresses with different subscribers.

Results

Examined the Subscriber Lists and noted if there are any duplicate addresses with different subscribers. A list was created reflecting these results. Five such instances of duplicate address containing two subscribers in each such address totaling to ten subscribers were noted (three instances containing six subscribers in Oklahoma and two instances containing four in Rhode Island).

The five instances became the input to the testing in Procedure 5 below.

Procedure 5

Description/Discussion

Requested copies from Cox of the one-per-household certification forms for instances identified in procedure 4 and noted the following:

Oklahoma: Three instances noted with two subscribers in each duplicate address totaling to six subscribers. Requested copies from Cox of the completed one-per-household worksheet for all of the second subscribers in each of the duplicate address and noted that these subscribers certified to only receiving one Lifeline-supported service in his/her household using the one-per household worksheet.

Rhode Island: Two instances noted with two subscribers in each duplicate address totaling to four subscribers. Ascertained from Cox that these cases were not actual duplicate addresses based on the following:

- First instance: Obtained the certification/recertification forms in lieu of the one per household worksheet wherein the subscriber certified to only receiving one Lifeline-supported service in his/her household.

- Second Instance: The second subscriber at the address provided an apartment number in the certification form confirming that it was a separate residence. The Cox system had not included the apartment number which resulted in the address getting highlighted in procedure 4 above.

Results

No exceptions noted.

Objective III: Subscriber Eligibility Determination and Certification

Procedure 1

Description/Discussion

Inquired of Cox management on eligibility requirements for Lifeline subscribers. Obtained the background questionnaire responses (Appendix B of the Lifeline Biennial AUP Audit Plan) and/or internal control questionnaire responses (Appendix C of the Lifeline Biennial AUP Audit Plan)

Noted no discrepancies between the carrier's procedures received per background questionnaire responses (Appendix B of the Lifeline Biennial AUP Audit Plan) and/or internal control questionnaire responses (Appendix C of the Lifeline Biennial AUP Audit Plan), management's responses to the inquiries, and the Commission's Lifeline rules, which includes:

- Requirement to not retain copies of subscribers' proof of income- or program-based eligibility.

- Verification of the eligibility of each low-income consumer prior to providing Lifeline service to that consumer, and that the ETC or its agents may not provide the consumer with an activated device intended to enable access to Lifeline service until that consumer's eligibility is fully noted and all other required enrollment steps have been completed.

Results

No exceptions noted.

Procedure 2

Description/Discussion

Inquired of Cox management on training employees and agents working on Cox Lifeline services, including how the company confirmed employees and agents have completed the training.

Results

Noted the following exception regarding the training of employees and agents:

- There were informal trainings conducted in 2013. Training in support of the Lifeline product through September of 2013 was de-centralized and prepared and performed in each market. Noted a lack of documentary evidence to ascertain that there were adequate documented training materials in 2013. There was no documented tracking mechanism for training completion in 2013. However during the AUP audit conducted it was noted that in late 2013 and early 2014 training materials were implemented.

Beneficiary Response:

Cox Lifeline Service support and training in 2013 was de-centralized, and lacked formal documentation or tracking. Nonetheless the results Deloitte provides throughout this report demonstrate that it was effective; of the 21 procedures being reported upon there are only five with associated exceptions.

As Deloitte notes in late 2013 and in early 2014 Cox implemented centralized training material preparation, programs and tracking. The work Deloitte observed has been integrated into our New Hire process and made available on the Company's internal training catalog, Cox University. This work continues; Cox is creating a web based training program (WBT) for Lifeline which will include the parameters of compliance based on FCC rules and USAC guidance, with the ability to update the training if the rules change from year to year.

Procedure 3

Description/Discussion

Randomly selected 103 subscribers from the Subscriber List and for the first 50 of the sampled subscribers performed the test described below, for each of the subscriber's certification and recertification forms. After performing the tests described below for the first 50 sampled subscribers, the error rate was 46% percent, so the same procedure was applied to the remaining 53 subscribers in the sample and the results were recorded.

Examined the subscriber certification and recertification forms, if any, to ascertain whether the forms contained the following information:

- Lifeline is a federal benefit and that willfully making false statements to obtain the benefit may result in fines, imprisonment, de-enrollment or being barred from the program;
- Only one Lifeline service is available per household;
- A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses;
- A household is not permitted to receive Lifeline benefits from multiple providers;

- Violation of the one-per-household limitation constitutes a violation of the
- Commission's rules and will result in the subscriber's de-enrollment from the program;
- Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person;
- Require each prospective subscriber to provide the following information:
  - The subscriber's full name;
  - The subscriber's full residential address;
  - Whether the subscriber's residential address is permanent or temporary;
  - The subscriber's billing address, if different from the subscriber's residential address;
  - The subscriber's date of birth;
  - The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number;
  - If the subscriber is seeking to qualify for Lifeline under the program based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and
  - If the subscriber is seeking to qualify for Lifeline under the income based criterion, as set forth in § 54.409, the number of individuals in his or her household.

- Require each prospective subscriber to certify, under penalty of perjury, that:
  - The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;
  - The subscriber will notify the ETC within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber no longer meets the income-based or program based criteria for receiving Lifeline service, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit.
  - If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e);
  - If the subscriber moves to a new address, he or she will provide that new address to the ETC within 30 days;
  - The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;
  - The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,

- The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and
- The subscriber acknowledges that the subscriber may be required to recertify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

- Compared the ETC's subscriber eligibility criteria on the certification and recertification forms to the federal eligibility criteria listed in per 47 C.F.R. §54.409.

- Noted that the subscriber completed all the required elements as identified in Objective III – 3 a. above, including signature and initialing/checkbox requirements contained in the certification and recertification forms.

- Examined the subscriber's initial certification form to ascertain whether the initial certification form was dated prior to or on the same day as the Lifeline start date per the Subscriber List. This procedure would not apply to subscribers enrolled prior to June 2012.

- Noted subscribers who received Tribal Lifeline support certified to residing on Tribal lands.

- Reviewed the documentation Cox provided to confirm the subscriber's eligibility.

Results

Ascertained that the verification of documentation by Cox to confirm the subscriber's eligibility is an eligible data source per 47 C.F.R. § 54.410. The eligible data source per 47 C.F.R. § 54.410 are: (1) income or program eligibility databases, (2) income or program eligibility documentation, or (3) confirmation from a state administrator.

Noted forty six exceptions from the 103 samples:

- Four samples did not have a supporting certification form.
- In one sample the subscriber did not provide proof of eligibility details in the certification form.
- In one sample the subscriber did not enter the date in the certification form.
- In three samples the initial certification form was not dated prior to or on the same day as the Lifeline start date as per the Subscriber List.
- In one sample the subscriber information in section 2 of the form relating to whether the Lifeline account represents the only Lifeline telephone service provided to this household was not checked.

- In thirty four samples the subscriber did not indicate whether the address mentioned is permanent or temporary.
- In two samples the Cox form did not ask the subscriber to indicate if the billing address was different from the residential address in the form. Please note two of the samples in this issue also had the issue of not noting the address to be permanent or temporary.

Beneficiary Response:

Cox acknowledges that following the Objective III, Procedure 3 guidelines in the Lifeline Biennial AUP Audit Plan, and USAC's responses to Deloitte's clarification requests, Deloitte has reported its 46 findings above as exceptions.

Cox does not agree that the application of the guidelines and clarification responses received from USAC results in an accurate assessment of Cox's, or any ETC's performance. As described below doing so grossly overstates the Cox error rate which is more accurately calculated as either 4.9% or 3.9%, not 46%.

The description of this procedure in the AUP Audit Plan calls for the evaluation of 27 attributes for each sample collected; directs that an initial population of 50 samples be evaluated; and further directs that if the error rate of the first 50 samples is greater than 5%, an additional 50 samples be evaluated.

The AUP Audit Plan however does not specify how the 5% threshold is to be calculated. The two obvious methods are:

- As a percentage of total attributes tested (5% of 1350 = 67 allowable misses)
- As a percentage of samples, with a miss of any associated attribute being fatal, (5% of 50 = 2 allowable misses)

The AUP Audit Plan also does not provide any guidance on how to handle significance, for example misses associated with a tested attribute that either does not apply to the business model or procedures of the ETC, or does not result in any impact to the reimbursement that would be paid to the ETC.

Deloitte sought clarification from USAC on both of these issues and was advised that the threshold was to be determined as a percentage of samples, with a miss of any associated attribute being fatal and that all attributes were to be treated without regard to their significance.

Applying the USAC clarifications to Deloitte's testing of the 103 samples grossly overstates the error rate and bears no relationship to an evaluation of the potential for Cox's performance to result in fraud, waste or abuse of USF funds.

Cox actual performance at the sample level, and accounting for significance, is 4.9% as summarized in the following table.

Finding	**Impacts Dollars**	**No Dollar Impact**	**Not applicable to business**
4 without applications	4		
1 missed section 6	1		
1 not dated		1	
3 miss dated		3	
1 missed duplicative certification section on household		1	
34 perm/temp address			34
2 billing address field content		2	
Error Rate	5/103*100 = 4.9%		

As a percentage of total attributes tested, without regard to significance, and counting each of the 4 missing applications as 27 misses, Cox performance is 150/2781*100 = 5.4%. Accounting for significance, Cox performance is 109/2781*100 = 3.9%.

Regarding the four date related findings, as detailed in our questionnaire responses, policies, and procedures, our claims to USAC in 2013 were made from ICOMS listings prepared on the last day of the month. Thus a customer enrolled on any date within the month is counted and a customer de-enrolled on any date within the month is not. The customer's billing from Cox is pro-rated for the discount, but our reimbursement claiming from USAC is not. USAC has concurred in this process in all of its past audits.

Regarding the one instance where the subscriber failed to check the box in Section 2 of the form, she did initial the duplicative certification about this in Section 7, line 4. Additionally D&T's analysis searching for duplicate enrollments at the same address in Oklahoma did not identify this account as being in a duplicate scenario.

Regarding the two instances concerning the billing address field, the form contains the fields for the entry of Service and Billing address information. Cox agrees that the parenthetical phrase "(if different)" does not appear in the Billing Address Block as it does on forms used in other states, but disputes that this absence relieves the subscriber from the requirement to provide such information.

Regarding the 34 permanent versus temporary address misses, Cox as a wireline carrier only provides service to physical addresses that are permanent. If a subscriber moves to a new physical address their service is transferred to that new permanent address with a new account number. Subscriber failures to mark this item (permanent/temporary) are of no consequence.

Objective IV: Annual Certifications and Recordkeeping by Eligible Telecommunications Carriers.

Procedure 1

Description/Discussion

Inquired of Cox management as to whether they made and submitted the annual certifications required under sections 54.416 and 54.422 of the Commission's rules, as provided in Item 12 of Appendix A. Obtained the background questionnaire responses (Appendix B) and/or internal control questionnaire responses (Appendix C).

No discrepancies were noted between the carrier's procedures, management's responses to the inquiries, and the Commission's Lifeline rules set forth in 54.416 and 54.422 of Appendix F of the Lifeline Biennial AUP Audit Plan.

Results

No exceptions noted.

Procedure 2

Description/Discussion

Examined Cox's FCC Form 555 that was filed in January 2014, following the AUP audit period. Noted that the Cox completed the certifications for the three selected states (Oklahoma, Rhode Island, and Georgia).

For the three selected states (Oklahoma, Rhode Island, and Georgia), an officer has certified that they understand the Commission's Lifeline rules and requirements and that Cox:

- Has procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services
- Is in compliance with all federal Lifeline certification procedures; and
- In instances where an ETC confirms consumer eligibility by relying on income or eligibility databases, as defined in 47 C.F.R. § 54.410(b)(1)(i)(A) or (c)(1)(i)(A), the representative must attest annually as to what specific data sources the ETC used to confirm eligibility.

Results

No exceptions noted.

Procedure 3

Description/Discussion

For the three selected states (Oklahoma, Rhode Island, and Georgia), the certifying officer on the FCC Form 555 is an officer per the organizational chart or other publicly available documents.

Results

No exceptions noted.

Procedure 4

Description/Discussion

For the three selected states (Oklahoma, Rhode Island and Georgia), noted whether the subscriber count per the FCC Form 555 agrees with the total subscriber count per the February Form 497.

Results

Noted the following two exceptions:

Rhode Island:

- The subscriber count per the January 2014 FCC Form 555 is 6,303 and per the February 2013 Form 497 it is 6,306, hence there is a mismatch between the records.

Oklahoma:

- The supporting file for successful re-certifications consists of 459 subscribers whereas as the FCC Form 555 has 462 subscribers, hence there is a mismatch between the records.

No exception noted for Georgia.

Beneficiary Response:

Rhode Island: It was an input error in Form 555. The subscriber count per Form 497 of 6,306 should have been entered in Form 555. Given that the number in Form 555 Column A is not used in any calculation in Section 2 of the form, does not change the percentage calculation made in Section 3 of the Cox form, and that it has no impact upon USAC's reimbursements, it was not necessary to revise the filing.

Oklahoma: These 462 were re-certifications returned to Cox by subscribers rather than to USAC. Cox archived files only contained 459 subscribers forms upon retrieval.

Procedure 5

Description/Discussion

Reviewed Cox's recertification results of the individual subscribers reported on the FCC Form 555 filed the January following the AUP audit period for the three randomly selected states (Oklahoma, Rhode Island, and Georgia), as provided in supporting subscriber lists.

Noted that the data reported on the FCC Form 555 for those states agrees with the detailed recertification results.

Results

No exceptions noted

Procedure 6

Description/Discussion

The non-usage rule does not apply as a monthly fee is collected by Cox from its subscribers. Therefore, this procedure was not applicable to Cox and testing was not performed.

Procedure 7

Description/Discussion

Reviewed the carrier's annual certification, as provided in Item 13 of Appendix A. Noted that Cox reported all the required information and made all the certifications required by 47 C.F.R. § 54.422(a)(b).

Results

No exceptions noted.

Procedure 8

Description/Discussion

Cox was not designated by the FCC under 47 U.S.C. Section 214(e)(6). Cox is designated by state commissions and require no supporting descriptive worksheets. Therefore, this procedure was not applicable to Cox and testing was not performed.

Procedure 9

Description/Discussion

Inquired of Cox management on records maintenance requirements relating to Lifeline program.

Noted no discrepancies between the management's responses to the inquiries, and the Commission's Lifeline rules set forth in 47 C.F.R. § 54.417 in Appendix F of the Lifeline Biennial AUP Audit Plan.

Results

No exceptions noted.