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April 2, 2015

Via Electronic Submission

Charles Tyler
Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW, Room 5-A452
Washington, D.C. 20554

Thomas Buckley
Office of the Managing Director
445 12th Street, SW, Room 1-A636
Washington, D.C. 20554

Re: AT&T Inc. 2013 Lifeline Biennial Audit Final Report
WC Docket No. 11-42

Dear Mr. Tyler and Mr. Buckley:

AT&T Inc. ("AT&T") hereby submits its 2013 Lifeline Biennial Audit Final Report. As required, AT&T also submitted its filing to the Universal Service Administrative Company.

Should you have any questions, feel free to contact me.

Sincerely,

/s/ Anisa A. Latif
Anisa A. Latif

Attachment

Cc: Karen Majcher, High Cost Low Income Division, USAC

AT&T Inc.

Report of Independent Accountants on Applying Agreed-Upon Procedures

April 1, 2015

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Building a better working world

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Report of Independent Accountants on Applying Agreed-Upon Procedures

April 1, 2015

Report of Independent Accountants on Applying Agreed-Upon Procedures

Appendix A – Results of Agreed-Upon Procedures

Attachment A-1: Examples of Lifeline Subscriber Communications

Example 1

Example 2

Example 3

Example 4

Example 5

Appendix B – AT&T Management Responses

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Report of Independent Accountants on Applying Agreed-Upon Procedures

To the Board of Directors and Management
AT&T Inc.

We have performed the procedures enumerated in Appendix A, which were agreed to by the management of AT&T Inc. on behalf of its affiliated entities that are eligible telecommunications carriers (AT&T), the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC), (collectively, Specified Users), solely to assist you with respect to AT&T's compliance with the applicable requirements of FCC rules at 47 C.F.R. §§ 54.101, 54.201, and 54.400-54.417, and related FCC Orders with respect to providing discounts to eligible low-income consumers and seeking reimbursement from the Universal Service Fund (Lifeline Requirements) during the period from January 1, 2013 through December 31, 2013 (the Engagement Period). AT&T is responsible for its compliance with the Lifeline Requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed were those contained in FCC WC Docket No. 11-42, Attachment 3 – *Biennial Audit Plan, Universal Service Fund – Lifeline Program, General Standard Procedures for Biennial Independent Audits Required Under the Lifeline Reform Order*, erratum released September 19, 2014 (General Standard Procedures), or as directed by the Wireline Competition Bureau of the FCC. The procedures and the associated findings are documented in Appendix A.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on AT&T's compliance with the Lifeline Requirements. 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.

As provided for in the General Standard Procedures, AT&T, as a Specified User, prepared Appendix B, *AT&T Management Responses*, providing additional information regarding findings in the report. We were not engaged to and did not perform any procedures related to Appendix B.

This report is intended solely for the information and use of the board of directors and management of AT&T, the FCC and the USAC and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Ernst & Young LLP

April 1, 2015

A member firm of Ernst & Young Global Limited

Appendix A – Results of Agreed-Upon Procedures

The procedures shown in italics within this appendix are specifically listed in *Section III – Fieldwork Testing Procedures* in FCC WC Docket No. 11-42, *Attachment 3 – Biennial Audit Plan, Universal Service Fund – Lifeline Program, General Standard Procedures for Biennial Independent Audits Required Under the Lifeline Reform Order*, erratum released September 19, 2014 (the GSPs). All references to "GSP Appendix A," "GSP Appendix B" and "GSP Appendix F" within the procedures refer to Appendix A, Appendix B and Appendix F included with the GSPs.

<u>OBJECTIVE I:</u> Carrier Obligation to Offer Lifeline.

I-1 **Procedure:** *Inquire of management and obtain carrier policies and procedures in response to Item 4 of GSP Appendix A (Requested Documents) for offering Lifeline service to qualifying low-income consumers. Examine the carrier policies and procedures, and compare management responses and carrier policies and procedures with the Commission's Lifeline rules set forth in GSP Appendix F. Note any discrepancy between the policies and procedures and the Commission's rules.*

The AT&T eligible telecommunications carriers (ETCs) are organized within three service groups, Mobility ETC, Telco ETCs and Cricket ETCs, that offered Lifeline service to qualifying low-income consumers during the period from January 1, 2013 through December 31, 2013 (Engagement Period).

For each AT&T service group, we obtained copies of the written policies and procedures for offering Lifeline service to qualifying low-income consumers and management's responses to the background questionnaire defined in GSP Appendix B of the GSPs (Background Questionnaire) (collectively, the AT&T Lifeline Policies) and compared the AT&T Lifeline Policies to the Federal Communications Commission's (FCC or the Commission) rules defined in 47 Code of Federal Register (C.F.R) Sections 54.405, 54.407, 554.410, 54.416, 54.417, and 54.422 (collectively, the Lifeline ETC Requirements), and observed no discrepancies.

I-2 **Procedure:** *Inspect 10 examples of carrier marketing materials describing the Lifeline service (i.e., print, audio, video and web materials used to describe or enroll in the Lifeline service offering, including standard scripts used when enrolling new subscribers, application and certification forms), as provided in response to Items 4, 6 and 7 of GSP Appendix A, and note if the materials do not include the following:*

i. The service is a Lifeline service, which is a government assistance program;
ii. The service is non-transferable;
iii. Only eligible subscribers may enroll;
iv. Only one Lifeline discount is allowed per household; and
v. The ETC's name or any brand names used to market the service.

If all of the examples do not include this required information, identify and note the specific element(s) that are missing from each example. In the event the ETC does not have 10 different examples of marketing materials, it should submit as many as it uses to advertise the ETC's Lifeline service plans.

We obtained 42 examples of carrier marketing materials describing the Lifeline service: 17 examples from the Mobility ETCs, 15 examples from the Cricket ETCs and 10 examples from the Telco ETCs. From the 42 examples, we randomly selected 10 examples (2 examples from the Mobility ETCs, 6 examples from the Cricket ETCs and 2 examples from the Telco ETCs) and inspected each example for required information items i. through v. listed in Objective I, Procedure 2 above. For the 10 examples, we observed the following:

- One example, from the Cricket ETCs, included required information items i. and v., but did not include required information items ii, iii and iv.
- Nine examples included the required information items i. through v.

I-3 **Procedure:** *Randomly select 10 recorded calls out of the 50 recorded calls, servicing the ETC's Lifeline subscribers, as provided in response to Item 8 of GSP Appendix A. In reviewing the 10 recorded calls, note whether: (1) the telephone number(s) involve the use of interactive voice response (IVR) system; (2) a live customer care operator is available; and (3) and the time spent using the customer care telephone service. Also note whether the customer care telephone number(s) can be used by subscribers to notify the ETC of the subscriber's intent to cancel service or give notification that the subscriber is no longer eligible to receive service.*

We obtained 50 Lifeline customer service call recordings from the Mobility ETCs and 50 Lifeline customer service call recordings from the Telco ETCs. Management represented that, during the Engagement Period, the Cricket ETCs received all Lifeline customer service requests in person at Cricket retail locations, and none were received via customer service calls.

From the 100 call recordings obtained, we randomly selected 10 calls (five from the Mobility ETCs and five from the Telco ETCs), replayed the calls to observe whether: (1) whether the telephone numbers used by the Lifeline customer involved the use of interactive voice response (IVR) system; (2) whether a live customer care operator was available; (3) the time spent using the customer care telephone service; and (4) whether the customer care telephone number was used by subscribers to notify the ETC of the subscriber's intent to cancel service or give notification that the subscriber is no longer eligible to receive service. For the 10 selected calls, we observed the following:

- The telephone number used by the Lifeline customer involved the use of an IVR system.
- A live customer care operator was available during the call.
- The call times ranged from 58 seconds to 10 minutes, 45 seconds.
- None of the 10 calls were from Lifeline customers notifying the ETC of their intent to cancel service or give notice that they were no longer eligible to receive service.

I-4 **Procedure:** *Inspect applicable policies and procedures regarding de-enrollment from the program, including when the ETC will de-enroll subscribers based on lack of eligibility, duplicative support, non-usage, and failure to recertify, as further described below.*

a. Inspect the ETC's policy and procedures for de-enrollment where the ETC 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, as provided in response to Item 4 of GSP Appendix A. Note whether the policy and procedures detail the process for communications between the subscriber and ETC regarding de-enrollment, including, but not limited to: (1) notifying subscribers of impending termination of service; (2) allowing subscriber to demonstrate continued eligibility; and (3) termination of service for failure to demonstrate eligibility. Identify any areas that are not in compliance with section 54.405(e)(1) of the Commission's rules.

We inspected the AT&T Lifeline Policies, obtained in Procedure I-1, for policies and procedures specific to de-enrollment where the ETC has information indicating that the subscriber no longer meets the eligibility criteria for Lifeline service and observed that the AT&T Lifeline Policies included, without discrepancies, descriptions of the process for communications between the subscriber and the ETC regarding de-enrollment, including (1) notifying subscribers of impending termination of service; (2) allowing subscriber to demonstrate continued eligibility; and (3) termination of service for failure to demonstrate eligibility.

b. Inspect the carrier's policy and 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). Note if the policy and procedures state that the ETC will de-enroll subscribers within five business days of receiving notification from 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.

We inspected the AT&T Lifeline Policies, obtained in Procedure I-1, related to de-enrollment where the subscriber is receiving Lifeline service from another ETC or where more than one member of the subscriber's household is receiving Lifeline service. We observed that the AT&T Lifeline Policies indicate that the Mobility ETCs, Cricket ETCs and Telco ETCs have processes in place for de-enrolling subscribers when the ETC is notified that the subscriber is receiving duplicative Lifeline support. We observed that the policies of the Telco ETCs and Cricket ETCs state that the ETC will de-enroll subscribers within five business days of receiving notification from USAC program management that a subscriber or a subscriber's household is receiving duplicative Lifeline support.

The Mobility ETCs represented that, during the Engagement Period, they received no USAC notifications that its subscribers were receiving duplicative support. Management represented that if/when USAC management does notify the Mobility

ETCs that it must de-enroll a subscriber, the Mobility ETCs would de-enroll that subscriber within five business days, consistent with 47 C.F.R. § 54.405(e)(2).

c. *Inspect the carrier's policy and procedures for de-enrolling subscribers for non-usage (i.e., where a Lifeline subscriber fails to use Lifeline service for 60 consecutive days), including the process of how the carrier monitors and identifies subscribers who are non-users of Lifeline service but enrolled in the program. Using the list provided in response to Item 10 in GSP Appendix A, perform the following:*

   i. *For subscribers listed as de-enrolled or scheduled for de-enrollment, select a sample of at least 10 accounts and request copies of the non-usage termination notifications sent to the subscribers.*
   ii. *Examine the non-usage termination notifications to verify if the termination notifications explain that the subscriber has 30 days following the date of the impending termination notification to use the Lifeline service. Note if any of the non-usage termination notifications do not include this information, as required by section 54.405(e)(3) of the Commission's rules.*
   iii. *Attach a sample non-usage termination notification(s).*

   This procedure is not applicable, and no procedures were performed as the AT&T ETCs are not required to comply with section 54.405(e)(3) and section 54.407(c) of the Commission's rules regarding non-usage termination as they assessed and collected a monthly fee from Lifeline service subscribers during the Engagement Period.

d. *Review the carrier's policy and 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 any subscribers identified in Item 9.i, j and of GSP Appendix A, select a random sample of at least 30 and request copies of the notice of impending de-enrollment letters and all other communications sent to the subscribers involving recertification and perform the following:*

   i. *Inspect the sampled notice of impending de-enrollment letters and any other communications sent to the subscriber regarding re-certification to verify if the communications explain that the subscriber has 30 days following the date of the notice of impending de-enrollment letter to demonstrate continued eligibility or the carrier will terminate the subscriber's Lifeline service. Note if any of the impending de-enrollment letters do not include this information.*
   ii. *Review the de-enrollment letters, and other forms of communications, and the carrier's responses to the background questionnaire and verify through observation that the de-enrollment letters, if that form of communication was used, were sent by a method separate from the subscriber's bill (if a customer receives a bill from the carrier).*
   iii. *Attach a random sample of at least 5 examples of the impending de-enrollment letters to this procedure, and attach other forms of communications provided to the subscriber.*

We randomly selected 30 subscribers from the subscriber listings reported on FCC Form 555 in January 2014 provided by Mobility ETCs, Cricket ETCs and Telco ETCs, in response to GSP Appendix A, Item 9.i – Subscribers who responded to direct contact to re-certify eligibility, GSP Appendix A, Item 9. j. – Subscribers who responded to direct contact that they were no longer eligible, and GSP Appendix A, Item 9.m. – Subscribers whose eligibility was reviewed by a state administrator, USAC program management or via access to eligibility data who were found to be ineligible. For the 30 selected subscribers, we requested copies of the notice of impending de-enrollment letters and other communications sent involving recertification. We observed the following:

- The copies of the requested documents were obtained for 15 of the 30 subscribers (from the Cricket ETCs). The documents included an explanation that the subscriber had 35 days from the date of the notice of impending de-enrollment letter to demonstrate continued eligibility or the carrier would terminate the subscriber's Lifeline service.
- For 13 of the 30 subscribers (from the Telco ETCs), Management represented that the Telco ETCs did not retain the notice of impending de-enrollment letters sent.
- The Mobility ETCs relied on USAC program management to recertify Washington subscribers' eligibility. For one subscriber tested, the Mobility ETCs obtained a paper certification from USAC.
- For one Cricket ETCs subscriber, the subscriber cancelled his or her service prior to recertification.

Attachment A-1 includes five examples of the notice of impending de-enrollment letters and other forms of communication sent to subscribers during the Engagement Period.

<u>OBJECTIVE II:</u> Consumer Qualification for Lifeline.

II-1 **Procedure:** *Inquire of management and obtain carrier policies and procedures for limiting Lifeline support to a single subscription per household as provided by the carrier in response to Item 4 of GSP Appendix A. Examine the policies and procedures. Compare management responses and carrier policies and procedures with the Commission's Lifeline rules set forth in 54.409(c) (Appendix F). Note any discrepancies between the policies and procedures and the Commission's rule.*

We inspected the AT&T Lifeline Policies obtained in Procedure I-1, related to the Commission's rules, section 54.409(c) requiring that Lifeline support be limited to a single subscription per household (One Per Household Rules). We compared the AT&T Lifeline Policies to the One Per Household Rules and observed no discrepancies.

II-2 **Procedure:** *Review procedures the carrier has in place to ensure it has accurately completed the FCC Form 497. If the carrier does not have such procedures, inquire of management to describe the process for completing a FCC Form 497. The procedures or process should include the following:*

i. The position title of the person responsible for obtaining data for the FCC Form 497;
ii. The process for determining which subscribers should be included monthly in the FCC Form 497. Verify the procedures include cut-off and billing cycle dates, and only those subscribers active as of the start or end of the month;
iii. That a corporate officer signature is required for the FCC Form 497;
iv. 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;
v. Provides the billing system name used to generate completion of the form; and
vi. If applicable, describes the process for completing the Tribal Link Up portions of the FCC Form 497.

Within the AT&T Lifeline Policies obtained in Procedure I-1, management represented that the monthly Form 497s for the Mobility ETCs are processed by a Senior Financial Analyst within the HQ Network Finance department. The Senior Financial Analyst performs a query of the billing system that extracts active customers, as of the end of the month (last calendar day), who received Lifeline discounts on their current month bill. This query is then checked for duplicates, which are then removed prior to reporting. The Form 497 is independently reviewed by a Lead Financial Analyst in the HQ Network Finance department and signed by an officer of the Mobility ETCs.

Within the AT&T Lifeline Policies obtained in Procedure I-1, management represented that the monthly Form 497s for the Telco ETCs are processed by Lead and Senior Financial Analysts within the Regulatory Accounting department. The analysts perform a query of the billing system that extracts active customers, as of the last billing cycle date of the month, who received Lifeline discounts on their current month bill. In the study areas where Regulatory Accounting has access to subscriber names and service

addresses, the Lifeline query is then checked for duplicates, which are then removed prior to reporting. The Form 497 is then independently reviewed by a different Lead Financial Analyst in the Regulatory Accounting department and by the Director of Regulatory Accounting. The Form 497 is signed by the Director of Regulatory Accounting, who is an officer of the Telco ETCs.

Within the AT&T Lifeline Policies obtained in Procedure I-1, management represented that the customer lists reported in the monthly Form 497s for the Cricket ETCs are prepared by the Director of Accounting. All customers who received a Lifeline discount and paid for the discounted Lifeline service during the month are included in the Form 497, with the following exceptions: 1) if a customer disconnects mid-month, they are only included if they were active for more than 15 days of service; 2) customers who sign up for Lifeline service and are given the discount, but then never pay the discounted bill are not included in the Form 497; and, 3) any customers found to be duplicates or otherwise ineligible are not included in the Form 497. The Form 497 is then independently reviewed by the Manager of Government Affairs. The Form 497 is signed by the Chief Legal and Administrative Officer of the Cricket ETCs.

We observed that the Form 497 submissions selected in Procedure II-3 below:

- Included the name and title of the corporate officer signing and approving the Form 497 submission
- Included a corporate officer approving the Form 497, which was different from the person completing the form and obtaining the data for the form
- Did not report any information in the Tribal Link Up portion of the Form 497

We inquired of management as to which billing systems are used to complete the Form 497 submissions. Management represented that the Mobility ETCs use data from the Data Warehouse and Telegence systems, the Cricket ETCs use data from the IRB Billing System data warehouse and the Telco ETCs use its Customer Record Information System and the Lifeline Tracking Tool to complete the Form 497 submissions.

II-3 **Procedure:** *Obtain the Subscriber List in response to Item 1 of GSP Appendix A and obtain the carrier's FCC Form 497(s) for each study area in the selected states for the selected month. Examine the number of subscribers claimed on the Form(s) 497. Compare the number of subscribers reported on the Form 497(s) to the number of subscribers contained on the Subscriber List for each study area. Note any discrepancies in the number of subscribers.*

We obtained, from AT&T, the listing of states or territories where they are responsible for Lifeline certification forms. We forwarded the listing of states to USAC. USAC responded, on September 15, 2014, with the listing of the top three states for each ETCs amount of Lifeline support during the Engagement Period. From the listing of the top three states, we selected Oklahoma for testing. From the listing of the remaining states where the ETCs received Lifeline support during the Engagement Period, we randomly selected the states of Illinois and Washington for testing. We then randomly selected the month of September 2013. We requested lists of Lifeline subscribers claimed by the ETCs

for September 2013 in Illinois, Oklahoma and Washington. From the subscriber listing obtained, we observed that the Mobility ETCs included subscribers in Washington, the Telco ETCs included subscribers in Illinois and Oklahoma and the Cricket ETCs included subscribers in Illinois, Oklahoma and Washington.

From the subscriber listings obtained, we calculated the total number of subscribers listed by study area and compared this total to the total subscribers reported by the Mobility ETCs, the Cricket ETCs and the Telco ETCs in their Form 497 submissions for Illinois, Oklahoma and Washington for September 2013. No differences were observed.

II-4 **Procedure:** *Using computer-assisted audit techniques, examine the Subscriber List and note if there are any duplicate addresses with different subscribers. Create a list reflecting these results.*

Using computer-assisted data comparisons, we queried the subscriber listings obtained in Procedure II-3 above for duplicate addresses with different subscribers. From the subscriber listing population of 104,972, we identified and created a listing of 119 different subscribers with duplicate addresses.

II-5 **Procedure:** *From the list completed in #4. above, randomly select up to 30 subscribers from the list and request copies from the ETC of the one-per-household certification form for each of the selected subscribers. Verify that the selected subscribers certified to only receiving one Lifeline-supported service in his/her household using the one-per household worksheet. Note the number of missing or incomplete certifications. Even if subscribers enrolled in the program prior to June 2012, the effective date of the one-per-household requirement, at least one subscriber at each address is required to complete a one-per-household worksheet.*[1]

From the duplicate subscribers listing completed in Procedure II-4 above, we randomly selected 30 subscribers. For each of the 30 selected subscribers, we queried the subscriber listings obtained in Procedure II-3 above for the duplicate subscriber with the same address. Upon identifying the duplicate subscriber, we compared the start date of Lifeline service for the duplicate subscriber to the selected subscriber's Lifeline service start date. From this comparison, we grouped the selected subscribers into the following categories for testing:

- Thirteen of the 30 selected subscribers began Lifeline service prior to the duplicate subscriber
- Thirteen of the 30 selected subscribers began Lifeline service after the duplicate subscriber
- Four of the 30 selected subscribers began Lifeline service on the same date as the duplicate subscriber

[1] The Commission requires that all ETCs collect the one-per-household worksheet when they learn that a subscriber resides in the same address as another Lifeline subscriber. *See Lifeline Reform Order,* 27 FCC Recorded at 6691, 6895-96, para. 78, App. C.

For the 13 subscribers that began Lifeline service prior to the duplicate subscriber, no further procedures were performed.

For the 13 subscribers that began Lifeline service after the duplicate subscriber, we requested copies from the ETC of the one-per-household certification form for each selected subscriber.

- For 10 of the 13 subscribers, we observed that the one-per-household certification form included the subscriber's certification to only receiving one Lifeline-supported service in his/her household using the one-per household worksheet. No exceptions were noted.
- For one of the 13 subscribers, both the subscriber and the duplicate subscriber applied for Lifeline service on the same day, and the duplicate subscriber was processed and placed in service first. For this subscriber, we observed that the duplicate subscriber completed the one-per-household form that included his certification to only receiving one Lifeline-supported service in his or her household. No exception was noted.
- For one of the 13 subscribers, the Telco ETCs provided documentation that customers' billing address was that of a social service organization that offers specialized vocational and residential services, and other documentation that the customers listed different physical home addresses on their Lifeline applications. No exception noted.
- For one of the 13 subscribers, Management represented that the Cricket ETCs relied on their manual procedures to check for duplicate Lifeline service at the subscriber's address and was in transition to the SOLIX system. At the time of the subscriber's Lifeline application, the SOLIX system did not indicate to Cricket a duplicate Lifeline service.

For the four subscribers that began Lifeline service on the same date as the duplicate subscriber, we requested copies from the ETC of the one-per-household certification form for either the selected subscriber or the duplicate subscriber. For these subscribers, we observed that the one-per-household certification form included either the subscriber's or the duplicate subscriber's certification to only receiving one Lifeline-supported service in his or her household using the one-per household worksheet. No exceptions noted.

<u>OBJECTIVE III:</u> Subscriber Eligibility Determination and Certification.

III-1 **Procedure:** *Inquire of management and obtain carrier policies and procedures for ensuring that its Lifeline subscribers are eligible to receive Lifeline services as provided by the carrier in response to Item 4 of GSP Appendix A. Examine the policies and procedures. Compare management responses and carrier policies and procedures with the Commission's Lifeline rules set forth in section 54.410 (Appendix F). Note any discrepancies between the policies and procedures and the Commission's rule.*

a. Inspect the ETC's policies and look for evidence as to whether it includes a policy that the ETC does not retain copies of subscribers' proof of income- or program-based eligibility. Note in the Attestation Report if such a policy is not included.

b. Inspect the ETC's policies and look for evidence as to whether it includes a policy or procedure that the ETC must fully verify 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 verified and all other necessary enrollment steps have been completed.

We inspected and compared the AT&T Lifeline Policies obtained in Procedure I-1 to the Commission's rules section 54.410 regarding Lifeline subscriber eligibility determination and certification and observed no discrepancies.

III-2 **Procedure:** *Examine the ETC's policies and procedures for training employees and agents for ensuring that the ETC's Lifeline subscribers are eligible to receive Lifeline services, including any policies regarding how the company ensures employees and agents have completed the training. In the report, summarize the training requirements and ETC policies for ensuring employees and agents are trained on the use and interaction with the NLAD, limiting access to the NLAD to select individuals, and the rules for ensuring subscribers are eligible to receive Lifeline services and have completed all forms necessary to receive service. Include information provided regarding the timing, frequency and evidence of completion of the initial and any subsequent Lifeline subscriber eligibility and certification trainings required of the ETC's employees.*

We inspected the AT&T Lifeline policies and procedures obtained in Procedure I-1 regarding training employees and agents for ensuring that the ETC's Lifeline subscribers are eligible to receive Lifeline services, including any policies regarding how the company ensures employees and agents have completed the training and prepared the following summary of Lifeline training provided.

Lifeline Training Summary

During the Engagement Period, the Mobility ETCs trained employees through a series of required online learning videos and live training sessions totaling 36 hours during New Hire training. See Table 1 below for a listing of topics covered in New Hire training. All new agents were required to complete New Hire training before they are allowed to begin serving customers. Training completions were tracked within the employee's personnel records. Employees also received "side-by-side" training as additional tasks were assigned. Refresher training was required as needed based on the individual employee's call evaluations and observations.

Table 1:
Mobility ETCs New Hire Training Topics
What is Lifeline? • Overview of program: participating states • Overview of eligibility and sign up • Overview of product offerings phones and voice plans available
Looking Into Lifeline Service • Checking on an application • Ordering a phone
Lifeline frequently asked questions Lifeline Four R's
Non-tribal & tribal voice plans Eligibility requirements Devices available to Lifeline accounts
Using mapping tools to determine Lifeline subscriber eligibility
State-specific Lifeline requirements & scripts
Lifeline procedures for migrated customers
Lifeline procedures – Mobility customer systems
Highlights of Lifeline program – summary

Access to NLAD was granted to appropriate employees through the Mobility ETCs' NLAD administrator. Employees given NLAD access were required to participate in the following NLAD training online learning videos listed in Table 2 below:

Table 2:
Mobility ETCs – Service Provider NLAD Training Videos
Logging In to NLAD
Subscriber Lookup
Updating a Subscriber
Running Reports

Enrolling a Subscriber
De-Enrolling a Subscribers
Uploading a Subscriber File
Transferring a Subscriber Benefit
Submitting an Exception

The Telco ETCs provided Lifeline service training during new hire training to all customer service representatives performing the Lifeline eligibility process. The new hire training was a 10-day course that included modules on the Lifeline product and business rules, interfacing with the systems used to order Lifeline service, Lifeline scripts, state-specific requirements and scripts and Lifeline job aids. Upon completion of the New Hire training, customer service representatives were tested on the Lifeline program requirements and procedures and were required to achieve a passing score before they completed the training. Transcripts of the training attended were maintained within the employee's personnel files. Additionally, the customer service representatives were required to complete certification to demonstrate they can handle the inbound calls as trained. Once a customer service representative was acclimated to inbound call handling, they were then trained on the inbound mail process. Subsequent training communications and updates were provided to customer service representatives as needed. Management represented that the Telco ETCs did not use NLAD during the Engagement Period.

From January 1, 2013, through October 5, 2013, the Lifeline subscriber requests were initiated by Cricket ETCs sales representatives that provided the Lifeline application for the customer to complete and reviewed the applicant's government issued identification and supporting program or income documentation at point of sale to support Lifeline eligibility. The Lifeline application and supporting documentation was then passed to the Cricket ETCs' back office team to perform the Lifeline eligibility process. On October 6, 2013, the Cricket ETCs sales representatives began using a tablet-based application to collect the required data from all customers to support the Lifeline eligibility process. The tablet application included the ability to identify data errors that required correction prior to completing the application. The tablet application is a direct interface to the back-end process that interfaces with NLAD. During the Engagement Period, the Cricket ETCs provided training to sales representatives for major enhancements to the Lifeline program and provided routine Lifeline program enforcement and improvement training through One Voice Bulletins. During the Engagement Period, the Cricket ETCs provided the following Lifeline trainings to the back office teams: New Hire training, routine improvements training and routine program enforcement and improvement training to sales agents through One Voice Bulletins. The Cricket ETCs used a quality management team to confirm adherence to sales practices and materials at point of sale through store visits and compliance scores.

III-3 **Procedure:** *Randomly select at least 100 subscribers from the Subscriber List and for the first 50 of the sampled subscribers, the auditor will perform the test described below, for each of the subscriber's certification and recertification forms.*[2] *After performing the tests described below for the first 50 sampled subscribers, if the error rate is higher than 5 percent, the auditor should apply the same procedure to the remaining 50 subscribers in the sample and record the results.*

a. *Examine the subscriber certification and recertification forms, if any, to verify the forms contain the following information:*

   i. *Lifeline is a federal benefit and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program;*

   ii. *Only one Lifeline service is available per household;*

   iii. *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;*

   iv. *A household is not permitted to receive Lifeline benefits from multiple providers;*

   v. *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;*

   vi. *Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person;*

   vii. *Require each prospective subscriber to provide the following information:*

      1. *The subscriber's full name;*
      2. *The subscriber's full residential address;*
      3. *Whether the subscriber's residential address is permanent or temporary;*
      4. *The subscriber's billing address, if different from the subscriber's residential address;*
      5. *The subscriber's date of birth;*
      6. *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;*
      7. *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*

[2] In the event the auditor chooses a sampled subscriber that enrolled in the program prior to June 1, 2012 (before the effective date of section 54.410 of the Commission's rules), the auditor should randomly select another subscriber that enrolled in the program after June 1, 2012. Subscribers enrolled in Lifeline service subsequent to June 1, 2012 are subject to the initial certification process but are not subject to the recertification process for that year.

assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and

8. *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.*

viii. *Require each prospective subscriber to certify, under penalty of perjury, that:*

1. *The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;*
2. *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.*
3. *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);*
4. *If the subscriber moves to a new address, he or she will provide that new address to the ETC within 30 days;*
5. *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;*
6. *The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,*
7. *The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and*
8. *The subscriber acknowledges that the subscriber may be required to re-certify 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).*

ix. *Compare 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. Note any discrepancies. Note: The ETC may list the eligibility criteria in its entirety or may allow the subscriber to note only his/her qualifying criterion on the form.*

x. *Verify 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.*

xi. *Examine the subscriber's initial certification form to verify the initial certification form is 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.*

xii. If applicable, verify subscribers who received Tribal Lifeline support certified to residing on Tribal lands.

From the Subscriber List obtained in Procedure II-3, we randomly selected 100 subscribers. For the first 50, of the 100 randomly selected subscribers, we obtained the subscriber's certification form or recertification form and performed the following procedures:

- i. through viii.
  We obtained copies of the subscriber certification and recertification forms, where applicable, used by the Mobility ETCs, Telco ETCs and Cricket ETCs during the Engagement Period. We compared the information included on the forms to the information listed in Procedure III-3.a. i. through III-3.a.viii. and that the forms either included the list of federal subscriber eligibility requirements per 47 C.F.R. § 54.409 or allowed the subscriber to list his or her qualifying criteria on the form. For the 50 forms obtained, we observed the following:
  - For eight of the 50 subscribers tested, their initial certification forms included all the information listed in Procedure III-3.a. i. through III-3.a.viii., except for whether the subscriber's residential address is temporary or permanent. These eight subscribers executed their initial Lifeline certification forms during July 2012 and August 2012.
  - For 42 of the 50 subscribers tested, their certification or recertification form included all the information listed in Procedure III-3.a. i. through III-3.a.viii.
- ix.
  We compared the responses provided by the selected subscribers on the certification or recertification forms to all the information listed in procedures i. through viii. and regarding the subscriber's eligibility criteria. We observed no discrepancies.
- x.
  For the 50 selected subscribers, we observed that their certification or recertification forms included the subscriber's signature and selection of their eligibility criteria.
- xi.
  We compared the date of the subscriber's initial certification form and compared it to the Lifeline service start date provided in the Subscriber Listing. For nine of the 50 selected subscribers, their Lifeline service start date was prior to June 1, 2012. We replaced these nine subscribers with nine subscribers from the sample of 100 total subscribers randomly selected above. For the 50 (41 originally selected and nine replacements) selected subscribers, we inspected their initial certification form and observed the following:
  - For 48 of the 50 selected subscribers tested, the Lifeline service start date followed the date of their initial certification form.
  - For two of the 50 selected subscribers tested, the Lifeline service start date was prior to the date of their initial certification form. Management

represented that these two subscribers, both of which subscribed in 2012, were granted a 30- or 60-day courtesy Lifeline credit pending their certification and that the ETC did not request reimbursement of the courtesy credits in the Form 497s for the respective months. Management also represented that, as of December 9, 2013, they no longer grant courtesy credits to Lifeline subscribers.

- xii.
  For the 50 selected subscribers tested, we observed that 16 subscribers received Tribal Lifeline support.
  - For 13 of the 16 subscribers, the subscriber certified that he or she was an eligible resident of Tribal lands, or lived on Tribal lands.
  - For three of the 16 subscribers, the ETC validated that the subscriber lived on Tribal lands with zip code verification.

b. *Review the list of the data source or documentation the ETC reviewed to confirm the subscriber's eligibility. Verify the recorded data sources are eligible data sources per 47 C.F.R. § 54.410, such as (1) income or program eligibility databases, (2) income or program eligibility documentation, or (3) confirmation from a state administrator.*

   For the 50 selected subscribers, we compared the data sources used by the ETCs to confirm the subscriber's eligibility that was recorded on the subscriber's certification or recertification forms to the eligible data sources per 47 C.F.R. § 54.410. We observed no exceptions.

<u>OBJECTIVE IV:</u> Annual Certifications and Recordkeeping by Eligible Telecommunications Carriers.

IV-1 **Procedure:** *Inquire of management and obtain carrier policies and procedures for ensuring that the carrier has 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 GSP Appendix A. Examine the policies and procedures. Compare management responses and carrier policies and procedures with the Commission's Lifeline rules set forth in sections 54.416 and 54.522 (Appendix F). Note any discrepancies between the policies and procedures and the Commission's rules.*

We inspected and compared the AT&T Lifeline Policies obtained in Procedure I-1 regarding the ETCs' annual certifications required under sections 54.416 and 54.422 of the Commission's rules and observed no discrepancies.

IV-2 **Procedure:** *Examine the ETC's FCC Form 555 that was filed the January following the audit period.*[3] *Verify the carrier made all of the following certifications. An officer of each ETC must certify that s/he understands the Commission's Lifeline rules and requirements and that the carrier:*

a. Has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services;
b. Is in compliance with all federal Lifeline certification procedures; and
c. *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.*

Pursuant to the sampling selection criteria in Procedure IV-5 below, we selected and obtained the FCC Form 555 filings submitted in January 2014 for the Mobility ETC for the Washington study area, the Telco ETCs for the Illinois and Oklahoma study areas and the Cricket ETCs for the Illinois, Oklahoma and Washington study areas. We read the six FCC Form 555s and observed that they included an officer's certification that the other understands the Commission's Lifeline rules and requirements and that the carrier:

- Has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services
- Is in compliance with all federal Lifeline certification procedures
- 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

[3] For the first biennial audit, the auditor would examine the Form 555 filed January 2014, which represents the subscribers recertified during calendar year 2013.

IV-3 **Procedure:** *Examine the ETC's organizational chart provided in response to Item 5 of GSP Appendix A. Verify that the certifying officer on the FCC Form 555 is an officer per the organizational chart or other publicly available documents.*

We obtained the organizational charts provided by the Mobility ETCs, Telco ETCs and Cricket ETCs. We compared the names of the persons certifying the six FCC Form 555 filings obtained in Procedure IV-2 above to the organizational charts and observed that the six FCC Form 555 filings were certified by officers within their respective ETC.

IV-4 **Procedure:** *Verify that the subscriber count per the FCC Form 555 agrees with the total subscriber count per the February Form 497. Note: The FCC Form 555 is completed by the carrier at the state level (not the study area level). If the carrier has two study areas in one state, the carrier must combine the results of both study areas and complete one Form 555 for that state.*

We obtained the Form 497 filings for February 2013 for the Mobility ETC for Washington, the Telco ETCs for Illinois and Oklahoma and the Cricket ETCs for Illinois, Oklahoma and Washington. Using these Form 497 filings and the six Form 555 filings obtained in Procedure IV-2 above, we compared Form 555 Item A (Number of Subscribers Claimed on February FCC Form(s) 497 of current Form 555 calendar year) to the total number of subscribers reported on the Form 497 (the sum of subscribers reported in line 8, non-tribal subscribers and line 9, tribal subscribers) and observed the following:

- No differences were observed for the Cricket ETCs for Illinois, Oklahoma and Washington and the Mobility ETC for Washington.
- For the Telco ETC for Illinois, the Form 497 reported 21,381 subscribers, compared to 20,368 subscribers reported in Form 555 filing, Item A, resulting in a difference of 1,013 subscribers.
- For the Telco ETC for Oklahoma, the Form 497 reported 16,656 subscribers, compared to 15,558 subscribers reported in Form 555 filing, Item A, resulting in a difference of 1,098 subscribers.

IV-5 **Procedure:** *For the month of February, the auditor shall: (i) randomly select one of the three states or territories where the ETC received the largest amount of Lifeline support and is responsible for the annual recertification process; and (ii) randomly select two additional states or territories where the ETC is responsible for the annual recertification process (Recertification Sample). In the event the ETC did not receive Lifeline support in at least 3 states or territories, the auditor shall select all of the states or territories where the ETC received Lifeline support during the audit period. Using the Recertification Sample, the auditor shall review the ETC's recertification results of the individual subscribers reported on the FCC Form 555 filed the January following the audit period for those three randomly selected states, as provided in Item 9of GSP Appendix A. Verify that the data reported on the FCC Form 555 for those states agree with the detailed recertification results.*

For the month of February 2013, we obtained a listing of the three states where AT&T (Mobility ETCs and Telco ETCs, collectively) and Cricket ETCs each received the largest

amount of Lifeline support from USAC. For AT&T, those three states were Florida, Ohio and Oklahoma, and for Cricket the three states were Arizona, Illinois and Oklahoma. We judgmentally selected Oklahoma for testing, as it was the only largest Lifeline support state listed for both AT&T and Cricket.

We obtained a listing of 40 remaining states and territories where the Mobility ETCs, Telco ETCs and Cricket ETCs provided Lifeline service during the Engagement Period from USAC. From the listing of the 40 remaining states and territories, we removed California, Nebraska and Texas as these states administer the Lifeline certification and recertification process. From the remaining 37 states and territories, we randomly selected Illinois and Washington for testing.

Using the six Form 555 filings obtained in Procedure IV-2 and the list of subscribers provided by the Company in response to GCP Appendix A, Item 9 (A9 Population), we compared Form 555 Item A (Number of Subscribers Claimed on February FCC Form(s) 497 of current Form 555 calendar year) to the total number of subscribers in the A9 Population and observed the following:

- No differences were observed for the Cricket ETCs for Illinois, Oklahoma and Washington.
- The population of recertified subscribers included four subscribers not reported by the Mobility ETC for Washington.
- For the Telco ETC for Illinois, the A9 Population included 21,579 subscribers, compared to 20,368 subscribers reported in Form 555 filing, Item A, resulting in a difference of 1,211 subscribers.
- For the Telco ETC for Oklahoma, the A9 Population included 19,552 subscribers, compared to 15,558 subscribers reported in Form 555 filing, Item A, resulting in a difference of 3,994 subscribers.

IV-6 **Procedure:** *If the non-usage rule applies to the ETC, the auditor shall (i) randomly select three months during the audit period; (ii) randomly select one of the three states or territories where the ETC received the largest amount of Lifeline support; (iii) randomly select two additional states or territories where the ETC receives Lifeline support; and (iv) review the ETC's detailed non-usage results of the individual subscribers reported on the FCC Form 555 for those three randomly selected months within the three selected states, as provided in Item 10 of GSP Appendix A (Non-Usage Sample). In the event the ETC did not receive Lifeline support in at least 3 states or territories, the auditor shall select all of the states or territories where the ETC received Lifeline support during the audit period. Verify that the data reported on the FCC Form 555 for the Non-Usage Sample agrees with the detailed non-usage results.*

As all AT&T ETCs assess and collect monthly fees from Lifeline subscribers, the non-usage rules do not apply and this procedure was not performed.

IV-7 **Procedure:** *Review the carrier's annual ETC certification, as provided in Item 13 of GSP Appendix A. Verify that the ETC reported all the information and made all the certifications required by 47 C.F.R. §54.422(a)(b).*

Along with the six Form 555 filings obtained in Procedure IV-2 above, we obtained the following FCC Form 481- Carrier Annual Reporting, Data Collection Form submissions in response to Item 13 of GSP Appendix A:

- Study area code 529910, AT&T Mobility FCC Form 481 filed June 20, 2014
- Study area code 345070, Illinois Bell FCC Form 481 filed June 26, 2014
- Study area code 435215, Southwestern Bell – Oklahoma FCC Form 481 filed June 26, 2014
- FCC Form 481 Erratum, Wireline affiliates filed August 18, 2014

We inspected the FCC Form 481 submissions listed above and observed that they included the following information required by 47 C.F.R. §54.422(a), no exceptions were observed.

- Company name
- Holding company name
- Operating companies and affiliates
- Branding ("doing-business-as company" or brand designations)
- Study area code
- Website link to information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan

We inspected the FCC Form 481 submissions listed above and observed that they included the following information required by 47 C.F.R. §54.422(b)(1):

- Study area code 345070, Illinois Bell FCC Form 481 and study area code 435215, Southwestern Bell – Oklahoma FCC Form 481 indicated that they had no outages to report in the prior calendar year.
- Study area code 529910, AT&T Mobility FCC Form 481 included an attachment detailing the required outage information for the prior calendar year.

We inspected the FCC Form 481 submissions listed above and observed that they included the following information required by 47 C.F.R. §54.422(b)(2), and no exceptions were noted.

- The number of complaints per 1,000 connections in the prior calendar year
- Certification of compliance with the applicable service quality standards and consumer protection rules
- Certification that the carrier is able to function in an emergency situation as set forth in §54.202(a)(2)

IV-8 **Procedure:** *Review any supporting schedules related to the carrier's annual ETC certification, as provided in Item 13 of GSP Appendix A. Verify that the data reported on the annual ETC certification agrees with the supporting schedules.*

No supporting schedules related to the Illinois Bell and Southwestern Bell – Oklahoma annual ETC certifications were provided in Item 13 of GSP Appendix A.

For the AT&T Mobility annual ETC certification, the only attachment or supporting schedule provided in Item 13 of GSP Appendix A was the required outage attachment discussed in Procedure IV-7 above. No further procedures were performed on this schedule as it did not contain information otherwise included in the Form 481 submission.

IV-9 **Procedure:** *Inquire of management and obtain carrier policies and procedures for maintaining records that document compliance with the Lifeline program rules, as provided by the carrier in response to Item 4 of GSP Appendix A. Examine the policies and procedures. Compare the management responses and carrier policies with recordkeeping rules set forth in 47 C.F.R. § 54.417. Note any discrepancies between the policies and procedures and the Commission's rule.*

We inspected and compared the AT&T Lifeline Policies obtained in Procedure I-1, related to the Commission's recordkeeping rules, section 54.417. We observed no discrepancies.

Attachment A-1 – Examples of Lifeline Subscriber Communications

Important

RE: Required Annual AT&T Lifeline Certification for **[Wireless Number]**

[RMC Code]
[Customer name]
[Address 1]
[Address 2]
[City], [State][ZIP + 4]

DATE

Lifeline requires yearly recertification of eligibility.

Dear [Customer Name],

You are currently receiving a monthly Lifeline credit on your AT&T wireless bill. Among other things, eligibility for Lifeline service is determined based on income or participation in certain low-income assistance programs. To continue receiving your Lifeline credit you will need to recertify your eligibility:

The Universal Service Administrative Company (USAC) will send you documents to complete and return. USAC administers the Lifeline program on behalf of the Federal Communications Commission.

- You must complete and return the documents as instructed by the due date in USAC's letter to continue receiving the Lifeline credit.

If you do not provide the required information to USAC by the due date and/or you are no longer eligible for the Lifeline credit, your eligibility for the Lifeline plan will automatically terminate and you will be transferred to the AT&T Nation $39.99 calling plan (see enclosed brochure for details). If you would instead like to cancel your wireless service without incurring an early termination fee, please contact AT&T at **800.377.9450** by the due date on the letter you receive from USAC.

We appreciate the opportunity to continue to serve you. If you have any questions regarding this letter or your Lifeline service, please contact a dedicated Lifeline Customer Service Representative at **800.377.9450**.

Sincerely,

AT&T

Enclosure: brochure

Lifeline is a government assistance program, the service is nontransferable, only eligible consumers may enroll in the program, and the program is limited to one discount per household consisting of either wireline or wireless service. 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; Consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. A consumer must notify its telephone service provider within 30 days if he or she no longer qualifies for Lifeline service. Specifically, a consumer must notify its telephone service provider within 30 days if (1) the consumer ceases to participate in a federal or state qualifying program or programs or the consumer's annual household income exceeds 135 percent of the Federal Poverty Level Guidelines (if that is the criterion by which that consumer qualified for Lifeline); (2) the consumer is receiving more than one Lifeline-supported service; or (3) the consumer, for any other reason, no longer satisfies the criteria for receiving Lifeline support.

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Nation.v2

Example 2

Lifeline Program Annual Recertification Form

The Lifeline Program is a federal program that helps eligible consumers pay for wireless or home telephone service by discounting monthly service bills. At least once each year, consumers who receive Lifeline Program-supported service must recertify that 1) they remain eligible, and 2) no one else in their household receives Lifeline Program-supported service.

You must complete all sections of this form within 30 days to recertify your continued eligibility for the Lifeline Program or your service provider will remove the Lifeline Program benefits from your account.

Mail your completed form to:
Federal Lifeline Program – Annual Certification
Consumer Service Response Center
PO Box 1550
Milan, Illinois 61264

Section 1: Consumer Information

1 I am 18 years of age or older and I am not claimed as a dependent on anyone's tax return. ☐ Yes ☐ No

2 First Name:	3 Last Name:
4 Date of Birth (mm/dd/yyyy):	5 Last 4-digits of Social Security Number:

If you are unable to provide the last four digits of a Social Security Number, complete line 6.

6 Tribal Identification (Tribal ID) Number:

7 Telephone Number:

Service address of principal residence (no Post Office Box):

8 Street Address:		9 Apt:
10 City:	11 State:	12 Zip Code:

13 Is this a temporary address? ☐ Yes ☐ No

Billing address, if different from service address (may include Post Office Box):

14 Street Address:		15 Apt:
16 City:	17 State:	18 Zip Code:

Section 2: Program Requirement — One Per Household

A "household" is any individual or group of individuals who live together at the same address and share income and expenses. Only one person in a household can qualify to receive Lifeline Program-supported telephone service. Only one telephone service in a household can receive Lifeline Program support. A household may not receive Lifeline Program benefits from multiple service providers.

19 ☐ My initials here certify that I meet the one-per-household requirement. I understand that falsely certifying eligibility is a violation of the rules of the Federal Communications Commission and will result in my removal from the Lifeline Program and could result in criminal prosecution by the United States government.

20 ☐ My initials here certify that I reside on Tribal lands (if applicable).

21 Do you live at an address at which there are multiple households? ☐ Yes ☐ No

If "yes" is checked, you must complete a supplemental form to recertify your eligibility. Please contact your service provider.

Section 3: Program Requirement — Eligibility

Complete this section to indicate that you (or your dependent or a member of your household) receives benefits from at least one of the programs listed below OR your household meets the income requirement.

22 ☐ I (or my dependent or member of my household) receive benefits from at least one of the programs listed below.

If checked, please indicate the program(s) from which you (or your dependent or member of your household) receives benefits. Check all that apply.

- ☐ Medicaid
- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ Supplemental Security Income
- ☐ Federal Public Housing (Section 8)
- ☐ Low Income Home Energy Assistance Program
- ☐ Temporary Assistance for Needy Families (TANF)
- ☐ National School Lunch/Free Lunch Program (NSL)
- ☐ Tribal Temporary Assistance for Needy families (Tribal TANF)
- ☐ Bureau of Indian Affairs General Assistance
- ☐ Head Start (Only if residing on tribal lands and household meets the income qualifying standard)
- ☐ Food Distribution Program on Indian Reservations

☐ State approved assistance program: _____.

☐ I do not receive benefits, but my dependent or a member of my household does receive benefits from a program checked above. Full name of dependent or household member receiving benefits _____.

See Report of Independent Accountants on Applying Agreed-Upon Procedures
Dated April 1, 2015

23 ☐ My household income is at or below the amount listed below for my state.

If checked, number of people in my household: _____

FEDERAL POVERTY LEVEL GUIDELINES

Household Size	Alaska	Florida, Kansas, Michigan, New Mexico	All Other States and DC
1 person	$19,373	$17,235	$15,512
2 people	$26,163	$23,265	$20,939
3 people	$32,954	$29,295	$26,366
4 people	$39,744	$35,325	$31,793
5 people	$46,535	$41,355	$37,220

Household Size	Alaska	Florida, Kansas, Michigan, New Mexico	All Other States and DC
6 people	$53,325	$47,385	$42,647
7 people	$60,116	$53,415	$48,074
8 people	$66,906	$59,445	$53,501
For each additional person, add:	$6,791	$6,030	$5,427

Section 4: Notification Obligations

You have obligations if you receive Lifeline Program benefits. You must initial the statements below to acknowledge you understand your obligations:

24	☐	I will notify my service provider within 30 days if I (or my dependent or household member) no longer participate(s) in the federal/state programs identified in my application or if my household income exceeds 135 percent of the Federal Poverty Guidelines.
25	☐	I will notify my service provider within 30 days if I or my household begins to receive more than one Lifeline Program benefit.
26	☐	I will notify my service provider within 30 days if I no longer qualify for Lifeline Program benefits for any reason.
27	☐	I will notify my service provider of my new address within 30 days of moving.
28	☐	I understand these notification obligations and that I may be subject to penalties if I fail to provide this notice.

Section 5: Certifications

You must certify the following statements. You must read and initial all certifications.

29	☐	I hereby certify under penalty of perjury that I (or my dependent or other member of my household) currently receive(s) benefits from the federal/state program(s) identified above or my annual household income is at or below 135 percent of the Federal Poverty Guidelines.
30	☐	I hereby certify under penalty of perjury that I acknowledge that my household can only receive one Lifeline Program benefit and to the best of my knowledge my household is not receiving more than one Lifeline Program benefit from either a home phone or wireless service provider.
31	☐	I hereby certify under penalty of perjury that I agree not to transfer my Lifeline Program benefits to another person.
32	☐	I hereby certify under penalty of perjury that I acknowledge that I may be required to recertify my continued eligibility at any time and failure to recertify my eligibility for the Lifeline Program as required will result in my removal from the Lifeline Program.
33	☐	I hereby certify under penalty of perjury that I agree that my service provider may transmit to the Administrator of the National Lifeline Accountability Database my full name, my full residential address, my date of birth, the last four digits of my Social Security Number, my Tribal Identification Number (if I am a member of a Tribal nation), the telephone number to be associated with the Lifeline Program benefit, the date on which the Lifeline Program service began, the date on which the Lifeline Program benefit ended, the amount of support sought by my service provider, and the means through which I qualify for the Lifeline Program benefit. I understand that transmission of this information is required to ensure the proper administration of the Lifeline Program. I also understand that if I refuse to have this information transmitted to the Administrator, I will be denied Lifeline Program benefits.
34	☐	I hereby certify under penalty of perjury that my service provider may continue to monitor my participation in the identified federal/state program(s) for continued eligibility for Lifeline Program benefits.
35	☐	I hereby certify under penalty of perjury that I agree to allow my service provider to exchange any necessary information with the appropriate state or federal agency to verify my eligibility to participate in the Lifeline Program.
36	☐	I hereby certify under penalty of perjury that all of my responses and acknowledgements provided on this application are true and correct to the best of my knowledge.
37	☐	I hereby certify under penalty of perjury that I acknowledge that willingly making false statements or providing false or fraudulent information to obtain Lifeline Program benefits is punishable by law and can result in fines, imprisonment, de-enrollment, or being barred from the program.

38 Signature:

39 Date: | 40 Printed Name:

Month DD, YYYY

«First_Name» «Last_Name»
«Street_Address»
«City», «State» «Zip»-«Zip4»

Dear «First_Name» «Last_Name»:

«Service_Provider» has notified us that you currently receive Lifeline supported voice telephony (i.e., phone) service. At least once each year, consumers who receive a Lifeline supported phone service must recertify that they remain eligible to participate in the program and that no one else in their household receives Lifeline supported phone service from «Service_Provider» or any other phone service provider. Failure to complete the annual recertification process will result in the elimination of the Lifeline support and may lead to either an increase in your monthly phone service bill or termination of phone service if your Lifeline supported service is provided without a monthly charge.

«Service_Provider» has partnered with the Universal Service Administrative Company (USAC) to recertify your eligibility to continue receiving Lifeline supported service from «Service_Provider»

You must take action within 30 days from the date of this letter to continue to receive a Lifeline supported phone service. ***Please choose ONE of the following options in response to this letter:***

1. Log onto a secure web portal, www.RecertifyMyLifeline.com, within 30 days of this letter to complete your recertification online. **This web portal is the best method to use to recertify; it is available 24 hours a day, seven days a week.**

2. Fill out the enclosed Lifeline Program Recertification Form, complete all certifications and sign the form, and mail the form to:

   USAC Lifeline Program – Annual Certification
   Consumer Service Response Center
   P.O. Box 1550
   Milan, Illinois 61264

3. Call 1-866-351-3487 within 30 days of the date of this letter to complete your re-certification by dialing into an automated telephone system and keying in responses to audio prompts. **Calls are accepted 24 hours a day, seven days a week. It may take up to 10 minutes to complete your re-certification using this method.**

Should you have any questions concerning this notification or need further assistance regarding your Lifeline discount, please call «Service_Provider» at 1-«Service_Provider_Contact».

Sincerely,

The Universal Service Administrative Company (USAC)

WARNING: Lifeline is a U.S. government benefit program, and consumers that willfully make false claims to obtain Lifeline Program support can be punished by fine or imprisonment, or can be barred from the program.

USAC

Example 3
Spanish

Month DD, YYYY

«First_Name» «Last_Name»
«Street_Address»
«City», «State» «Zip»-«Zip4»

Estimado «First_Name» «Last_Name»:

«Service_Provider» nos ha notificado que usted actualmente recibe servicio de telefono (por ejemplo, teléfono) que está apoyado por Lifeline. Por lo menos una vez al año, los consumidores que reciben un servicio telefónico apoyado por Lifeline deben recertificar que siguen siendo elegibles para participar en el programa y que nadie mas en su hogar recibe Lifeline con «Service_Provider» o cualquier otro proveedor de servicios telefónicos. Si no se completa el proceso anual de recertificación dará lugar a la eliminación de la asistencia de Lifeline y puede dar lugar tanto a un aumento en su factura de servicio telefónico mensual o terminación del servicio telefónico si se proporciona el servicio apoyado Lifeline sin cargo mensual.

«Service_Provider» se ha asociado con la Universal Service Administrative Company (USAC) para recertificar su elegibilidad para continuar recibiendo el servicio apoyado por Lifeline de «Service_Provider».

Usted debe tomar medidas dentro de los 30 días siguientes a la fecha de esta carta para continuar recibiendo un servicio telefónico apoyado por Lifeline. ***Por favor, elija UNA de las siguientes opciones en respuesta a esta carta:***

1. Inicie sesión en un portal web seguro, www.RecertifyMyLifeline.com, dentro de los 30 días de esta carta para completar su recertificación en línea. **Este portal web es el mejor método a utilizar para recertificar, que está disponible las 24 horas del día, siete días a la semana.**

2. Llene el formulario de recertificación para el Programa Lifeline que esta acompañada, complete todas las certificaciones y firme el formulario y envíelo por correo a:

   USAC Lifeline Program – Annual Certification
   Consumer Service Response Center
   P.O. Box 1550
   Milan, Illinois 61264

3. Llame al 1-866-351-3487 dentro de los 30 días siguientes a la fecha de esta carta para completar su recertificación al marcar en un sistema telefónico automatizado y tecleando respuestas a mensajes de audio. **Las llamadas se contestan las 24 horas del día, siete días a la semana. Puede tomar hasta 10 minutos para completar su recertificación utilizando este método.**

Si tiene algunas preguntas referentes a este aviso o necesita más ayuda sobre su descuento Lifeline, llame a «Service_Provider» al 1-«Service_Provider_Contact».

Sinceramente,

The Universal Service Administrative Company (USAC)

ADVERTENCIA: Lifeline es un programa gubernamental de beneficios y los clientes que realicen declaraciones falsas intencionalmente para obtener los beneficios podrán ser castigados con una multa o pena de prisión o se les podrá prohibir volver a inscribirse en el programa Lifeline.

USAC

Date

Customer Name
Customer Address
Customer City, State, Zip

*** * * IMMEDIATE ACTION REQUIRED FOR CONTINUED LIFELINE BENEFITS * * ***

Dear Customer,

All customers who currently receive Lifeline benefits must recertify every year that they are still eligible to receive these benefits.

You must recertify at this time either by completing the enclosed form and returning this form by mail or fax to the address or fax number on the form or by calling our automated system on **1-866-930-0163** within 30 days of the date of this letter. **You do not need to provide photocopies of any qualifying documents.**

Lifeline rules require that Lifeline customers provide their date of birth, the last four digits of their Social Security Number, or a Tribal Lands ID number, and an address where they are receiving Lifeline benefits – their service address, which may be different from where a bill is mailed.

Enclosed with this letter is a recertification form that you must either, **within the 30 days from the date of this letter**: 1) review and then call our automated recertification system on 1-866-930-0163 for immediate recertification, or 2) fill out the form and return it to AT&T. You must complete one of these processes if you wish to continue receiving Lifeline benefits. There is no need to mail in the form if you utilize the automated system.

If you prefer to recertify by using the **automated recertification system**, you should have this form with you so you will know which programs and income guidelines to use. If you prefer to mail or fax the recertification form, the form must be filled out correctly and thoroughly. Incomplete or incorrect forms will result in removal of Lifeline benefits. Please go to att.com/verifylifeline if you need another form.

To qualify by income, your **total annual household** income must fall within the following annual income guidelines.

# people in household	Oklahoma
1	$15,512
2	$20,939
each add'l person	$5,427

Please note the following:

1. Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program;
2. Only one Lifeline benefit is available per household;
3. 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;
4. A household is not permitted to receive Lifeline benefits from multiple providers;
5. Violation of the one-per-household limitation constitutes a violation of the Federal Communication Commission's rules and will result in the subscriber's de-enrollment from the program;
6. Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person; and
7. Tribal Lands Lifeline is available only to qualifying residents living on Tribal Lands as defined in Title 47 – Code of Federal Regulations, Section 54.400(e).

Thank you.

AT&T

AT&T Oklahoma Lifeline Recertification Form 2013

Please fill out this form completely and return by mail or fax within 30 days to:

Lifeline

P.O . Box 4600, Waterloo, IA 50704-4600

Fax: 1-800-295-7495

Customer Name: _____

Customer Service Address: _____

City: _____ State: _____ Zip Code: _____

☐ *Please check box if this is a temporary address*

Customer Billing Address (*If different from service address*): _____

City: _____ State: _____ Zip Code: _____

Customer's Home Telephone Number: ( ) _____

Customer's Social Security Number (last four digits) or Tribal ID: _____

Customer's Date of Birth xx/xx/xxxx: _____

Month Day Year

I certify that I, one or more of my dependents, or my household participate(s) in the following program or that I qualify because my total household income falls within the guidelines:

- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ Low-income Home and Energy Assistance Program (LIHEAP)
- ☐ Vocational Rehabilitation (including hearing impaired)
- ☐ Temporary Assistance for Needy Families (TANF)
- ☐ Supplemental Security Income (SSI)
- ☐ Tribally Administered Temporary Assistance for Needy Families
- ☐ Food Distribution Program on Indian Reservations (FDPIR)
- ☐ Federal Public Housing/Section 8
- ☐ OK Sales Tax Relief
- ☐ National School Lunch – Free Lunch Program
- ☐ Medical Assistance (Medicaid)
- ☐ Bureau of Indian Affairs General Assistance
- ☐ Head Start (Tribal only and must meet income qualifying standard)
- ☐ Income (see guidelines on the cover letter) If income, number of persons in household (required) _____

If the program beneficiary is not the customer but is someone in the customer's household, provide the name of the beneficiary: _____.

You are required to acknowledge your agreement with the following certifications by checking off every box and signing and dating the bottom of this document:

- ☐ I meet the income-based or program-based eligibility criteria for receiving Lifeline, shown above.
- ☐ I will notify the carrier within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline including, as relevant, if I no longer meet the income-based or program-based criteria for receiving Lifeline support, I am receiving more than one Lifeline benefit, or another member of my household is receiving a Lifeline benefit.
- ☐ If I move to a new address, I will provide that new address to AT&T within 30 days.
- ☐ My household receives Lifeline service only from AT&T and, to the best of my knowledge, no one else in my household receives Lifeline service (either wireless or home phone).
- ☐ The information contained in this certification form is true and correct to the best of my knowledge.
- ☐ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- ☐ I acknowledge that I may be required to recertify my continued eligibility for Lifeline at any time, and my failure to recertify my continued eligibility will result in de-enrollment and the termination of my Lifeline benefits.
- ☐ If I receive a Tribal Lands Lifeline benefit, I reside on federally-recognized Tribal lands.
- ☐ I hereby authorize AT&T to release any of my information contained in this Lifeline Recertification Form required for the administration of the Lifeline program to the FCC or its designee, including the Universal Service Administrative Company, and to any state and federal agency or its designee, as required by law.

Applicant's Signature _____ Date _____

See Report of Independent Accountants on Applying Agreed-Upon Procedures
Dated April 1, 2015

LIFELINE SUBSCRIBER COMMUNICATIONS - EXAMPLE 5

CRICKET

CAMPAIGN NAME	***START DATE***	***TEXT CAMPAIGN MESSAGE***	***SENT COUNT***
Lifeline Duplicate Address Campaign	5/20/2013	*LIFELINE ALERT! Our records indicate a duplicate address issue with your account. Come into a Cricket store by 6/2 to update your address.*	2698
Lifeline Duplicate Address Campaign 2	5/22/2013	*LIFELINE ALERT! Our records indicate a duplicate address issue with your account. Come into a Cricket store by 6/2 to update your address.*	327
Lifeline Duplicate Address Campaign--11/1	11/1/2013	*LIFELINE ALERT! There is an issue with your address. You must visit a Cricket store by 11/30 and update your address or your credit will be removed.*	2803

TEXT MESSAGES SENT TO LIFELINE SUBSCRIBERS WITH DUPLICATE ADDRESSES

Appendix B – AT&T Management Responses

Appendix B

Ernst & Young, LLP's Report of Independent Accountants on Applying Agreed-Upon Procedures Dated April 1, 2015, Appendix A	AT&T Management Response
Objective I: Carrier Obligation to Offer Lifeline, Procedure I-2 • One example, from the Cricket ETCs, included required information items i. and v., but did not include required information items ii, iii and iv.	AT&T notes that during the audit period, Cricket was an ETC that was unaffiliated with AT&T. The one example noted by the auditor was a poster that, pre-AT&T acquisition, Cricket displayed in some of its stores. According to Cricket, its primary in-store Lifeline marketing material was a brochure, which contained all of the elements noted in the Procedure.
Objective I: Carrier Obligation to Offer Lifeline, Procedure I-4(d) • The copies of the requested documents were obtained for 15 of the 30 subscribers (from the Cricket ETCs). The documents included an explanation that the subscriber had 35 days from the date of the notice of impending de-enrollment letter to demonstrate continued eligibility or the carrier would terminate the subscriber's Lifeline service.	AT&T notes that during the audit period, Cricket was an ETC that was unaffiliated with AT&T. Prior to AT&T acquiring Cricket, Cricket's recertification process accounted for a five-day mailing period. As part of the FCC's duplicates resolution process, which was used before NLAD, the FCC directed USAC to send a letter to consumers USAC identified as receiving duplicative Lifeline service "giving them 35 days from the date listed on the letter, which should result in at least 30-days notice after mail-processing time." *See Lifeline and Link Up Reform and Modernization*, Report and Order, FCC 11-97, ¶ 16 (2011). After AT&T acquired Cricket in March 2014, Cricket ceased this practice and in its 2014 recertification effort, Cricket gave its Lifeline subscribers 30 days to recertify their continued eligibility for the Lifeline benefit.
• For 13 of the 30 subscribers (from the Telco ETCs), Management represented that the Telco ETCs did not retain the notice of impending de-enrollment letters sent.	The Telcos use the recertification letter format/template that was provided in response to Appendix D, Request #1. The Telcos use a subscriber list and send the recertification letters to the customers on that list. The Telcos do not retain a copy of every single recertification letter request sent. The Telcos would have the original recertification letter sent only when the customer

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	completes and returns the paper document. Customers recertifying via the IVR after having received the original recertification letter do not return any documents to AT&T. The recertification letter template was used for the recertification process and it contains the appropriate language to meet the required verification testing. The completed and returned recertification letters previously sampled match the template language and, by its return, is evidence that it had been sent to the subscriber. Lastly, AT&T is not aware of a requirement to retain a copy of each individual recertification letter sent. Indeed, the FCC neither sought nor received approval from OMB to require ETCs to retain copies of every recertification letter sent. Instead, the FCC sought and received OMB approval to require ETCs to "*collect signed certifications* from subscribers attesting to their continued eligibility. . . ." *See* FCC Supporting Statement, 3060-0819, at 4 (Sept. 2012), available at http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201207-3060-011 (emphasis added).
Objective II: Consumer Qualification for Lifeline, Procedure II-5 • For one of the 13 subscribers, Management represented that the Cricket ETCs relied on their manual procedures to check for duplicate Lifeline service at the subscriber's address. At the time of the subscriber's Lifeline application, Cricket was in transition to the SOLIX system which did not indicate to Cricket a duplicate Lifeline service.	During the audit period, Cricket was an ETC that was unaffiliated with AT&T. According to Cricket, this error was an isolated issue due to a Cricket employee performing Cricket's manual reconciliation process. That employee erroneously recorded that this Cricket customer had a one-per-household ("OPH") worksheet on file.
Objective III: Subscriber Eligibility Determination and Certification, Procedure III-3	

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(a) i.throughviii. • For eight of the 50 subscribers tested, their initial certification forms included all the information listed in Procedure III-3.a. i. through III-3.a.viii., except for whether the subscriber's residential address is temporary or permanent. These eight subscribers executed their initial Lifeline certification forms during July 2012 and August 2012.	With regard to the eight of the 50 subscribers tested, the application forms at issue belong to Cricket subscribers. During the audit period, Cricket was an ETC that was unaffiliated with AT&T. The particular version of Cricket's application form that it used with these eight subscribers did not include a place for the subscriber to confirm whether his/her address was temporary or permanent but that Cricket modified all of its application forms to include this language in October 2012. AT&T notes that, to date, the FCC has never allowed the underlying rule for which the temporary/permanent housing information is necessary to go into effect; thus, Cricket's omission of this language from this particular version of its application form had no effect on the Lifeline program or Cricket's reimbursements. *See* 47 C.F.R. § 54.410(g).
xi. • For two of the 50 selected subscribers tested, the Lifeline service start date was prior to the date of their initial certification form. Management represented that these two subscribers, both of which subscribed in 2012, were granted a 30 or 60 day courtesy Lifeline credit pending their certification and that the ETC did not request reimbursement of the courtesy credits in the Form 497s for the respective months. Management also represented that, as of December 9, 2013, they no longer grant courtesy credits to Lifeline subscribers.	With regard to the two of the 50 selected subscribers tested, these two Telco subscribers were provided a courtesy credit back to their service start date. However, AT&T did not seek reimbursement for these courtesy credits. Instead, AT&T only sought reimbursement for these subscribers after the date of their initial certification forms.
Objective IV: Annual Certification and Recordkeeping by Eligible Telecommunications Carriers, Procedure IV-4	

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• For the Telco ETC for Illinois, the Form 497 reported 21,381 subscribers, compared to 20,368 subscribers reported in Form 555 filing, Item A, resulting in a difference of 1,013 subscribers. • For the Telco ETC for Oklahoma, the Form 497 reported 16,656 subscribers, compared to 15,558 subscribers reported in Form 555 filing, Item A, resulting in a difference of 1,098 subscribers.	The subscriber counts reported on the Form 555 filings agree to the subscriber counts reported on the Form 497s for January 2013 data month, which these Telcos filed in February 2013. Importantly, these reporting differences have no impact on the number of subscribers these Telcos contacted in the recertification process.
Objective IV: Annual Certification and Recordkeeping by Eligible Telecommunications Carriers, Procedure IV-5 • The population of recertified subscribers included four subscribers not reported by the Mobility ETC for Washington.	With regard to the Mobility ETC for Washington, the service for these four subscribers was temporarily suspended due to non-payment of their bill. Mobility does not include suspended subscribers in its Form 497 reimbursement requests. AT&T personnel consulted with USAC personnel about how to address temporarily suspended customers who were excluded from Mobility's February 497 claim but who became current the following month. At USAC's direction, Mobility listed these individuals in a separate tab and it is AT&T's understanding that USAC included them in its recertification effort on behalf of Mobility.
• For the Telco ETC for Illinois, the A9 Population included 21,579 subscribers, compared to 20,368 subscribers reported in Form 555 filing, Item A, resulting in a difference of 1,211 subscribers. • For the Telco ETC for Oklahoma, the A9 Population included 19,552 subscribers, compared to 15,558 subscribers reported in Form 555 filing, Item A, resulting in a difference of 3,994	With regard to the Telco ETCs for Illinois and Oklahoma, the Telco ETCs' 2013 recertification was based on subscribers reported in these carriers' original Form 497 filings. These carriers subsequently revised these particular 497 forms in 2014, reducing the number of subscribers claimed. This revision was reflected in the carriers' Form 555 filings and is the primary reason for the difference noted above by the auditor.

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subscribers.	
<u>Objective IV: Annual Certification and Recordkeeping by Eligible Telecommunications Carriers, Procedure IV-8</u> No supporting schedules related to the Illinois Bell and Southwestern Bell – Oklahoma annual ETC certifications were provided in Item 13 of GSP Appendix A. For the AT&T Mobility annual ETC certification, the only attachment or supporting schedule provided in Item 13 of GSP Appendix A was the required outage attachment discussed in Procedure IV-7 above. No further procedures were performed on this schedule as it did not contain information otherwise included in the Form 481 submission.	AT&T is unsure what information the FCC is seeking by the request for "supporting schedules" in Item 13 of GSP Appendix A. Item 13 of GSP Appendix A does not request "supporting schedules" however, all requested audit materials were provided to allow the auditor to complete the various procedures. If the auditor receives clarification from the FCC or can explain what information it is seeking from AT&T before it files its final report, AT&T will endeavor to provide responsive information as quickly as possible.

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1503-1428396

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