

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Telecommunications Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
	)	

**THE PUBLIC UTILITY COMMISSION OF TEXAS  
COMMENTS IN RESPONSE TO  
THE FEDERAL COMMUNICATIONS COMMISSION  
SECOND FURTHER NOTICE OF PROPOSED RULEMAKING**

The Public Utility Commission of Texas (PUCT) respectfully submits these comments in response to the Federal Communications Commission (“FCC” or “Commission”) Second Further Notice of Proposed Rulemaking (“FNPRM”) in FCC 15-71, released on June 22, 2015. The PUCT appreciates the opportunity to submit these comments and applauds the FCC’s ongoing commitment to further transform, modernize and retarget the focus of the federal Lifeline program.

Respectfully submitted,  
/ s /  
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## I. INTRODUCTION/BACKGROUND

The FCC seeks comment on whether states should be required to use a national verifier, or whether a state could opt out of a national verifier in cases where the state has developed a: (1) process to examine subscribers' eligibility; or (2) has developed a state eligibility database and would like to continue to perform the eligibility screening function. The PUCT believes that the FCC's should continue to provide an opt-out process in instances where the state can demonstrate that its LIDA processes meet or exceeds the FCC's stated requirements or standards.

In paragraph 75 of the current proceeding (FCC 15-71), the FCC states that it encourages the continued development of eligibility databases at the state level. The PUCT demonstrates herein that the Texas eligibility database has continued to evolve and innovate while ensuring compliance with the FCC requirements. The PUCT has continued to implement enhancements to its LIDA process and system since opting out of the NLAD, and has met all commitments made to the FCC without requesting any waivers of rule requirements or extensions of time. The Texas LIDA program continues to deploy relevant and innovative enhancements, some of which will be described in further detail below.

The PUCT implemented its statewide, centralized low-income discount program in 2004. Through its Low-Income Discount Administrator ("LIDA") process, Texas maintains a comprehensive application tracking system and database of eligible recipients.

On September 13, 2012, the PUCT filed a Petition to Opt Out of the National Database ("Petition") in WC Docket No. 11-42 (*Lifeline and Link Up Reform and*

*Modernization*). The PUCT filed the Petition to demonstrate that the LIDA process in Texas provided the necessary controls and safeguards to protect the Federal Universal Service Fund (FUSF) from fraud, waste and abuse and requested approval to opt out of the National Lifeline Accountability Database (NLAD).

On November 16, 2012, the PUCT filed an amendment to its September 2012 Petition that included detailed technical documentation submitted by Solix, Inc., Texas's designated LIDA program administrator, and demonstrated that the Texas LIDA processes met the FCC's tests and the requirements of 47 C.F.R. § 54.404(a). The FCC granted the PUCT's request to opt out because the Texas LIDA process was deemed to have met the FCC's requirements.

## **II. OVERVIEW OF THE TEXAS LIDA PROCESS**

The LIDA program that the PUCT has implemented covers all Texas eligible telecommunications carriers ("ETCs") and their subscribers.<sup>1</sup> The Texas LIDA employs two methods for Lifeline enrollment: coordinated enrollment and self-enrollment. Under coordinated enrollment, the Texas LIDA receives a monthly file from the Texas Health and Human Services Commission ("HHSC") that identifies all Texas recipients of benefits from the Supplemental Nutrition Assistance Program ("SNAP"), Medicaid, Temporary Assistance for Needy Families ("TANF"),<sup>2</sup> and health benefit coverage under the Child Health Plan ("CHIP").<sup>3</sup> The file provided by the HHSC is updated every

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<sup>1</sup> See 47 C.F.R. § 54.404(a).

<sup>2</sup> 16 Tex. Admin. Code §26.412(d)(2).

<sup>3</sup> Texas Statutes, Chapter 62, Health and Safety Code.

month, which produces a monthly, rather than annual, eligibility verification process for coordinated enrollment eligible customers.

Self-enrollment is an application process for individuals that receive benefits from FCC approved programs not administered by the HHSC or who meet the state-established income threshold of less than 150% of the federal poverty guidelines (FPG).<sup>4</sup> The LIDA reviews the self-enrollment applications received from customers to ensure compliance with low-income program requirements and issues customer eligibility decisions based on the information and supporting documentation submitted by the applicant. Customers that are deemed eligible based on program requirements remain eligible for the Lifeline discount for 7 months, at which time they must re-apply and qualify following the same requirements as during the initial certification process.

The most recent data for Texas shows that approximately 85% of low-income customers qualify through the coordinated enrollment process and 15% qualify through the self-enrollment process. Of the 15% that qualify through self-enrollment, approximately 50% (or 7.5% of all applicants that qualify) qualify based on income guidelines.

In addition to the information provided by the HHSC and self-enrollees, all ETCs in Texas are required to provide the LIDA with a monthly file that lists all of the ETC's residential customers. The LIDA matches the HHSC and self-enrollment customers against the ETC data files and, utilizing multi-level matching criteria, produces a list of all customers eligible for a Lifeline discount.

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<sup>4</sup> 16 Tex. Admin. Code §26.412(d)(1).

A secondary matching process is performed to identify any duplicate Lifeline-eligible telephone numbers at the same household address. This process identifies potential duplicate Lifeline benefits being provided to the same household by multiple providers. Consistent with the *Lifeline Reform Order*, customers are notified of duplicate records at the same household and informed of the process for selecting a single Lifeline discount. The customer may also submit documentation to show that the residence satisfies the criteria of a separate economic unit, thereby allowing multiple discounts at the same household.

After the matching and duplicate resolution processes are complete, all ETCs receive output files listing their company-specific customers that are eligible to receive a Lifeline discount. Additionally, ETCs are given a copy of all company-specific Lifeline Certification (“Cert”) forms provided to the LIDA by their customers as a condition of receiving a Lifeline discount.

Prepaid wireless carriers are able to access the LIDA system to conduct real-time verifications of Lifeline customer eligibility and to check whether a customer is receiving a Lifeline discount from another service provider. The LIDA Reservation process also allows carriers to “reserve” a customer for a 60-day period after the customer is verified as eligible (i.e., meets eligibility and is not currently being served or reserved by another carrier). This process allows for smooth transitions when a customer switches from one service provider to another, and provides a system-controlled means to prevent multiple carriers from claiming the same Lifeline customer. It also permits a prepaid carrier, at its option, to provide a customer with a phone after

successfully reserving the customer but prior to the monthly customer eligibility file output process.

### **III. FNPRM ISSUES**

The PUCT has implemented process and system enhancements through the LIDA system, many of which address questions raised in the FCC's current FNPRM. Examples of such process enhancements include implementation of software-based identity verification, system-driven customer re-certification based on changes in information, and inclusion of de-enrollment reasons in carrier-specific eligibility files.

#### **Coordinated Enrollment**

The FCC seeks comment on how to leverage relationships with State Health and Human Services. The LIDA uses a coordinated enrollment process which includes a monthly data feed from the HHSC. Texas has found that coordinated enrollment at the state level has provided efficiency and program integrity as the PUCT and the HHSC are able to seamlessly exchange information that provides eligible low-income customers with access to needed support while providing a high degree of program integrity. Customers deemed eligible for Lifeline support based on files provided by the HHSC have already been determined eligible for other state programs that utilize common eligibility criteria. Should the FCC implement a similar model in the future, the model should include data security measures, data sharing agreements, customer privacy, electronic file exchange formats, database structures, and identify costs associated with implementing and/or upgrading systems to accomplish secure and efficient data exchanges.

### **Interfacing with Subscribers**

The FCC seeks comment on whether consumers should be permitted to directly interface with a third-party eligibility verifier. The second LIDA process allows customers who self-enroll to contact the LIDA directly to provide information and documentation to support eligibility reviews. Customers have the option of contacting a call center for assistance 24x7x365 or they can submit an application to the LIDA via mail, email or FAX. Customers also have access to a Customer Service Portal, which provides email capability to ask questions, request application status or escalate issues. By September 2015, customers will also be provided with an option to apply online, including uploading supporting documents.

The PUCT has found that these direct interfaces between Lifeline customers and the LIDA provide a high level of customer service, efficiency and privacy while maintaining customer rights through access to a formal appeals process at the PUCT.

### **Lifeline Customer Pre-Approval**

The FCC seeks comment regarding the benefits of a customer pre-approval process. As discussed previously, the LIDA system includes a similar functionality known as the Customer Reservation process. In Texas, prepaid wireless providers have access to a three-component solution that supports verification, reservation and customer acquisition. Service providers also have access to several file transfer options including flat file submission through a secure file transfer protocol (SFTP) site, a web-based portal, and real-time application programming interfaces (APIs).

The LIDA Reservation process allows carriers to reserve a customer for a 60-day period after the customer is verified as eligible (i.e., meets eligibility and is not currently

being served or reserved by another carrier). This process allows for smooth transitions when a customer switches from one service provider to another, and provides a system-controlled means to prevent multiple carriers from claiming the same Lifeline customer. This process also allows a prepaid carrier to provide a customer with a phone after reserving the customer but prior to the monthly customer eligibility file output process.

### **Interacting with State Databases**

In response to the FCC's question regarding interactions with states that already have eligibility databases in place, the PUCT is open to discussions regarding appropriate and secure information exchanges required by the FCC to further enhance program integrity at the federal level. The PUCT would also be open to discussing options for federal reimbursement of costs incurred to implement and maintain additional functionality necessary to support the secure and timely exchange of required program information.

### **Third-Party Administration**

The FNPRM seeks comment regarding the use of a third-party administrator for verifying Lifeline eligibility. The PUCT has utilized a third-party administrator since 2004. In addition to providing centralized process controls and consistent and auditable eligibility determinations, utilizing the LIDA has removed the responsibility of verifying customer eligibility from the ETCs. As of today, prepaid carriers operating in Texas still perform customer eligibility reviews but they utilize the LIDA system to conduct the three-component solution, including real-time checks for duplicates through access to an online portal.

## **Broadband**

The PUCT recognizes that the FCC is taking actions to modernize the Lifeline program and to further strengthen controls to minimize fraud, waste and abuse. The LIDA system is designed to achieve these same goals, and the design is flexible to support program evolution and changing regulatory objectives. In the current proceeding (FCC 15-71), the FCC has identified support for broadband services as a priority for the future of the Lifeline program. The LIDA process could be modified to provide eligible consumers with a choice of electing Lifeline support for either telecommunications or broadband service. The integration of new providers, such as cable and wireless broadband companies, could be successfully implemented into the LIDA system. The same customer eligibility, identity verification, tracking and checks for duplicates can be performed for voice and broadband to ensure program integrity.

## **IV. CONCLUSION**

The PUCT appreciates the opportunity to submit these comments to the FCC. The PUCT supports the FCC's continued utilization of an opt-out procedure in those cases where the state can demonstrate that its system and processes meet or exceeds the FCC's requirements and standards. The PUCT will provide additional information to the FCC if needed and welcomes the opportunity to discuss the appropriate and secure exchange of program data and the associated means to fund such initiatives.