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September 29, 2010

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

Re: CC Docket 96-45, Federal –State Joint Board on Universal Service; WC Docket 03-109, Lifeline and Link-Up

Dear Ms. Dortch,

In separate meetings on September 28 and 29, 2010, Robert Quinn, Cathy Carpino, and the undersigned, all of AT&T, met with Brad Gillen, Legal Advisor for Commissioner Meredith Baker, and Angela Kronenberg, legal Advisor for Commissioner Mignon Clyburn, in their capacity as members of the Federal-State Joint Board on Universal Service.

The purpose of the meeting was to discuss AT&T's proposal to create a National Lifeline PIN Database, described in AT&T filings in the above proceedings and outlined in the attached document used during the discussion. The Lifeline PIN Database is the only reform concept before the Joint Board that would directly address specific waste, fraud, and abuse concerns while at the same time simplifying the Lifeline enrollment process for consumers. AT&T urged the Joint Board to recommend the Lifeline PIN Database proposal to the FCC and to ask the FCC to form a collaborative working group of states, service providers, and other stakeholders to develop the additional operational details needed to implement a National PIN Database.

This notice is being filed pursuant to Sec. 1.1206(b)(2) of the Commission's rules. If you have any questions concerning this filing, please do not hesitate to contact me at 202-457-2041.

Sincerely,

/s/ Mary L. Henze

Mary L. Henze

cc: B. Gillen
A. Kronenberg

National Lifeline PIN Database Proposal

FUNDAMENTAL CONCEPTS

Lifeline PIN Database is intended to be used to answer two questions:

- Is the Consumer eligible for Lifeline?
- Is the Consumer already receiving Lifeline discounts?

Lifeline PIN Database is not intended to be integrated or reconciled with state or provider databases

Lifeline PIN Database would contain minimal consumer information

States assume responsibility for determining consumer eligibility/assigning PINs

BASIC OPERATION

Step 1. USAC creates database of PINs with secure webinterface

a) Database designed to accommodate as many as 30 million records with about 5-8 data fields per record
b) When initiated by USAC, database contains only PINs with empty data fields
c) Empty data fields will be populated by:
   - States, with minimal identifying consumer info (i.e., name, date of birth)
   - Service providers, with their own SPIN

Step 2. USAC allocates blocks of PINs to states (to state-identified entity)

a) PIN format could be coded to denote state or other information (e.g., lifeline, tribal)

Step 3. State-identified entity receives PINs

a) States assign PINs to eligible consumers
b) When assigning PIN, states populate PIN-record with specified consumer information
   - Minimal identifying information sufficient for distinguishing those with similar names (e.g., DOB, last 4 digits of SSN, etc.)
c) When PIN is assigned it displays as "activated" in database (i.e., it turns Green)

Step 4. Consumer interested in enrolling in Lifeline contacts service provider of choice

a) Consumer provides service provider with
   - their assigned PIN
   - specified identifying information called for in fields

Step 5. Service provider checks USAC database

a) Service provider determines whether PIN provided
   i. Is "activated" (i.e., assigned to eligible consumer)
   ii. Is not yet marked as "in use" (i.e., that it is still Green)

iii. That the consumer's identifying information matches with PIN-record

b) If i-iii are all true,
   - Service provider establishes Lifeline discount on consumer's account
   - Service provider enters carrier-specific identification (e.g., a SPIN) into PIN-record
   - When service provider accepts a PIN, the PIN is marked "in use" (e.g., turns from Green to Red)

c) If any of i-iii are not true,
   - Service provider cannot establish Lifeline discount on consumer's account

Step 6. USAC reimburses service providers based on number of PIN-records populated with their SPIN

FREQUENTLY ASKED QUESTIONS

Q. How would the PIN database work with states that have already created databases or other eligibility processes?

A. The proposal does not supplant what states have already done, it compliments them. States, for example, could add a PIN assignment step to their current processes and no longer need to be concerned about managing duplicative discounts (e.g., states would not need to bash subscriber lists together)

Q. What happens if a customer becomes ineligible for Lifeline?

A. We recognize that there are many implementation details that would need to be worked out before the system became operational. However, we believe that if a customer became ineligible, the state entity responsible for assigning the PIN, could re-access the USAC database and "deactivate" that consumer's PIN. The USAC database would then automatically alert the Service Provider/SPIN associated with the PIN to turn off Lifeline discounts.

Q. Would this system eliminate self-certification to Service Providers?

A. Yes, however, it does not necessarily eliminate self-certification as a proof of eligibility option. Consumers could instead self-certify to a state entity responsible for assigning PINs.

Q. Does a national database present customer privacy concerns?

A. This proposal would actually improve the protection of consumer privacy. Today consumers must often present sensitive income-related documentation (e.g., tax forms, check stubs, divorce decrees) to service provider service representatives. The Lifeline PIN database will contain very little consumer information, and no income-related information. Access would be secure and

restricted to authorized state entities and service providers. All sensitive information will remain with the state entity that determines eligibility.

Q. How would this proposal help combat waste, fraud, and abuse?

A. One of the primary benefits of the Lifeline PIN database is the role it could play in reducing both duplicative discounts and fraudulent Form 497 filings. Service providers will be able to determine whether a customer's PIN is already "in use" and the system will not allow PINs to be used twice. The direct reimbursement by USAC, based on SPINs entered in the database, means that only providers with valid Lifeline consumers will be reimbursed. In addition, because the eligibility determinations would be made by a public entity, not by private service providers, the process will likely be more consistent and rigorous.