

November 4, 2010

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

**RE: Federal-State Joint Board on Universal Service, CC Docket
No. 96-45; Lifeline and Link Up, WC Docket No. 03-109**

Dear Ms. Dortch:

TracFone Wireless, Inc. (“TracFone”), by this letter, responds to a notice of an ex parte presentation filed by AT&T in the above-referenced proceeding on October 26, 2010. In this proceeding, the Commission is considering whether to amend its rules governing Lifeline and Link Up eligibility, verification, and outreach, given significant technological and marketplace changes since the current rules were adopted.¹ AT&T’s notice discusses its proposal to create a national Lifeline PIN database. According to AT&T, a national PIN database would “directly address specific waste, fraud, and abuse concerns while at the same time simplifying the Lifeline enrollment process for consumers.” While the intent of a PIN database is to ensure that only qualified households receive Lifeline benefits, TracFone is concerned that the utilization of a PIN database, as described by AT&T in its notice, will be burdensome to individuals eligible for Lifeline, will limit consumer choice, and will stifle competition in the Lifeline services market.

AT&T proposes that the Universal Service Administrative Company (“USAC”) create a database of PINs and allocate those PINs to states. The appropriate state entity would assign PINs to eligible consumers. When a consumer wants to enroll in Lifeline, the consumer would contact a Lifeline service provider and provide his or her PIN to the service provider. The Lifeline service provider would then check the USAC database to ensure that the PIN is assigned to an eligible

¹ See Federal-State Joint Board on Universal Service, Lifeline and Link Up, 25 FCC Rcd 5079 (2010).

consumer, the PIN is not already in use, and the consumer's identifying information matches with the PIN record. Finally, if the PIN is valid, the Lifeline service provider would provide Lifeline benefits to the consumer and enter its own carrier-specific identification (such as a Service Provider Identification Number ("SPIN")) into the PIN record for that consumer. Under AT&T's proposal, USAC would reimburse Lifeline service providers based on the number of PIN records associated with the service provider's SPIN.

TracFone is concerned that a national PIN database, which requires consumers to maintain a record of and recall a PIN in order to obtain Lifeline benefits, would unfairly burden consumers, and discourages Lifeline enrollment. The PIN record, as proposed by AT&T, would include consumer information such as name, date of birth, and the last four digits of a Social Security Number. Thus, the PIN would represent various pieces of identifying information, each of which is more easily recalled by a consumer without needing to remember or locate a randomly assigned PIN. An eligibility verification system that would allow a Lifeline applicant to provide information that the applicant already knows would be significantly less burdensome on applicants than a PIN-based system and would ensure that more individuals are enrolled in Lifeline. TracFone advocates the creation of a single national database through which Lifeline service providers can confirm applicant eligibility for Lifeline, carry out periodic verification of continuing eligibility, and record provision of service to Lifeline customers. However, TracFone urges the Commission to consider the burden on consumers who will interact with such a database. A system that allows consumers to easily apply for Lifeline service by providing readily available information should be favored over a PIN-based system.

AT&T's proposed national PIN database system also would deny Lifeline-eligible consumers the opportunity to change Lifeline service providers. Under AT&T's proposal, when a consumer provides a Lifeline service provider with his or her PIN, the provider checks the PIN record to see whether the PIN is already in use. If the PIN is already in use, then the service provider would not be permitted to approve the consumer for Lifeline service. The proposed system does not contemplate that a consumer may want to change Lifeline service providers nor does it allow for a Lifeline service provider to change the SPIN associated with a PIN. Therefore, the AT&T proposal effectively favors the consumer's first Lifeline service provider. TracFone urges the Commission to establish a Lifeline eligibility process that is competitively neutral so as to avoid one category of Lifeline service providers being favored over another. TracFone understands that there must be safeguards to ensure that a consumer is not receiving Lifeline service from more than one provider. Such safeguards could include not allowing a consumer's decision to change Lifeline service providers to be effective until the following month. However, the Commission should be mindful of the fact that consumers have a choice of Lifeline service providers and have the right to choose the provider that best meets their needs, as well as to be able to easily change Lifeline service providers.

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If you have questions regarding this submission, please communicate directly with the undersigned counsel.

Sincerely,



Mitchell F. Brecher

Counsel for TracFone Wireless, Inc.