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February 18, 2011

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

***Re: WC Docket 03-109, Lifeline and Link-Up; WC Docket 10-90, Connect America Fund; CC Docket 01-92, Developing a Unified Inter-carrier Compensation Regime***

Dear Ms. Dortch:

On February 18, 2011, Robert Quinn, Mary Henze, and Christopher Heimann of AT&T met with Zac Katz of the Chairman's office, Carol Matthey and Trent Harkrader of the Wireline Competition Bureau and Dana Shaffer of the Office of the Managing Director.

The focus of the meeting was the upcoming NPRM on the Lifeline program and the January 21, 2001 WCB letter regarding Lifeline duplicate resolution. AT&T emphasized that modernizing and streamlining the current Lifeline program is critical to the achievement of the Commission's broader USF and ICC vision and ultimately to its national broadband goals. The company is committed to working with the Commission to update the Lifeline program to provide more consumer choice, reduce costs, and prevent waste, fraud, and abuse. AT&T also urged the Commission to adopt the industry proposal for resolving Lifeline duplicates submitted on February 15, 2011. The company noted, however, that any duplicate resolution process will need to be repeated regularly until a national database is established or unless other rule changes are adopted to prevent resolved duplicates from reoccurring. All material used during this meeting is attached.

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: Z. Katz  
C. Matthey  
T. Harkrader  
D. Shaffer

## **Lifeline and Link-up Modernization**

AT&T strongly supports modernizing Lifeline and Link-up programs. Current program rules and procedures:

- Are designed for monopoly POTs world that no longer exists
- Do not reflect today's low-income consumers and how they use communications
- Cannot prevent waste, fraud, and abuse

AT&T encourages the FCC to:

### ***1. Establish national Lifeline PIN database.***

AT&T proposal would create centralized information source to answer two questions:

- Has Consumer been deemed eligible for Lifeline?
- Is the Consumer already receiving Lifeline discounts?

Benefits of Lifeline PIN Database include:

- prospectively prevent duplicates
- streamline enrollment
- protect against reimbursement fraud

Under proposal states assume responsibility for determining consumer eligibility and for assigning PINs.

- Competitive service providers are not appropriate entities to administer public benefit program

### ***2. Establish neutral duplicate resolution process***

Duplicate resolution process will be required during database implementation.

- FCC should seek comment on industry proposal that would put USAC in lead role in resolution process.

### ***3. Modify one line per household "rule"***

Requirement must reflect reality of low-income consumer base. Link Lifeline eligibility to qualifying Federal program eligibility unit, not to address.

Confusion over how to implement and enforce endangers program integrity.

#### **4. Other areas for modernization**

- *Establish Lifeline Provider designation separate from ETC designation.* All providers of voice and broadband services should be able to provide Lifeline discounts on a competitively neutral basis where they offer the service.
- *Make Lifeline discounts consistent and portable.* Establish flat, fixed dollar discount amount that all Lifeline service providers apply to service tier or bundle the customer selects.
- *Use Lifeline program to improve broadband subscribership rates in low-income communities.* Transition voice support to broadband once database is in place and other administrative improvements have been made.
- *Promote consistency across country to reduce costs and consumer confusion.* Establish national minimum standards for eligibility.

# 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.