

**REDACTED –FOR PUBLIC DISCLOSURE**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

Federal-State Joint Board on Universal Service

Lifeline and Link-Up

CC Docket No. 96-45

WC Docket No. 03-109

**DECLARATION OF DEWEY E. ALEXANDER III**

I, Dewey E. Alexander III, hereby declare and state, under penalty of perjury:

1. My name is Dewey E. Alexander III. I am Director Product Marketing, Consumer Markets of AT&T Services, Inc. (AT&T). My business address is 530 McCullough Rm. 9R06, San Antonio, TX 78215. I have been employed by AT&T since 1982.

2. In my capacity as Director of Product Marketing, Consumer Markets, I support the retail service delivery of Lifeline/Link-Up for AT&T's 24 wireline eligible telecommunications carriers (ETCs).

3. By a January 21, 2011 letter to the Universal Service Administrative Company (USAC), the Chief of the Wireline Competition Bureau (Bureau) directs USAC and ETCs to follow certain procedures when USAC believes that "more than one [ETC] seeks support from USAC for the same eligible consumer or household."<sup>1</sup> As I understand it, the letter requires USAC-notified ETCs to, in turn, "notify the customer by phone, and in writing where possible, that he or she has 30 days to select one Lifeline provider or face de-enrollment from the

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<sup>1</sup> Letter from Sharon Gillett, Chief, Wireline Competition Bureau, FCC, to Richard A. Belden, Chief Operating Officer, USAC, DA 11-110 (Jan. 21, 2011) (January 21 Letter).

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program”;<sup>2</sup> if selected by the consumer, obtain a new self-certification from that customer;<sup>3</sup> notify USAC and the other ETC (or ETCs) that the customer has selected it to be his/her Lifeline provider;<sup>4</sup> and, if not selected by the customer (i.e., the customer opts for another ETC or does not respond to either carrier’s calls or letters), “de-enroll the customer from its Lifeline service and [ ] not seek reimbursement for that customer going forward.”<sup>5</sup> USAC recently compared the Lifeline subscriber listings of one of AT&T’s ILECs to the Lifeline subscriber listings of another ETC operating in that state and asserted that over 30,000 subscribers were obtaining Lifeline supported service from both ETCs. Using a figure of 30,000 subscribers, AT&T provides the following estimates regarding the cost and time to implement the procedures set forth in the January 21 Letter for just one state.

4. The two-part notification process (notify customer by phone and in writing, where possible) will require AT&T’s employees to perform, at a minimum, the following tasks: review USAC data to determine whether the identified subscribers continue to receive Lifeline supported service, call customers, prepare letters for mailing, process received mail, handle additional customer inquiries and complaints, and prepare documentation in accordance with the Commission’s recordkeeping requirements. If one assumes that it will take 20 minutes to resolve each alleged duplicate (e.g., review USAC data, call and explain situation to customer, prepare and mail letter to customer, process returned self-certification),<sup>6</sup> we estimate that the

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<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> We note that 20 minutes is a conservative figure, which does not account for any follow-up that may be necessary in the likely event that a customer does not respond to the ETC’s call or letter within 30 days.

Bureau's procedures will cost AT&T **\*\*BEGIN CONFIDENTIAL\*\*** **\*\*END**

**CONFIDENTIAL\*\***, *not including postage*, for just those 30,000 subscribers.<sup>7</sup> We estimate that it will take five full-time employees almost *one year* to process 30,000 subscribers in accordance with the Bureau's procedures.<sup>8</sup>

5. In addition, it is likely that implementation of the procedures set forth in the January 21 Letter would lead to eligible low-income consumers losing all Lifeline supported telephone service. In AT&T's experience, Lifeline subscribers have low response rates, even when under threat of losing service, such as in the case of requests for re-certification or verification.<sup>9</sup> It is unlikely that all Lifeline subscribers – or even a substantial majority – who receive notification that they must select one of multiple Lifeline accounts will respond to the notifications by any provider. In that case, the January 21 Letter could lead to the low-income consumer losing all Lifeline service.

6. Furthermore, it is highly likely that under the January 21 Letter's procedures, cases in which individual low income consumers are receiving multiple Lifeline services from different ETCs will never be eliminated. As soon as a low income consumer, under the January 21 Letter process, selects a Lifeline provider, the subscriber could execute another self-

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Moreover, this estimate does not factor in additional time necessary to address the more complicated alleged duplicates involving, for example, non-English speaking customers.

<sup>7</sup> 30,000 subscribers x 20 minutes/subscriber = 600,000 minutes. 600,000 minutes ÷ 60 minutes per hour = 10,000 hours x **\*\*BEGIN CONFIDENTIAL\*\*** **\*\*END**  
**CONFIDENTIAL\*\***

<sup>8</sup> 10,000 hours ÷ (5 people x 176 business hours/month) = 10,000 hours ÷ 880 hours/business month = 11.36 business months.

<sup>9</sup> For example, in one of AT&T's federal default states (in which AT&T must annually survey a statistically valid random sample of its Lifeline customers), over half of the surveyed Lifeline subscribers never responded to the survey in 2007 and 2008. Since that time, the Commission has modified the form that ETCs must use, combining what was previously two separate fields ("Found to be ineligible" and "No response to survey") into one field, and thus hindering an ETC's ability to readily provide this data.

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certification with a different provider and then again receive multiple Lifeline services. Under the January 21 Letter, there remains no way to track whether an individual low income consumer is subscribing to one ETC's Lifeline services at the time that he or she executes a self-certification for another provider. The January 21 Letter's processes would have to be repeated again periodically until the time a sustainable permanent solution is adopted and implemented.



Dewey E. Alexander III  
Director Product Marketing, Consumer Markets of AT&T

Date: February 22, 2011