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April 28, 2011

**VIA ELECTRONIC FILING**

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

**Re: NOTICE OF EX-PARTE COMMUNICATION**

*Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42;  
*Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; and  
*Lifeline and Link Up*, WC Docket No. 03-109

Dear Ms. Dortch,

On April 26, Mary Henze, Cathy Carpino, and I (all of AT&T) met with Kim Scardino, Cindy Spiers, and Beau Finley of the FCC's Telecommunications Access Policy Division to discuss AT&T's recently-filed comments<sup>1</sup> in the above referenced proceedings.

Specifically, we explained that there are three critical components to successful Lifeline reform and modernization. First, the Commission should order the establishment of a national Lifeline consumer database that would enable Lifeline providers to validate a consumer's eligibility for the low-income program. Another benefit of the database is that it would obviate the need for Lifeline providers to submit line count filings in order to obtain reimbursement, thus mooted the partial month reporting issue that is the subject of a handful of pending appeals (including three filed by AT&T). Instead, the database would track how many Lifeline subscribers each provider had in a given month and for how many days. The Universal Service Administrative Company would then reimburse each Lifeline provider based on that precise figure.

Second, states, which have firsthand knowledge about a consumer's participation in a qualifying public assistance program and are best positioned to review a consumer's income information, would be the ones determining whether a consumer is eligible for Lifeline and providing that information to the national database. Requiring service providers to be the gatekeepers between consumers and a major federal assistance benefit is entirely inappropriate. States also are far better

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<sup>1</sup> Those comments are available at: <http://fjallfoss.fcc.gov/ecfs/document/view?id=7021240615>

equipped than service providers to verify a consumer's continued eligibility in the Lifeline program based on the consumer's continued participation in the underlying public assistance program.

Third, the FCC should delink a service provider's ability to participate in the Lifeline program from the obligations associated with the section 214(e) eligible telecommunications carrier designation process. Doing so will expand the pool of Lifeline providers thereby increasing consumer choice and allowing low-income consumers finally to benefit from the rapidly evolving and expanding array of available communications services. Additionally, it will enable the Commission and USAC to interact directly with today's non-ETC Lifeline resellers, many of whom operate without any regulatory supervision.

Should you have any questions regarding the above, please feel free to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "J. M. A." with a stylized flourish at the end.

Cc: (via electronic mail)

Kim Scardino  
Beau Finley  
Cindy Spiers