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June 15, 2011

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

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

Dear Ms. Dortch:

On June 13-14, 2011, Eric Seguin, Stuart Waldrum, and Mike Quinn of Solix participated in the Commission's workshop to discuss issues related to the Lifeline Notice of Proposed Rulemaking in the above-referenced dockets, and provided the attached presentation.

The workshop was led by Kim Scardino, Jonathan Lechter, Cindy Spiers, and Graham DuFault of the Wireline Competition Bureau. On June 13th, Zachary Katz, Legal Advisor to Chairman Genachowski; Sharon Gillett, Chief of the Wireline Competition Bureau; and Trent Harkrader, Chief of the Telecommunications Access Policy Division were in attendance. On June 14th, Carol Mattey, Deputy Bureau Chief of the Wireline Competition Bureau attended.

Participants in the workshop included: Cathy Carpino, Jamie Tan, Mary Henze, and Jeff Brueggeman - AT&T; Jerry James and Mary Albert - CompTel; Norina Moy - Sprint; Javier Rosado, Mitchell Brecher - TracFone; John Nakahata - GCI; Donald Kratt and David Brinkman - 3PV; Barrett Sheridan - NASUCA; Frank Delcol - TAG Mobile; Chuck Schneider - dPi Teleconnect; Andrew Karl - Sage Telecom; Terri Kruse - ATMS; Matt Connolly - YourTel America; Jesse Crowe, Joe Cox, Ron Renjilian, and Thomas Cohen - Emerios; Alan Buzacott - Verizon; Karen Majcher and Pamela Gallant - USAC; Ken Eisner - One Economy; Chuck Campbell and Kevin Murphy - CGM; Eric Robeson - West; Matthew Brill and Jarrett Taubman - Latham & Watkins; Danielle Frappier - Nexus; and Scott Bergmann - CTIA.

Solix presented a number of design considerations for the National Lifeline duplicate database, including the need for flexibility, scalability, data security, and auditable processes. Given the diversity of carriers throughout the country, it is important to implement a flexible platform design that will support standardization where possible but still allow for carriers, state agencies,

or other entities to efficiently and cost effectively interface with the database. Real-time data exchanges and access to the database will allow carriers to quickly react to market conditions but a batch processing option for data updates would offer a lower cost yet secure method for those who may not be able to utilize real-time updates.

Solix also discussed the importance of both physical and electronic data security measures. As a starting point, the collection of data should be limited to only that which is required to achieve program goals. Physical access security should include procedures and internal controls that minimize access to confidential information and program data. Electronic access security should encompass all systems, data exchanges, processing, and storage of confidential information. Web-based interfaces should require secure authentication, access and transfer protocols such as HTTPS or SFTP. Commercially reasonable practices should be utilized to protect networks and systems from infiltration, and user accessibility should be limited through role-based access. Formal and tested data retention policies and business continuity and disaster recovery plans support a comprehensive approach to data security. As the process moves forward, it will also be important to consider variations in data privacy requirements across states.

With respect to database design and maintenance costs, Solix described a number of factors, with the final design requirements being the most significant determinant. Database cost drivers include, among other things, the required functionality of the database, the number and complexity of interfaces, exception management processing, data security requirements, and reporting capabilities. In states with fully centralized Lifeline eligibility verification and customer support services, Solix has experienced administration costs of approximately $3.00-$6.00 per eligible customer per year. As a subset of the comprehensive administrative solutions, the cost of the database itself would approximate 30-40% of the total, depending on the specific design requirements and with the understanding that economies of scale can be achieved. Solix also commented that the estimated database cost of $7.5-$10M offered by another party in this proceeding is a reasonable estimate based on the facts known at this time.

Pursuant to Commission rules, a copy of this letter and Solix's presentation are being filed via ECFS with your office. Please feel free to contact me with any questions.

Sincerely,

/s/ *Eric D. Seguin*

Eric D. Seguin

Attachment

CC: Kim Scardino
Jonathan Lechter
Cindy Spiers
Graham DuFault

Solix

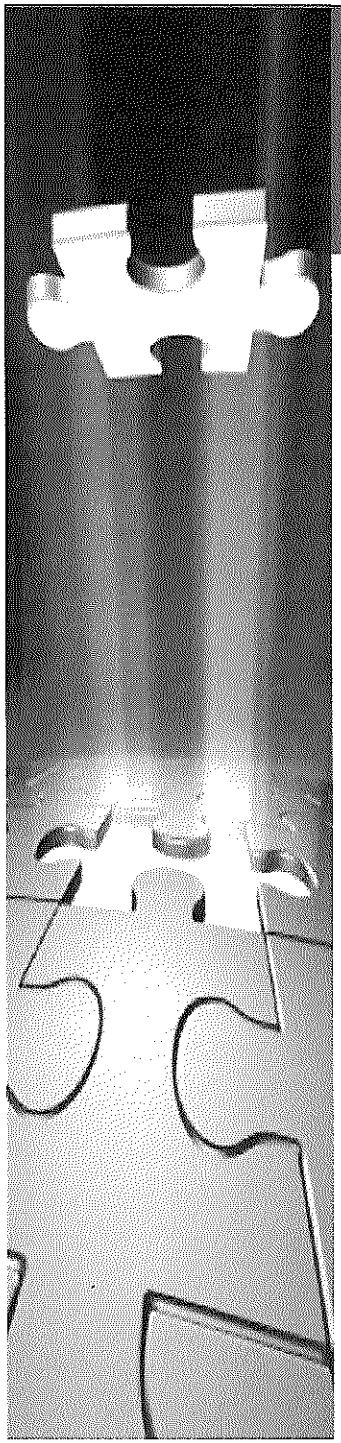
National Lifeline Database Design Considerations

Presented to the

Federal Communications Commission

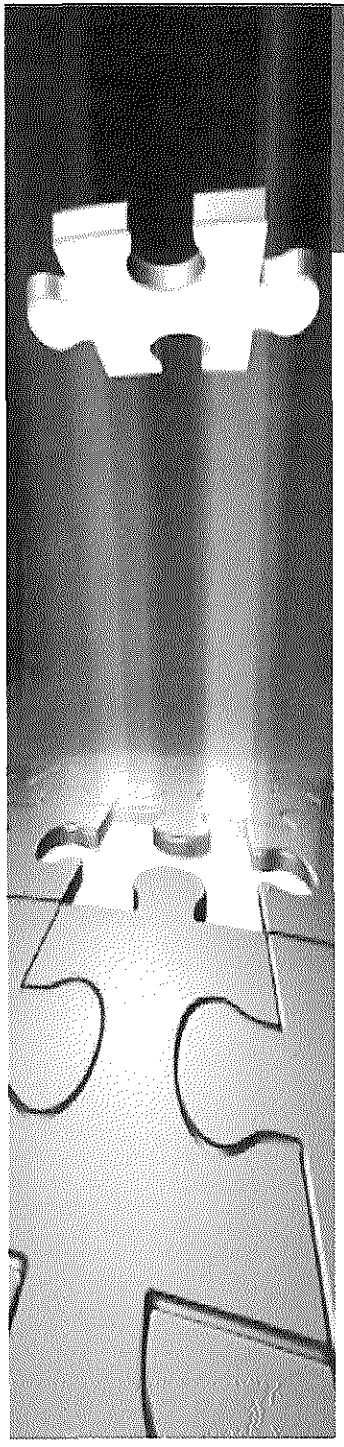
June 13, 2011

National Lifeline Database Design Considerations



Key Design Principles

- Implementation & Data Validation
- Program Integrity/Adherence to Rules
- Flexibility and Scalability
- Consistent and Impartial Decisions
- Transparent and Auditable Processes
- Data Security/Encryption



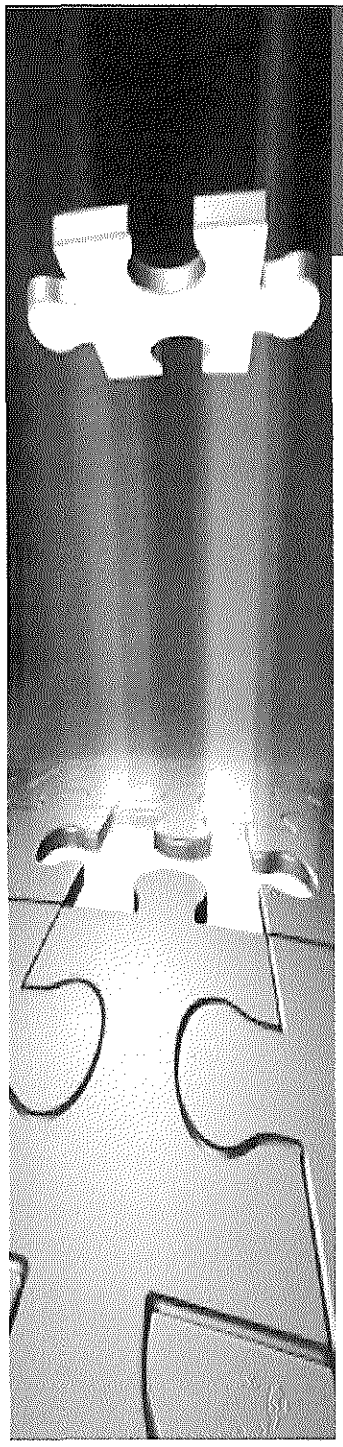
National Lifeline Database Design Considerations

Initial Lifeline Customer Load Process

- Data Formats
- Database Scrubbing
  - Address Cleansing & Standardization
  - Identification/Resolution of Duplicates

Customer & Program Information

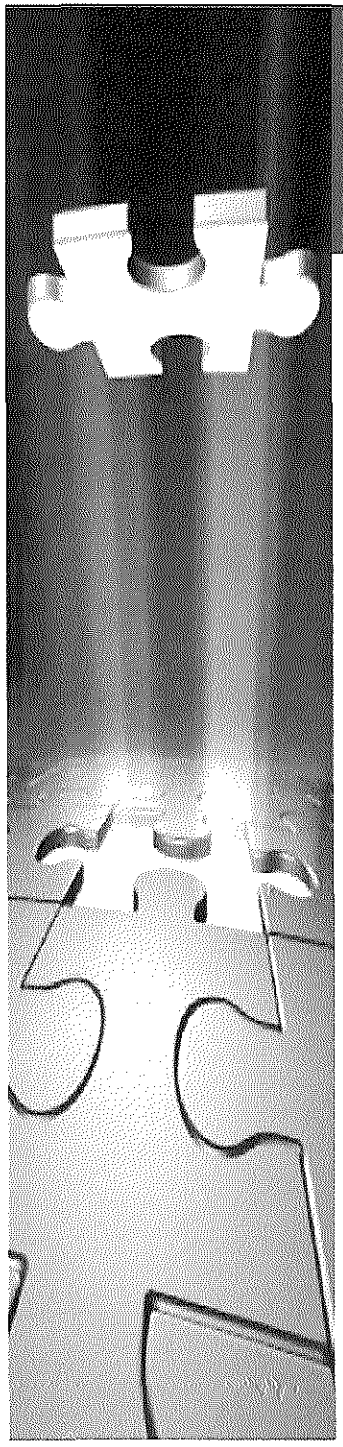
- Business Rules (e.g., Household Eligibility, Individual Eligibility, Criteria, Thresholds)
- Potential Customer Data Elements
  - Name, Service Address, Service Provider, TN
  - SSN (Last Four)
  - Unique PIN
  - Current Lifeline Eligibility/Receipt
  - Eligibility Basis (e.g., Program, Income) & Duration
  - Other Identifying Information



National Lifeline Database Design Considerations

Federal & State Eligibility Criteria

- Program-based Certification
  - Self-Certification
  - Required Documentation
  - State Agency Certification
- Income-based Certification
  - Required Documentation
- Default/Override Criteria
  - "Minimum" federal guidelines
  - Additional state-specific criteria "overlay"
- Exceptions Processing

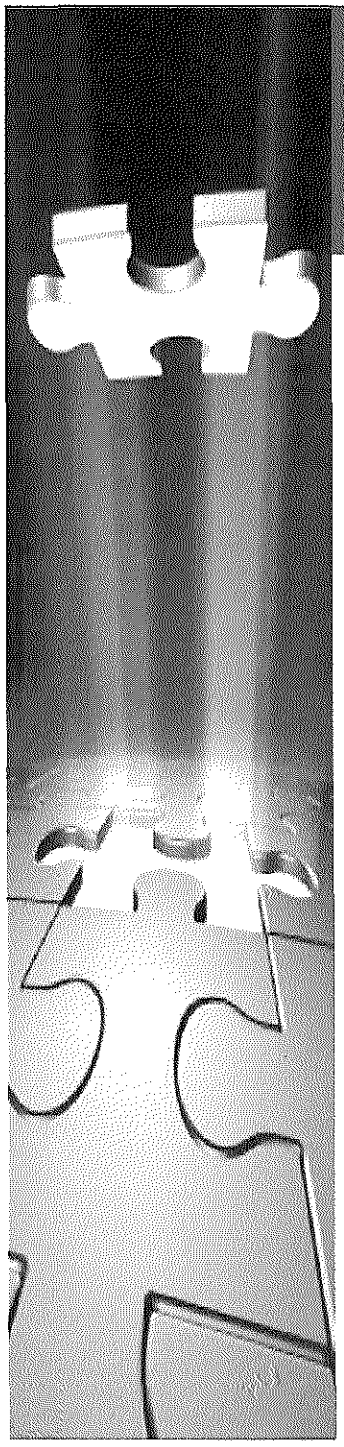


National Lifeline Database Design Considerations

System Interfaces

- Carrier Data Exchanges & Database Access
  - Real-time Look-ups
    - » Customer Eligibility Status (e.g., Eligible, Ineligible, Pending)
    - » Currently Receiving Lifeline (Y/N)
  - Real-time Updates from ETCs
  - Batch Processing Option

- Interfaces with Existing State Programs/Systems and State Social Services Agencies
  - Data Formats
  - Real-time vs. Batch Processing



National Lifeline Database Design Considerations

Ongoing Maintenance/Reconciliation

- Annual Verifications
  - Customer Notification Lead Time
  - Grace Period
- Termination of Eligibility
- Discontinued Service/Non-Usage
- Opt-outs
- Customer Moves
- Service Provider Changes
  - Required Customer & Service Provider Information
  - Dispute Resolution Process
- De-enrollment