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June 22, 2011

Via ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Emerios Notice of Ex Parte Presentation – WC Docket No. 11-42, CC Docket No. 96-45, and WC Docket No. 03-109

Dear Ms. Dortch:

On June 13 and 14, 2011, the Commission held a workshop on the development of a low income database for the Lifeline and Link Up programs, which followed on the Commission's Notice of Proposed Rulemaking in the above referenced dockets.¹ The workshop was led by Kimberly Scardino, Cindy Spiers, and Jonathan Lechter of the Wireline Competition Bureau. At the workshop, Jesse Crowe, CEO, Joe Cox, Senior Vice President, and Ron Renjilian, Director Government Affairs, Emerios, discussed the cost of constructing, operating, and maintaining the database. Pursuant to a request from the Commission staff, Emerios below describes those cost components in greater detail, and it submits elements of a proposed method for cost recovery (bid specification).

National Duplicate and Eligibility Database Solution

I. Core Cost Components of Platform Deployment and Operation

1. Development of Custom Software. For a solution that meets all of the requirements, can scale, is effective and efficient, development of custom software is the most critical area and where substantial costs will be incurred. A

¹ *In the Matter of Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, CC Docket No. 96-45, and WC Docket No. 03-109, Notice of Proposed Rulemaking (rel. Mar. 4, 2011),

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well-designed solution will provide for the capability to configure and adapt the platform to changing circumstances and new requirements.

2. Software Licenses. A system such as this will need to run on a MS SQL or Oracle level database and Enterprise Class server software. The cost of these software licenses can be rather high; however, all software must be documented as fully licensed.
3. Equipment (including Security, Redundancy, and Shared Use). The cost of the equipment can vary greatly depending on a number of factors, including the level of security and shared use. We expect the platform will operate at the highest level of security, which will increase costs. In addition, at a minimum, the system should have a redundant location ideally with a hot/hot configuration to ensure the highest level of uptime. Sharing resources can reduce costs and is a common industry practice. If properly designed and implemented, shared resources also are generally very secure. (If the platform specification requires complete segregation of equipment used, for example, by enterprise clients, the development costs and lead time would increase.)
4. Project and Requirements Management. The cost of having a highly experienced project manager, analyst and architect can be very high. Yet, their experience should accelerate deployment and minimize the chance that the solution will fail.
5. Exception Staffing. The cost of exception staff is significant and will rise as the Commission increases the need for exception handling. A well designed system that encourages automation will reduce this cost and improve the customer experience.
6. Document Retention. If the solution requires retention of scanned images, this will greatly increase the size of the storage hardware and require indexing and search and potentially encryption and confidentiality capabilities. All of this will add significant costs.
7. Reporting. The database should enable ETCs and states to receive: (1) standard reports that produce the information needed for audit, reporting and billing purposes; and, (2) customized, multi-purpose reports through an online custom report generation tool to track their transactions with the database. These capabilities can be obtained by purchasing a standard industry reporting package which will typically be charged based on an upfront fee and annual per user license fees.

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II. Cost Recovery (Bid Specification)

1. Database Deployment and Overall System Operation. The cost of deploying the database and operating the solution should be recovered by a fixed charge for initial deployment and monthly maintenance. In addition, there should be a dip fee, which would allow for additional investment in the event that volume increases.
2. Exception Handling and Outreach. The requirements for exception handling and outreach can vary greatly. For exception handling, costs should be recovered on a per hour basis for staff time. Interactive voice response should be recovered on a per minute basis. Mail by the item handled or mailed, and any voice or text messaging on a per message basis.
3. Reporting. Costs for reporting can be recovered through annual fee per user.

Should the Commission wish to discuss Emerios' description of the costs or its proposed cost recovery mechanism, please contact me.

This letter is being filed electronically pursuant to section 1.1206 of the Commission's rules.

Sincerely,



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