

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
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

REPLY COMMENTS OF VERIZON¹ AND VERIZON WIRELESS

Verizon addressed the issues identified in the Further Inquiry in its initial comments and reply comments in this proceeding,² as well as in other pleadings filed in these dockets. We respond to the Further Inquiry here in support of those commenters that encourage the Commission to focus on adopting a national Lifeline database (and central administrator) for program enrollment, certification, and verification functions as soon as possible. The Commission should not, and should not require companies to, expend resources on expensive, interim changes to these procedures that will ultimately be unnecessary with a national Lifeline database.

¹ In addition to Verizon Wireless, the Verizon companies participating in this filing (“Verizon”) are the regulated, wholly owned subsidiaries of Verizon Communications Inc.

² *Further Inquiry into Four Issues in the Universal Service Lifeline/Link Up Reform and Modernization Proceeding*, Public Notice, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45, DA 11-1346 (Aug. 5, 2011) (“Further Inquiry”); *Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up*, Notice of Proposed Rulemaking, 26 FCC Rcd 2770 (2011) (“NPRM”); *see also* Verizon and Verizon Wireless Comments (April 21, 2011), Verizon and Verizon Wireless Reply Comments (May 10, 2011).

DISCUSSION

As a rule, the Commission should avoid adopting new regulations that add significant administrative costs during the transition to a national Lifeline database for enrollment, certification, and verification functions. For instance, the Commission's rules currently call on Lifeline providers to implement testing procedures to annually verify the continued program eligibility of a statistically valid random sample of their Lifeline customers. 47 C.F.R. 54.410(c)(2). One of the proposals in the NPRM and in the Further Inquiry for interim changes to the rules would require some providers essentially to "re-verify" program eligibility of all Lifeline customers every year based on a "sample and census" approach. Further Inquiry at 7; NRPM ¶ 177. Verizon agrees with AT&T, CenturyLink, and other commenters that the Commission should not modify its procedures for Lifeline verification at this time. *See* AT&T Comments at 11-12; CenturyLink Comments at 5. Such a measure will serve only to increase administrative burdens; it will not significantly curb waste and abuse because the statistically valid sample measure is not a significant source of waste and abuse in the program today.

Over time, companies have invested in valid sampling and other Lifeline verification processes that serve as reasonable backstops against waste and abuse. The administrative costs associated with the proposed changes to the verification rules would be substantial. And those resources will ultimately be wasted because a national database – informed with data from state social service agencies – will supplant (and be vastly superior to) the current carrier-driven verification procedures in the Commission's rules. "Carriers with large numbers of Lifeline customers would face the pointless burden of verifying at each census interval the eligibility of every one of their Lifeline customers—tens of thousands or even hundreds of thousands of customers. ... This policy would also create a headache for countless legitimate Lifeline consumers." CenturyLink Comments at 5.

Instead of expending resources on changes to existing Lifeline program enrollment, certification, and verification procedures the Commission should develop and adopt a national database for these functions as soon as possible.

Respectfully submitted,

/s/ Christopher M. Miller

Edward Shakin
Christopher M. Miller
1320 North Courthouse Road – 9th Floor
Arlington, Virginia 22201
(703) 351-3084

John T. Scott, III
1300 I Street, NW
Suite 400 West
Washington, D.C. 20005
(202) 589-3770

Michael Glover
Of Counsel

September 2, 2011