



January 13, 2012

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**BY HAND DELIVERY**

Kimberly Scardino  
Telecommunications Access Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12th Street, S.W., Room 5-A465  
Washington, D.C. 20554

FILED/ACCEPTED

JAN 13 2012

Federal Communications Commission  
Office of the Secretary

**Re: TRANSMITTING CONFIDENTIAL INFORMATION- SUBJECT TO  
PROTECTIVE ORDER, DA 11-1459, IN WC DOCKET NO. 11-42,  
BEFORE THE FEDERAL COMMUNICATIONS COMMISSION**

*Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42*

Dear Ms. Scardino:

Pursuant to the Protective Order issued on August 25, 2011 in the above-referenced proceeding, enclosed please find two copies of an *ex parte* filing by General Communication, Inc. A redacted version of the *ex parte* has been filed electronically.

Sincerely,

Jacinda Lanum

*Handwritten initials/signature*



January 13, 2012

Via ECFS

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 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:

General Communication, Inc. (“GCI”) submits this letter to present the Commission with data demonstrating that limiting low-income program service to a single line per address would improperly terminate service for many thousands of customers. Indeed, the data reveal that for every subscriber that the Commission might intend to exclude from low-income program service under a one-per-address rule, about five more would also lose service without reason simply due to shortcomings in any address-based approach. Accordingly, the Commission should reject as counterproductive any limitation based on address, and it should instead limit service to one line per qualifying adult (at least in Tribal areas) or, at a minimum, one line per nuclear family (*i.e.*, individual, spouse and minor children, as a bright line definition of an economic unit), based on the subscriber’s self-certification.

At the direction of the FCC’s Office of the Managing Director and the Wireline Competition Bureau, the Universal Service Administrative Company (“USAC”) has implemented an interim duplicates resolution process (“IDRP”). In the IDRP, USAC has conducted a series of low-income program data validations to identify apparently duplicative subscribers. In Track 1 of the IDRP, USAC worked with eligible telecommunications carriers (“ETCs”) in certain states to identify individual subscribers who receive low-income program benefits from more than one ETC and then to eliminate the duplicative benefits. In Track 2, USAC has worked with ETCs to identify situations in which more than one low-income benefit is affiliated with the same address. (Track 2A covered subscribers with the same address who all receive low-income service from the same ETC; Track 2B covered subscribers with the same address who receive low-income service from any ETC.) USAC provided some ETCs (including GCI) with the data generated from the Track 2 process and invited those ETCs to provide feedback, including by identifying “reason codes” that help explain why USAC may have encountered duplicate addresses.

GCI analyzed in depth the Track 2B data it received from USAC, and the results highlight the harm that a one-per-address rule would cause, particularly in rural regions like Alaska. The results of GCI's analysis are reflected in the following chart and explained in greater detail below.

Code	Reason Description	Total	Total Less LL Inactive	Percent (Less LL Inactive)
000	No Additional Information	█	█	█
001	Account No Longer Active	█	█	█
002	Account No longer Lifeline Enrolled	█	█	█
105	Only PO Box Available	█	█	█
107	Rural Route	█	█	█
108	Trailer Lot # not Recognized by USPS DB	█	█	█
110	Apartment # not Recognized by USPS DB	█	█	█
111	No Apartment / Room # Available	█	█	█
202	Homeless / Transient Facility	█	█	█
303	Confirmed Non-Nuclear Family	█	█	█
Total		█	█	

As the chart makes clear, in the Track 2B process USAC identified █ GCI low-income program subscribers with duplicate addresses. GCI's research into these accounts revealed that █ are no longer active, and █ others are active but no longer enrolled in the low-income program. These categories, which are reflections of the time lag between the date on which ETCs submitted data to USAC and the date on which the Track 2B results were released, do not actually reflect duplicate low-income program service recipients because these consumers no longer receive low-income program service. Removing these accounts from the analysis leaves █ accounts that USAC identified as having apparently duplicative addresses.

By delving into those █ accounts, however, GCI was able to determine that the apparently duplicative addresses do not justify limiting or terminating service in the vast majority of cases. GCI determined that the apparently duplicative addresses actually reflected limitations in the U.S. Postal Service addressing database in █ cases, or more than █ percent of the █ accounts flagged by USAC: █ of the apparently duplicative addresses (█ percent) came from trailer parks in which the USPS database did not recognize individual lot numbers, and █ more (█ percent) came from apartment building addresses where the USPS database did not recognize individual apartment numbers. There is simply no basis for declining to provide low-income program service to one resident of an apartment building or trailer park just because someone living elsewhere in the same building or park already has service. But that is what a one-per address limitation would achieve for these subscribers, particularly if implemented according to the USPS address database.

Similarly, GCI found that [REDACTED] of the duplicative addresses are “rural route” addresses, and [REDACTED] more are PO Box addresses. In Alaska (and presumably in other rural communities as well) people who actually reside in different structures often have the same rural route address or share a PO Box at the closest post office. The fact that these addresses – which make up another six percent of the total – are duplicative simply reflects the reality of postal delivery in Alaska. It says nothing about these consumers’ living arrangements or their eligibility for low-income program service. GCI found that [REDACTED] more subscribers, or about three percent of the total, reside in shelters or other group living arrangements for transient populations. The fact that these subscribers might share a physical address – or, just as likely, the fact that they may identify the same shelter address for mail delivery even if they do not live there in any permanent sense – should not disqualify this particularly vulnerable and transient population from receiving low-income program benefits.

Finally, GCI found that [REDACTED] of the subscribers (nearly [REDACTED] percent) had certified that no one else in their “nuclear family” was receiving Lifeline, which has been GCI’s working household unit for screening duplicate wireless Lifeline subscriptions. Under GCI’s policy, which is designed to implement a one-per-economic-unit approach, a consumer is *not* eligible for low-income program service if either (a) anyone else residing at the consumer’s physical address has low-income program wireline service, or (b) anyone in the consumer’s nuclear family (defined as spouse and minor children) has low-income program wireless service. In other words, [REDACTED] subscribers in the pool identified by USAC are compliant with this policy, meaning that their duplicative addresses actually reflect living arrangements that should not disqualify them from receiving low-income program service. A simple example of such an arrangement clarifies the point. If two unrelated adult roommates happen to share an apartment (but nothing else) based on a Craigslist listing, and if both are substantively eligible for low-income program service, there is no defensible reason to deny service to one simply because the other happened to sign up for wireless Lifeline service first.

In sum, GCI found that the various situations described above account for [REDACTED] – or about [REDACTED] percent – of the subscribers that USAC identified. Importantly, GCI notes that it is not the case that the remainder represent multiple subscriptions within the same nuclear family: for the remainder, GCI was simply unable to unearth explanatory data for the other [REDACTED] percent) within the deadline set by USAC for a response, which means that the actual number (and percentage) of “justified” duplicate addresses may be materially larger. (The [REDACTED] figure includes the accounts labeled “No Additional Information” and “No Apartment / Room # Available” in the chart above.)

These data demonstrate that a one-per-address rule would be devastatingly counterproductive because it would cast far too wide a net. For every duplicate that the rule might be designed to catch (*i.e.*, the [REDACTED] percent for whom GCI could not find explanatory data), about [REDACTED] more (*i.e.*, the [REDACTED] percent who fit in the various situations described above) would be improperly denied service. Because the harm of such an approach would so clearly outweigh the benefit, the Commission should summarily reject it.

As GCI has long advocated, the Commission should instead adopt a one-per-qualifying-adult rule (at least in Tribal areas), or, at most, should adopt a limitation based on the consumers' economic units, with a nuclear family as a safe harbor. In GCI's view and experience, a nuclear family policy like the one described above represents a sensible, administrable, and widely understandable way of implementing a limitation based on economic units. To make such a limitation practical from an operational perspective – whether based on nuclear family or some other definition of economic unit – the Commission should expressly permit ETCs to rely on consumers' self-certifications that they comply with the rule. Telephone companies have no business delving into their customers' private living arrangements, and they are unqualified to make such inquiries in any event, which means that self-certifications are necessary to make this kind of limitation operationally practical.

Sincerely,



John T. Nakahata  
*Counsel to General Communication, Inc.*

Attachments

cc (by email): Sharon Gillett  
Carol Matthey  
Trent Harkrader  
Patrick Halley  
Kim Scardino  
Jamie Susskind  
Zachary Katz  
Michael Steffen  
Angela Kronenburg  
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