Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Lifeline and Link Up	)	WC Docket No. 03-109
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Advancing Broadband Availability Through Digital Literacy Training	)	WC Docket No. 12-23

REPLY COMMENTS OF INCOMM

Interactive Communications International, Inc. ("InComm"), by its attorneys and pursuant to the Commission's February 6, 2012 Further Notice of Proposed Rulemaking ("FNPRM" or "*Further Notice*") in this proceeding, respectfully submits these reply comments on the National Lifeline Accountability Database.[1]

INTRODUCTION

As the industry leading marketer, distributor and technology innovator of stored-value gift and prepaid products, and through its affiliates a provider of network services to several wireless eligible telecommunications carriers ("ETCs") and prepaid phone card carriers, InComm supports the Commission's goal of eliminating waste, fraud and abuse in the universal service program. The *Further Notice* builds on the FCC's decision to authorize a Lifeline

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[1] *Lifeline and Link Up Reform and Modernization,* WC Docket No. 11-42 *et al.,* FCC 12-11, Report and Order and Further Notice of Proposed Rulemaking (rel. Feb. 6, 2011) *("Lifeline Reform Order*").

duplicates database,[2] raising a number of questions regarding implementation and potential expansion of the database. Regardless of the ultimate decision on its scope, however, the selection of a vendor for the Lifeline database requires more specific direction from the Commission to the Universal Service Administrative Company ("USAC").

DISCUSSION

The *Lifeline Reform Order* "create[s] and mandate[s] the use by ETCs" of a national duplicates database designed "to ensure that multiple ETCs do not seek and receive reimbursement for the same Lifeline/Link Up subscriber"[3] and "set[s] a target date to have the database operational as soon as possible and no later than a year from release of the Order."[4] There is widespread agreement in the record that such a step is necessary and in the public interest.

Many of the opening comments in this *Further Notice* proceeding focus on the amount of financial support to be provided to ETCs, the so-called "interim Lifeline support level," and whether such reimbursement can or should be uniform across all supported services and providers. Those are important issues for carriers receiving USAC funding, in which InComm does not participate. As InComm believes its technology platform and experience place it among a relatively small handful of firms qualified to design, construct and operate the National Lifeline Accountability Database, these reply comments address the process and criteria for selection of a database vendor.

The *Lifeline Reform Order* does not spell out the procedures applicable to selection of a database vendor or operator. Essentially what the Commission decided was that a Lifeline duplicates database must be populated with subscriber information from each ETC. Beyond the

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2 *Id.* ¶¶ 179-225.
3 *Id.* ¶ 182.
4 *Id.* ¶ 185.

relatively aggressive one-year implementation target, though, the Order generally "direct[s] USAC, in coordination with the Bureau and the Office of the Managing Director (OMD), to take all necessary steps to develop and implement, as quickly as possible, a database and associated processes capable of performing the functions" outlined by the Commission.[5]

InComm is concerned that these directions leave ambiguous whether USAC itself is to build and operate the database. We think that is not an efficient approach to Lifeline duplicates. In comparison to the private sector, government agencies generally lack sufficient expertise and scale economies to implement interactive network databases using least-cost solutions. USAC will be responsible for duplicate "scrubbing" and termination of funding for ETCs enrolling duplicate subscribers — tasks within its core competence that it can be expected to perform very well. In this context, however, commenters noted there is an appearance of conflict if the agency also is involved as a third-party Lifeline administrator.[6]

A preferable approach is for the Commission to clarify that, like other common telecommunications industry resources, such as the local number portability ("LNP")[7] and SMS/800

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[5] *Id.* ¶ 186.

[6] *See* Sprint Nextel comments at 6 (conflict of interest for USAC to serve as third-party Lifeline eligibility administrator, distributor of USF funds and auditor of ETC compliance).

[7] The local number portability database, known as NPAC (for "Number Portability Administrative Center"), is currently operated by Neustar, Inc. Originally, eight regional Limited Liability Corporations ("LLCs") were formed to represent the telephone companies in contracting with database administrators, one LLC for each of the original Regional Bell Operating Company regions and one for Canada. After an open competition, Lockheed-Martin Information Management Services and Perot Systems were selected as the initial database administrators and each was granted a contract by two or more of the LLCs to provide services until 2003. But Perot Systems dropped out when its service could not be ready on time and the LLCs that had contracted with Perot signed contracts with Lockheed-Martin instead. The seven United States LLCs eventually merged into a single entity, North American Portability Management, LLC (NAPM). In November 1999, Lockheed-Martin Information Management Services became NeuStar.

databases,[8] the National Lifeline Accountability Database should be operated by a neutral entity, selected through an open RFP bidding process, supervised by the FCC itself. In its *First LNP Order*, the Commission directed the North American Numbering Council ("NANC') to recommend one or more independent, non-governmental entities, not aligned with any particular telecommunications segment, to serve as LNP database administrators.[9] Recently, the Wireline Competition Bureau emphasized that negotiation of vendor contracts, even when delegated to a Commission agent like NANC, is subject to FCC approval, clarifying that "the Bureau must approve the 'Request for Proposals' (RFP), 'Request for Information' (RFI), and the 'Technical Requirements Document' (TRD)" used in connection with renewal of the LNP database vendor contract.[10]

While the *Lifeline Reform Order* does not at this time mandate real-time querying of subscribers for duplicates, the database must still interface with numerous ETC carrier information systems, especially as duplicate resolution will be handled on a "first-come, first served" basis.[11] There is just as much a need for neutrality and competitive bidding in this area as in other telecommunications industry databases established under the Commission's auspices. The settled processes used by the NANC, with the FCC's supervision, to evaluate and select among competing bids for neutral construction and operation of NANPA databases have worked without significant controversy and should be applied to the Lifeline database process as well. At

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[8] The SMS/800 database is actually a collection of interconnected local exchange carrier databases administered by SMS 800, Inc., but operates under rules, required by the Commission and developed by the SMS/800 Number Administration Committee of ATIS, to ensure neutrality among competing RespOrgs and toll-free service providers.

[9] *Telephone Number Portability,* First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd. 8352, 8401 (1996); 47 CFR § 52.25(c).

[10] *Petition of Telcordia Technologies Inc. to Reform or Strike Amendment 70,* Order and Request for Comment, Order, WC Docket No. 09-109, DA 11-883, at 3 (rel. May 16, 2011).

[11] *Lifeline Reform Order* ¶¶ 197, 214-17.

the very least, the Commission should clarify that the Bureau will oversee selection of a Lifeline database vendor to "ensure that the process runs efficiently and is impartial to all potential vendors and all segments of the industry"[12] and "ensure that the procurement is open and transparent."[13]

CONCLUSION

The Commission should clarify that USAC must select a neutral vendor for the Lifeline duplicates database through an open, fair and transparent competitive bidding process.

Respectfully submitted,

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[12] *Petition of Telcordia Technologies Inc. to Reform or Strike Amendment 70,* Order and Request for Comment, WC Docket No. 09-109, DA-11-454, at 3 (rel. Mar. 8, 2011); Order, WC Docket No. 09-109, DA 11-883, at 3-4 (rel. May 16, 2011).

[13] *Id.* at 5 ¶¶ 13, 17.