

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 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

**THE TELECOMMUNICATIONS REGULATORY BOARD OF PUERTO RICO'S  
PETITION TO OPT OUT OF THE NATIONAL LIFELINE ACCOUNTABILITY  
DATABASE**

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The Telecommunications Regulatory Board of Puerto Rico (“Board”) respectfully submits this petition to opt out of the National Lifeline Accountability Database (“NLAD”). In addition to a description of the Board’s efforts to mitigate duplicative Lifeline support, the Board certifies that its database meets each requirement described in the Commission’s October 11, 2012 Public Notice (“Public Notice”).

**I. INTRODUCTION AND SUMMARY**

In the Lifeline and Linkup Reform and Modernization Order (“Lifeline Reform Order”), the FCC modernized the Universal Service Fund’s Lifeline program in an attempt to mitigate waste, fraud, and abuse. The Lifeline Reform Order set the framework for a National Database to identify duplicative Lifeline support. The order and corresponding rules permit states to “opt-out of the duplicates database requirements . . . if they certify one time to the Commission that they have a comprehensive system in place to check for duplicative federal Lifeline support that

is as at least as robust as the processes adopted by the Commission, and that covers all ETCs operating in the state and their subscribers.”<sup>1</sup> The Board meets the standard adopted by the FCC and therefore requests this waiver.

## **II. BACKGROUND**

The Board is the agency responsible for regulating telecommunications and granting cable franchises in Puerto Rico.<sup>2</sup> It has a statutory mandate from the Puerto Rico General Assembly to “preserve and promote universal service through predictable, specific and sufficient support mechanisms”<sup>3</sup> while ensuring that the Lifeline subsidy is limited to “a single wireline telephone line or to a single wireless service for the family unit.”<sup>4</sup>

In discharging its statutory obligation, the Board has been taking steps to reduce from its Lifeline rolls those residents who are improperly receiving double (or triple or more) benefits per person or family unit. In 2011, the Board began auditing the Lifeline program in Puerto Rico because of the many instances where the subscribed participants were receiving the service from more than one carrier or more than one service from the same carrier. To date, the Board has realized significant success in reducing duplicative Lifeline support in Puerto Rico, due to the fact that it also commissioned a centralized database.

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<sup>1</sup> *See Lifeline and Link Up Reform and Modernization et al.*, WC Dkt. Nos. 11-42 *et al.*, CC Dkt. No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012), ¶ 221 (Lifeline Reform Order).

<sup>2</sup> 27 L.P.R.A. § 265 *et seq.*

<sup>3</sup> 27 L.P.R.A. § 269e(a)(1).

<sup>4</sup> 27 L.P.R.A. § 269e(d)(3).

## II. CAPABILITIES OF THE BOARD'S CENTRALIZED DATABASE

To opt out the NLAD, a state database must be able to meet the specific functionality requirements enumerated in the Lifeline Reform Order.<sup>5</sup> A description of how the Board's database meets those functionalities is detailed below.

- 1. To opt out of the Database, a state must list the obligations on ETCs to comply with the state system (e.g., the ETC must transmit its subscriber information to the database). An opt-out request will only be granted when a state demonstrates it has systems that cover all ETCs operating in the state and all subscribers of those ETCs.<sup>6</sup>**

All ETCs in Puerto Rico – wireline and wireless – must obtain duplicative support verification for a Lifeline subscriber prior to receiving reimbursement for providing the Lifeline discount. This is done by obtaining a control code assigned by the Board.<sup>7</sup> The control code is provided simultaneously with the applicant's verification in the central database. Specifically, when a control code is obtained online by an ETC, all customer information is captured and updated in the central database.

A control code is not assigned to a Lifeline customer if the household already exists in the central database. However, for subscribers who are in the database, but argue that they are not duplicate Lifeline subscribers, an exception process allows the applicant to petition the Board for a review.

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<sup>5</sup> See Lifeline Reform Order, 27 FCC Rcd at 6752, ¶¶ 212-220.

<sup>6</sup> See 47 C.F.R. § 54.404(a).

<sup>7</sup> See § 14.5 of Regulation 8093 filed at PR Department of State, on October 2011.

2. **Can facilitate a process to scrub individual and household duplicates from ETCs' subscriber rolls.<sup>8</sup> The state system must be sufficiently capable of handling whatever functions, if any, are necessary to implement the scrubbing process. The state should file any data in its possession regarding the individual and/or household duplicate rate in its state to demonstrate that the process in the state has, in fact, successfully scrubbed individual and household duplicates from ETCs' subscriber rolls.**

In addition to obtaining a control code for each subscriber, Puerto Rico's Regulation 8093 § 14.10 requires an ETC to submit to the Board a complete monthly list of its existing Lifeline customers, by the 15<sup>th</sup> of the following month. Currently, the data is submitted via CD or DVD; however, early in 2013, the Board plans provide for ETCs to be able to update subscriber's information online. Currently, each monthly submission must include the following subscriber information, with no exceptions:<sup>9</sup>

- 9-digit Social Security Number
- Name
- Paternal Surname
- Maternal Surname
- Address 1 (physical address only)
- Address 2 (physical address only)
- City/Town
- Zip Code
- Enrollment Date
- Control Code

To ensure the reliability of the information that populates the Board's uniform database, the Board rejects incomplete and incorrect records and records that do not meet the established format requirements. The Board first reviews the data submitted by each ETC for completeness. If it identifies any incomplete or incorrect beneficiary information, or any information that does not meet the established format requirements, the corresponding ETC is notified that it must

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<sup>8</sup> See *id.*, 27 FCC Rcd at 6748-49, ¶¶ 214-216.

<sup>9</sup> Date of birth, termination date, mailing address, telephone number, and qualifying program will be required fields in early 2013.

obtain such information within thirty (30) days of the notification. If the corrected information is not provided within the thirty (30) day term, the client's benefits will be immediately terminated.

The Board then runs a combination of queries based on the data collected above to identify duplicates within each ETC and among the different ETCs, and notifies each ETC of any duplicate subscribers.

In the case of social security duplicates (same person), the earlier subscription will remain, if the client so chooses.<sup>10</sup> Then the ETC, using the format approved by the Board, notifies the duplicate subscriber by means of a letter to the postal address of record, stating that the individual is receiving more than one benefit, the date of his or her ineligibility, and his or her right to submit a claim to the Board. This notification must be made within ten (10) business days from the date sent.

In the case of duplicative subscriptions within the same household, the beneficiary who enrolled first will retain the benefit.<sup>11</sup> As stated above, the Board identifies the ineligible duplicate and the date of his or her ineligibility and the ETC, using the format approved by the Board, notifies the duplicate subscriber in a letter to his or her postal address of record, stating that the benefit has been terminated and of his or her right to submit a claim to the Board. This notification must be made within ten (10) business days from the date sent.

The Board will fine any ETC that has internal duplicates, \$10,000 per duplicate, as a means to dissuade ETCs from engaging in improper behavior.<sup>12</sup>

Puerto Rico realized an immediate decrease in the number of duplicate Lifeline subscribers once it began using the centralized database to conduct the duplicative verification

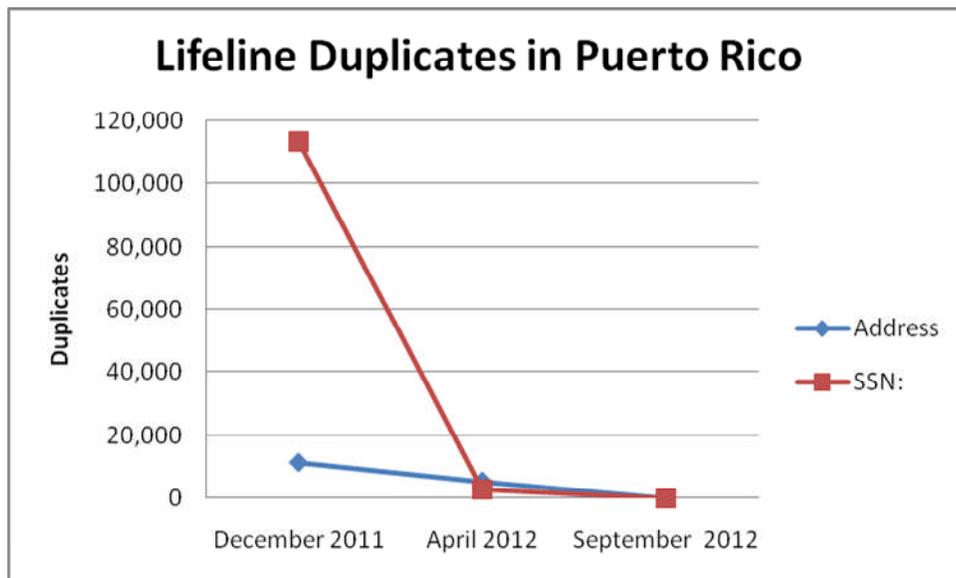
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<sup>10</sup> See the Board's Resolution and Order of March 7, 2012.

<sup>11</sup> See § 14.9C of Regulation 8093.

<sup>12</sup> See Resolution and Order of March 7, 2012.

process. During the first month, the database identified 113,294 duplicate social security numbers and 11,367 duplicate addresses. As of September 2012, there were nine duplicate social security numbers and 105 duplicate addresses. The Board continues to scrub social security duplicates on a monthly basis, and duplicate addresses periodically.



- 3. Will prevent ETCs from signing up individuals or households that are already receiving a Lifeline benefit. This includes a means for ETCs and/or other authorized users (e.g., state Administrators) to query the system prior to enrolling the subscriber to determine if the subscriber or anyone in the subscriber’s household is already receiving duplicative support.<sup>13</sup>**

ETCs are required to query the database, prior to enrolling a subscriber in Lifeline. The database has a two-step verification process. The first step verifies the subscriber’s identity and the second, the physical address. First, an ETC must enter a prospective Lifeline subscriber’s nine-digit social security number into the web application. If the social security number already exists, the ETC cannot enroll the subscriber in Lifeline. The subscriber will be directed to the dispute resolution process described in Requirement 6 below. If the social security number is not identified in the database as an existing subscriber, then the ETC is prompted to enter the

<sup>13</sup> See *id.*, 27 FCC Rcd at 6743-44, ¶ 203.

remaining identifying information: subscriber's name and two surnames.<sup>14</sup> Next, the ETC is prompted to enter the subscriber's physical address. If the address already exists in the database, the Lifeline application cannot be completed and the subscriber is directed to the dispute processes detailed in requirements 6 and 9 below.

If both the social security number and address are identified as unique, the ETC must certify the service and provide the telephone number, in order to obtain a control code for that particular customer. The control code is an encrypted intelligent number, distinctive to the ETC and the subscriber. To mitigate fraud, the database retains a historical record of all control codes associated with a particular subscriber. To date, no codes have been deleted. Once a control code has been generated, the subscriber is eligible for the Lifeline discount.

The ETC may enter a valid telephone number to proceed with enrolling the prospective Lifeline customer, or halt the enrollment process at this point. If the ETC elects to proceed, the database will update instantaneously, once the control code has been associated with a telephone number. The database immediately will prevent a subsequent ETC from obtaining a control code for that same subscriber or household.

- 4. Has a means of standardizing and verifying addresses submitted to the system, The system and any related processes must also be able to accommodate non-traditional addresses, such as addresses on Tribal lands not recognized by the U.S. Postal Service.<sup>15</sup>**

The Board has processes in place to both verify and standardize Lifeline subscriber addresses. Moreover, the Board has implemented procedures to manage exceptions.

**Verification.** The Lifeline database does not have an automated means of verifying address. Rather, ETCs in Puerto Rico must obtain proof of residence from a prospective Lifeline

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<sup>14</sup> Additional information that will be required will be date of birth, mailing address and qualifying program in early 2013.

<sup>15</sup> *See id.*, 27 FCC Rcd at 6738-39, 6743, ¶¶ 193, 201.

subscriber prior to enrolling that subscriber in Lifeline. Acceptable proof of residence includes: driver's license, utility bill (*e.g.*, cable, electric, water); bank account documentation; or a sworn declaration attesting under penalty of perjury that the address provided is indeed the subscriber's residential address. ETCs must retain a copy of the proof of residence provided by the subscriber.

**Standardization.** Most addresses in Puerto Rico are recognized by the U.S. Postal Service; however, certain addresses within Puerto Rico are considered non-traditional by the U.S. Postal Service. For example, in Puerto Rico most addresses include the subscriber's urbanization name, house number, street name, city, state, and zip code. However, there are areas of Puerto Rico that do not have street names or house numbers. In those instances, an urbanization name is an acceptable substitute for the street name. In other instances, housing projects or apartment buildings may not have street names or consistent unit numbers. In those situations, the house number and complex name may substitute as a street address.

In most situations, the database automatically standardizes the address provided by the ETC. If the database is unable to standardize the address, the ETC must provide the Board with the proof of residence submitted to it by the subscriber. Subscribers who fall into this category do not experience a delay in receiving his Lifeline benefits while the Board conducts its investigation because the system will still issue a control code for the subscriber.

- 5. Has a means of verifying a subscriber's identity at the time a system query is made.<sup>16</sup> In response to the query, the system must indicate whether the subscriber's identity can be verified, and, if not, provide error codes to indicate why the identity could not be verified.**

The Lifeline database does not have an automated means to verify subscriber identity. Instead, ETCs must obtain valid, government issued photo identification (*e.g.*, passport, driver's

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<sup>16</sup> *See id.*, 27 FCC Rcd at 6743, ¶ 201.

license) as part of the initial enrollment process, as well as the subscriber's full social security number. ETCs must retain copies of the proof of identification submitted by the subscriber. In addition, applicants who qualify based on coordinated enrollment through the Nutrition Assistance Program (PAN) must undergo identity verification as part of the PAN enrollment process. More than half of Puerto Rico Lifeline beneficiaries are enrolled through this program. If a subscriber is identified as already receiving the Lifeline discount when his information is entered into the database, he will be instructed to follow the exception procedures described in numbers 6 and 9 below.

- 6. Includes a dispute resolution process to ensure that subscribers are not wrongfully denied benefits,<sup>17</sup> including those cases where a subscriber fails the automated identity check or where the subscriber's address is incapable of being recognized by the U.S. Postal System.**

The Board has dispute resolution processes in place to manage both identity and address discrepancies for both potential and existing Lifeline subscribers.

**Potential Lifeline Subscribers.** In situations where a potential subscriber is denied a control code, the ETC must provide the subscriber with a printed notice generated by the database which identifies the reason the benefit was denied. The subscriber may then use this notice to petition the Board to investigate the denial.

**Existing Lifeline Subscribers.** If a subscriber's social security number is identified as a duplicate, the subscriber may obtain a form<sup>18</sup> from the Board to reconcile the discrepancy. Along with the form, the subscriber must submit to the Board: (1) a copy of the duplicate notice, (2) the letter envelope (if provided); (3) any documentation that the subscriber can provide to substantiate his claim that he only has applied for one Lifeline benefit. If the subscriber is

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<sup>17</sup> See *id.*, 27 FCC Rcd at 6749, ¶ 217.

<sup>18</sup> See REVISIÓN BENEFICIO LIFELINE (Duplicidad Seguro Social) at [http://www.jrtrpr.gobierno.pr/det\\_content.asp?cn\\_id=1391](http://www.jrtrpr.gobierno.pr/det_content.asp?cn_id=1391)

identified as having duplicative support at one address, the subscriber may obtain a form from the Board<sup>19</sup> on which he may provide an explanation for the discrepancy and certify that his household is not receiving duplicative Lifeline support. Along with the form, the subscriber must submit to the Board: (1) a copy of the duplicate notice, (2) the letter envelope (if provided); (3) a utility bill with the subscriber's name and address; (4) any other documentation to verify the subscriber's address. The Board will then conduct an investigation to determine if the consumer was unjustly denied Lifeline service.

**7. Is able to receive and process information including the name, address and phone number of each Lifeline subscriber.<sup>20</sup>**

ETCs in Puerto Rico are required to enter into the database the first name and two surnames, physical address, and telephone number of its Lifeline subscribers, prior to enrolling the customer in Lifeline. In addition, ETCs in Puerto Rico must provide the data listed in requirement 2 to the Board, each month. The Board will then run queries to ensure that the same individuals and household are not receiving more than one Lifeline discount.

**8. Captures the address and date of service initiation to which Tribal Link Up support applied if Link Up support is offered in the state.<sup>21</sup>**

This requirement is not applicable to Puerto Rico.

**9. Has a process to manage “exceptions” to the definition of “duplicative support” rules and to deal with situations, such as non-standardized addresses, that may not be able to be resolved through mechanized means.<sup>22</sup>**

As mentioned above, the Board has numerous policies in place to ensure that potential Lifeline customers are not denied the benefit unjustly.

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<sup>19</sup> See REVISIÓN BENEFICIO LIFELINE (Duplicidad Dirección) at [http://www.jrtp.gobierno.pr/det\\_content.asp?cn\\_id=1391](http://www.jrtp.gobierno.pr/det_content.asp?cn_id=1391)

<sup>20</sup> See *id.*, 27 FCC Rcd at 6741, ¶ 198.

<sup>21</sup> See *id.*, 27 FCC Rcd at 6739-40, ¶ 195.

<sup>22</sup> See *id.*, 27 FCC Rcd at 6747-48, ¶¶ 212-213.

**Potential Lifeline Subscribers.** Upon initial determination of ineligibility, a prospective subscriber is notified immediately by the ETC, in writing, why he was deemed ineligible, and how to appeal the decision with the Board. The subscriber may petition the Board in person or via mail to investigate the denial.

**Existing Lifeline Subscribers.** The Board stipulates that in case of social security duplicates, it will identify the duplicate subscriber and will notify the ETCs of each duplicate subscriber.<sup>23</sup> The ETC must then send the subscriber a Board approved notification to the postal address of record, stating that the individual is ineligible for Lifeline service and his or her right to submit a claim to the Board. This notification must be made within ten (10) business days from the date sent. Any subscriber whose benefits have been terminated due to the duplicative rule may ask the Board to review the decision within twenty (20) days from the notification of ineligibility.<sup>24</sup>

The Board states that, in case of duplicative subscriptions within the same household, the beneficiary who had the service first will retain the benefit. The Board will identify the ineligible duplicate and the date of his or her ineligibility. The Board will approve the notification to be sent by the corresponding ETC, in a letter to his or her postal address of record stating that the benefit has been terminated and of his or her right to submit a claim to the Board. This notification must be made within ten (10) business days from the date sent, and the

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<sup>23</sup> The duplicate is considered to be the subscriber who most recently received the discount. If during the investigation the Board discovers that the initial subscriber obtained the discount through identity theft or other fraudulent means, the Lifeline discount will be provided to the rightful applicant and the Board may bar the original subscriber from the Lifeline program.

<sup>24</sup> See § 14.9.B. of Regulation 8093.

subscriber must return a Revisión Beneficio Lifeline (Duplicidad Dirección) to the Board certifying, under penalty of perjury, that his household is only receiving one Lifeline discount.<sup>25</sup>

- 10. Retains all data related to consumers who have received Lifeline and Link Up for ten years, after the consumer receives Link Up or de-enrolls from Lifeline.<sup>26</sup>**

The Board currently has not established a time limit on document retention for the database. If the Board were to implement a time limit for the database, the duration would be no less than 10 years to comply with the Commission's rules.

- 11. Has the capability of receiving updates from ETCs both in real-time and in periodic batches.<sup>27</sup>**

ETCs in Puerto Rico currently can update the database of new individual subscriber in real time. Beginning in 2013, ETCs will also be able to modify subscriber information in real time or in batches. As noted earlier, once a change has been made, the information becomes live immediately. Beginning in 2013, ETCs will be able to bulk upload their monthly subscriber reports.

- 12. Includes safeguards to ensure that the data in the system is only used to check for duplicative support and related functions and for no other purpose, including marketing or subscriber retention.<sup>28</sup> In addition, the state should demonstrate that the system includes sufficient safeguards to protect proprietary and personal information in the system from theft or loss.<sup>29</sup>**

To access the database, a request must come from an IP address registered to an authorized ETC. Moreover, an ETC may only access the database, during specific hours previously requested by the entity.

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<sup>25</sup> See PRUB Universal Service Regulation 14.9.C.

<sup>26</sup> See *id.*, 27 FCC Rcd at 6740, ¶ 195.

<sup>27</sup> See *id.*, 27 FCC Rcd at 6741, ¶ 198.

<sup>28</sup> See *id.*, 27 FCC Rcd at 6751-52, ¶ 220.

<sup>29</sup> See *id.*, 27 FCC Rcd at 6745, ¶ 207.

Personal information regarding Lifeline applicants does not display on screen. During the initial duplicative verification process, the social security number is not displayed in the web interface once the database has verified it as unique. Finally, ETCs are not privy to the information in the database, they simply receive a confirmation that a user does or does not exist currently in the database.

Beginning in 2013, ETC employees using the batch feature must have a username and password.

**13. Will permit the FCC and USAC to access records necessary for oversight and for audits.<sup>30</sup>**

The Board will provide the FCC and USAC with reports as needed, to ensure that subscribers in Puerto Rico are not receiving duplicative Lifeline support.

**IV. CERTIFICATION**

The Board hereby certifies that Puerto Rico, through the Telecommunications Regulatory Board of Puerto Rico, has a comprehensive system in place to prevent duplicative federal Lifeline support that is at least as robust as the system adopted by the FCC, and that incorporates information from all eligible telecommunications carriers receiving low-income support in the Commonwealth of Puerto Rico.

**V. CONCLUSION**

As described above, the Telecommunication Regulatory Board of Puerto Rico meets all of the requirements of Section 54.404(a). The Board has a comprehensive system in place to meet the requirements set forth by the FCC's Lifeline Reform Order and its subsequent Public Notice. Through its database, the Board will continue its endeavors to reduce waste, fraud, and

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<sup>30</sup> See *id.*, 27 FCC Rcd at 6754-55, ¶ 225.

abuse in the USF program. As such, the Board requests the FCC's approval to opt out of the National Lifeline Accountability Database.

Dated: November 30, 2012

Respectfully submitted,

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