

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of

Lifeline and Link Up Reform and
Modernization

Lifeline and Link-Up

Federal-State Joint Board on Universal
Service

Advancing Broadband Availability Through
Digital Literacy Training

WC Docket No. 11-42

WC Docket No. 03-109

CC Docket No. 96-45

WC Docket No. 12-23

**PETITION OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION
AND THE PEOPLE OF THE STATE OF CALIFORNIA TO OPT OUT OF
NATIONAL LIFELINE ACCOUNTABILITY DATABASE**

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I. INTRODUCTION

The California Public Utilities Commission and the People of the State of California (CPUC or California) hereby files this Petition to Opt-Out of the National Lifeline Accountability Database (National Database). On November 14, 2012, the Federal Communications Commission (FCC or the Commission) released a public notice (PN)¹ setting December 1, 2012² as the deadline by which states must file their opt-out request with the Commission.

In the *Lifeline Reform Order*,³ the FCC made a number of significant reforms to the federal Lifeline program to prevent waste, fraud and abuse. One of the reforms is the establishment of the National Database. The purpose of the National Database is to detect and eliminate duplicative Lifeline support provided to eligible persons. The National Database will perform a number of key functions, including: 1) housing subscriber data provided by eligible telecommunications carriers (ETCs); 2) receiving and processing subscriber information; and 3) allowing ETCs to query the National Database prior to signing up eligible persons/households to see if they are already receiving Lifeline support.⁴

¹ DA 12-1624

² In the *Lifeline Reform Order*, the Commission set the opt-out filing deadline to November 1, 2012. However, in the PN, the Commission granted a limited waiver and extended the deadline from November 1, 2012 to December 1, 2012.

³ *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*; WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23; (FCC 12-11); Report and Order; rel. February 6, 2012 (*Lifeline Reform Order*).

⁴ *Lifeline Reform Order* at para. 179.

Because some states, however, have their own systems for eliminating duplicate Lifeline support, the Commission is allowing those states to either participate in or to opt-out of the National Database and continue using their own system. In the opt-out request, the Commission requests the states to “itemize with particularity the functionality of the state’s system that corresponds to the federal processes set forth in the Order [*Lifeline Reform Order*]”⁵ and to list the obligations that are placed on the ETCs to comply with the state system.⁶

II. DISCUSSION

The CPUC requests to opt-out of the National Database because our duplicates system adequately detects, prevents, and eliminates duplicative Lifeline supports. All service providers⁷ (ETCs and non-ETCs) and their subscribers in California are subject to and bound by this system. Below the CPUC describes the functionalities and workings of California’s system.⁸

A. Process to scrub Lifeline duplicates

The California LifeLine Program (California LifeLine) has implemented measures to identify and prevent duplicate records from being created in the California Lifeline database. Upon receiving a customer record from a service provider, the California LifeLine Administrator (Administrator) performs a duplicate check on a real-time basis.

⁵ See PN at p. 2.

⁶ *Id.*

⁷ In California, we also have non-ETCs (carriers that have not been certified as an ETC) that participate in the California LifeLine Program. ETCs and non-ETCs are collectively referred to as “service providers” in this Petition.

⁸ The CPUC may consider performing an additional duplicate check through the National Database, after we check for duplicates through our state system.

In addition, the Administrator scrubs the entire database at the end of each month, to identify and resolve duplicative data. The scrubbing process involves querying the California Lifeline database to check for subscribers that may have more than one active account across all service providers (ETCs and non-ETCs).

The Administrator uses four elements – operating carrier number (OCN), consumer’s entire name, consumer’s telephone number, and consumer’s service address – in its matching process. The matching process will result in a match if the name with either the telephone number or the service address already exists in the database. If an incoming record is matched against an existing active record in the database, the subscriber is flagged to receive a household worksheet for the purpose of self-certifying as a separate household unit. Once the household worksheets are returned, they are reviewed for eligibility determination and stored in the database by the Administrator.

B. Process to Prevent ETCs from signing up individuals or households that are already receiving Lifeline benefit

California Lifeline has validation checks in place that prevent duplication of customers at the time of processing data transactions from the service providers. Depending on the type of carrier transaction, specific error codes are returned to the service provider to indicate whether a consumer already exists on the system, or if a telephone number is already being used by an active account, thus preventing an individual or a household from receiving more than one Lifeline benefit.

C. Standardization and verification of addresses

California Lifeline stores two types of addresses in our database for each consumer. The service providers provide a service address and a billing address for each new customer record. Upon receipt of the service address, it is processed through a Coding Accuracy Support System (CASS) certified address standardization software application. If the CASS certified software is able to match the address against its database of USPS addresses, the address is then standardized and stored as a third address in our database. The matched address is used in the matching process. Address standardization occurs when a new customer record is submitted and when an address update is submitted by a service provider.

Our database is also capable of accepting and processing non-traditional addresses. This type of address would not be standardized using the CASS certified address software. If a service address cannot be matched using the CASS certified software, the address is accepted as is and is used in the customer matching process. These addresses are not modified by the software and are stored exactly as the service provider provided them.

D. Process to verify a subscriber's identity

California Lifeline utilizes a matching process to verify the identity of a consumer at the time a new or update record is sent by the service provider and processed by our customer database. This validation process is performed whenever a new customer or update transaction is performed. The matching process ensures that the consumer does

not already have an existing, active Lifeline service. The process of verifying a subscriber's identity involves matching process as described above.

If a service providers attempts to create a new customer record for a participant that already exists, our database will reject or update the new request and issue an error code to the service provider to inform it that the customer already has an established Lifeline service.

E. Dispute Resolution Process

California Lifeline customers may appeal a denial or disqualification by submitting a written appeal to the CPUC's Consumer Affairs Branch (CAB). The Administrator works with CAB as necessary to resolve any denial issues.

Non-conformities seen in the program typically include:

- Forms not received by the required due date;
- Incomplete forms, such as forms without a signature;
- Incomplete supporting documentation; and/or
- Multiple submissions

The CPUC documents all activities related to the appeals process in our customer database. Metrics and reporting for all transactions, whether resulting in an enrollment, denial or appeal are provided to CPUC oversight staff.

F. Process to receive and process subscriber information

California Lifeline offers three different methods to receive forms and/or records from service providers. Service providers may send information to the Administrator via a file transfer protocol (FTP) file transfer, a web-based interface, or a Web service.

Consumers may submit their forms in two ways, via online or by mailing in a paper copy of the forms to the Administrator.

G. Process to capture address and date of service initiation for Tribal Link Up support

California Lifeline captures a subscriber's service address when the subscriber applies for Lifeline service; this also includes Tribal Link Up. Once an applicant is approved, the information is maintained in the customer database, which also includes the date of service initiation. The Tribal Link Up support information is then available for the FCC and Universal Service Administrative Company (USAC) for audits.

H. Process to manage exceptions, such as non-standardized addresses, that may not be able to be resolved through mechanized means

At the end of each month, a process is executed against the data to identify and resolve duplicative data. The process involves querying the database to check for customers that may have more than one active account across all carriers. Using historical data and by collaborating with the carriers, the Administrator de-duplicates these accounts.

Additionally, the Administrator uses CASS certified software to validate and standardize addresses. If the Administrator is not able to standardize the address via the software, the Administrator attempts to mail the application. If the application is undeliverable, a barcode is scanned on the mail piece that uniquely identifies the mailing, which links the record back to the customer record in the customer database. Once the mail is scanned, a bad address flag is set on that customer record and a non-deliverable record is sent to the service provider to notify them of the returned mail. The service

provider then validates the address with the consumer and sends an updated record.

When a service provider submits an address update, the bad address flag is removed, the address is updated, and a reprinted form is sent to the consumer.

I. Record retention

The CPUC retains all data related to LifeLine applicants and subscribers for at least ten years; the CPUC does not discard any LifeLine data. Per the California Lifeline Administrator Agreement, the CPUC owns all Lifeline program data that is created under and/or managed during the course of the current Administrator Agreement. This means that the CPUC retains sole authority over the creation, modification, and use of California LifeLine Program data. However, the Administrator also provides access to subscriber data to the service providers if they are audited and upon their request.

California LifeLine Program data includes, but is not limited to, the following:

- Lifeline customer information;
- Content and design of the Lifeline customer database;
- Lifeline data stored and/or managed by other IT systems;
- Customer communication, including:
 - Letters
 - Interactive Voice Response and other voice messages/instructions
 - Outbound dialer messages
 - Marketing and other informational materials
- All California Lifeline toll free and direct phone numbers;
- Carrier information, including data schemas;
- Reports;
- Email messages related to the Lifeline program;
- Content of Lifeline Websites;
- Training materials and other operational documentation specific to the Lifeline program; and
- Best practices and lessons learned pertinent to the operation of Lifeline Administrator services.

Centralized Image Repository

All document images are captured through an inbound imaging process and are stored in the Image Repository (a component of the document management system) accessed through our customer database. This provides secure, real-time access to California LifeLine Program correspondence and documentation images.

The California LifeLine Program documents are located in the Administrator's Image Repository, and include legacy system digital images from the former Administrator as well as materials from the CPUC. The Administrator performs periodic tests to ensure that the migrated document images are readable and that the images can be retrieved. Backup and off-site storage of all imaged documents are executed daily.

Data Backup

As a matter of common practice, the Administrator performs a complete software backup, storage, and restoral procedures that are implemented on an applications-wide basis. Daily backups and offsite storage of all database information are executed as well.

Data backups (which contain electronic copies of technical and administrative documentation), and other materials are stored at a secure offsite facility. These processes ensure retention and recovery of secure data if an unforeseen, unpreventable event results in lost data. Backup information is encrypted before transmission to the secure location.

The CPUC offers Link Up only for Tribal customers in the current iteration of the California LifeLine Program and the above procedures apply for this Link Up data also.

J. Ability to receive updates from the ETCs both in real-time and in periodic batches

California Lifeline provides service providers three methods for transferring data to the Administrator. Service providers can submit new customer records and updates through a file transfer protocol (FTP) file transfer, via a web-based interface, or via a Web service. All service providers participate in the daily batch file exchange.

K. System Safeguards

The CPUC and California LifeLine Program have safeguards in place to ensure that the data in the system is only used to check for duplicative support and related functions, and the system has sufficient protection to ensure the safety of propriety and personal inform from theft or loss.

As per the Administrator Agreement, the CPUC is committed to complying with State of California regulations related to information security and data privacy, as defined by the California State Administrative Manual (Sections 5100, 5300) and the California Information Practices Act of 1977.

Systems Security

The California LifeLine Program has electronic and physical safeguards in place to protect against inadvertent or malicious corruption of data. The Administrator is required to adhere to industry best practices for IT and network security. The program also utilizes role-based security and security monitoring methods which ensure restricted and authorized access to all filing systems, including access to written correspondence.

The CPUC receives lists of all employees who have authorized access to sensitive documents, whether in electronic or hard copy form.

The California LifeLine Program also does the following:

- Maintains appropriate levels of confidentiality for the data developed and or maintained during the course of the contracts, based on data classification, and as outlined in the California State Administrative Manual section 4841.3, and in accord with CPUC policies and procedures;
- Complies with standards, policies, and procedures the CPUC has developed or imposed for transmission and storage of the data, including any requirements for the encryption of confidential personal information;
- Complies with all California state policy and law regarding use of information resources and data;
- Complies with all CPUC policies and procedures regarding use of information resources and data obtained, developed, or maintained during implementation of the Contract;
- Discloses confidential information only to the extent permitted by the Information Practices Act and as the CPUC directs (e.g., Civil Code section 1798.24 (b) permits disclosure of personal information, as defined in section 1798.3, with the written consent of the individual to whom the information pertains, and section 1798.24 (e) permits disclosure to a person, or to another agency where the transfer is necessary for the transferee agency to perform its constitutional or statutory duties, and the use is compatible with a purpose for which the information was collected and the use or transfer is accounted for in accordance with section 1798.25; since public utilities subject to General Order 153 have an obligation to comply with the orders of the Commission, with statutory provisions, careful and limited disclosure of certain personal information to utilities during implementation of the Contract would not violate the Information Practices Act, and may be directed by the CPUC when appropriate);

- Applies security patches and upgrades, and keeps anti-virus, anti-“spyware” and anti-“phishing” software up-to-date on all systems on which the data may be used or maintained;
- Requires each and every principal, officer, or employee that will have access to confidential personal information to sign a detailed Confidentiality Statement that ensures that the individual understands and agrees to fully comply with all laws, policies and procedures for preserving the integrity and security of data obtained, developed, or maintained during the course of the contract, and to continue to abide with the agreement even after the individual ceases to be a principal, officer, or employee of the Administrator: confidentially agreements must be signed before an individual begins working on the contract, and periodically thereafter;
- Agrees to notify the State data owner (the CPUC) promptly if a security incident involving the data is known to have occurred, or is reasonably believed to have occurred, as required by the Information Practices Act, other State laws, any relevant regulations, policies, or procedures established by the Commission, and this contract, and
- Agrees to notify all individuals whose personal information was, or is reasonably believed to have been, acquired by an unauthorized person, as required by the Information Practices Act, other State laws, any relevant regulations, policies, or procedures established by the CPUC, and this contract.

L. FCC and USAC’s ability to access records for oversight and audits

The Administrator has the capability to supply the FCC and USAC with all information stored in our database electronically at anytime.

III. CONCLUSION

California has a robust system that includes the functionalities anticipated to be incorporated into the National Database, and fulfills the federal mandates the FCC adopted in the *Lifeline Reform Order*. All of the service providers (ETCs and non-ETCs) operating in California are bound by and subject to the duplicate check process described

above. Accordingly, the CPUC respectfully requests that the Commission grant the CPUC's request to opt out of the National Database.

Respectfully submitted,

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