

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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
)	

To: The Commission

COMMENTS OF CTIA–THE WIRELESS ASSOCIATION®

I. INTRODUCTION AND SUMMARY

CTIA–The Wireless Association® (“CTIA”) files these comments to urge the Commission to postpone action on pending state petitions to opt out of the national Lifeline accountability database until it is possible to assess more clearly whether the state mechanisms would be as robust as, and consistent with, the National Lifeline Accountability Database (“NLAD” or “national database”), and then to scrutinize the petitions carefully under that standard.¹ Now that the implementation date for the national database has been delayed beyond the original target date of February 2013, resulting in continued ambiguity as to the precise operational capabilities of the national database, the Commission should wait to decide whether to allow any states to opt out until it is clearer whether the state processes will be sufficiently robust to supplant the national database for Lifeline consumers in those states.

¹ *Wireline Competition Bureau Seeks Comment on State Certifications to Opt Out of the National Lifeline Accountability Database*, WC Docket Nos. 11-42, 03-109, 12-23; CC Docket No. 96-45, Public Notice, DA 12-1994 (rel. Dec. 10, 2012).

Once the precise operational parameters of the national database are known, the Commission should then review pending state requests with careful consideration for the additional costs and inefficiencies of operating multiple databases. Thus, the Commission should closely examine whether the pending state requests are consistent with the new national Lifeline database and overall program rules.

II. THE COMMISSION SHOULD NOT RULE ON STATE OPT-OUT PETITIONS UNTIL IT IS CLEARER WHETHER THE STATE PROGRAMS ARE AS ROBUST AS THE NATIONAL DATABASE

When the Commission established the deadline for state opt-out petitions, the target date for implementation of the national database was February 2013.² Under the Commission's original timeline, the national database's characteristics would have been fairly clear by the time the state filings were due.³ It therefore was anticipated that more information would be available by now about the national database's precise features and capabilities. This would have allowed the Commission and other parties to evaluate whether the state proposals in fact were as robust as the national database would be, as the *Lifeline Reform Order* requires.⁴

Now that the availability of the national database is delayed until later in 2013, the Commission should wait to rule on any state petitions until the precise operational details of the

² *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6736 ¶ 185 (2012) (“*Lifeline Reform Order*”).

³ The Commission made state petitions due six months after the effective date of the order, and set the target date for implementation of the database at one year from the release of the order. *Id.* at 6736 ¶ 185, 6752 ¶ 221. Because the order would not be effective until 30 days after Federal Register publication, which itself typically takes one to three months, the Commission apparently envisioned the Bureau considering state opt-out petitions less than three months before implementation of the national database.

⁴ Petitions must demonstrate that they “have a comprehensive system in place to check for duplicative federal Lifeline support that is at least as robust” as the federal approach. *Id.* at 6752 ¶ 221.

national database are clearer. This will give effect to the Commission’s original intention that the Wireline Competition Bureau (“Bureau”) and participating parties would have the benefit of greater information about the precise capabilities and features of the national database at the time that state petitions are under consideration.

The Bureau therefore should announce that it will rule on the pending state opt-out petitions at a later date. To the extent necessary, the Bureau should waive the provision that would treat the petitions as automatically granted if the Bureau does not act within ninety days.⁵ If such a waiver is needed, the Bureau could find good cause for such a waiver based upon the delay in the availability of the national database, and the Bureau’s and other parties’ need to evaluate whether the state mechanisms are equally robust, as the order requires.⁶

Waiting to rule on the state opt-out requests also will have no negative impact on existing state databases or programs. States that already are operating databases may continue to do so until the national database is implemented – and even after that in states where an opt-out petition is granted.

The goal of the national duplicates database is to ensure that a robust system exists nationwide to prevent duplicate Lifeline support while ensuring that eligible low income consumers can gain timely access to Congressionally-directed universal service support. The Commission can best ensure this outcome by waiting to rule on state opt-out petitions until the national database is more clearly defined.

⁵ *Id.*

⁶ 47 C.F.R. § 1.3. The Commission granted the Bureau broad authority to waive rules to implement the Lifeline reforms. *Lifeline Reform Order*, 27 FCC Rcd at 6857 ¶ 507.

III. IN RULING ON STATE OPT-OUT REQUESTS, THE COMMISSION SHOULD REMAIN MINDFUL OF THE EFFICIENCY AND ADVANTAGES OF A NATIONAL DATABASE

Once the operational details and capabilities of the national database are known more clearly, the Commission should review the petitions carefully to ensure that they are equally robust and justify a departure from a uniform national database. Given the Commission’s finding in the *Lifeline Reform Order* that the Lifeline accountability database “should be national in scope,”⁷ this hurdle is high.

As the Commission correctly observed, a national database has significant advantages.⁸ Many carriers offer national Lifeline products, and substantial efficiencies can be realized through a national accountability database. As the Commission found, a single national accountability database will be less costly than creating multiple systems for the same function.⁹ In addition to the increased costs associated with the creation of duplicative databases, carriers will face additional costs developing and deploying multiple technical interfaces, as well as training staff to work with the differing systems.¹⁰ As the Commission also found, a single national database will present fewer opportunities for security risks, and it also would be easier to audit a single database than multiple databases.¹¹ A single national database will also promote the Commission’s goal of reducing duplicate Lifeline subscriptions.¹²

⁷ *Lifeline Reform Order*, 27 FCC Rcd at 6746 ¶ 209.

⁸ *Id.*

⁹ *Id.*

¹⁰ *See id.*

¹¹ *Id.*

¹² For example, particularly given the mobile nature of wireless services, the Commission should give careful consideration to whether individual state databases will be able to deter individuals

To the extent that the Commission allows any states to opt out of the national database and require carriers to verify Lifeline subscriber data in state-specific databases, the Commission should mandate that the interfaces of the state databases conform as much as possible to the national database – or, at minimum, that the state interfaces should come into conformance with the national interface over a reasonable period of time.¹³ This will minimize carriers’ needs to process information manually for certain states, which will reduce errors and confusion for eligible low income consumers. This also will help minimize the cost to carriers – and hence to consumers – of utilizing state-specific databases in addition to the national database.

In any event, states should not be permitted to impose additional costs on ETCs, such as “per-dip” or other usage fees. Given that no cost recovery mechanism has been provided, and the cost cannot be passed on to Lifeline customers, ETCs cannot be expected to bear additional costs in order to interface with separate state databases.¹⁴

In sum, in ruling on state opt-out petitions, the Commission should grant them only if they meet the high standards set for such petitions, and only pursuant to conditions that protect carriers and consumers from unnecessary costs and complexities.

who wish to fraudulently obtain multiple Lifeline-supported accounts from obtaining service in multiple jurisdictions. Even if the Commission requires the states to “dip” the national database (already requiring duplicative efforts and administrative expense), state specific programs that have different rules and protocols (e.g., regarding the use of initials vs. full names, aliases, street addresses/P.O. Boxes, verification of IDs, etc.) may permit those who want to obtain multiple benefits to manipulate and game the differences between state systems and the national database.

¹³ The carrier interface would include the communications and data protocols, as well as the list of data fields that must be transferred and verified.

¹⁴ With regard to the federal database, “ETCs will not be charged for ‘dipping’ the database and the costs of developing and ongoing maintenance of the database will be supported by the Fund.” *Id.* at 6754-55 ¶ 225.

IV. THE COMMISSION SHOULD NOT ALLOW A STATE TO OPT OUT IF ITS PROCESS IS INCONSISTENT WITH THE NEW NATIONAL FRAMEWORK

The Commission should review the pending state opt-out petitions carefully and only grant petitions that provide for an accountability mechanism that is consistent with the national Lifeline framework adopted in the *Lifeline Reform Order*. The Commission found that, for opt-out to be permitted, the state system must “correspond to the federal rule we adopt today.”¹⁵ It is unclear, however, whether the pending petitions all are consistent with the Commission’s rules.

For example, not all of the state systems permit multiple households at the same postal address,¹⁶ as required by the Commission’s rules.¹⁷ In addition, not all are prepared to accommodate non-standard addresses,¹⁸ which would deny eligible customers living at such locations.¹⁹

Further, some of the state programs retain sensitive Lifeline customer eligibility information,²⁰ contrary to the Commission’s determination that it should not be retained.²¹ And some of the state systems require the collection and validation of the full social security number,²² not just the last four digits required by the FCC’s rules.²³

¹⁵ *Id.* at 6752 ¶ 221.

¹⁶ *See, e.g.*, Puerto Rico Petition at 4 (no systemic process for addressing multiple households at the same address; such customers must petition the commission for review – not a viable option for a low-income consumer).

¹⁷ *Lifeline Reform Order*, 27 FCC Rcd at 6690-91 ¶ 77.

¹⁸ *See, e.g.*, Puerto Rico Petition, *passim* (no discussion of non-standard addresses).

¹⁹ *See Lifeline Reform Order*, 27 FCC Rcd at 6739 n.499.

²⁰ *See, e.g.*, California Petition at 7-8.

²¹ *Lifeline Reform Order*, 27 FCC Rcd at 6703 ¶ 101.

²² *See, e.g.*, Oregon Petition at 4; Puerto Rico Petition at 5.

As these examples illustrate, it will be necessary for the Commission to scrutinize the state petitions carefully to determine whether their proposed systems will be consistent with the new framework for Lifeline eligibility established by the Commission, and therefore are eligible to be granted.

V. CONCLUSION

In the *Lifeline Reform Order*, the Commission concluded that accountability in the Lifeline program should be protected by a national database, but allowed for states to implement their own databases if they met the same high standards as the national database and ensured consistency with federal rules. The Commission should decline to approve pending state petitions during its development of the national database and, once the precise operational capabilities and features are known, should review the pending opt-out petitions carefully and only grant petitions that are consistent with the federal rules.

Respectfully submitted,

By: Scott K. Bergmann

Scott K. Bergmann
Assistant Vice President, Regulatory Affairs

Christopher Guttman-McCabe
Vice President, Regulatory Affairs

Michael F. Altschul
Senior Vice President & General Counsel

CTIA–The Wireless Association®
1400 16th Street, NW, Suite 600
Washington, DC 20036
(202) 785-0081
www.ctia.org

January 9, 2013

²³ 47 C.F.R. § 54.410(d)(2)(vi). See also *Lifeline Reform Order*, 27 FCC Rcd at 6736 ¶ 184.