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Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W., Room TW-B204  
Washington, DC 20554

**Re: Exceptions Management Process for  
National Lifeline Accountability Database  
WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45**

Madam Secretary:

Smith Bagley, Inc. (“SBI”), by counsel, provides comment on and recommendations regarding the “exceptions management process” for handling non-standard addresses submitted by Eligible Telecommunications Carriers (“ETC”) to the National Lifeline Accountability Database (“NLAD”).<sup>1</sup> SBI is an ETC in Arizona, New Mexico and Utah and provides mobile wireless service to over 120,000 customers in Tribal and highly rural areas in those three states. SBI seeks to ensure that non-standard addresses – which are common on Native American reservations and in other rural areas – do not interfere with the “real time” verification of prospective Lifeline subscribers.

**BACKGROUND**

Prior to enrolling a customer for Lifeline service, Section 54.404(b)(1)-(3) of the FCC’s Rules requires an ETC to query the NLAD to ensure that the prospective customer is not seeking duplicate support.<sup>2</sup> NLAD will validate the customer’s (1) name; (2) date of birth; (3) social security number (or tribal identification number); and (4) address, using a third party vendor/database. To validate addresses, NLAD will use the United States Postal Service (“USPS”) Address Matching System (“AMS”).

Pursuant to the FCC’s Rules, ETCs must query NLAD to determine if a prospective Lifeline subscriber, or another individual at the prospective subscriber’s address, is currently

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<sup>1</sup> *In the Matter of Lifeline and Link Up Reform et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6747-8 (2012) (“*Lifeline Reform Order*”).

<sup>2</sup> 47 U.S.C. § 54.404(b)(1)-(3).

receiving Lifeline from another ETC.<sup>3</sup> If NLAD indicates that that the prospective subscriber is currently receiving service, the ETC must not provide and shall not seek or receive Lifeline reimbursement for that subscriber.<sup>4</sup> Similarly, if NLAD indicates that another individual at the prospective subscriber's address is currently receiving service, the ETC must not seek and will not receive Lifeline reimbursement *unless* the prospective subscriber has certified that no one in his or her household is already receiving a Lifeline service.<sup>5</sup>

## **IMPACT ON TRIBAL AND HIGHLY RURAL AREAS**

Many of SBI's customers reside on Tribal lands or in remote areas (<10 persons per square mile) that do not use the USPS addressing system. Further, many of SBI's customers reside in housing units that are clustered and use the same descriptive address (e.g., "6 Mi N on Rte 22 Off Hwy 264, Hotevilla, AZ 86030"). During the IDV process, this has resulted in large numbers of SBI's customers being reported as having unverifiable addresses.

If NLAD similarly checks for duplicates on the basis of the residential addresses provided by customers or applicants in these areas, the database will generate false positives or improperly reject many addresses outright. For this reason, the Commission has directed USAC to develop an exceptions management process to ensure that consumers in such areas are not inappropriately denied support.<sup>6</sup>

Real-time NLAD verification is critical for SBI because (1) the company sometimes uses vehicles to operate temporary stores in remote locations; (2) many customers travel scores of miles from their homes to visit a retail store, making a return trip quite burdensome for the customer; and (3) many customers do not receive mail at their homes – often having to drive 25 or more miles to a post office, and only doing so once or twice per month.

## **RECOMMENDATIONS**

SBI has discussed with representatives of USAC how best to implement an appropriate exceptions management process for handling non-standard addresses submitted by ETCs to the NLAD for prospective customers living on Tribal lands or in highly rural areas. In light of those discussions, SBI recommends that the FCC (and USAC) adopt the following process:

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<sup>3</sup> 47 U.S.C. § 54.404(b)(1).

<sup>4</sup> 47 U.S.C. § 54.404(b)(2).

<sup>5</sup> 47 U.S.C. § 54.404(b)(3).

<sup>6</sup> *Lifeline Reform Order*, 27 FCC Rcd at 6748.

### *Customers Living on Tribal Lands*

- Prospective customer must provide (1) name, (2) date of birth, (3) last four digits of social security or tribal ID number, (4) residential (service) address, and (5) mailing address to the ETC.
- Customer must identify that he or she lives on a Tribal land.
- The ETC will submit the five customer identifier fields listed above to the NLAD in real time, and “flag” any non-standard address on a Tribal land in a separate data field provided in the NLAD.
- USAC will check the first four customer identifier fields (i.e., all fields except mailing address) for duplicates.
- If the first three fields (name, date of birth, and social security/Tribal ID number) yield a duplicate finding in NLAD, the customer will not be permitted to enroll. The ETC will need to follow the dispute resolution process if the carrier still wishes to enroll the customer.
- If NLAD finds another Lifeline subscriber at the same residential (service) address, or if that address is not verifiable in NLAD, the ETC will be required to have the customer complete the multi-household worksheet. The ETC will then flag this in a separate data field within the NLAD to confirm that the customer has certified that he or she is in a separate household via the multi-household worksheet.
- So long as (1) the field for Tribal lands has been flagged, (2) the *mailing* address is recognizable in the USPS data base, and (3) the ETC flags the multi-household worksheet data field, the carrier may enroll the customer. USAC will not look for duplicates in the mailing address.
- If USAC cannot find the mailing address using AMS, then the ETC would need to follow the dispute resolution process if the ETC still wishes to enroll the customer.

### *Customers Living in Other Areas Lacking Standard Addressing*

Many qualifying consumers live in areas that are outside reservations but similarly do not have addresses recognized by the USPS. For these areas, SBI recommends the adoption of the same process set forth above, with a few modifications. If a customer provides a residential (service) address to the ETC that is not verifiable in NLAD, the ETC will be required to have the customer complete the multi-household worksheet. USAC will need to establish a flag for customers living in “other areas” that lack standard USPS addressing. That flag would serve the same purpose, and dictate the same procedures, as a flag for Tribal lands. As with the Tribal

land process, the customer will have to provide a valid mailing address in addition to their service address.

## **SUPPORT FOR RECOMMENDATIONS**

The FCC has recognized that the exceptions management process should be designed “so that consumers are not improperly denied access to Lifeline benefits.”<sup>7</sup> Real-time NLAD verification is critical for ETCs serving Tribal lands and highly rural areas. The exceptions management process for non-standard addresses needs to be fully automated so that ETCs can enroll subscribers in real time. Many SBI subscribers in Tribal and highly rural areas must travel great distances to reach a store location or to pick up their mail. For these consumers, Lifeline delayed is Lifeline denied.

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If you have any questions or require any additional information, please contact undersigned counsel directly.

Respectfully submitted,



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<sup>7</sup> *Lifeline Reform Order*, 27 FCC Rcd at 6748.