

**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
	)	
Telecommunications Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	

**REPLY COMMENTS  
OF  
NTCA–THE RURAL BROADBAND ASSOCIATION AND JSI**

September 30, 2015

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**I. INTRODUCTION AND SUMMARY**

NTCA–The Rural Broadband Association (“NTCA”) and John Staurulakis, Inc. (“JSI”)<sup>1</sup> hereby submit these reply comments in response to comments filed with respect to the Second Further Notice of Proposed Rulemaking<sup>2</sup> issued by the Federal Communications Commission (“Commission”) in the above-captioned proceedings. The *Further Notice* seeks comment on a number of proposals to improve the efficiency of the Universal Service Fund (“USF”) Lifeline

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<sup>1</sup> NTCA represents nearly 900 rural rate-of-return regulated telecommunications providers (“RLECs”) providing service in 46 states. All of NTCA’s RLEC members are full service local exchange carriers and broadband providers, and many of its members provide wireless, cable, satellite, and long distance and other competitive services to their communities. JSI is a telecommunications consulting firm offering a full spectrum of regulatory, financial and operational services to over 200 clients primarily in the rural independent telecommunications industry.

<sup>2</sup> Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, Telecommunications Carriers Eligible for Universal Service Support, WC Docket No. 09-197, Connect America Fund, WC Docket No. 10-90, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71 (rel. Jun. 22, 2015) (“*Further Notice*” or “*Order on Reconsideration*”).

program as well as provide support for low income consumers' access to broadband Internet access services.

There is near unanimous agreement in the record that the Commission should remove Lifeline providers from the subscriber eligibility verification process. The current eligibility verification process requires low income consumers to provide sensitive financial and personal documents to their communications service provider. It also requires providers to perform functions well outside the normal scope of a communications provider and is incredibly burdensome for providers of all sizes, small RLECs in particular. Moreover, the current process has contributed to an unacceptable level of waste, fraud, and abuse without an adequate “watchdog” at the door as consumers first enter the program. Despite the challenges of doing so, taking this responsibility out of the hands of providers will no doubt improve the efficiency and integrity of the Lifeline program, for the benefit of consumers and ratepayers alike.

There is also strong support in the record for a targeted, coordinated modernization of both the Lifeline and High Cost programs, specifically with respect to giving consumers the choice of voice or broadband service, together *or* on a standalone basis. Indeed, proper coordination and calibration of the Lifeline and High-Cost programs is critical, as the success of the Lifeline program in rural areas is dependent in the first instance on the success of the High-Cost program. This is because the Lifeline program simply cannot function in the absence of networks over which services will be offered at lower rates.

In addition, in its rush to modernize the Lifeline program, the Commission must continue to hold faithful in all respects to the carefully designed statutory provisions and its own precedent and rules with respect to the Eligible Telecommunications Carrier (“ETC “) designation process. In particular, the Commission must avoid “fast-pass” ETC designations in

the name of so-called “streamlining” that fail to fully consider the qualifications, experience or commitment to universal service of support recipients. While some claim that certain providers are unwilling to become Lifeline ETCs due to the burdensome nature of the process, there is no demonstrated evidence that relaxing the standard will lead to an increase in *quality* competition within the Lifeline space.

Finally, NTCA and JSI urge the Commission to adopt uniform Lifeline enrollment and recertification templates. The Commission should also pause consideration of the National Lifeline Accountability Database (“NLAD”) as a replacement for Form 497 until certain veracity and transparency issues are resolved.

## **II. THE RECORD STRONGLY SUPPORTS REMOVING PROVIDERS FROM THE LIFELINE SUBSCRIBER ELIGIBILITY VERIFICATION PROCESS**

There is substantial consensus, if not unanimity, amongst Lifeline stakeholders that the Commission should take the responsibility for verifying low income subscribers’ eligibility for the program out of the hands of providers.<sup>3</sup> While there are differing opinions on how to accomplish this—whether that be through the use of a third-party verifier or through the use of coordinated enrollment—it is clear that the time has come for a new approach.

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<sup>3</sup> Comments of US Telecom, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 7; Comments of GVNW, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 14; Comments of CTIA, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 13; Comments of WTA, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 2; Comments of NCTA, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 5; Comments of the American Cable Association, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 8; Comments of Comcast, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 7; Comments of AT&T, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 12; Comments of Verizon, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 3; Comments of ITTA, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 14; Comments of Frontier Communications, p. 6; Comments of Sprint, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 23; Comments of Charter, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 4; Comments of Cox Communications, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 4; Comments of Public Knowledge, *et al.*, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 22.

As an initial matter, as a number of providers point out, the Lifeline program is unique amongst federal government benefits programs in how it is administered.<sup>4</sup> Commissioner Mignon Clyburn put it best when she stated, “[w]hen it comes to verifying eligibility for food assistance programs, we don’t ask the grocery stores to qualify the recipient, do we?”<sup>5</sup> Indeed, that is not how the Supplement Nutritional Assistance Program (“SNAP”) is administered, yet it is the perfect analogy to how the Lifeline mechanism functions today. From the provider perspective, Frontier Communications says it best, stating that “providers have taken on responsibilities that are fundamentally separate from their core functions as telecommunications carriers, requiring them to handle consumers’ private financial information in a retail environment that is hardly conducive to such an exchange.”<sup>6</sup> The move to either a coordinated enrollment process or a third-party verifier created specifically with just such a purpose as its *principal* mission would place this important and complicated responsibility in the hands of an entity or entities (in the case of coordinated enrollment) *for which this function is the core responsibility*. Commenters note that such an approach would reduce waste, fraud, and abuse in

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<sup>4</sup> Frontier, p. 7; Charter, p. 4.

<sup>5</sup> Statement of Commissioner Mignon Clyburn, American Enterprise Institute, November 12, 2014, p. 5 (also stating that “[c]hanging the current construct is necessary to ensure the future integrity of the program, is critical to reduce privacy concerns of consumers, is essential in increasing competitive choice, and will decrease administrative burdens on the providers.”) available at: <https://www.fcc.gov/document/commissioner-clyburn-remarks-american-enterprise-institute>

<sup>6</sup> Frontier p. 7. *See also*, CTIA, p. 13 (stating that “ETCs have been required to act as independent verification agencies and to navigate a patchwork of state processes and systems. As a result, ETCs have taken on responsibilities that are fundamentally different from their core functions as telecommunications carriers. For instance, ETCs must train their sales staff to interpret and apply the relevant eligibility rules for each Lifeline applicant and to handle documentation for assessing eligibility (including tax forms and divorce decrees) in a retail environment.”).

the Lifeline program,<sup>7</sup> to the benefit of both eligible consumers (by freeing up additional dollars for eligible low income consumers) and ratepayers that fund the program.

Moreover, as providers of all sizes note, verifying low income consumers' eligibility for the Lifeline program imposes significant administrative burdens on providers,<sup>8</sup> diverting resources that could be better spent elsewhere. For NTCA members, with an average of 25 total employees, the burden is particularly acute. The eligibility verification process consumes an inordinate amount of resources, including training staff to keep up with constantly changing Lifeline eligibility procedures. Moreover, compliance with the newly adopted document retention rules<sup>9</sup> will require additional staff training at the outset, in addition to additional staff resources on a continuing basis and IT system upgrades necessary to properly protect Lifeline subscribers' private information.

For these reasons, as NTCA proposed in its initial comments,<sup>10</sup> the Commission should pursue a coordinated enrollment process that would leverage existing federal benefits programs that currently qualify low-income Americans for Lifeline in the first instance. Pursuant to this approach, a consumer that applies for and is approved for benefits from a state-administered federal benefits program intended for low-income Americans<sup>11</sup> would be enrolled in the Lifeline mechanism. More specifically, at the time the consumer is approved for one of the federal

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<sup>7</sup> Charter, p. 4; ITTA, p. 2; USTelecom, p. 7.

<sup>8</sup> E.g., AT&T, p. 5; American Cable Association, p. 9; USTelecom, p. 7.

<sup>9</sup> *Order on Reconsideration*, ¶¶ 224-237.

<sup>10</sup> Comments of NTCA, WC Docket No. 11-42, *et al.* (fil. Aug. 31, 2015), pp. 3-8. *See also*, WTA, pp. 2-9; AT&T, pp. 14-19.

<sup>11</sup> E.g., SNAP, Medicaid, SSI.

benefits programs, he or she would be informed of the existence of and benefits to enrolling in the Lifeline program and would be enrolled if the consumer so chooses. Upon approval for the qualifying program, the state administrator would then add the subscriber's name to the NLAD database. If the customer indicates that he or she has service with an existing service provider, then the carrier will be notified. Otherwise, when a customer initiates service with a new provider and expresses interest in a Lifeline discounted service plan, the provider would need only verify that consumer's eligibility by entering the would-be subscriber's name, date of birth, and last four digits of his social security number (or Tribal ID) into the NLAD database (which would also confirm their compliance with the one-per-household requirements).

Coordinated enrollment offers the Commission several advantages over the current provider administered verification process. For one, a coordinated enrollment process would leverage the experienced state administrators of programs such as SNAP, Medicaid, and SSI that already perform the income eligibility verification process (and likely do so for several hundred thousand beneficiaries each year). Leveraging this vast experience would go a long way towards minimizing the chance that an unqualified subscriber could be enrolled in the program. A coordinated enrollment approach would also avoid the bureaucracy and potential delay that could arise out of other multi-step, multi-day, multi-party approaches to enrollment and verification.

Nonetheless, should the Commission decide to pursue a third-party verifier approach, the Commission should take certain steps to ensure that taking such verification responsibility out of the hands of providers produces maximum efficiencies for eligible subscribers, providers, and the fund alike.<sup>12</sup> Specifically, the Commission should look to leverage federal benefits program

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<sup>12</sup> The Further Notice seeks comment on whether it should limit interaction with the third-party verifier to providers and seeks comment on how to do so while still reducing the administrative burden on



databases to the greatest extent possible even under a third-party verification structure. To be clear, under this approach, a third-party verifier's role would be limited to aggregating data from existing federal and/or state databases, not collecting eligibility documentation gathered by ETCs or submitted directly from consumers. As COMPTEL notes, the Commission and the United States Department of Agriculture in 2014 entered into an agreement under which SNAP regional directors were authorized to grant Lifeline providers access to SNAP enrollment databases.<sup>13</sup> Under this arrangement, providers are able to access such databases for the purposes of confirming Lifeline applicants' eligibility for the program. Taking this a step further, and incorporating this into the third-party verifier, the Commission should explore similar arrangements with Medicaid and SSI administrators, among others. With such agreements in place, the third-party verifier—as opposed to providers—could access the SNAP, Medicaid, and SSI databases and confirm Lifeline applicants' enrollment in these federal benefits programs that qualify a subscriber for a Lifeline discount.<sup>14</sup> Lifeline providers could contract with the third-

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providers. Further Notice, ¶ 66. This process would involve providers receiving applications for the Lifeline discount from consumers and passing those applications along with supporting documentation demonstrating either income level or enrollment in qualifying federal benefits programs (SNAP, etc.) to the third-party verifier. Under this approach, the third-party verifier would perform the task that is today performed by the provider. Should the Commission adopt such an approach, it should relieve providers of any and all document retention responsibilities. Continuing to require providers to retain such documents would run counter to one of the main goals of creating a third-party verifier, that is, to relieve the administrative burden on providers.

<sup>13</sup> COMPTEL, p. 15.

<sup>14</sup> Indeed a Request for Information (“RFI”) recently released by the Universal Service Administrative Company (“USAC”) seeking information from potential third-party vendors that may act as the third-party verifier requests information from companies with experience in “access[ing] existing state or federal databases to determine whether individuals qualify for various programs or benefits.” USAC Request for Information Lifeline Eligibility Verification Services, USAC-LI-2015-09-002, available at: <http://www.usac.org/res/documents/about/pdf/rfp/RFI-Lifeline-Eligibility-Verification-Services.pdf>

party verifier to perform the eligibility verification task using such databases and have access to a database maintained by the third-party verifier. Providers would merely need to enter the applicant's name, date of birth, and last four digits of the social security number (or Tribal ID) into the database to obtain a "yes/no" answer.<sup>15</sup>

This approach has several advantages from the perspective of both low income consumers and Lifeline providers. Most importantly, it would expedite enrollment, as most consumers enrolled in qualifying federal benefits programs would need only interact with their service provider to initiate service and apply for the Lifeline discount. It would also reduce the administrative burden that the current process imposes on providers, as they would no longer be required to collect and review documentation from subscribers confirming either their income level or participation in qualifying federal benefits programs. Additionally, this approach would limit—if not eliminate entirely—the need for the document retention rules adopted by the Commission's June 22 Order on Reconsideration. Finally, it would reduce, perhaps significantly, the costs of a third-party verifier, as utilizing existing databases to leverage the work of administrators that have already confirmed applicants' program eligibility, as opposed to hiring and training a potentially large number of staff to perform the eligibility verification process (*e.g.*, reviewing documentation) for Lifeline applicants, should result in very real cost savings.

In addition, the Commission should encourage the continued evolution of state Lifeline eligibility databases. As the *Further Notice* discusses, several states have established robust

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<sup>15</sup> See, NCTA, pp. 5-6 ("The third-party verifier also should coordinate data from other federal and state databases to compile a database of Lifeline-eligible consumers. Service providers could then query this database after receiving a request from a consumer wishing to use a Lifeline discount.")

verification databases, and those efforts should be encouraged. States that meet the Commission's accountability and other standards for eligibility databases should have the option to "opt out" of the national third-party verifier.<sup>16</sup> It makes little sense to force states that have expended substantial and limited resources on creating these databases to abandon them for a national verifier, particularly if the state can demonstrate that it meets the same robust standards the Commission expects of the third-party verifier. Moreover, allowing states to opt-out of the national verifier is likely to reduce the costs of the national third-party verifier, as it will not be required to interface with state administrators of qualifying federal benefits programs in opt-out states. Most importantly, an opt-out regime may encourage states to adopt or increase funds directed towards state Lifeline programs, ensuring that the federal program can go even further to assist low income Americans and promote broadband adoption amongst this group of consumers.

Finally, the costs of implementing a coordinated enrollment process or a third-party verification process should be borne by the USF. Requiring providers to fund this process would be at odds with the goal of reducing carriers' costs.

For all of the reasons discussed above, the Commission should take the Lifeline eligibility verification responsibility out of the hands of Lifeline providers. As the Commission

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<sup>16</sup> See, California Public Utilities Commission, p. 22 (supporting the adoption of a third-party verifier but stating that "[s]tates that conduct their own enrollment process should be allowed to continue using their own process or opt-in to a national process."); See also, Comments of the Nebraska Public Service Commission, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015). In Nebraska, the Nebraska Public Service Commission verifies that a consumer participates in several benefit programs by accessing records of the Nebraska Department of Health and Human Services ("DHHS") which administers those programs (SNAP, Medicaid, etc). The NPSC is able to do so by accessing the DHHS benefit information through a secure connection. See also, Comments of the Public Service Commission of Wisconsin, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015) (discussing a similar process in WI and noting that "[t]he current interface [in Wisconsin] allows carriers to verify, in real time, eligibility of most Lifeline customers.").

is well aware, the current eligibility verification process performed by providers is not only unique amongst federal benefits programs, it is quite simply broken. It is administratively burdensome for providers of all sizes, requiring providers to perform functions well outside the normal scope of a communications provider. Even worse, it requires low income consumers to provide sensitive financial and personal documents to their communications service provider in a way not required in any other federal low-income program. Moreover, the current process has contributed to an unacceptable level of waste, fraud, and abuse without an adequate “watchdog” at the door as consumers first enter the program. Despite the challenges of doing so, taking this responsibility out of the hands of providers will no doubt improve the efficiency and integrity of the Lifeline program, for the benefit of consumers and ratepayers alike.

### **III. THE RECORD SUPPORTS CAREFUL COORDINATION OF THE LIFELINE AND HIGH COST PROGRAMS AND A CONTINUED COMMITMENT TO ACCOUNTABILITY**

As NTCA noted in initial comments, the Lifeline program plays a vital societal role, as it ensures that every American without regard to income level can reach emergency services, stay connected to family and friends, stay in contact with their children’s schools, and seek employment and stay in touch with current employers. Working in concert with the Schools and Libraries, Rural Health Care and High Cost programs, the Lifeline program is an important piece of the universal service tapestry, particularly in the challenging to serve rural areas where RLECs operate. The High-Cost program, for its part, promotes broadband deployment in some of the nation’s costliest to serve rural areas, where absent the support provided by this vital mechanism, broadband and even voice networks would simply be unavailable to a large number of Americans. More specifically, the High Cost program both stimulates deployment in the first instance by helping to solve the business case for providers and then facilitates ongoing customer

use of networks in high-cost areas, making them sustainable. It does so by ensuring that consumers' rates on those networks, once built, will in rural areas be reasonably comparable to those in urban areas. For the low income consumers that are the focus of the instant proceeding, it must be remembered that the Lifeline program itself cannot and does not provide incentives to invest in underlying networks. Rather, while the High-Cost program helps to bring rates in rural areas more in line with those in urban areas, the job is not done in terms of low income consumers. It is at this point that Lifeline does its job, filling in adoption gaps and ensuring that low income rural consumers are not left behind. A continuation of this symbiotic relationship is a key to the success of a modernized Lifeline program.

With respect to continuing that symbiotic relationship as Lifeline is transformed for the broadband era, perhaps the most immediate step the Commission can take is to modernize the High Cost program as well. To do so, the Commission can and should address the outdated High Cost mechanism that fails to provide support for broadband-only customers in RLEC service areas. Indeed, it is telling that a number of commenters support enabling Lifeline consumers to choose the service that best fits their needs, including broadband service on a standalone basis.<sup>17</sup> Yet, as the Commission knows well, rural consumers face broadband-only rates that are, on average, equal to or in excess of \$110 per month as a result of an outdated technicality within the High-Cost program rules.<sup>18</sup> Simply put, it makes little sense to compel RLECs to offer—or for the Commission to even discuss the concept of standalone broadband in this proceeding—when the “starting price” is \$110 per month for consumers, including many rural poor located in 40%

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<sup>17</sup> See, AT&T, p. 9; NCTA, p. 2; Public Knowledge, *et al.*, p. 22.

<sup>18</sup> NTCA, NECA, WTA *ex parte*, WC Docket No. 10-90 (fil. Apr. 21, 2015), attachment page 1.

of the U.S. landmass. On other hand, a modernization of both vital programs can go a long way towards ensuring that every consumers' choice for data-only broadband in RLEC areas can be realized at affordable rates. Thus, the Commission should in short order address the fundamental shortcoming in the High Cost program that undermines the concept of universal service throughout RLEC service areas.

Finally, in its push to modernize the Lifeline program, the Commission should not lose focus on the important and statutorily required concept of accountability that is embodied by the ETC designation process. The Commission should look with some skepticism at certain providers' continued efforts to argue that the burdensome nature of the ETC designation process limits provider participation in Lifeline.<sup>19</sup> Indeed, Cox Communications at once argues that the process is too burdensome and is a barrier to market entry, in part due to differences between state requirements, yet also notes that it has achieved ETC status in 14 states. Clearly, the process is quite doable. Additionally, there is no indication in the record that there is a shortage of Lifeline providers. Moreover, while some claim that certain providers are unwilling to become Lifeline ETCs due to the burdensome nature of the process,<sup>20</sup> there is no demonstrated evidence that relaxing the standard—in the name of “streamlining” the process—will lead to an increase in *quality* competition within the Lifeline space. Indeed, some of the same parties seeking to “streamline” the ETC designation process also seek to “delink” Lifeline participation from their existing status as an ETC.<sup>21</sup> All of this is likely to reduce *quality* competition in the

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<sup>19</sup> Cox, p. 8.

<sup>20</sup> AT&T, p. 5; Cox, p. 8; NCTA, p. 4.

<sup>21</sup> AT&T, pp. 27-33.

Lifeline market, as providers race to grab support while providing only basic, minimal service plans to consumers. The obligations that attach to designation as an ETC and the receipt of ratepayer dollars ensure that such funds are used to provide all Americans, regardless of where they live or work, access to *high-quality* communications services and makes recipients of universal service dollars accountable to ratepayers for the use of these funds. The Commission must hold faithful in all respects to the carefully designed statutory provisions (and its own precedent and rules as to the ETC designation process) and avoid “fast-pass” ETC designations in the name of so-called “streamlining” that fail to fully consider the qualifications, experience or commitment to universal service of support recipients.

#### **IV. THE RECORD STRONGLY SUPPORTS MOVING TO UNIFORM LIFELINE FORMS**

NTCA and JSI agree with the overwhelming majority of commenters that the Commission should adopt uniform Lifeline enrollment and recertification templates and a new Independent Economic Household (“IEH”) Worksheet.<sup>22</sup> Uniform templates will not only ensure that Lifeline forms are written in clear, easy to understand language, they will also reduce the administrative burden on ETCs to create and maintain accurate forms and will also reduce audit findings. NTCA and JSI support the use of the forms included in COMPTEL’s comments as a template for nationwide eligibility and recertification template and a streamlined IEH Worksheet.<sup>23</sup> Indeed, approximately 25 of JSI’s clients currently use a version of the one-page

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<sup>22</sup> Comments of General Communications, Inc., WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), pp. 23-27; Comments of Lifeline Joint Commenters, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), pp. 93-94; COMPTEL, pp. 25-26; GVNW, p. 26; Verizon, p. 5; WTA, p. 22.

<sup>23</sup> COMPTEL, Exhibit 2.

form recommended by COMPTTEL for both recertification and enrollment<sup>24</sup> (see Appendix A), and a number of companies use a version of the IEH Worksheet. COMPTTEL's enrollment form improves upon JSI's version by incorporating extraneous language currently required under the rules into the certifications.

NTCA and JSI also agree with commenters that rather than adopt a one-size-fits-all form, the Commission should adopt a template that can accommodate minor, yet important customizations.<sup>25</sup> For example, to mitigate confusion, a Tribal and non-Tribal template should be created to reduce the risk of customers erroneously applying for Tribal support or enrolling under the enhanced criteria. Indeed, it does not make sense for a company in Tennessee to have references to Tribal Lifeline as there are no federally-recognized Tribal lands in the state. Moreover, some states have specific eligibility programs and required language that must be included on forms. In Georgia, for example, the senior citizen low-income discount plan offered by the consumer's local gas or power company is a criterion.<sup>26</sup> Simply inserting a blank space for consumers to list any additional state criterion will also result in the potential for customers to list the wrong program name, prolong the enrollment process, and increase the administrative burden on ETCs and administrators who will have to resolve these errors. To avoid this potential

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<sup>24</sup> JSI makes available an enrollment form, recertification form, or combined form for its clients available in English and Spanish. In addition, forms are customized for those ETCs who serve in states with their own eligibility criteria and those companies serving in states with federally-recognized Tribal lands.

<sup>25</sup> AT&T, p. 36; Michigan PSC, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 16; Smith Bagley, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 39.

<sup>26</sup> For example, the Georgia Rules and Regulations require ETCs to include the following language on their enrollment and recertification forms: "Unresolved complaints concerning Lifeline service can be directed to the Georgia Public Service Commission's Consumer Affairs Unit at [local and toll free number for the Consumer Affairs Unit]." (*See* 515-12-1-.35(3)(a)).



for error, templates must allow state-specific criteria to be pre-populated on forms. In addition, Lifeline templates must also be able to accommodate state required disclosures.<sup>27</sup> Any form or template adopted by the Commission must not create unintended errors nor increase administrative burdens or noncompliance with state rules.

Finally, a uniform template will also reduce the number of capricious audit and PQA findings in which USAC reprimands ETCs or worse, recovers support, due to differing interpretations on how the form should be formatted or minor omissions.<sup>28</sup>

## **V. THE RECORD IS MIXED ON WHETHER NLAD SHOULD BE USED FOR DISBURSEMENTS**

NTCA and JSI disagree with commenters who suggest that the NLAD, in its current state, is an adequate replacement for FCC Form 497.<sup>29</sup> As other commenters note in their comments, the use of NLAD for Lifeline reimbursement would require significant changes to administrative practices.<sup>30</sup> Indeed, as ITTA notes, “[t]he NLAD is a young system and is not yet sufficiently reliable to be used for this purpose.”<sup>31</sup> Indeed, USAC has yet to enable important functionalities defined in the original NLAD requirements.<sup>32</sup> Moreover, production changes to

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<sup>28</sup> AT&T, p. 36; Lifeline Joint Commenters, p. 94.

<sup>29</sup> Missouri PSC, WC Docket No. 11-42, *et al.*, (fil. Aug. 31, 2015), p. 7; Smith Bagley, pp. 35-37; Verizon, pp. 5-6.

<sup>30</sup> ITTA, p. 12; Lifeline Joint Commenters, p. 78-81.

<sup>31</sup> ITTA, p. 12

<sup>32</sup> NLAD currently does not yet have the functionality to verify customers eligibility by directly interfacing with SSI, SNAP, and Medicaid databases (*Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”), ¶ 97) nor is it able to notify more than one person within a company of important updates (e.g., benefit transfer notifications).

accommodate questions not carefully considered during the requirements phase have caused ETCs to modify enrollment practices, materials, and written procedures numerous times since its debut in December 2013. Further, fixes to some problems have actually caused new problems resulting in inaccurate information in the database.<sup>33</sup> Despite the Commission's and USAC's willingness to engage the industry in some aspects of improving NLAD, the record in this proceeding includes calls for more transparency into NLAD and specifically the third party identity verification ("TPIV") process.<sup>34</sup> Until such time these issues are resolved and the industry is comfortable with the veracity of NLAD, it is not appropriate to require ETCs to rely on NLAD for their Lifeline reimbursements.

Moreover, as JSI, NTCA, and WTA explained in their comments regarding the ETC Wireless Petitioner's Petition for Reconsideration, any changes to Lifeline reimbursements that rely on a snapshot should carefully consider the impact on companies that bill their subscribers on a monthly basis.<sup>35</sup> Indeed, relying on a source other than billing reports for Lifeline reimbursement will significantly impact how traditional ETCs bill their consumers and will require administrative changes.

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<sup>33</sup> For example, the fix to remedy production duplicates – customers cleared in NLAD for one company despite already existing in NLAD under a different company – has now caused false duplicates, situations in which two customers with similar personally identifiable information ("PII") are pinged as duplicates in NLAD despite being two different people. If both customers already exist in NLAD, the ETC is not permitted to update their information. To date, USAC has no fix for this scenario. If one of the customers is new, however, the ETC will have to go through a burdensome duplicate resolution process to resolve the issue, delaying the customer's enrollment USAC currently has no fix for the former resulting in inaccurate information in NLAD.

<sup>34</sup> Lifeline Joint Commenters, p. 81.

<sup>35</sup> See, Comments of NTCA–The Rural Broadband Association, WTA – Advocates for Rural Broadband, and JSI in Support of Wireless ETC Petitioners' Petition for Reconsideration; FCC, WC Docket No. 11-42; *et al* (fil. Sept. 28, 2015).

## **VI. CONCLUSION**

For all of the reasons discussed above, NTCA and JSI urge the Commission to:

- Remove providers from the Lifeline subscriber eligibility verification process;
- Carefully coordinate the modernization of the Lifeline and the High Cost programs;
- Adopt uniform Lifeline forms; and
- Hold off on using the NLAD for disbursements.

Respectfully submitted,



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# Telephone Company Lifeline Form

Initial Lifeline Application (must include proof of eligibility)

Annual Lifeline Recertification

**Initial Application Only:** If you have Lifeline (free or reduced phone service) with another company, do you give Telephone Company permission to transfer the Lifeline service? If you answer yes, you will lose the discount with the other company. If you answer no, you may not receive Lifeline on this account.\*

Yes, transfer my Lifeline service     No, do not transfer my Lifeline service     I do not currently have Lifeline

## SECTION 1 - Applicant Information (Applicant is the person who has telephone service with the telephone company).

First Name\*  Middle Name/Initial  Last Name\*

Date of Birth\*  Last 4-Digits of SSN\*  Phone Number  Email Address

Residential Street Address (No PO Boxes)\*  Unit #  City\*  State\*  Zip Code\*

Is your residential address permanent?\*

Yes  
 No

Mailing Address (if different)  Unit #  City  State  Zip Code

## Eligible Person's Information. Only complete this part if the person who qualifies for Lifeline is not the Applicant.

First Name  Last Name  Date of Birth  Last 4-Digits of SSN  Relationship to Applicant

## SECTION 2 - Eligibility Information

By checking a box below, I certify that I, my dependent, or my household receives assistance from at least one of the programs listed below, or that my total household income is at or below 135% of the Federal Poverty Guidelines, and if this is an initial application, that I have provided proof of eligibility.\*

2015 135% of the Federal Poverty Guidelines (annual household income before tax)

1 person up to \$15,890 per year    2 people up to \$21,506    3 people up to 27,122    4 people up to \$32,738    5 or more people - add \$5,616 for each extra person

Select only one

- Federal Public Housing Assistance or Section 8
- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- National School Lunch free lunch program

- Supplemental Nutrition Assistance Program (SNAP)
- Supplemental Security Income (SSI)
- Temporary Assistance For Needy Families (TANF)
- Total Household Income at or below 135% of the Federal Poverty Guidelines

If you checked **Total Household Income** above, provide the number of people in your household.

## SECTION 3 - Certification

By initialing each line below, I certify, under penalty of perjury, that\*:

\_\_\_\*My household receives only one Lifeline-supported service, and to the best of my knowledge, no one in my household receives Lifeline from another telephone company.

\_\_\_\*I understand that I must notify the telephone company within 30 days if: (1) I move to a new address, (2) I, or the eligible person in my household, no longer meets the program or income eligibility criteria, (3) my household receives more than one Lifeline discounted telephone, or (4) my household, for any reason, no longer meets the criteria to receive Lifeline support, and that I may be penalized for failing to make the above notifications.

\_\_\_\*I give the telephone company permission to release to the Universal Service Administrative Company (USAC) or its agent any records required to confirm that my household only receives one Lifeline benefit. If USAC finds that my household receives more than one Lifeline benefit, USAC will notify the telephone companies, and I will have to select one service and I will be de-enrolled from the other.

\_\_\_\*I understand that I must recertify my Lifeline eligibility every year and that I will lose my Lifeline benefit if I do not recertify each year.

\_\_\_\*I understand that Lifeline is a government program and I may be punished if I knowingly provide false or untrue information to receive Lifeline. Punishment may include being fined, imprisoned, or barred from the Lifeline program.

By signing below, I certify, under penalty of perjury, that the above information is true to the best of my knowledge.

Signature\*

Date\*

Send the completed form and proof of eligibility to:

MAIL: PO Box 123, Your City, ST 12345    FAX: 123-456-7890    EMAIL: lifelineassistance@yourcompany.com

Lifeline is a federal benefit that makes monthly telephone service more affordable for eligible households. Your household may receive Lifeline on one wireless OR one home telephone, but not both. Your household may not receive the Lifeline benefit from more than one telephone company. For the purpose of Lifeline, a household is an individual or any group of individuals who live together at the same address and share income and expenses. You may not transfer your Lifeline discount to another person, even if he or she is eligible. You may lose your Lifeline benefit and may be prosecuted by the United States government if you violate the one-per-household rule or otherwise make false statements to receive Lifeline.