



Federal Communications Commission
Washington, D.C. 20554

September 11, 2013

D. Scott Barash
Acting Chief Executive Officer
Universal Service Administrative Company
2000 L St., N.W., Suite 200
Washington, DC 20036

DA 13-1881

Dear Mr. Barash:

In June 2011, the Federal Communications Commission (Commission) and the Wireline Competition Bureau (Bureau) directed the Universal Service Administrative Company (USAC) to conduct state-specific in-depth data validations (IDVs) to detect and eliminate duplicative Lifeline support.¹ To date, the IDV process has focused on detecting and eliminating duplicative Lifeline support to individuals and has saved the program more than \$200 million. In January 2012, the Commission codified the rule that subscribers may only have one Lifeline supported service per household² and directed the Bureau and USAC to work with ETCs to facilitate a process for resolving duplicative support being provided by multiple ETCs to the same household (inter-company household duplicates).³ This letter directs USAC to develop a pilot to test and develop a permanent process to eliminate inter-company household duplicates prior to the deployment of the National Lifeline Accountability Database (Database). The results of the pilot will be used to help design a process for scrubbing inter-company household duplicates from ETCs' subscriber rolls prior to loading subscriber information into the Database.⁴

Consistent with the *Lifeline Reform Order*, we direct USAC to work with select ETCs in Michigan to determine the best process for resolving inter-company household duplicates.⁵ In particular, USAC shall trial two options for collecting and reviewing subscriber responses, testing the same number of addresses and subscribers with each option.⁶ Under both options, consistent with the existing IDV process, USAC shall mail a letter notifying each duplicative subscriber that the subscriber has been identified as someone

¹ See *Lifeline and Link Up Reform and Modernization* et al., Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 11-42 et al., CC Docket. No. 96-45, 27 FCC Rcd 6656 (2012) (*Lifeline Reform Order* or Order); Letter from Sharon E. Gillett, Federal Communications Commission, to D. Scott Barash, Universal Service Administrative Company (USAC), WC Docket. No. 11-42 et al., DA 11-1986 (2011) (*December Guidance Letter*); Letter from Sharon E. Gillett, Chief, Wireline Competition Bureau, Federal Communications Commission, to D. Scott Barash, Universal Service Administrative Company (USAC), WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, DA 11-1082 (Wireline Comp. Bur. Jun. 21, 2011) (*June Guidance Letter*).

² See *id.* at 6687, para. 69; 47 C.F.R. § 54.409(c). A household is defined as "any individual or group of individuals who are living at the same address as one economic unit." 47 C.F.R. § 54.400(h).

³ See *Lifeline Reform Order*, 27 FCC Rcd at 6747, para. 211.

⁴ ETC subscriber lists must be "scrubbed" of individual and household duplicates prior to loading the subscriber lists into the database. See *id.* at 6748-49, paras. 214-16.

⁵ Michigan was selected for the pilot because USAC has recently completed an IDV in that state and Nexus, AT&T, TracFone and Virgin Mobile, all Lifeline providers, offer service in Michigan and have volunteered to participate in the pilot.

⁶ USAC will trial the two options below with 500 addresses and 1000 subscribers each.

living at an address where another Lifeline subscriber resides and shall require each such subscriber to complete a one-per-household worksheet (Worksheet).⁷ Under the first option, subscribers will provide completed worksheets and responses to their ETC; under the second option, subscribers will provide responses to USAC using an Integrated Voice Response system.⁸ USAC will resolve the inter-company household duplicates according to the scenarios in the attached Appendix (“Process to Resolve Inter-Company Household Duplicates”). We direct USAC to report the results to the Bureau.

Option 1: Subscribers Provide Information Directly to ETCs

Under this option, the USAC notification letter directs subscribers to submit the completed Worksheet to the ETC, via a method (e.g., U.S. Mail address) chosen by the ETC. Subscribers will have 35 days to provide a response to the ETC. After the end of the 35-day response period, the ETC will provide USAC with a list indicating whether each subscriber resides in a single household, multiple households, or did not respond to the letter. USAC will resolve the duplicates based on the results of the subscriber responses.

Option 2: Require Subscribers to Contact USAC Call Center

Under this option, the USAC notification letter directs subscribers to call into a USAC Interactive Voice Response (IVR) system within 35 days. The IVR system will ask the subscriber to respond to a series of questions in order to determine whether there is a single or multiple households at the address. The IVR system questions correspond to the questions on the Worksheet. USAC will also place a call no later than 10 days from the end of the 35-day period to remind subscribers that have not yet responded that they must call the USAC number. USAC will resolve the duplicates based on the results of the subscriber responses.

If you have any questions regarding this letter, please let me know.

Sincerely,

Julie A. Veach
Chief
Wireline Competition Bureau

⁷ See *Lifeline Reform Order*, 27 FCC Rcd at 6747, para. 211. The letter will notify each subscriber that he or she must respond to the letter by 35 days after the date of the letter. See *June Guidance Letter* at 4.

⁸ See Attachment A for Option 1 letter from consumers to ETC; Attachment B for Option 2 letter from consumers from USAC.

APPENDIX

Process To Resolve Inter-Company Household Duplicates⁹

Outcome 1: None of the subscribers residing at the same address responds to the letter from USAC. (See chart below)

USAC Response: Randomly select one ETC to be the Lifeline Service Provider for that household address. After the Lifeline Service provider is selected, the ETCs not selected as the Lifeline Service Provider would de-enroll their subscribers. For example, USAC would instruct ETC A and ETC C to de-enroll their subscribers. (See chart below)

Name	Address	Telephone Number	ETC	Response	Allocation
James Smith	123 Main Street	202-999-9999	A	No response	De-enroll
Jane Doe	123 Main Street	202-777-7777	B	No response	Lifeline Service Provider
Suzy Jones	123 Main Street	202-888-8888	C	No response	De-enroll

Outcome 2: One of the subscribers residing at the same address responds that there is a single household at the address; other subscribers residing at the same address do not respond.

USAC Action: Direct the ETCs serving the subscribers who did not respond to de-enroll those subscribers. (See chart below)

Name	Address	Telephone Number	ETC	Response	Allocation
James Smith	123 Main Street	202-999-9999	A	Single Household	Lifeline Service Provider
Jane Doe	123 Main Street	202-777-7777	B	No response	De-enroll
Suzy Jones	123 Main Street	202-888-8888	C	No response	De-enroll

⁹ The Bureau and USAC worked with ETCs to develop these scenarios consistent with the Commission's directive in the *Lifeline Reform Order* to work with ETCs to facilitate a process for resolving duplicative support being provided by multiple ETCs to the same household. *See supra* note 3.

Outcome 3: One of the subscribers residing at the same address responds that there are multiple households at the address; other subscribers at the same address do not respond.

USAC Response: Do not instruct any of the ETCs to de-enroll any of these subscribers. (See chart below)

Name	Address	Telephone Number	ETC	Response	Allocation
James Smith	123 Main Street	202-999-9999	A	Multiple Households	Continue Enrollment
Jane Doe	123 Main Street	202-777-7777	B	No response	Continue Enrollment
Suzy Jones	123 Main Street	202-888-8888	C	No response	Continue Enrollment

Outcome 4: Two or more subscribers residing at the same address respond that there are multiple households at the address.

USAC Response: Do not instruct any of the ETCs to de-enroll any of these subscribers.

Name	Address	Telephone Number	ETC	Response	Allocation
James Smith	123 Main Street	202-999-9999	A	Multiple Households	Continue Enrollment
Jane Doe	123 Main Street	202-777-7777	B	Multiple Households	Continue Enrollment
Suzy Jones	123 Main Street	202-888-8888	C	No response	Continue Enrollment

Outcome 5: All subscribers residing at the same address respond that there is a single household at the address.

USAC Response: USAC sends a second letter to the subscribers at the address explaining that two or more individuals at this address have responded that they are part of a “single household” and the household is entitled to a single benefit. The letter will state that a member of the household must call in to the given telephone number and make a selection within 15 days of the letter or the household will be randomly assigned ETC [A] and the services of ETCs [B and C] will be automatically discontinued. The household will be assigned the ETC of the first subscriber that calls in. USAC will direct the non-selected ETCs to de-enroll their subscribers. (See chart below.)

Name	Address	Telephone Number	ETC	Response	Allocation
James Smith	123 Main Street	202-999-9999	A	Single Household	Lifeline Service Provider
Jane Doe	123 Main Street	202-777-7777	B	Single Household	De-enroll
Suzy Jones	123 Main Street	202-888-8888	C	Single Household	De-enroll

Outcome 6: Two or more subscribers residing at the same address respond that there is a single household at the address; other subscribers at the same address do not respond.

USAC Response: Similar to Outcome 5 above; USAC sends a second letter to subscribers at the address who responded that they are a “single household” explaining that two or more individuals at this address have responded that they are part of a single household. The letter will state that a member of the household must call in to the given telephone number and make a selection within 15 days of the letter or the household will be assigned ETC [A] and the services of ETCs [B and C] will be automatically discontinued. The household will be assigned the ETC of the first subscriber that calls in. USAC will direct the non-selected ETCs to de-enroll their customers. (See chart below.)

Name	Address	Telephone Number	ETC	Response	Allocation
James Smith	123 Main Street	202-999-9999	A	Single Household	Lifeline Service Provider
Jane Doe	123 Main Street	202-777-7777	B	Single Household	De-enroll
Suzy Jones	123 Main Street	202-888-8888	C	No Response	De-enroll

Outcome 7: One of the subscribers residing at the same address responds that there is a single household at the address; another subscriber responds that there are multiple households at the address.

USAC Response: Do not instruct any of the ETCs to de-enroll any of these Lifeline subscribers.

Name	Address	Telephone Number	ETC	Response	Allocation
James Smith	123 Main Street	202-999-9999	A	Single Household	Continue Enrollment
Jane Doe	123 Main Street	202-777-7777	B	Multiple Households	Continue Enrollment
Suzy Jones	123 Main Street	202-888-8888	C	No response	Continue Enrollment

For All Outcomes:

All ETCs will continue to provide Lifeline-supported service to subscribers until notified by USAC, pursuant to section 54.405 of the Commission's rules, as amended, to de-enroll certain subscribers, and shall be reimbursed for the Lifeline benefits provided to subscribers up until the date of de-enrollment, subject to normal adjustments, recoveries for bad, uncorrected data, intra-company, and other reporting requirements. USAC shall recover support for any subscriber for which subscriber data cannot be substantiated by the ETC.