

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

Investigation by the Department on its Own)
Motion into the Implementation in)
Massachusetts of the Federal) D.T.C. 13-4
Communications Commission’s Order)
Reforming the Lifeline Program)

REPLY COMMENTS OF TRACFONE WIRELESS INC.

TracFone Wireless Inc. (“TracFone”) respectfully submits these Reply Comments with respect to the comments filed in response to the Department’s Request for Comments and Notice of Public Hearing issued in this proceeding on April 1, 2013.

Massachusetts Should Move Towards a State Database

As the FCC recognized in its Lifeline Reform Order, the most reliable indicator of a Lifeline applicant’s eligibility based on enrollment in a qualifying program is a governmental entity’s data base of enrolled applicants.¹ The FCC ordered the establishment of a national data base and has set as a goal that such a national data base be available by year-end 2013. Some states already have such databases and allow access to ETCs, subject to appropriate privacy protections, to verify whether Lifeline applicants are enrolled in qualifying programs.²

¹ *Id.*, at ¶ 97.

² Florida, Wisconsin, Maryland, Texas, Washington, Illinois, Michigan, New York, and South Carolina have databases that ETCs can query to verify a Lifeline applicant’s eligibility. The states of Arkansas, Georgia, Nevada, and New Jersey are in the process of developing a similar system. In Vermont, Oregon and Puerto Rico the state utility commission processes application for Lifeline service and verifies eligibility.

TracFone has been designated an Eligible Telecommunications Carrier in 39 states for the purpose of providing Lifeline service to qualified low-income households. As a result, it has considerable experience working with states on matters relating to enrollment eligibility and annual verification of continuing eligibility. Recognizing that the creation of a national Lifeline eligibility verification database will not be immediately available, TracFone has been at the forefront of working with state social service agencies to create state-specific databases that will allow all ETCs in that state to verify whether an applicant for Lifeline service is receiving a qualifying benefit. Today there are 10 such states that have a database in place that permit initial and continued eligibility verification by ETCs for the major Lifeline-qualifying programs (SNAP, Medicaid and TANF) and several others are currently in the process of developing a similar system. The following is a description of the systems used by certain states to ensure that customers are eligible to receive Lifeline service.

a. Florida

The Florida Public Service Commission and the Department of Children and Families (DFC) worked together to develop a computer portal that allows ETCS to verify, on a real-time basis, whether Lifeline applicants are enrolled in a participating eligible program (Medicaid, SNAP and TANF). DCF maintains the computer portal and the cost of the creating it was funded by the state. ETCs that decide to use the portal to certify the eligibility of Lifeline applicants are provide access to the system URL and certificates. After access the DCF's computer ETCS must provide the first and last names of the applicant's date of birth. DCF's computer provides the ETCs

with information as to whether or not the applicant is or is not participating in a Lifeline-qualifying program. DCF's computer does not disclose the particular program or programs in which the applicant participates. ETCs can also use the DCF computer portal to verify the continued eligibility of customers on an annual basis. New York has a similar system.

b. Wisconsin

The Wisconsin Public Service Commission rules requires Lifeline service providers to verify a Lifeline applicants eligibility by making queries to the CARES database administered by the Wisconsin Department of Children and Families ("DCF") and to a database maintained by the Department of Revenue ("DOR"). ETCs enter into a data share agreement with DCF that allows them to determine if Lifeline applicants are eligible for SNAP, Wisconsin Home Energy Assistance, or Medicaid. Under this system, ETCs can check whether an applicant is eligible for Lifeline on a real-time basis. ETCs can rely on access to the CARES database to confirm both a client's initial eligibility for Lifeline as well as their continued eligibility on an annual basis.

TracFone recommends that the Department adopt a similar process to that employed in Florida or Wisconsin. Not only does such a database streamline the application process for the consumer, it will also help reduce the incidence of waste, fraud and abuse in the Massachusetts Lifeline program by ensuring that only Lifeline-eligible applicants are enrolled in the program.

The DTC Should Not Pursue Regulation of the Amount of Airtime Offered to Lifeline Participants.

TracFone is largely in agreement with the comments filed by the National Consumer Law Center (“NCLC”). However, TracFone opposes their suggestion that the Department investigate the “adequacy of 250 minutes per month for wireless Lifeline.” The amount of federal USF support available to Lifeline providers is established by the Federal Communications Commission (“FCC”). The current support amount available to Lifeline providers is \$9.25 per enrolled household per month.³ ETCs’ Lifeline offerings are based upon the amount of Lifeline support available from the federal USF. Those ETCs who provide Lifeline benefits in the form of a discount below standard rates apply the available USF support and reduce their rates to Lifeline customers by that amount, *i.e.*, by \$9.25 per month.⁴ Those ETCs, including TracFone, who provide Lifeline benefits in the form of no charge services use that same \$9.25 per month to establish the amount of no charge service they provide. A TracFone customer receiving 250 no charge minutes of wireless airtime per month is receiving the entire \$9.25 Lifeline benefit as 250 no charge minutes.

The fact is that neither TracFone nor any other Lifeline provider can afford to provide service to consumers, including Lifeline consumers, without receipt of sufficient compensation to cover the cost of providing such services. A state-imposed

³ 47 C.F.R. § 54.403(a).

⁴ States are permitted to establish their own Universal Service programs, including Lifeline programs, funded by state resources. See 47 U.S.C. § 254(f). Where state Lifeline support is available, the amount of the Lifeline benefit will exceed \$9.25 since the combined state and federal support will exceed \$9.25.

