



Federal Communications Commission
Washington, D.C. 20554

December 6, 2011

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

DA 11-1986

Dear Mr. Barash:

On June 21, 2011, the Wireline Competition Bureau (Bureau) provided the Universal Service Administrative Company (USAC) with guidance on the process USAC should follow in identifying and resolving duplicative Lifeline claims found through in-depth data validations (IDVs) ("Duplicate Resolution Process").¹ We provided this guidance letter at the same time the Commission issued the *2011 Duplicative Program Payments Order*, which amended sections 54.401 and 54.405 of the Commission's rules to provide that no qualifying consumer is permitted to receive more than one Lifeline subsidy at a given time.² The Duplicate Resolution Process has been a cooperative effort between ETCs, USAC, the ETCs' third party vendor, and FCC staff. To date, the Duplicate Resolution Process has involved USAC identifying duplicative Lifeline claims, notifying the duplicate subscribers and sending the ETCs lists of subscribers to de-enroll after the notice period. The ETCs' third-party vendor, 3PV, has handled the customer care function of the process to date.³

The current three-phase process is expected to finish in January 2012. Given the success of this process in reducing duplicative Lifeline support, we expect USAC to undertake additional phases to identify and resolve duplicative Lifeline claims in additional states. We direct USAC to issue a request for proposals (RFP) by January 16, 2012, to procure customer care functionalities for the Duplicate Resolution Process so that it can continue with targeted IDVs in select states when directed by the Bureau. The customer care functionalities include operating a toll free number to be equipped with an Interactive Voice Response (IVR) system capable of receiving customer feedback from multiple customers simultaneously, multiple live operators equipped to assist

¹ See generally Letter from Sharon E. Gillett, Chief, Wireline Competition Bureau, Federal Communications Commission, to D. Scott Barash, Acting Chief Executive Officer, Universal Service Administrative Company, 26 FCC Rcd 8588 (Wireline Comp. Bur. June 21, 2011) (*June 21 Guidance Letter*). The Bureau directed USAC to coordinate with the ETCs involved in the state-specific IDVs to implement that process. *Id.* at 8589.

² *Lifeline and Link Up Reform and Modernization, Federal-State Joint Board on Universal Service, Lifeline and Link Up*, CC Docket No. 96-45, Report and Order, WC Docket Nos. 11-42, 03-109, 26 FCC Rcd 9022 (2011) (*2011 Duplicative Program Payments Order*).

³ Tasks performed by 3PV have included: the placing of automated reminder calls to those subscribers who do not make a selection of a single Lifeline provider within a 30-day period (subscribers have also had the opportunity to connect to a live operator and select a single Lifeline provider as part of the automated reminder calls made by 3PV); tracking subscriber provider selections; and, after the 35-day period has expired, providing USAC with an updated allocation list to reflect subscriber-generated provider selections.

subscribers with questions about the process, and automated calls to subscribers who have failed to make a selection within the notice period.

If you have any questions regarding this letter, please do not hesitate to contact me at 202-418-1500.

Sincerely,

Sharon E. Gillett
Chief
Wireline Competition Bureau