

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of

**Federal-State Joint Board on Universal
Service**

Lifeline and Link-Up

CC Docket No. 96-45

WC Docket No. 03-109

**REPLY COMMENTS OF THE CONSUMER ADVISORY COMMITTEE OF THE
FEDERAL COMMUNICATIONS COMMISSION**

**IN RESPONSE TO THE FEDERAL-STATE JOINT BOARD REQUEST FOR
COMMENT**

The Consumer Advisory Committee (CAC) of the Federal Communications Commission (Commission) respectfully submits these comments in response to the Federal-State Joint Board's request for comment regarding changes to the Lifeline and Link-Up programs¹.

The purpose of the CAC is to make recommendations to the Commission regarding consumer issues within the jurisdiction of the Commission and to facilitate the participation of all consumers in proceedings before the Commission.² The Broadband Working Group of the

¹ http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-10J-2A1.pdf

² <http://www.fcc.gov/cgb/cac/>

CAC has focused its attention on the Lifeline/Link-Up programs as areas of the Universal Service Fund where the CAC can offer strong consumer-focused input to the Commission.

The Lifeline and Link-Up programs have played a critical role in connecting low-income citizens to voice service and by also providing continuing subscription support. Comments received in response to the Commission's, June 15, 2010 request for comments regarding the National Broadband Plan, and the June 23, 2010 roundtable on that topic all point the Commission toward a focus on the improvement and modernization of the Lifeline and Link-Up programs.

I. The Lifeline and Link-Up programs are essential and need to be modernized

A. Lifeline and Link-Up gives our most vulnerable populations voice access to employment healthcare providers, emergency services and their community at large

The Communications Act of 1934, created the Commission and directed it "to make available, so far as possible, to all people of the United States a rapid, efficient... wire and radio communication service with adequate facilities at reasonable charges."³ Since their creation, the Lifeline and Link-Up programs have focused on connecting the very hardest people to connect in our country. These programs have helped low-income consumers who have limited means and are utilizing government assistance programs.

For these, most vulnerable consumers, access to reliable telecommunications has offered life-changing benefits. The Lifeline and Link-Up

³ 47U.S.C. S 151.

programs have given participants access to employers, healthcare providers, emergency services and their community at large. While a phone line is still a critical component, in today's world, broadband is becoming an essential piece of the communications puzzle.⁴

In a speech on July 20th before the Minority Media and Telecom Council, Chairman Genachowski noted that, "... classifieds are moving online, job applications must be submitted online, and more and more jobs require digital skills. Increasingly, if you don't have broadband, you can't get a job."⁵ The CAC believes that modernization of the Lifeline and Link-Up programs are required if we hope to provide continuing access to social and economic benefits that today's programs offer. R Cost has been identified by the Commission as one of the greatest barriers to broadband adoption

In February of 2010, the Commission identified the greatest barrier to adoption of broadband as cost.⁶ The Lifeline and Link-Up programs are, at their heart, attacking the barrier of cost for low-income consumers. For many low-

⁴ See, e.g., Comments of the National Cable & Telecommunications Association on NBP Public Notice #16, GN Docket Nos. 09-47, 09-51, 09-137, at 19-20 (filed Dec. 1, 2009) ("[I]n some low-income areas where laptops or netbook-like devices and home broadband connections have been provided to children, and the technology was thoughtfully integrated into learning and instruction, research shows positive effects on student academic performance, engagement, and attitude."); Comments of Public Knowledge, Media Access Project, the New America Foundation, and U.S. PIRG, GN Docket No. 09-51, at 1 (filed June 8, 2009) (the "Public Interest NBP Comments") ("[A]ccess to broadband has become an essential utility... [B]usinesses large and small can reach new markets and make their enterprises more efficient. Students have at their fingertips educational resources not conceivable a few years ago. Some sources of news and information, once confined to the printed page, are to be found online only.").

⁵ Julius Genachowski, Chairman, Fed. Comm'n Comm'n, Remarks before the Minority Media and Telecom Council Access to Capital and Telecommunications Conference (Jul. 6 2010)

⁶ http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296442A1.pdf

income consumers, market efficiencies will never decrease costs enough to pay for service on their own. These programs will provide low-income consumers access to the necessary communications mediums of their day.

The CAC strongly supports the expansion of the LifeLine and Link-Up programs to allow financial assistance to be applied to broadband. This recommendation mirrors the initial comments submitted by other consumer-focused groups⁷. For low-income consumers, a program that provides support for broadband service will result in greater access to critical government, health, employment and educational programs. The CAC also believes that low-income individuals with access to voice and broadband will be able to more effectively communicate with government and more efficiently participate in social services programs.

Lifeline and Link-Up programs have steadily grown over the past few years and that the expansion of the programs to include broadband will add costs. Therefore, it is critical the Commission explore potential cost-stabilizing measures. For example, the eligibility, verification and enrollment requirements for the new broadband offering should be the same or as similar as possible to existing Lifeline and Link-Up program requirements.⁸ Symmetry with the administration of various program offerings could prevent some cost increase.

See, e.g., Comments of the National Hispanic Media Coalition, WC Dkt. No. 03-109, at 1 (Jul. 15, 2010) ("NHMC Comment"); Comments of Media Action Grassroots Network, WC Dkt. No. 03-109, at 3-6 (Jul. 15, 2010) ("MAG-Net Comment"); Comments of Benton et al, WC Dkt. No 03-109, at 3 (Jul. 15, 2010) ("Benton Comment")

⁸ *Comments of National Consumer Law Center, WC Dkt. No. 03-109, at 5 (Jul. 15, 2010) ("Consumer Law Comment")*

C Expanding the Lifeline and Link-Up programs to include a broadband component requires additional pilot programs

The development of a broadband component to include in the Lifeline and Link-Up programs is a complex endeavor and the CAC agrees with the comments of the Benton Foundation that suggests to the Commission that they should employ pilot projects to identify the best path forward.⁹ As the Commission develops pilot programs it should keep a few key factors in mind.

1. **Technological Neutrality:** It's important that the Commission seek out the most efficient platform for providing broadband connectivity to Lifeline and Link-up enrollees. The CAC urges the Commission to remain technology neutral and, depending on the needs to be met, consider wireline, wireless, and other technologies that offer broadband connectivity.
2. **Flexible Program Offerings:** The CAC also urges the Commission to allow for flexibility so that the program can take into consideration the special needs of the community it is trying to serve. For example, older populations may be unable to access the Internet through a cell-phone due to small screen and button size. For consumers in locations where wireline infrastructure development is too expensive, a wireless network may be the most efficient method to provide access. For consumers with disabilities, the opportunity to choose an appropriate access device impacts the ultimate

⁹ See Benton Comment at 4,5.

benefits of the program. For those consumers who choose a Smartphone to access broadband and voice service, it is important for a pilot program to flesh out the potential benefits or shortcomings of such a service. 3. Evaluation and Publicly Accessible Data: Every pilot program should have an evaluation plan as the program itself is developed. Pilot programs developed by the Commission should clearly identify pitfalls and potential best practices. These evaluation plans should include a clear implementation timeline for the pilot program. Additionally, it is critical that the evaluations be completely transparent. All of the evaluation documents related data should be readily available to the public so that independent researchers (from the private, public and academic sectors) can evaluate the pilot programs as well. Timely release of this data and effective public access will help ensure that the evaluations are dependable and verifiable. II. **Continued success of Lifeline and Link-Up requires changes to eligibility, verification and enrollment**

Despite success over the past few years in maintaining and improving telephone subscribership, participation in both Lifeline and Link-Up is still shockingly low. About 7 million of an estimated 24.5 million eligible households (or less than 29%) participated in Lifeline in 2008¹⁰. According to the Universal Service Administrative

¹⁰ National Broadband Plan at 172

Company (USAC), in 2009, only five states had participation rates higher than 50%.ⁱⁱ This is due in large part to the programs' low-income eligibility criteria. The Joint Board should closely study and highlight the successful methods of Alaska, California, Montana, Oklahoma and Virginia, the five states with the greatest participation. The Joint Board should also analyze and understand the barriers that exist to participation in the states with the lowest participation rates.

The CAC believes that after such a study is completed and published the Commission should integrate the resulting best practices and improvements to the federal default program.¹²

The CAC also encourages the Commission to consider the efficiencies and other benefits that may be achieved for the federal default program by coordinating enrollment and verification through additional federal assistance programs.

A. Increase the income eligibility to 150 percent of the federal poverty level

To be eligible for Lifeline and Link-Up, consumers must meet an income eligibility requirement, currently set at 135 percent of the federal poverty level. The CAC joins other consumer-focused commenters in recommending that the Joint Board increase the requirement to the threshold of other federal low-income support programs, such as the Low Income Home Energy Assistance Program's

ⁱⁱ USAC, 2009 Lifeline Participation Rate Data, <http://www.usac.org/li/about/participation-rate-information.aspx> (last visited Aug 2, 2010)

¹² The current federal default states are Delaware, Hawaii, Indiana, Iowa, Louisiana, New Hampshire, North Dakota, South Dakota, American Samoa, and the Northern Mariana Islands. See Universal Service Administrative Company (USAC) website, Low Income, Frequently Asked Questions, <http://www.universalservice.org/li/tools/frequently-asked-questions/faq-lifeline-linkup-order.aspx#q1> (last visited Aug 2, 2010).

150 percent threshold. Modifying eligibility requirements to 150 percent will ease certification and verification and ultimately should increase enrollment.

Aside from the 10 federal default states, eligibility is determined individually by each state. Instead of using the federal eligibility requirements as a baseline, or federal floor, thirty-one states have more stringent requirements than the federal default requirements.¹⁴ To ensure the fair distribution of program benefits, it is critical that the federal requirements become the required baseline. This means that if a potential participant at least meets the federal requirements, he/she can receive federal-level benefits. The CAC believes that if a state allots funds for additional telecommunications assistance, that the state should have the freedom to set eligibility rules for that additional state assistance. State rules concerning additional state assistance, however, must not interfere with an individual's access to federal-level benefits.

B. Increase the range of government assistance programs that signal eligibility

¹³ See Benton Comment at 5, MAG-Net Comment at 9, *Comments of National Consumer Law Center*, WC Dkt. No. 03-109, at 9 (Jul. 15, 2010) ("NCLC Comment"), *Comments of the National Association of State Utility Consumer Advocates*, WC Dkt. No. 03-109, at 6 (Jul. 15, 2010) ("NASUCA Comment"), *Comments of the California Public Utilities Commission*, WC Dkt. No. 03-109, at 9 (Jul. 15, 2010) ("CPUC Comment"), *Comments of the Public Utilities Commission of Ohio*, WC Dkt. No. 03-109, at 5 (Jul. 14, 2010) ("Ohio Commission Comment"), *Comments of the Public Service Commission of the District of Columbia*, WC Dkt. No. 03-109, at 2 (Jul. 15, 2010) ("DCPSC Comment"), *Comments of Smith Bagley, Inc.*, WC Dkt. No. 03-109, at 6 (Jul. 15, 2010) ("SBI Comment"), *Comments of PR Wireless, Inc.*, WC Dkt. No. 03-109, at 3 (Jul. 15, 2010) ("PR Wireless Comment")

¹⁴ See NCLC Comment at 6. The 31 states with more stringent requirements are Alabama, Arizona, Colorado, Connecticut, Georgia, Idaho, Illinois, Kansas, Kentucky, Maine, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

Currently, enrollment in any of seven federal low-income assistance programs makes a household eligible for Lifeline and Link-Up.¹⁵ Increasing the number of government assistance programs that trigger eligibility could ease both verification and enrollment. For example Alaska, one of the states with the highest participation rates, has 11 different qualifying programs by state regulation that includes the federal programs. Alaska ETCs are allowed to add additional programs upon approval of the state commission. The two major local exchange carriers in the Alaska each list 24 or 25 eligible programs.

Expansion of the range of government assistance programs that trigger Lifeline and Link-Up eligibility would be beneficial for the programs participation rates but could also help streamline administration of the triggering social service programs offered within a given state.

C. The program should be expanded to allow for eligibility of residents of group homes and homeless shelters

The Lifeline and Link-Up programs must adapt to best serve various needs in the low-income community. Residents who are in domestic violence shelters, group living facilities, or in homeless shelters are among the most vulnerable members of that community. For these individuals, access to communications is a necessary tool to move towards self-sufficiency. The CAC along with other

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Medicaid, Food Stamps, Supplemental Security Income (SSI), Federal Public Housing Assistance (Section 8), Low-Income Home Energy Assistance Program (LIHEAP), Temporary Assistance to Needy Families (TANF), and The National School Lunch Programs Free Lunch Program.

consumer-focused commenters supports the expansion of the program to include residents of group homes and homeless shelters.¹⁶

Considering that mobile phones could prove to be the most efficient mechanism to provide access for these participants the Commission may need to address the eligible telecommunications carrier (ETC) requirements to meet the needs of urban homeless and shelter residents.

Concurrent with this expansion, the CAC recommends that as the Commission reviews the one-per-household rule that they take into consideration the adoption of mobile communications devices by residents of group homes and homeless shelters. The Joint Board should also consider including payments for the acquisition of such devices for the low-income homeless or low-income group home residents.

Because of the transient nature of this population, it may take special guidelines to prevent against fraud, waste and abuse. It is also important that the Commission defines what type of residences will qualify for group home or shelter status. A clear definition will help prevent abuse of this expansion in eligibility. While developing guidelines, to prevent fraud, waste or abuse, the CAC join other commenters in urging the Joint Board and the Commission to reach out, to non-profits and other organizations currently serving this community through roundtables or other public forums to explore a range of options and to

¹⁶ See Benton Comment at 6, NCLC Comment at 12-15, MAG-Net Comment at 9-10.

identify best practices. With this input, the Lifeline and Link-Up programs could determine how best to meet the needs of this population while thwarting fraud, waste and abuse.

D. Enrollment for the modernized Lifeline and Link-Up program should be no more onerous on enrollees than current standards.

The CAC recommends that the Joint Board avoid increasing the amount of documentation required for enrollment. Increasing documentation requirements could confuse participants resulting in a reduction of the overall participation rate. Regarding "automatic enrollment," we support the request from the Commission to the Joint Board to revisit the issue, balancing the potential benefits of such a mechanism against the implementation costs to state agencies.

The Joint Board and the Commission should explore methods to increase enrollment in the program. At the very least, consumers should be able to enroll in the program for broadband access through existing enrollment mechanisms. For example, raising the income eligibility requirement to match LIHEAP's 150% threshold could expedite the enrollment process. Also, by moving to 150% there would be a potential for more states to allow for automatic enrollment in conjunction with other federal low-income assistance programs.

III. Outreach for the Lifeline and Link-Up programs must be enhanced

¹⁷ See Benton Comment at 7.

A. Outreach methods should be broadened to utilize community, religious and state organizations.

Relying solely on eligible telecommunications carriers (ETCs) or on state agencies for Lifeline and Link-Up outreach, limits the number of citizens aware of the programs. As the National Broadband Plan recommends, state social service agencies should be encouraged to take an active role in consumer outreach.¹⁸

For example, the California Lifeline program uses a small surcharge on telephone calls to support a multilingual advertising, education and outreach program that funds community groups to work on Lifeline outreach.

ETCs who benefit financially from the programs should use mass and in-language media to advertise the programs to their communities. State governments aided by USAC, should provide paper information to low-income citizens wherever they interact with other state government services. Any Federal programs focused on low-income communities should coordinate with USAC to enhance outreach. Likewise, USAC should reach out directly to other federal low-income assistance programs in an effort to add Lifeline and Link-up to the services they offer. Community groups and services, such as homeless shelters, religious organizations and low-income advocacy groups, should be supplied with information and participate in USAC local and state trainings about the programs.

B. The Commission should encourage public and private cooperation with respect to outreach.

¹⁸National Broadband Plan at 172

The CAC urges the Commission to incentivize the coordination of outreach efforts between private entities such as ETCs, government, community groups and religious organizations.¹⁹

One alternative to each ETC conducting its own educational and advertising program is to develop a joint program that could be coordinated by the state commission as part of its state ETC duties. This multilingual program could include: the commission, ETCs and consumer and community groups. Funding for the joint program could come from the ETCs and/or a surcharge as in California. The program would also need to provide financial support to community groups to enable them to educate their clients.

C. Highlighting and implementing best outreach practices from other state and federal programs

The CAC also urges the Joint Board and the Commission to consider best practices from successful state and federal government assistance outreach efforts. For example, the Commission's efforts in the DTV transition included a number of successful tactics that could be used as models to enhance outreach efforts for Lifeline and Link-Up.

D. The expansion of the programs to include broadband will require changes to outreach.

¹⁹Benton Comment at 7-9, NHMC Comment at 2-3; MAG-Net Comment at 15-16. 28 *See Comments of the Nebraska Public Service Commission*, Dkt. No. 03-109, at 7 (Jul. 15, 2010) ("NPSC Comment"); AT&T Comment at 6; *Comments of Nexus Communications, Inc.*, WC Dkt. No. 03-109, at 4 (Jul. 15, 2010) ("Nexus Comment"); Community Voice Comment at 4; *Comment of Florida Public Service Commission*, WC Dkt. No. 03-109, at 11 (Jul. 15, 2010) ("FPSC Comment"); NCLC Comment at 28-29; CPUC Comment at 23-24.

Ensuring proper outreach for a broadband component to the programs is a complex challenge. Consumers will need more than just information on discounts for access. Broadband consumers will also need multilingual educational efforts that explain what broadband is, how the consumer would be able to utilize the service, and most importantly what real world benefits the service can offer.

In addition to improving the content of the information for outreach, the mechanisms for outreach should be enhanced. The Commission, through USAC, should develop and provide multilingual broadband-specific outreach toolkits to state social service agencies, schools, libraries, non-profits, community service organizations and religious institutions. This could accelerate the distribution of information on the enhanced Lifeline and Link-Up programs through trusted and familiar institutions. Funding will be needed at the federal and/or state level for free printing and mass distribution of the contents of the toolkits. Multilingual ads should be placed in in-language print and electronic media outlets. In addition, funding should be provided for community groups to support their use of the toolkits to educate their clients and members. E. The Commission should designate strong rules to enhance enforcement authority over outreach.

Eligible telecommunications carriers (ETCs) play a critical role in educating potential participants about Lifeline and Link-Up. The CAC recommends that the Commission review the effectiveness of ETCs' current outreach programs and, where appropriate, take action. The Commission requested input on the potential strengthening of federal enforcement over ETC

outreach. The CAC believes that if the Commission were to create stronger rules for federal level enforcement, that the Commission should do so without impinging or harming state level mechanisms to take action against bad actors.

IV. Modernization of the Lifeline and Link-Up program will require review of mechanisms to prevent fraud, waste and abuse.

A. The Commission must critically examine the Lifeline and Link-Up programs before making adjustments for fraud, waste and abuse

It is important for the Commission to take a close look at program structure to prevent any fraud, waste or abuse. As suggested in the National Broadband Plan the Commission should consider whether a centralized database for online certification and verification is a cost-effective way to minimize fraud, waste and abuse in this program. California's centralized database should be studied as a possible solution.

The CAC recommends that the Commission consider conducting a study to determine the scope of fraud, waste and abuse in these programs. Going forward, if the Commission determines that there is a need for additional fraud, waste or abuse prevention efforts, we would suggest that any new mechanism avoids increasing the overall cost of the program or deters enrollment.

V. Conclusion

Careful expansion of the Lifeline and Link-Up programs to offer broadband is necessary if the Commission is to continue meeting the expectation laid out in the Communications Act. By testing a wide variety of broadband programs through pilot programs the Commission will gain the data and experience to update the

programs effectively. Enhancing the current program offerings by expanding eligibility and outreach mechanisms will also serve to increase enrollment. The CAC thanks the Commission for the opportunity to provide these comments.