Oregon Citizens' Utility Board

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Federal Communications Commission
445 12 Street, SW
Washington, DC 20554

Re: Comments of the Oregon Citizens' Utility Board on Notice of Proposed Rulemaking and Notice of Inquiry, WC Docket Nos. 17-287; 11-42; 09-197

Introduction:
Oregon Citizens Utility Board (CUB) is pleased to submit the following letter stressing our concern, and the shared concern of 217 Oregonians, regarding the Federal Communications Commission's (FCC) sweeping recommendations to dismantle foundational provisions of the Lifeline program—the only federally-funded bill-payment assistance program for low-income landline telephone, mobile voice, and Internet customers.

About CUB:
Oregon voters founded CUB in 1984 using the State's ballot initiative process. Their goal was to establish a permanent advocate to represent the interests of residential energy (electric and gas) and telecommunications customers. For over 34 years, CUB has represented these customer interests before a multitude of regulatory, judicial, and legislative bodies.

Federal agencies, such as the FCC and the Federal Trade Commission, direct and administer the majority of Broadband Information Access (BIAS) policy. CUB, as Oregon's residential utility ratepayer advocate, weighs in on federal BIAS policy when it is to the benefit of our membership, and Oregonians at large, to amplify their collective voice. A recent example of CUB's BIAS policy-related advocacy occurred during the summer of 2017 with the FCC's repeal of their own 2016 Open Internet Order rules enforcing first-of-their-kind net neutrality provisions. (It was during this time that the FCC also launched the current administrative process to dismantle the Lifeline program.)

CUB continues to have serious concerns about the anti-consumer repeal the 2016 Open Internet Order. Yet dissimilar to Lifeline, legislative and judicial opportunities may now exist to ensure neutral, state-level (or even regional) networks. Also unlike the November decision to repeal the Open Internet Order, destruction of the Lifeline program garners significantly less media attention. This certainly should not be the case, and so CUB continues to stress the importance of the Lifeline program to membership, while at the same time providing education about the many ways in which Oregonians can lend their voice to CUB's advocacy on this issue.

About Lifeline:
The Reagan administration first launched the Lifeline program in 1985 to help low-income families cover the cost of their landline telephone bills. The George W. Bush administration later directed the FCC to update the Lifeline program to offer support for eligible mobile voice customers. In 2016, President Obama's FCC, under the leadership of then-Chairman Tom Wheeler, modernized the program once again by expanding program eligibility to include low-income customers of mobile or fixed broadband.

Presently, the federal monthly household subsidy is $9.25. However, when leveraged with complementary state-level programs, such as the Oregon Public Utility Commission-administered Telephone Assistance Program, which offers an additional $3.50, low-income customers can benefit from noticeable economic relief associated with the rising costs of essential communication services.

It is also important to note that, in addition to the more recent Bush and Obama-era modernization orders, the FCC has routinely taken steps to curb what the agency refers to as "waste, fraud, and abuse". And to be clear, some of this work, such as ensuring database integrity by safeguarding against participant or household duplication, was appropriate and even necessary.

Yet additional claims and proposed investigatory measures are unfounded. They very clearly aim to harm the program as opposed to implement practical reforms. Continued saber rattling to upend the Lifeline program, which continues to serve as an anti-poverty backstop, is most of all discrediting to effective public policy.

CUB's analysis concludes that the FCC's proposed changes to the Lifeline program would, more likely than not, destroy it all together or, at the very least, severely hamstring its ability to reach the nearly 13 million low-income Americans and roughly 80 thousand Oregonians who currently receive bill payment assistance[1].

While CUB does in fact agree with the recommendation outlined in **paragraphs 55-57** to reinstate Eligible Telecommunication Carrier (ETC) designation authority to the states, the following points highlight CUB's specific and significant disagreements with other provisions for which the FCC seeks comment:

- **Paragraph 58—*Eliminate standalone Lifeline Broadband Provider (LBP) status***. This key provision of the 2016 Modernization Order benefits smaller, broadband-only companies and customers preferential to competitive, standalone broadband options. To the extent broadband providers fail to offer complementary voice service, participation as ETCs in the Lifeline program would no longer be possible. Elimination of LBP eligibility strongly favors larger, national providers and would harm those customers seeking a competitive, standalone broadband option toward which to apply their subsidy.

- **Paragraphs 65-67—*Discontinue Lifeline program support for non-facilities-based service***. This simply means that resellers (small providers leasing the network capacity of national providers) would no longer be able to receive Lifeline program support and serve customers at reduced rates in many parts of the Country. This provision would effectively reduce Lifeline's low-income customer reach by almost two-thirds, leaving several-million mobile-voice and Internet customers (many thousands of Oregonians) without monthly critical bill-payment relief. The effect of such a shift in program structure would most likely destabilize the market for all remaining ETCs.

- **Paragraphs 65-67 Cont*.—Emphasize broadband-capable network expansion and new facilities deployment via discontinuation of program support for non-facilities-based service.*** It is entirely unclear how ceasing program support for providers of non-facilities-based services would improve the business case for, or spur new investment from, facilities-based providers to expand broadband-capable network capacity to meet low-income customer needs. Such a change would functionally transfer funds historically designated to support low-income bill-payment assistance to larger, national bundled-service

[1] http://www.usac.org/li/about/process-overview/program-stats.aspx

providers. Broadband-capable network buildout is a laudable and necessary goal, and one that the federal government must prioritize—just not at the expense of those households least capable of covering the cost of essential communication services.

- **Paragraph 81—*Eliminate Lifeline's equipment requirement that mandates service providers to prohibit tethering charges, and that providers already issuing devices must ensure such devices are Wi-Fi-enabled and mobile hotspot-ready.*** Elimination of these provisions, which simply requires providers to offer technologically relevant devices while reducing data-usage expenses to the customer, clearly runs counter to the FCC's stated interest in bridging the digital divide by incentivizing broadband-enabled network expansion. The rationale for eliminating such commonsense customer protections is at best unclear and at worst duplicitous.

- **Paragraphs 105-108—*Implement "self-enforcing" budget mechanism by capping annual program disbursements while prioritizing rural and tribal customers over urban customers.*** Limiting annual program disbursements while prioritizing certain low-income customers over others neither protects ratepayers nor fulfills the mission and mandate of the Lifeline program. It is true that with regard to broadband connectivity, a widening disparity exists among rural/tribal communities and urban communities. Yet it is also true that more urban-residing racial and ethnic minority populations are disproportionately low-income as compared to their European-descendent counterparts. Not only would an arbitrary budget cap limit overall program capacity, turning Lifeline's eligibility guidelines away from income and toward physical location may drive unintended and problematic social-equity concerns.

- **Paragraphs 112-114, 130-131—*Limit discount level, mandate payment obligation, and implement lifetime benefit cap.*** Such proposals are harmful and antithetical to Lifeline's mission to support low-income customers with reliable bill-payment assistance for essential communications services.

Conclusions:
The FCC's proposal to overhaul Lifeline is much less of a program overhaul and much more of a program dismemberment. More than anything, the changes would represent a financial boon to the largest national service providers and take money out of low-income customers' pockets. The Lifeline program is the only one of its kind. Its existence and administrative structure allows states like Oregon to supplement the federal subsidy with additional monies and necessary outreach. If the FCC were to implement the changes described above, only low-income customers would feel the economic consequences. This represents bad public policy.

Signed by Oregon Citizens' Utility Board and the following Oregonians:

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Anthony	Albert
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Sam	Baraso
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Mike	Beilstein
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Karen	Blasche
Roger	Briand
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Kevin	Brown
Barbara	Brozik
Robert	Burch
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Caroline	Miller
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Anne	Mitchell
Gregory	Monahan
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Michael	Schulte
John	Schumann
Ray	Scofield
Barbie	Scott
Paul	Seer
Marcy	Setniker
Ian	Shelley
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Dean	Sigler
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Josephine	Von Hippel
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