

February 01, 2018

Chairman Ajit Pai
Commissioner Michael O'Rielly
Commissioner Brendan Carr
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel

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

RE: WC Docket No. 17-287, Bridging the Digital Divide for Low-Income Consumers

Dear Chairman Pai and Commissioners,

The Hispanic Technology & Telecommunications Partnership (HTTP) is a nonpartisan coalition of national Latino organizations committed to advancing policies that close the digital divide and expand our community's access to the economic, educational, and civic opportunities of the internet era. Our organization opposes the Commission's proposed changes to the Lifeline program, which threaten to strip millions of low-income Americans of Internet and voice services and widen the digital divide.

Since its creation more than thirty years ago during the Reagan Administration, Lifeline has represented a market-based, pro-competition approach to helping low-income Americans defray the cost of vital telecommunications services. The program recognizes that lack of access to reliable phone and broadband service is a significant impediment to finding and holding a job; communicating with government agencies, schools, and other civic organizations; or contacting emergency services.

In other words, telecommunications services are a basic rung on the ladder that low-income Americans strive every day to climb. We are concerned that the Commission's proposed changes will effectively kick this ladder out from under far too many American families.

Among our specific concerns with the Commission's proposed rule changes, we oppose the proposal to block wireless resellers from participating in Lifeline. Currently, more than 70% of all Lifeline customers choose to subscribe to services offered by a reseller; forcing all of these participants to find a new provider would cause a disruption to the program without any clear benefit. Considering that only one of the four national wireless carriers even offers an option for Lifeline-eligible customers, such a move is also certain to dramatically reduce – and in some cases, even eliminate – the choices and competition available to participants. For a Commission that has championed a pro-competition, hands-off approach in so many other areas, this effort

to hand-pick winners and losers among telecom providers in the marketplace would be remarkably out of character.

We recognize and appreciate the Commission's continued efforts to identify and eliminate waste, fraud, and abuse in the Lifeline program. But we must observe that the May 2017 Government Accountability Office often cited in discussing those problems included no finding that resellers were a primary driver of fraud. Furthermore, that report was based on data largely compiled *before* the Commission's 2016 reform rules went into effect. Making changes to Lifeline based on obsolete data, while failing to take into account the impact of the Commission's intervening anti-fraud measures, is a recipe for poor policy choices and poor outcomes.

We also oppose provisions within the proposal that will directly increase costs for participating families – families already struggling on the economic margins who can ill afford this added financial strain. The push to require mandatory minimum charges ignores the results of broadband pilot projects that followed the 2012 Lifeline modernization order, which found that even modest increases in out-of-pocket costs were likely to drive a significant number of participants out of the program entirely – leaving them without any reliable access to phone and internet services. Rationing the Lifeline program, whether by implementing a program-wide cap or capping lifetime benefits for recipients, is almost certain to produce the same unfortunate results.

We are further concerned by several provisions of the proposal that appear likely to result in unequal access to the Lifeline program for low-income Americans living in different parts of the country. Establishing a preference for participants in rural areas over those in urban areas, or giving individual states the ability to establish widely varying eligibility criteria, risks undermining the core objectives of the Lifeline program by replacing need-based criteria with an arbitrary geographic lottery. Pitting low-income families from rural and urban areas against each other is not the right approach and does nothing to advance to core goals of the Lifeline program: helping impoverished families gain access to essential telecom services they could not otherwise afford.

We urge you to reject these proposals and reconsider an approach that will strengthen, rather than undermine, this vital program.

Sincerely,

Rosa Mendoza