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February 21, 2018

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, Suite TW-A325
Washington, DC 20554

Re: WC Docket No. 17-287 et al. – Bridging the Digital Divide for Low-Income Consumers.

Dear Secretary Dortch:

The following comments are submitted on behalf of the New York State Public Service Commission (NYPSC) pursuant to the Federal Communications Commission's (FCC) Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking and Notice of Inquiry regarding the FCC's Lifeline program. Pursuant to the Notice, the NYPSC respectfully offers these comments in opposition to the proposal to limit Lifeline support to service provided over facilities-based networks and to self-enforcing budgets.[1]

The NYPSC is supportive of efforts to eliminate waste, fraud and abuse, including cooperative efforts to implement an efficient verification process, to investigate and report on allegations of waste, fraud and abuse and to initiate controls on enrollment agents. The NYPSC,

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[1] The views expressed herein are not intended to represent those of any individual member of the NYPSC. Pursuant to the New York Public Service Law (PSL) §12, the Chair is authorized to file comments on behalf of the NYPSC.

however, is strongly opposed to eliminating non-facilities based providers from the Lifeline program and to the proposed self-enforcing budget.

The FCC's Lifeline program provides critical support that enables low income consumers to bridge the digital divide and assist individual's struggle against poverty. The NYPSC agrees with the statement of Chairman Pai that "all consumers – including low-income consumers – deserve choice and flexibility…." Eliminating non-facilities based carriers would deny a majority of Lifeline consumers in New York the use of their preferred carrier and would eviscerate choice and competition in the low-income communications marketplace.

The Connect America fund supports infrastructure deployment to under-served rural communities and New York has invested significant resources through its New NY Broadband Program to ensure that all New Yorkers have access to broadband. The goal of the Lifeline program has been and should remain an affordability program not an infrastructure deployment program. Removing non-facilities based carriers from the Lifeline program would undermine the affordability goal of the program by eliminating customer choices and downward pressures on prices brought about by those competitive options. Curtailing resellers is inconsistent with 47 USC §214(e)(1)(A) and may reduce network utilization rates and a source of revenue to underlying network providers. The FCC's proposal creates clear harms to low income consumers and offers no viable or credible benefit to offset these harms.

The FCC's proposed self-enforcing budget cap of $820 million is based on 2008 Lifeline disbursements and is roughly half of 2016 disbursements. Today's Lifeline program is providing communication services that are more important than ever. Erecting an arbitrary budget that would automatically curtail Lifeline benefits would simply widen the digital divide and ill serve the public interest.

The NYPSC appreciates the opportunity to comment on important issues raised by the Notice of Proposed Rulemaking. The NYPSC looks forward to working with the FCC to limit waste, fraud and abuse, but strongly opposes the proposal to eliminate choice and competitive benefits and curtail support levels available to low-income consumers.

Respectfully submitted,

__________/s/__________

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Assistant Counsel

On behalf of:

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