Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	
Lifeline and Link Up Reform and Modernization	WC Docket No. 11-42
Telecommunications Carriers Eligible for Universal Service Support	WC Docket No. 09-197
Connect America Fund	WC Docket No. 10-90

PETITION FOR RECONSIDERATION

Pursuant to 47 CFR § 1.429, the National Association of State Utility Consumer Advocates ("NASUCA")[1] respectfully requests reconsideration of the Federal Communications Commission ("FCC" or "Commission ") Third Report and Order, Further Report and Order, and Order on Reconsideration ("Order"), released in these dockets on April 27, 2016 as FCC 16-38 and published in the Federal Register on May 24, 2016. NASUCA requests reconsideration of the following issues:

1. The decision to remove Lifeline support for stand-alone voice services which NASUCA believes will force Lifeline customers onto more expensive bundles[2];

[1]NASUCA is a voluntary association of 44 consumer advocate offices in 41 states and the District of Columbia and additional associate members, incorporated in Florida as a non-profit corporation. NASUCA's members are designated by laws of their respective jurisdictions to represent the interests of utility consumers before state and federal regulators and in the courts. Members operate independently from state utility commissions as advocates for utility ratepayers. Some NASUCA member offices are separately established advocate organizations while others are divisions of larger state agencies (e.g., the state Attorney General's office). NASUCA's associate and affiliate members also serve utility consumers but are not created by state law or do not have statewide authority. Some NASUCA member offices advocate in states whose respective state commissions do not have jurisdiction over certain telecommunications issues.

[2] Order, ¶ 117.

2. The failure to adopt regulations so that customers who cannot afford bundled service will be able to maintain basic voice service[3];

3. The failure to require that payment arrangements be offered for back-up power for Lifeline customers[4]; and

4. The failure to act now to reform the universal service contribution mechanism to require contribution from broadband services, especially with all Lifeline customers being forcibly migrated to broadband.[5]

In the Order, the Commission took the laudable step of bringing the Lifeline program into the Internet Age, by allowing Lifeline support for broadband services. The other FCC universal service programs – rural telemedicine, schools and libraries and the high-cost fund – have long supported broadband. In that light, the issues in this Petition for Reconsideration are limited.[6]

The first issue identified above – removal of support for stand-alone voice – was not necessary to meet, and in fact, contravenes, the continuing universal service goal. If support for stand-alone services is removed, more Lifeline customers will be forced to buy broadband bundles, which, even with a $9.25 discount, will likely be unaffordable for many of them. Those Lifeline customers who cannot afford broadband bundles could lose all communications service – video, broadband and voice. NASUCA urges the Commission to reconsider its decision to remove support for standalone voice and not impose price caps or other protections to ensure that these customers continue to have access to basic voice service.

Furthermore, as the Commission is aware, broadband does not continue to operate during in power outages like traditional voice service. The Order should provide a way for Lifeline

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[3] Id.

[4] See, e.g., Order, ¶ 282.

[5] Order, ¶ 395.

[6] On June 3, 2016, the National Association of Regulatory Utility Commissioners ("NARUC") filed an appeal in the D.C. Circuit of the FCC's rulings in the Order on eligible telecommunications carrier ("ETC") issues. NASUCA supports NARUC on these issues.

customers, with their limited incomes, to finance or be relieved of the need to pay for back-up power. Otherwise, Lifeline customers may be harmed by the loss of service during power outages.

Finally, the Commission should consider addressing the USF contribution factor. With the Order, all of the universal service funds support broadband and, ultimately, only broadband. Yet only voice services provide the funding to support these broadband efforts. The Commission should have acted on reform of the USF contribution in the Order. Broadband services must share in contributing to their own support.

I. Removing Lifeline support from stand-alone voice services is unnecessary, counter-productive, and harmful to eligible customers.

In brief, the Commission has declared that, after December 1, 2021, there will be no Lifeline support for voice-only service.[7] Support for voice-only service will be phased-down from the current $9.25 a month, to $7.25 a month, and then to $5.25 a month, before complete elimination.[8]

There are two main impacts of this FCC decision. First, it will eliminate the current wireless voice service that millions of customers continue to depend on: the Lifeline service that comes at no monthly cost to the Lifeline customer. Second, it will force current voice-only customers to subscribe to higher-cost broadband service in order to have voice service.[9]

The elimination of support for voice-only service is not necessary in order to include broadband services as eligible for support. The Order does not provide adequate reasons for

[7] Order, ¶ 117. There is an exception, but only after 2021 in areas where the only Lifeline provider is voice-only. Id., ¶ 118.

[8] Id., ¶ 117.

[9] Id., ¶ 123.

eliminating voice-only service support.[10] NASUCA urges the Commission to reconsider this aspect of its decisions as it brings negative consequences.

Eliminating support for voice-only service will cause Lifeline customers to migrate to bundles. The bundles will be more expensive than the voice-only service, especially the voice-only service that is currently provided at no monthly cost to the Lifeline customer. The Commission states, "[W]e emphasize that Lifeline was created to provide affordable, rather than free service, and past Commission decisions have emphasized this point…."[11] However, many low-income customers can only afford minimal, if any, costs. For those customers, the difference in cost between a stand-alone voice service and a bundle may be the difference between having voice service and not having voice service. The Lifeline wireless carriers – most of which provide the "free" service – received $1.3 billion out of the $1.5 billion Lifeline support paid in 2015, or more than 85%.[12] The customers of these wireless Lifeline carriers will be at risk for losing service entirely if required to move to a bundle.

Even the low-income customers initially able to afford a bundle will be at risk in this new order. The higher-priced bundles will be subject to disconnection for non-payment if the customer cannot afford the entire bundle long-term. The customer will be at risk to lose all the services – including voice – upon disconnection. Hence the Commission should reconsider its Order and include provisions to at the very least ensure that customers are able to maintain the most-necessary voice service if payment for the bundle fails.[13]

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[10] Id., ¶¶ 52-61.

[11] Order, ¶ 116 (internal footnotes omitted).

[12] Universal Service Administrative Company, 2015 Annual Report, at 46.

[13] *Texas Ofc. of Pub. Util Counsel*, 183 F.3d 393, 422-424 (5^{th} Cir. 1999) is not to the contrary.

II. Provision should be made to assist Lifeline customers who need back up power to ensure continuous phone service.

The Order pushes Lifeline customers away from stand-alone voice to bundles of services. Such bundles, particularly if they contain broadband, are less likely to have line power for access during emergencies. Thus customers with bundles will be subject to the Commission's recent Order where back-up power is available at the customer's option and expense.[14] The low-income consumers who are eligible for Lifeline are least likely to be able to afford the expense of back-up power options.

If the Commission forces this move to bundles, it should at the very least require Lifeline ETCs to offer extended payment plans to customers for the back-up power option. Better yet, back-up power could be provided at no additional cost to the Lifeline customer.[15] This will ensure continued access to 911 and other services during times when access to these services may be most needed.

III. The Commission's failure to address the USF contribution factor and require broadband service providers to contribute to the USF perpetuates the unfair contribution demanded of voice customers.

As discussed above, the Commission's Order requires Lifeline customers to subscribe to broadband. The Lifeline program will now support only broadband, making the USF programs uniform.

However, all contributions to the USF come from voice services, which the Order recognizes as a decreasing resource.[16] It is well past time to make the supported broadband

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[14] *In the Matter of Ensuring Continuity of 911 Communications*. PS Docket No. 14-174, Report and Order, FCC 15-98 (August 7, 2015).

[15] This would be a public safety exception to the general policy against including equipment in Lifeline. See Order, ¶ 125.

[16] See Order, ¶ 395.

services, rather than just voice, contribute. NASUCA asks the Commission to reconsider whether reforming USF contributions should be part of this reform of Lifeline.

IV. Conclusion

For the reasons here stated, NASUCA asks that the Commission reconsider the issues set forth above in order to fulfill the Commission's obligation to promote universal service, including essential broadband service and otherwise to achieve the fundamental policies the Commission seeks to promote.[17]

For these reasons, the report and order should be reconsidered.

Respectfully submitted,

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[17] Order, ¶ 49.