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THE FUTURE OF COMPETITION

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July 3, 2018

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commissions
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Bridging the Digital Divide for Low-Income Consumers, WC Docket No. 17-287
Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42
Telecommunications Carriers Eligible for Universal Service Support, WC Docket No. 09-197**

Dear Ms. Dortch:

On July 2, 2018, Saul Ramirez of Terracom Wireless and Angie Kronenberg and the undersigned counsel of INCOMPAS met with Trent Harkrader, Kate Dumouchel, Jessica Campbell, Rashann Duvall, Allison Jones, and Michelle Schaeffer of the Wireline Competition Bureau regarding the Commission's proposed reforms to the Lifeline program in the above-referenced proceedings.

In the meeting, INCOMPAS expressed concern that the Commission's proposal to discontinue Lifeline support for non-facilities based providers will eliminate competitive options—that leads to innovative and more affordable Lifeline services—without any guarantee that facilies-based providers will re-enter the program. Restricting the number of eligible providers will likely result in an increase in prices for customers and could leave 70 percent of the program's subscribers stranded from affordale services. Furthermore, the proposal could quash an important revenue stream for providers that offer wholesale services, and who use the proceeds from selling excess capacity on their networks for future deployment projects.

Given that estimates show that the Lifeline program remains undersubscribed, INCOMPAS noted that the Commission's consideration of a self-enforcing budget mechanism may be premature. Both the National Lifeline Eligibility Verifier and the previously adopted budget process should be employed to promote fiscal responsibility in the program and to prevent waste, fraud, and abuse. Additionally, the Commission should conduct adequate contingency planning and impact estimates to quantify the expected disruption of services to consumers that are likely to be affected and left without support for service if the proposal is adopted in its current form.

In addition, we explained that the proposal to require a maximum discount level for services or benefit limits ignores the lived experience of low-income consumers, many of whom are "unbanked" and are unlikely to adopt communications services if required to set aside even a small amount for them each month. Finally, we cautioned the Commission against conditioning Lifeline support on the buildout of new networks, noting that network assets are typically determined by customer availability and rate of return, not on the availability of the Lifeline subsidy. As an "affordability" program, Lifeline is not structured to encourage the type of network deployment that the Commission envisions in the proceeding.

If you have any questions about this filing, please feel free to contact me.

Respectfully submitted,

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