

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and)	WC Docket No. 11-42
Modernization)	

**COMMENTS OF
RANDOLPH J. MAY
PRESIDENT, THE FREE STATE FOUNDATION***

These comments are submitted in response to the Public Notice released by the Commission on July 1, 2019, seeking comment on a petition seeking to pause implementation of scheduled updates to the Lifeline minimum service standards and support amounts.¹ The petition was filed by CTIA and a number of consumer and civil rights organizations on June 27, 2019. To its credit, the fact the Commission issued a Public Notice so quickly seeking public comment on the petition is an indication that the Commission recognizes its time-sensitivity and its seriousness.

I am a consistent supporter of free market-oriented communications policies. At the same time, I am a long-time advocate of maintaining a viable, properly-managed Lifeline program that is as free from fraud and waste as possible. There's no inconsistency. The FCC's Lifeline program, through its provision of subsidies, provides a "safety net" for those qualifying low-

* These comments express the views of Randolph J. May, President of the Free State Foundation. The views expressed do not necessarily represent the views of others associated with the Free State Foundation. The Free State Foundation is an independent, nonpartisan free market-oriented think tank.

¹ Public Notice, Wireline Competition Bureau Seeks Comment on Petition to Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study, WC Docket No. 11-42, DA 19-617, July 1, 2019.

income persons who otherwise may not be able to afford a basic level of communications service. In other words, in the midst of much talk about closing "digital divides," the Lifeline program is directed towards providing support to those low-income persons who might fall on the wrong side of one of those divides.

With this background in mind, I am supportive of the [Joint Petition to Pause Implementation of the December 2019 Lifeline Minimum Service Standards](#) that was filed with the FCC by CTIA and certain public interest organizations on June 27, 2019. Specifically, the petition asks the Commission to stay implementation of the (1) December 1, 2019 increase in the minimum required broadband data usage allowance, and (2) the phase-down in support for voice services in the Lifeline program. The petition asks for the postponement until the Commission can consider the Wireline Competition Bureau's State of the Lifeline Marketplace Report, due to be completed by June 30, 20121.

This is not to say that, at some point, it would not be appropriate to implement the mandates presently targeted by the petition, or at least similar ones. It is rather to say that, given developments since the Commission devised the mandates, implementation on the existing schedule may not be reasonable.

As the petition points out, under the current schedule, the data usage allowance would jump from 2 GB to 9.5 GB per month on December 1. The petitioners credibly state that such a "flash jump" would also "significantly narrow consumer choice, limiting the variety of service plans available for eligible low-income consumers to choose and requiring eligible low-income consumers to purchase plans that might often include much larger increments of data usage than they need or want."

With regard to the scheduled December 1 phase-down in support for voice service, CTIA and the others state that "a significant number of eligible low-income consumers continue to prefer voice-only services or bundles of services that include more voice usage and less data usage." Indeed, they claim that almost 42% of Lifeline customers presently subscribe to plans that qualify for Lifeline by virtue of meeting minimum standards for voice service. The impending diminishment in support for voice services likely will adversely impact Lifeline customers by constraining the flexibility of service providers to tailor affordable offerings to meet Lifeline customers' demands. As NARUC stated in a Resolution adopted at its recently concluded 2019 Summer Policy Summit: "Many consumers, including seniors and families with children, rely on voice services to contact first responders in time of emergency, reach social service agencies, access healthcare, and keep connected to other essential services."²

Given the circumstances that exist now, which the Commission could not necessarily have predicted at the time it devised the existing scheduled mandates, in conjunction with the pendency of the "State of the Lifeline Marketplace Report," the petitioners' postponement request seems reasonable.

Respectfully submitted,

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² NARUC adopted a resolution supporting the CTIA et al. postponement request. See: <https://pubs.naruc.org/pub/673FDE8A-A3A4-9353-E4B5-DB7D61961B0B>