

**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)	WC Docket No. 09-197
Universal Service Support)	
)	
Connect America Fund)	WC Docket No. 10-90
)	

**REPLY COMMENTS OF SAGE TELECOM COMMUNICATIONS, LLC
D/B/A TRUCONNECT**

Sage Telecom Communications, LLC d/b/a TruConnect (“TruConnect”), by counsel, pursuant to the Federal Communications Commission’s (“FCC” or the “Commission”) Public Notice released July 1, 2019,¹ hereby submits these reply comments to further express support of the Joint Petition² and to clarify that Lifeline customers currently receive high levels of (not subpar) service. Most, if not all, comments filed regarding the Joint Petition support the request to pause the broadband minimum service standards for Lifeline at the December 2018 levels (2 GB per month/household at \$9.25) and maintain the full \$9.25 in Lifeline support for voice services at the December 1, 2018 service levels until the FCC concludes its 2021 State of the Lifeline Marketplace Study.

This December, if left unchanged, the requirement for voice minutes will remain at

¹ See Wireline Competition Bureau Seeks Comment on Petition To Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study, DA 19-617 (July 1, 2019).

² See Joint Petition To Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study, WC Docket No. 11-42 et al. (filed June 27, 2019) (“Joint Petition”).

1,000—but voice-only support will decrease from \$9.25 to \$7.25—and the requirement for mobile broadband service will increase from 2 gigabytes (“GB”) to 8.75 GB.³ According to the National Lifeline Association (“NaLA”) and NARUC, this change would “effectively impose a \$30 per month price increase on Lifeline subscribers, which they cannot afford.”⁴ The neediest of low-income Americans – many Lifeline consumers – will then lose access to better jobs, healthcare and first responders, and the Commission’s telemedicine and rural broadband initiatives will suffer from unnecessary additional service and infrastructure expenses, limited connectivity with perhaps the least healthy population and some lacking mobility as well as poor broadband adoption rates, especially in under-served and unserved communities. Consequently, more wealthy citizens across rural America may benefit while others will be left behind. That comes with a price tag – wellness and healthcare, rural unemployment and lack of first responder assistance, which the federal and state governments – taxpayers, cannot afford.

I. LIFELINE CUSTOMERS ALREADY RECEIVE HIGH LEVELS OF SERVICE AND MOST DO NOT NEED OR CANNOT AFFORD HIGHER DATA PLANS

There seems to be a misconception that Lifeline carriers offer sub-standard service, especially wireless carriers such as TruConnect that offer plans at no net cost to the subscriber after applicable Lifeline support. *This is unfounded and untrue.* Perhaps this misconception was based upon levels of service many years ago or more so due to a handful of “bad actors” that existed at the time. However, the marketplace has changed due to needed FCC reforms as well as

³ See Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount, DA 19-704 (July 25, 2019).

⁴ See National Lifeline Association Notice of Oral *Ex Parte* Presentation, WC Docket Nos. 17-287, 11-42, and 09-197 (dated April 4, 2019) (NaLA *Ex Parte*) ¶ 9; *see also* Resolutions Passed By The Board of Directors At The 2019 Summer Policy Summit Of The National Association of Regulatory Utility Commissioners (July 24, 2019), specifically TC-1 “*Resolution on the Lifeline National Verifier Launch and Minimum Service Standards*” (“NARUC Resolution”) ¶ 17.

competition, both of which have forced inferior or fraudulent providers out of the market. Generally, the evolving nature of wireless technology ensures that levels of service gradually increase or become less expensive, or both. TruConnect's Lifeline offerings go above and beyond the FCC's existing minimum service standards. While FCC rules require a qualifying Lifeline rate plan to meet either the voice *or* the broadband minimum service standards, TruConnect's Lifeline plans have historically met and currently meet both standards within a single rate plan. While the minimum service standard for mobile broadband speed is 3G (and would remain so after December 2019), TruConnect already provides service using 4G/LTE speeds. TruConnect also provides 4G/LTE devices in California (where state funds allow for additional investment) and in all other states at no charge provides Lifeline customers a SIM card that can be inserted into 3G or 4G/LTE device for those who bring their own device. Additionally, 3G and LTE devices are available for purchase at competitive market rates. In summary, there is absolutely nothing second-class about TruConnect's Lifeline service. TruConnect and carriers like TruConnect that have business models with a strong focus on Lifeline customers highly value obtaining and retaining Lifeline customers; thus, they put a lot of resources into providing top-of-the-line plans and devices to attract these customers.

If the FCC allows the December 2019 changes to take effect, it will hinder the natural process of marketplace evolution. For example, while the Lifeline marketplace may otherwise allow for plans with more than 1,000 minutes, the decrease in support for voice plans would at a minimum prevent any increase in minutes, and more likely result in no voice offerings altogether. The FCC's more than four-fold increase in the broadband data usage minimum will circumvent any gradual increase in broadband offerings which may have otherwise been possible. This will effectively shut-out Lifeline customers and carriers alike who cannot afford to absorb such an

exponential cost increase. That alone impacts and jeopardizes other FCC objectives to expand affordable telecommunication connectivity and adoption rates for *all* Americans.

The FCC has the joint responsibility to account for both the quality *and* affordability of Lifeline services. TruConnect is willing to and has in the past attempted to provide higher-data plan options (i.e. unlimited talk and text with more than 2GB data) at competitive market rates to which Lifeline customers can apply their discount. Less than one percent (1 %) of Lifeline customers have chosen such plans or purchased additional airtime. Therefore, approximately ninety-nine percent (99 %) of customers either have not chosen, not needed or could not afford more benefits. TruConnect believes that the State of the Lifeline Marketplace Report scheduled for June 2021 will reveal such trends across the board, which is why it is so important for the FCC to pause any further increases in minimum service standards until the Commission can evaluate what changes will truly align with the original intent of the Lifeline program, that is a true lifeline rather than enhanced entertainment device, and which will benefit Lifeline customers going forward. Indeed, many Lifeline users *cannot afford* the average household usage (which includes streaming entertainment video) which takes into account Americans with much higher disposable income; *that is exactly why these low-income customers need Lifeline.*

Lifeline consumers should have the ability to manage their monthly Lifeline benefit and choose to purchase additional data based on their own particular needs. The Lifeline program should continue to serve as a safety net that makes a reasonable level of telephone and broadband service more accessible and affordable for low-income customers. The program should not become a government program that requires low-income customers to purchase *against their will or ability* more expensive service plans which are subscribed to by an average number of Americans who are not low-income and who may have altogether different needs, resources, and behaviors.

II. CONCLUSION

TruConnect strongly urges the Commission to grant the Joint Petition and thus (i) postpone any future increase in minimum service standards and (ii) maintain current levels of Lifeline support for voice services, pending review of these issues in the State of the Lifeline Marketplace Report.

Respectfully submitted,

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