

**Before the  
Federal Communication Commission  
Washington D.C. 20554**

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

## **Comments of TCA**

On July 31, 2019, NTCA - The Rural Broadband Association submitted a Petition for Waiver<sup>1</sup> in response to the Federal Communications Commission (FCC or Commission) announcement<sup>2</sup> of the updated minimum service standards for speed and usage allowances for Lifeline-supported services per the *2016 Lifeline Order*<sup>3</sup>. TCA sincerely appreciates the opportunity to participate in commenting on this important topic that affects many of its clients' customers participating in the Lifeline Program. TCA supports the NTCA's Petition for Waiver of the updated minimum service speed standard applicable to fixed wireline broadband Internet access Service (BIAS). Specifically, the FCC should not force Lifeline consumers' to bear a higher cost of service by forcing them to subscribe to more expensive broadband service tiers to retain

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<sup>1</sup> *Waiver Petition of NTCA – The Rural Broadband Association, Lifeline and Link Up Reform and Modernization*, WT Docket No. 11-42, Telecommunications Carriers for Universal Service Support, WC Docket No. 09-197, Connect America Fund WC Docket No. 10-90. Filed July 29, 2019. (“*NTCA Petition*”)

<sup>2</sup> *Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount*, WC Docket No. 11-42, DA 19-704 (rel. July 25, 2019) (“*Public Notice*”).

<sup>3</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3989-3997, paras. 73-98 (2016) (“*2016 Lifeline Order*”).

their Lifeline support. TCA supports the NTCA waiver because it will help achieve the Commission’s goal of narrowing the digital divide by protecting low income customers.

TCA is a national consulting firm that provides financial, regulatory and marketing services for more than one-hundred RLECs and their affiliates. TCA clients are mainly rate of return regulated in the interstate jurisdiction and offer traditional voice and broadband services to their customers. Because of their sparsely-populated high-cost service areas, they are heavily dependent upon federal and state high-cost support mechanisms and, in many cases, are the only service provider offering Lifeline within their service areas.

The scheduled change to increase the minimum broadband service requirement to 20 Mbps downstream and 3 Mbps upstream, effective December 1, 2019,<sup>4</sup> will impact many Lifeline recipients by forcing consumers to purchase more expensive services or rendering their current services ineligible for Lifeline. The Commission’s original intent with establishing minimum service tiers was to ensure customers are not relegated to undesirable service packages.<sup>5</sup> However, the continued implementation of this rule will not achieve the Commission’s goal if it raises the cost of service for customers or reduces the amount of support for their current service tier. Approving the NTCA’s proposal of grandfathering current broadband speeds while allowing customers to *voluntarily* subscribe to higher speeds is an alternative solution, the Commission should adopt, to alleviate the impact that this change would have on low-income customers.<sup>6</sup> The fundamental goal of universal service is to provide “... rapid, efficient, Nation-wide, and world-

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<sup>4</sup> *Public Notice*.

<sup>5</sup> *2016 Lifeline Order* at para.75

<sup>6</sup> *NTCA Petition* at pg. 2.

wide wire and radio communications service with adequate facilities at reasonable charges”<sup>7</sup>. A recent study conducted by the National Lifeline Association shows that mandating Lifeline customers to subscribe to a higher broadband service tier imposes an average \$30 per month price increase<sup>8</sup>. Grandfathering current broadband speeds on a *voluntary* basis by subscriber will promote customer flexibility, allowing low-income customers to decide if they can afford a higher priced broadband service tier and ensure they are receiving the services they require at a reasonable rate.

TCA also urges the FCC to consider this petition in light of the scheduled phase down of Lifeline support for voice services beginning on December 1, 2019.<sup>9</sup> When this phase down was initially adopted, the Commission expected customers to migrate their services from voice to broadband, reducing the reliance on voice services. However, according to a *Joint Petition to Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study*, 40 percent of customers still qualify for Lifeline support through a voice-only option or by bundling their voice with broadband service that does not meet the Commission’s service quality standards.<sup>10</sup> The reduction in voice support from \$9.25 to \$7.25 per consumer is a 22 percent impact that affects the cost of remaining connected for subscribers who can least afford it. Not allowing customers to choose whether to increase their broadband service tier or maintain the service they already have, misses the mark in ensuring affordable service for low-income customers. Connectivity is empowerment and with the likelihood of pricing out low-

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<sup>7</sup> 47 U.S.C. § 151 (creating the Federal Communications Commission).

<sup>8</sup> 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) para. 9; see also NARUC Resolution para. 17.

<sup>9</sup> 2016 Lifeline Order at para. 117.

<sup>10</sup> *Id.* at paras. 63-65.

income consumers, the Commission will have lost ground on its mission of narrowing the digital divide to low-income rural subscribers<sup>11</sup>. Therefore, the FCC should grant NTCA’s petition, as it achieves the fundamental goal of universal service.

TCA urges the FCC to grant the NTCA’s Petition for Waiver. The Commission’s update to minimum service standards and reduction in voice support on December 1, 2019 will impact low-income customers fighting to stay connected. Granting this Waiver will ensure participants of the Lifeline Program remain connected by either voice or broadband as well as help RLECs be the link for keeping low-income customers connected without unraveling the progress the Commission has made toward bridging the digital divide.

Respectfully submitted,

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<sup>11</sup> Carlson, Edward (2016, August 10) *The State of the Urban/Rural Digital Divide*. <https://www.ntia.doc.gov/blog/2016/state-urbanrural-digital-divide>. Last retrieved August 29, 2019.