

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

In the Matter of)	
)	
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

**SAGE TELECOM COMMUNICATIONS, LLC D/B/A TRUCONNECT REPLY
COMMENTS ON TRACFONE WIRELESS, INC. RENEWED MOTION FOR
DECLARATORY RULING OR FOR WAIVER FOR THE PURPOSE OF
CONDUCTING A MARKET TEST OF CONSUMER DEMAND FOR LIFELINE
SERVICE OFFERINGS**

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 31, 2018,¹ hereby submits these reply comments in support of the petition filed by TracFone Wireless, Inc. (“TracFone”) regarding the minimum service standards for the Lifeline program.²

TruConnect believes that the Commission should eliminate service standards and allow consumers to determine for themselves what services they desire and can afford. As an

¹ See Wireline Competition Bureau Seeks Comment on TracFone Wireless, Inc. Motion for Declaratory Ruling or for Waiver for the Purpose of Conducting a Market Test of Consumer Demand for Lifeline Service Offerings, DA 18-794 (July 31, 2018).

² See Renewed Motion for Declaratory Ruling or for Waiver for the Purpose of Conducting a Market Test of Consumer Demand for Lifeline Service Offerings, WC Docket Nos. 11-42, 09-197, 17-287 (filed July 25, 2018) (TracFone Petition).

alternative to elimination, TruConnect is in favor of TracFone’s proposal to offer a modified service plan to consumers whereby “units” are used to measure the amount of wireless voice service and/or mobile broadband service offered to consumers each month (“Units approach”) as opposed to the service standards codified at Section 54.408 of the Commissions rules.³

TruConnect agrees with TracFone that a market test of the proposed unit offering is necessary but that such a test should not be limited to TracFone but open to all eligible communications carriers (“ETCs”) that have an interest in participating. Lastly, future increases in service standards should be postponed until such market testing is done and data reviewed.

I. MINIMUM SERVICE STANDARDS SHOULD BE ELIMINATED

TruConnect agrees with the National Lifeline Association (“NaLA”) in its comments to the Commission⁴ that the best solution for minimum service standards is to eliminate them altogether. Consumer choice rather than regulation should dictate service offerings to the customer.

Minimum service standards are making it increasingly difficult for ETCs to offer Lifeline at an affordable price to low-income households. Increasing speed and data allotment requirements may cause an increase in monthly rates resulting in plans that are unaffordable to some low-income consumers. TruConnect agrees with TracFone that Lifeline consumers should have the ability to manage their monthly Lifeline benefit based on their own particular needs and not be forced to take a plan designed to accommodate the average American household usage, which may or (in many cases) may not be beneficial for the respective low-income user. As

³ 47 C.F.R. 54.408(b)

⁴ See National Lifeline Association Comments on Petitions of TracFone and NTCA Regarding the Lifeline Minimum Service Standards WC Docket Nos. 17-287, 11-42, 09-197, and 10-90 (dated August 30, 2018) (NaLA Comments).

minimum service standards continue to increase each year it will continue to adversely impact consumers and potentially push them out of the Lifeline program. This result would be in direct conflict with Lifeline’s goal of making telecommunication services affordable to all low-income homes.

II. AS AN ALTERNATIVE TO ELIMINATION, THE COMMISSION SHOULD PERMIT ETCs THE ABILITY TO OFFER “UNIT” PACKAGES TO CONSUMERS AND ALLOW ALL ETCs, SHOULD THEY CHOOSE, TO USE THIS MODIFIED PLAN TO TEST THE MARKET

Minimum service standards for voice and broadband were established in the 2016 Lifeline Modernization Order⁵ without taking into account the viewpoint of ETCs or the consumer. The TracFone Petition requests that compliance with the minimum service standards be met by providing a certain number of “units” to customers per month and allowing the consumer to utilize the available units for either data or voice at their discretion. Lifeline minimum service standards increase each year and as of December 1, 2018, the requirement for voice minutes will be 1,000 and the requirement for mobile broadband service will be 2 gigabytes (“GB”). TracFone is requesting that the Commission approve TracFone to offer its Lifeline consumers “2,000 units per month which can be used for either voice or mobile broadband service. Each unit will be usable for one minute of voice service or for one MG of mobile broadband service.”⁶ TruConnect supports the Units approach for service offerings and agrees with TracFone that the unit proposal complies with Section 54.408, which requires ETCs to “provide” either voice service or mobile broadband service which meets the applicable minimum service standard.

⁵ See Lifeline and Link Up Reform and Modernization, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Red 3962 (2016) (“2016 Lifeline Modernization Order”), section III.B.

⁶ See TracFone Petition p. 3.

A Units approach provides the ability for a consumer to receive the minimum service standard for voice or broadband (those that need the full minimum for broadband, for example, can choose to use their monthly allotment of units solely for broadband), while at the same time meeting the needs of consumers better served by a mix of voice and broadband—and the flexibility to fluctuate between varying amounts of voice vs. broadband as their monthly needs may change, without the hassle of having to change rate plans or accommodate varied usage by purchase of additional airtime (for example, a customer on a broadband-specific plan may have to purchase additional airtime card just to access voice service, when a units plan would have allowed them to access both the voice *and* broadband services they need without any additional cost).

TruConnect agrees also with TracFone that the Commission should suspend all future minimum service standard increases until a market study, such as the one proposed in the TracFone Petition, is conducted. A market test of the units proposal “will yield invaluable information regarding consumers’ preferences and needs”.⁷ A market study or test should not be limited to TracFone but open to all ETCs that have an interest in participating.

III. THE COMMISSION SHOULD REVERSE THE PLANNED PHASE-DOWN FOR SUPPORT OF VOICE-ONLY LIFELINE PLANS

TruConnect shares the Missouri Public Service Commission’s (“Missouri Commission”) concerns⁸ regarding the Commission’s efforts to remove voice service from the Lifeline program. As the Missouri Comments state, TracFone’s Petition suggests that if the “FCC maintains its strict compliance approach to minimum Lifeline service standards then TracFone, as well as

⁷ TracFone Petition, p.6.

⁸ Comments of the Missouri Public Service Commission; WC Dockets 17-287, 11-42, 09-197, filed August 28, 2018 (Missouri Comments)

other companies, may no longer offer voice with broadband service. TruConnect agrees with the Missouri Commission that the idea of ETCs offering Lifeline service with no voice service is troubling. The NaLA Comments rightly point out that voice service remains an essential component of the Lifeline program, as there is a real need for voice service, particularly for access to emergency services.⁹ Notably, the Units approach could provide a way to preserve essential voice services while at the same time promoting broadband access.

IV. CONCLUSION

TruConnect agrees with NaLA that the Commission should eliminate the minimum service standard requirements from the Lifeline program. If the Commission is not prepared to do so at this time, then pursuant to the TracFone Petition, the Commission should at a minimum: (i) allow a revised units plan to be tested with eligible Lifeline consumers, and (ii) postpone any future increase in minimum service standards until such market review is complete. Additionally, the Commission should reverse any planned phase-down for support of voice-only Lifeline plans.

Respectfully submitted,

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart
Managing Attorney
Lance J.M. Steinhart, P.C.
1725 Windward Concourse, Suite 150
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
lsteinhart@telecomcounsel.com (E-Mail)

*Attorneys for Sage Telecom Communications, LLC
d/b/a TruConnect*

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⁹ See NaLA Comments, p. 6.