

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**

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

COMMENTS OF THE CALIFORNIA EMERGING TECHNOLOGY FUND

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TABLE OF CONTENTS

Table of Contents

Table of Authorities

I.	Introduction	1
II.	Summary	1
III.	CETF Expertise on Broadband Adoption and Digital Literacy	6
IV.	Data Shows Broadband Adoption Action is Urgent	7
V.	Detailed Responses to Second Further Notice of Proposed Rulemaking	9
	A. Establishment of Minimum Service Standards	9
	1. Minimum Service Standards for Broadband	9
	2. Service Levels	13
	a. Standard for Setting Service Levels	13
	b. Ensuring Reasonably Comparable Service for Voice & Broadband	18
	c. Updating Standards and Compliance	20
	d. Support Level	20
	e. Managing Program Finances	24
	f. Transition	25
	g. Legal Authority to Support Lifeline Broadband Service	27
	B. Third-Party Eligibility Determination	29
	1. National Lifeline Eligibility Verifier	29
	2. Coordinated Enrollment with Other Federal and State Programs	37
	3. Streamline Eligibility for Lifeline Support	39
	4. Standards for Eligibility Documentation	41
	C. Increasing Competition for Lifeline Consumers	42
	1. Expanding the Universe of Eligible Telecom Carriers	42
	D. Modernizing and Enhancing the Program	44
	1. TracFone Petition for Texting as a Supported Service	44
	2. Subscriber De-Enrollment Process	45
	E. Efficient Administration of the Program	45
	1. Program Evaluation	45
VI.	Conclusion	49

Attachment A

Chart A Federal Poverty Levels by Family Unit

Chart B National School Lunch Program Annual Household Income Guidelines

Chart C CalFresh – SNAP Income Limits

Chart D Federal Low Income Weatherization (LIHEAP) Energy Income Guidelines

Chart E Family Electric Rate Assistance Program (FERA) Guidelines

Chart F California Alternative Rates for Energy (CARE)

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COMMENTS OF THE CALIFORNIA EMERGING TECHNOLOGY FUND

I. Introduction

The California Emerging Technology Fund (“CETF”) respectfully submits comments in the above-referenced dockets relating to broadband Lifeline issues. CETF is a statewide non-profit organization established by the California Public Utilities Commission (CPUC) in 2005 with the mission to close the Digital Divide in California. CETF represents a unique voice in this proceeding, seeking affordable broadband rates, broadband access programs, and policies promoting digital literacy consistent with the National Broadband Plan.

II. Summary

CETF applauds the Federal Communications Commission (“FCC or Commission”) for its recognition that the current framework of the federal Lifeline program needs a major overhaul, much like a dated Ford Model T automobile giving way to racecars, rocket ships, and autonomous self-driving vehicles. Given tremendous advances in technology in the last four decades, the majority of consumers are fast abandoning landline telephones for mobile phones, IP-enabled broadband systems, and fiber systems that deliver light speed digital communications. Yet the universal service goal remains the same: the country is made stronger

with everyone connected to the network. Much like the whole is greater than the sum of the parts. All consumers – rural and urban – should be able to use modern advanced networks. Further, the FCC has been charged with making service affordable. The poor should not be relegated to aging copper-based phone systems and slow broadband services carried over it in an outdated Lifeline program. As Franklin D. Roosevelt, 32nd President of the United States, said, “The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have little.”

In its Broadband Notice, the FCC declared that “broadband is essential to participate in society”¹ and “[d]isconnected consumers, which are disproportionately low-income consumers, are at an increasing disadvantage as institutions and schools, and even government agencies, require Internet access for full participation in key facets of society.”² The FCC further observed that “Broadband access thus is necessary for even basic participation in our society and our economy.”³ CETF strongly agrees with these observations, and urges swift action in this docket to unlock Internet access for disconnected consumers, who are indeed disproportionately low-income. They are the unemployed, homeless, people of color, low-income – among whom are seniors, veterans, and people with disabilities. CETF applauds the FCC for taking the bold step to transition the current FCC Lifeline Telephone program to “iBridge,” a broadband Lifeline program, in full recognition of two trends: first, the demise of copper-based landline telephone systems in favor of modern wireless and IP-enabled broadband systems; and second, the urgent

¹ Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket 11-42, Telecommunications Carriers Eligible for Universal Service Support, WC Docket 09-197; Connect America Fund, WC Docket 10-90, FCC 15-71, at para. 9, at 7 (adopted June 18, 2015; rel. June 22, 2015) (“Broadband Lifeline Notice”).

² Broadband Lifeline Notice, at para. 4, at 4.

³ Broadband Lifeline Notice, at para. 5 at 5.

need to bring an affordable broadband rate to low-income households and underrepresented groups in order for them to remain relevant contributors to our workforce and society.

Merely setting an affordable broadband rate only accomplishes one-third of the job, however. Like a three-legged stool, there are three barriers for broadband adoption: (1) cost; (2) relevance; and (3) digital literacy. A broadband Lifeline program only addresses the “cost” of service leg of the stool, and CETF challenges the FCC to “think outside of the box” to address in a systematic way the two remaining legs of the stool: relevance and digital literacy.

Thus, among the 5 Recommendations CETF proposes, it asks that the FCC set annual numeric goals to reach 90% broadband penetration by 2020 that is reported by census block group according to an adopted definition of low income. CETF views this step as important as establishing the new “iBridge” program. Through the broadband Lifeline program, a new broadband user takes an important step towards self-sufficiency to escape poverty. CETF envisions the broadband Lifeline program as a short-term transition “helping hand” to efficiently connect a disadvantaged household to critical social services, skills training, and job opportunities that lead to self-sufficiency.

CETF recognizes a transition is necessary as the Commission moves from a telephone Lifeline only program to a broadband Lifeline program. Given the urgency of the broadband adoption initiatives and their impact on economic development and work readiness by students of all ages, CETF recommends that the telephone Lifeline program and the broadband Lifeline program run in parallel for the length of the IP-enabled transition period away from copper-based landline systems. Low-income households of broadband adopters may select *both* a telephone Lifeline and a broadband Lifeline for a limited time period (for example 3-5 years). FCC-funded consumer education via widespread advertising and marketing efforts (similar to the Digital

Television transition marketing and advertising effort involving community-based organizations or “CBOs”) would be necessary to educate the public about the availability of low cost voice provided on broadband systems as the transition occurs.

Therefore, CETF has 5 Recommendations that are critical elements of a successful broadband Lifeline program:

1. Require standalone broadband for an affordable rate of \$10.00 per tax household paid by the user (without installation fee or equipment fees), and a \$9.25 Lifeline Program reimbursement provided to the Internet service provider (ISP). Another fund will need to cover the broadband connection charge, and a modem that includes a Wi-Fi router to address multiple people in a family unit⁴ and to ensure connection of school-provided electronic devices that only connect to the Internet wirelessly such as tablets. Link Up was appropriately discontinued yet it should inform the structure of a new fund to make these essential pieces of equipment, which are required for service, affordable.
2. Establish eligibility in one of two ways, either by: (1) enrollment in one of a large variety of existing federal and state programs designed to assist low-income persons, or (2) income level at 200% of the federal poverty level (FPL). Through an open Request for Proposal, a third-party independent “national verifier”⁵ would be selected to handle federal broadband Lifeline eligibility review in an efficient, centralized process, with bi-annual recertification to prevent waste, abuse and fraud.
3. Capitalize an independent fund by contributions from all ISPs at the rate of \$275 for their proportional share of eligible disconnected households to provide grants to states accepting

⁴ The router which includes Wi-Fi capability is extremely important to families with school children. School tech programs typically provide wireless tablet devices or laptops that only connect to the Internet through Wi-Fi methods. Modems for the broadband Lifeline program should be required to include routers with Wi-Fi capability so that all members of the household may connect to the Internet at once via a PC, laptop, tablet or smartphone.

⁵ Broadband Lifeline Notice, at paras. 64-91, at 29-36.

responsibility to coordinate outreach, advertising and education for iBridge programs such as a “broadband council” entity, interested state public utilities commissions, or other groups already serving as the state’s coordinator for broadband initiatives. These funds would support experienced CBOs, schools and libraries performing the essential function of low-income customer acquisition. This local outreach and education by a “trusted messenger” is central to a successful broadband adoption. This broadband adoption work would include in-language and in-culture outreach, assistance in subscribing to an affordable broadband service and a device, and assistance in obtaining digital literacy training. Funds for the outreach for achieving broadband connections and digital literacy education should be provided from the independent fund per connected household.⁶ Administrative fees to run the independent fund should be no more than 10% or \$25 per household. If any state opts out, CETF recommends that the FCC should rely on the resource it developed, EveryoneOn, as the organization to coordinate work in these states with public and private partnerships to promote options for promotion broadband service including adoption.

4. Authorize states explicitly to implement their own statewide broadband Lifeline program and to resolve broadband Lifeline service complaints about VOIP providers, if they so desire.⁷

⁶ This \$275 per household figure is the amount for broadband outreach by CBOs, schools and libraries that an independent CPUC Administrative Law Judge included as a condition in a Proposed Decision in the now defunct Comcast-Time Warner Cable proceeding. See Proposed Decision of ALJ Bemserfer (PD), Decision Granting with Conditions Application to Transfer Condition, Joint Application of Comcast Corp. Time Warner Cable, Inc. et al, California Public Utilities Commission dockets Application (A.) 14-04-013 (filed April 11, 2014) and A.14-06-012 (filed June 17, 2014), App. A, Conditions at 13 (mailed Feb. 13, 2015) (“Comcast shall enroll at least 45% of eligible households in Internet Essentials within two years of the effective date of the parent company merger. . . Comcast shall submit, for Commission approval, a plan to achieve its Internet Essentials enrollment requirement no later than 90 days following the effective date of the parent company merger, and each calendar year thereafter for a period of five years. The plan shall include (1) specific cost details, including but not limited to the amount of funds allocated to outreach and marketing with a minimum amount of \$275 allocated per eligible household. . .”) Applicants withdrew their applications for the proposed merger after the release of this PD, and was never voted on by the full state Commission.

⁷ The CPUC requires express delegated authority from the FCC to resolve complaints for interconnected VOIP providers due to California Public Utilities (PU) Code 710(b),⁷ which prohibits the CPUC from exercising

Grant States the authority to collect and distribute funds for state level broadband Lifeline programs that would supplement the federal broadband Lifeline program, and to resolve any complaints about such a state broadband Lifeline program.

5. Utilize a *performance-based and results-oriented* approach with specific numeric goals for broadband adoption in low-income communities. CETF suggests the FCC request a baseline report from ISPs by census block group, then aggregate the data and make it available publicly. The States, anchor institutions, CBOs and ISPs can collaborate on areas that need the most attention and have adequate broadband infrastructure. CETF proposes that all broadband providers develop and submit an annual broadband Adoption Plan (Adoption Plan) to the FCC and state commissions to achieve the National Broadband Plan goal of collectively enrolling 90% of Americans by 2020. CETF requests the Commission to specify elements and activities of the Plan that may be supported by the required budget of \$275 per eligible household for broadband adoption, including funding for: (1) experienced, third-party outreach and sign-ups by CBOs, schools and libraries for targeted low-income communities; (2) effective digital literacy programs in target neighborhoods; (3) technical assistance; (4) acquisition of affordable computing equipment (such as low cost refurbished devices below \$100); (5) independent program management and coordination not to exceed 10% of the cost per household sign-up; and (6) in-language advertising that targets the low-income communities in media they use. CETF recommends goals that are aligned with the National Broadband Plan for 90% adoption of broadband at home by 2020. CETF would accept 80% subscribership of home broadband in low-income communities by 2020. If

jurisdiction over interconnected VOIP services except as required or expressly delegated by federal law or expressly directed to do so by statute.

aggregated broadband subscription data is public, this transparency will enable more effective and efficient planning and implementation by all the stakeholders. Resources can be focused on areas and blocks with lower subscriptions. CETF recommends that the FCC establish an independent oversight advisory group that includes ISPs to monitor progress toward the 90% goal. State agencies and other non-profit broadband advisory councils should assist in reviewing the broadband plans of providers and implementing them regionally.

III. CETF Expertise on Broadband Adoption and Digital Literacy

CETF was founded in 2006 as a non-profit organization at the direction of the CPUC as a public benefit condition of approval in the mergers of SBC-AT&T and Verizon-MCI in 2005. AT&T and Verizon were required to contribute a total of \$60 million to CETF over 5 years “for the purpose of achieving ubiquitous access to broadband and advanced services in California, particularly in underserved communities.” An independent governing board sets the priorities and approves the programs with advice from a board of experts. CETF has offices in Northern California (San Francisco) and Southern California (Los Angeles).

The mission of CETF is to close the Digital Divide in California by breaking down barriers to high-speed Internet access at home. *The state goal is to reach 98% of all residences with broadband infrastructure and to achieve 80% home broadband adoption by 2017 with no single demographic group or region below 70%.* California will then be on track toward the national goal of 90% by 2020.

Since inception, CETF has provided more than \$31 million in grants to CBOs and public agencies for programs promoting broadband deployment and adoption to serve unconnected Californians, with a focus on rural communities, low-income disadvantaged neighborhoods, and

people with disabilities. An example is the early work by CETF is its development of a multi-lingual “*Get Connected!*” public awareness and education program targeting low-income communities in Southern California and the Central Valley.⁸ CETF also is a founder and major funder of the California Telehealth Network (CTN),⁹ a \$22.1 million grantee of the FCC Rural Health Care Pilot Program and now a recipient of the Healthcare Connect Fund at the FCC. CTN is one of the largest statewide telehealth networks in the nation.

Additionally, CETF assumed a leadership role assisting the Governor’s Office, CPUC, State Legislature, and California Congressional Delegation to develop and secure American Recovery and Reinvestment Act (ARRA) broadband grants for the state.¹⁰ CETF received two ARRA grants partnering with 19 CBOs totaling \$14.3 million from the U.S. Department of Commerce National Telecommunications and Information Agency (NTIA). One grant focused on broadband awareness and adoption and another concentrated on workforce preparation improving ICT training and access to careers in technology.¹¹ CETF managed 19 sub-grantees resulting in more than 200,000 new broadband adoptions and in excess of 2,700 jobs for low-income residents. As a result of this experience, CETF is unique in its deep knowledge and expertise on issues relating to broadband adoption, having been worked “in the trenches” on this issue for seven years. The data below shows progress in California to which CETF and its myriad partners have contributed.

IV. Data Shows Broadband Adoption Action is Urgent

⁸ See description of CETF grant process for Get Connected:
<http://www.cetfund.org/investments/GC-Grant-Overview>

⁹ CTN website link for more information is here: <http://www.caltelehealth.org/about>

¹⁰ CETF Working Statement describing ARRA commitments and proposals dated April 24, 2009 is here:
http://www.cetfund.org/files/Website%20Statement%2042409%20_2__0.pdf

¹¹ CETF Annual Report, 2013, at page 20. <http://www.cetfund.org/files/CETF2012-2013ARwebRGB.pdf>

Beginning in 2008, CETF commissioned a statewide Annual Survey to measure broadband adoption at home as a benchmark, and to hold itself accountable to metrics for achieving the state goals. The 2008 PPIC Statewide Survey, entitled “Californians & Information Technology,”¹² found that 55% of Californians lacked broadband access at home, which was on par with the United States percentage.¹³ In 2008, the following are the percentage of Californians with the lowest rates of broadband at home by key categories:

- 34% of households were Latino.
- 66% of households were African-Americans.
- 33% of households earning under \$40,000 a year.
- 44% of adults age 55 and over.
- 51% of rural Californians households.

While focused efforts by CETF and others over the last seven years have resulted in significant progress connecting the poorest Californians to the Internet, the 2015 Annual Survey by the Field Research Corporation (Field)¹⁴ shows that California is still falling short of the 80% adoption goal: 21% of California households do not subscribe to high-speed Internet at home. The following are the percentage of Californians subscribing to broadband at home by key categories:¹⁵

- 42% of households with Spanish-speakers.
- 70% households with African-Americans.
- 72% of households earning under \$40,000 a year.
- 56% of adults age 65 or older.¹⁶

¹² Public Policy Institute of California Statewide Survey (PPIC Survey), “Californians & Information Technology, dated June 2008, in collaboration with CETF, Mark Baldassare, Dean Bonner, Jennifer Paluch, Sonja Petek. <http://www.cetfund.org/progress/annualsurvey/2008>

¹³ PPIC Survey at 9 (Note, PPIC refers to a 2008 Pew Internet & American Life Project survey for the national statistics cited therein).

¹⁴ Internet Connectivity and the “Digital Divide” in California Households: 2015, by The Field Poll, dated May 2015 <http://www.cetfund.org/files/Final%20Field%20Release%20and%20PPT.pdf>

¹⁵ CETF acknowledges that the categories in 2008 slightly vary from the 2015 categories, due to changes in the contracted survey company.

¹⁶ In 2015, the age range changed in the annual survey so we could not isolate respondents aged 65 above. We note that the 2008 survey age range was for respondents aged 55 above.

- 51% of people with disabilities.
- 34% of non-high school graduates.

Thus, there continues to be significant broadband adoption work to do in these underrepresented groups in California to get each group up to at least 70% so that California meets its overall of 80% goal by the end of 2017. If California, as the largest state with the most number of poor people, does not succeed in boosting the adoption rates in low-income communities the nation will not achieve 90% adoption.

CETF strongly recommends that the Commission provide national leadership by taking immediate action to establish a broadband Lifeline program. For every year that passes, another high school class graduates and the United States falls farther behind other countries that have fiber networks, superior home broadband adoption by the majority of their working population, and significant digital literacy programs.

V. Detailed Responses to Second Further Notice of Proposed Rulemaking

In this section, CETF responds to specific questions the FCC posed in the Notice for Broadband Lifeline, and generally in the same order as in the Notice.

A. Establishment of Minimum Service Standards

1. Minimum Service Standards for Broadband

In its Notice, the FCC wanted to ensure that any Lifeline offering is sufficient for consumers to participate in the economy, because broadband is key to education, health care, public safety, and for persons with disabilities to communicate on par with their peers.¹⁷ In these next sections, CETF briefly discusses its California experience in these areas.

¹⁷ Broadband Lifeline Notice at para. 17, at 11.

Education. CETF strongly concurs with the discussion of the critical importance of broadband in the home for educational purposes for students of all ages. CETF developed the School2Home program in California, an innovative statewide program to close both the Achievement Gap and the Digital Divide by integrating the use of computers and broadband technologies into teaching and learning at low-performing middle schools throughout California with an emphasis on parental involvement and broadband home connectivity.¹⁸ CETF emphasizes that in-school broadband must be balanced with broadband in the home to overcome “the homework gap” that puts low-income students at a disadvantage. CETF commends the FCC in particular on the Wi-Fi initiatives for schools and libraries in the Modernizing the E-rate Program for Schools and Libraries Report and Order.¹⁹ Similarly for the broadband Lifeline program, low-cost routers that provide Wi-Fi in the home are critical so that all members of the household may access the Internet using a device provided by the school.

Healthcare. CETF strongly agrees that home broadband has significant benefits to low-income households in seeking free or low-cost health care information, encouraging two-way information flows between doctors’ offices and patients, and enabling low-cost home monitoring for chronic diseases like Type 2 diabetes and depression. CETF has been a major investor in the California Telehealth Network (CTN), a grantee of the FCC’s Rural Health Care Pilot Project, a current participant in the FCC’s Healthcare Connect Fund program, and one of the largest state telehealth network in the nation. Among the work of the CTN is enabling telemedicine applications to expand access to care for underserved and vulnerable patient populations while lowering health care costs. Increasingly CTN-connected safety net health clinics and hospitals

¹⁸ A link to the School2Home webpage is here: <http://www.school2home.org/>

¹⁹ See Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, Report and Order and FNPR, 29 FCC Rcd 8870 (2014).

are using broadband into the home and mobile broadband to provide patient monitoring services with encouraging results. Providing ongoing patient monitoring allows the patient to access their patient record, receive patient education information about their condition or treatment plan, and to interact with their physicians' offices without having to physically visit the doctor's offices. There is encouraging evidence that this emerging use of broadband technology has the potential to improve patient adherence to medication and treatment plans, thereby reducing health care costs and improving patient outcomes. We encourage the FCC to support broadband Lifeline to ensure that access to healthcare continues to increase in low-income households, and that low income communities are able to receive the benefit of these health care services by having basic broadband available to them.

The Children's Partnership specifically has recognized how telehealth benefits low-income and underserved children, our most vulnerable population:

Telehealth, the application of Information and Communications Technology (ICT) to provide health care at a distance, is becoming a vital tool in meeting the health care needs of low-income and underserved children. Telehealth utilizes ICT to provide a wide array of health services to individuals without requiring the individual to interact face-to-face with the health care provider delivering the care. Common applications of telehealth include videoconferencing between a patient and a health care provider for a consultation or among groups of patients or providers for education, support, and care coordination; transmission of data, such as x-rays, photographs, video, and audio files; remote monitoring of vital signs and other health indicators; and Internet applications to provide patient education and to assist patients with managing chronic health conditions. The Children's Partnership Telehealth Agenda promotes wider adoption of telehealth to meet the health and dental care needs of all children.²⁰

²⁰ <http://www.childrenspartnership.org/our-work/health-it/telehealth>

This is another reason why our first recommendation for stand-alone broadband is very important for low-income families.

Individuals with Disabilities. CETF agrees that broadband adds significant benefits to the daily lives of those with disabilities, by providing a window to the outside world through email, instant messaging, job opportunities, and real-time video conferencing. CETF concurs with the findings of the FCC in the broadband Lifeline Notice at paragraph 28 that disabled persons tend to be low-income due to their disabilities. Further, the 2015 Field Poll data on broadband home adoption in California show that adults who identify having a disability have lower broadband adoption (59%) than other California households (79%). In its experience, CETF has found that working through organizations dedicated to people with disabilities is very effective in increasing broadband subscribers. CETF has two recommendations: (1) offer low-cost stand-alone broadband adoption rate of \$10 per month; (2) enable grants, through an independent fund, to CBOs who specialize in technology issues relating to persons with disabilities to perform training, to provide broadband equipment advice unique to persons with disabilities, and outreach to unconnected persons with disabilities for home broadband adoption. The FCC Disabilities Rights Office can be a clearinghouse for broadband equipment and training resources, in coordination with any similar state or local agencies that serve this community.

Public Safety. CETF concurs with the FCC's statements of the benefits²¹ provided by broadband for public safety purposes at the broadband Lifeline Notice.²² Increasingly more households are relying on broadband capable devices for both voice and Internet communications. Accordingly, such devices must be ready to receive public safety

²¹ Broadband Lifeline Notice, at para. 31, at 19.

²² Broadband Lifeline Notice, at para. 29, at 18.

communications from first responders and emergency agencies. Further, every household should be able to call for police, fire and other medical assistance when required, including in power outages. These public safety and emergency services are critical to every household, and is another important justification for a standalone affordable broadband rate for low-income households, particularly when the copper-based landline telephone system is removed in a community.

2. Service Levels

a. Standard for Setting Service Levels

CETF supports the proposal from the FCC to establish minimum voice and broadband standards to ensure maximum value for each dollar of universal service and to ensure that consumers receive reasonable comparable service.²³ Quality broadband services should be available at “just, reasonable and affordable rates,” under Section 254(b)(1).²⁴ As to low income persons, Congress directed they should have “access to telecommunications and information services, including . . . advanced services that are reasonably comparable to those services provided in urban areas.”²⁵ This provides the statutory basis for the CETF Recommendations 1, 2, 3 and 4 discussed *supra*.

In terms of fixed broadband service, “affordable” and “reasonably comparable service” represents a high bar given the current stark disparities between what broadband infrastructure and speeds are available in urban cities versus rural, remote, tribal and even some suburban areas. CETF highlights the urgent need for additional funding for broadband infrastructure programs like the Connect America Fund to keep providing incentives for upgrades to broadband infrastructure in non-urban areas. Further, urban versus rural areas are starkly different in terms of the number of broadband service providers, service plans, speeds and costs. Websites such as broadbandnow.com and the FCC’s broadband map demonstrate that rural residents have fewer broadband provider choices, and pay more, often for slower, lower quality wireline and wireless broadband services.

²³ Broadband Lifeline Notice, at para. 16, at 10-11.

²⁴ 47 U.S.C. Section 254(b)(1).

²⁵ 47 U.S.C. Section 254(b)(3).

When looking at minimum service levels, CETF agrees that the FCC should look at what has become “essential to education, public health, and public safety” as indicated by what is “subscribed to by a substantial majority of residential customers” and what is “consistent with the public interest, convenience and necessity.”²⁶ In order to establish such minimum service levels, this exercise needs to be done at no more than bi-annual intervals to keep pace with rapid technological advances in the broadband field. Surveys of educational, public health and public safety services used by a majority (51%) of residential customers and at average speeds in urban areas should set the standard. Minimum standards for speed should be set,²⁷ in addition to minimum standards for capacity and latency, similar to the standards set for the Connect America Fund. In general, CETF opposes data caps for the broadband Lifeline program, but if this Commission decides that data caps are required for all non-Lifeline broadband programs, any data caps for the broadband Lifeline program should be generous, for example, the average data used by an urban broadband subscriber in that same region.

The Commission observed in the Broadband Lifeline Notice that the standard Lifeline market offering for prepaid wireless service has remained largely unchanged at 250 minutes at no cost to the recipient. Prepaid service can work for some with low-incomes when there is no daily usage fee and consumers understand their usage patterns. Prepaid service is also more expensive if they used as a long-term solution. In California, the Wireless Lifeline Program²⁸ currently features about a dozen approved wireless voice providers. Under plans approved by the CPUC, these Wireless Lifeline providers offer a variety of plans with 1,000 minutes to unlimited minutes of voice service, 1,000 messages to unlimited text /SMS messages, and 0-250 megabytes

²⁶ Broadband Lifeline Notice, at para. 35, at 20.

²⁷ Benchmark speeds for urban areas should be equally applied to rural, remote and tribal areas.

²⁸ California Lifeline Program Website: <http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/ults.htm>

(MB) of data to program participants *at no charge*.²⁹ In light of this market development due to plunging costs for mobile voice service, CETF recommends that mobile providers offer an unlimited talk and text to Lifeline customers. While the California wireless Lifeline model provides ample voice and text service, an entry level of 250 MB of downloaded data per month for Internet access is not adequate. 250 MB of data only allows a user to browse the web viewing text heavier sites, check e-mail, and perform very modest amounts of instant messaging and updating a Facebook or Twitter accounts. It is not adequate for extensive job searches, or image heavy sites, downloading or streaming multimedia such as music or videos. Voice over IP applications such as Skype or Google Talk, or P2P applications like BitTorrent also are not usable for 250 MB plans. 250 MB of data would be entirely used for any one of the following: (1) looking at 750 webpages with a lot of images, (2) reading 250,000 basic e-mails; (3) looking at 500 emails with attachments; (4) downloading or streaming 50 songs; (5) downloading/streaming 30 minutes of video, or (6) 7.5 hours of Skype calls. As a result, a minimum level of wireless data service should be set by looking at average minutes of use of an urban resident in bi-annual surveys. The Broadband Lifeline Notice states that in December 2014, an average American consumer used roughly 1.8 GB of data across both 3G and 4G networks.³⁰

Participation in Lifeline by Eligible Households with School Children. In particular, CETF commends the FCC on its recognition in the broadband Lifeline Notice of the important role that broadband plays in education, particularly for households with schoolchildren. While E-rate helps schools and libraries obtain low-cost Internet access, it does not help low-income families

²⁹ Go to the California LifeLine link for Provider Search and in the Cell Phone Service search box, input a California zip code (ex. 94102), and click on the SEARCH button. https://www.californialifeline.com/en/provider_search Other available plans include a higher charge (\$8 to \$36) for more data (up to 1 GB).

³⁰ Broadband Lifeline Notice, at para. 44, at 23.

obtain Internet access at home so that their children can do online schoolwork. The “homework gap” recognized by the FCC in the Notice does indeed put low-income students at a major disadvantage compared to their wealthier classmates.³¹ School buildings that offer free Wi-Fi to its students are closed after school hours. Public libraries offer limited computers for public access, usually with strict time limits (15-30 minutes) due to high levels of demand. As a result, low-income students must find a library parking lot, fast food outlet or coffee shop with free Wi-Fi to do their online homework.

CETF developed the School2Home program in California, an innovative statewide program to close both the Achievement Gap and the Digital Divide by integrating the use of computers and broadband technologies into teaching and learning at low-performing middle schools throughout California with an emphasis on parental involvement and broadband home connectivity.³² School2Home has twin goals:

1. School2Home closes the Achievement Gap by:
 - a. Targeting Title 1 middle schools in Program Improvement.
 - b. Helping students acquire core skills in reading, writing, math and science and ensures that technology is embedded in STEM curriculum.
 - c. Encourages students to develop deep learning skills for academic success.
 - d. Providing parents critical information to be involved in a child’s education, such as homework and monitoring school attendance.
 - e. Enhancing parent-teacher communication by transcending the language and time barriers.

2. School2Home closes the Digital Divide by:
 - a. Targeting families who lack home computers and broadband service.
 - b. Infusing technology into all aspects of student learning at school and home.
 - c. Providing access to broadband and a computer device to help family members acquire skills for self-sufficiency.

³¹ Broadband Lifeline Notice, at paras. 19-20.

³² A link to the School2Home webpage is here: <http://www.school2home.org/>

A critical component for the School2Home program success to date is *the home broadband connection*. In areas of the state where the program had low-cost offers or low-cost wireless data options, the availability of affordable home broadband access was a factor in the success of the program. Without an affordable rate, it was harder for the School2Home programs in Southern California – where the Comcast Internet Essentials program was unavailable – to be as successful. This experience is one key reason why CETF has taken the unusual step of advocating for an affordable broadband rate in various merger and transfer dockets of major broadband providers before the FCC, the CPUC, and in this docket.

The Commission has asked how best to identify low-income households that include schoolchildren. CETF supports using the National School Lunch Program (NSLP) data from the E-rate program for schools to assist in the efforts, and suggests that the entire school be designated as eligible based on 50% of the school participating in the NSLP (both free and reduced lunch). Some needy families decline to participate in NSLP and food stamp programs out of pride, fear of government, or the inability to get the child enrolled in the program due to a foster situation or difficult family circumstances. A parent can produce a recent report card or student ID as needed documentation and a utility bill as proof of address along with a personal government issued identification card.

CETF agrees with the FCC's concerns about how to let parents and guardians of low-income households know of the discounted broadband Lifeline Program rate. In the Comcast Internet Essentials program, primarily Comcast's government affairs employees performed outreach to school district administrators. Some school districts, however, declined to allow Comcast to notify its families of the low-cost offer, due to the fact Comcast is a for-profit entity, administrative burdens on schools, or due to a lack of understanding or appreciation for the

program's benefits. This is another reason why CETF Recommendation 3, the Independent Fund, is important. It will take more people than a provider's community or government relations staff working with the target population to help low-income households connect to broadband.

b. Ensuring Reasonably Comparable Service for Voice and Broadband

Voice-Only Services. CETF suggests that voice service is important to keep for the time period that coincides with the IP-enabled transition. This is especially true for seniors and people with disabilities. If a senior is forced to choose between traditional voice service and fixed broadband they will likely opt for what they know. Hence we will not be any closer to closing the Digital Divide among seniors. It is a fact that today, Voice Over Internet Protocol (VOIP) services are not as reliable as the traditional telephone service. Over time VOIP services will improve in quality and reliability. This is very important for people who need reliable telephone service for health reasons, reminder calls about taking medicine, or knowing that if there is an emergency, they can easily and reliably call for help. For this reason, CETF suggests a conversion period that coincides with the IP-enabled transition of copper-based landline system, particularly for our most vulnerable society members (example, seniors and people with disabilities) where they can, if desired, opt for *both* a telephone subsidy and a broadband subsidy.

Fixed Broadband Service. As to minimum service standards for fixed broadband offerings for the Lifeline program, the following elements should be taken under consideration: (1) speed should be at the FCC or state's broadband benchmark speed for that type of area (example, urban or rural); (2) capacity; and (3) latency. CETF does not favor data caps, however, if the FCC decides it must impose them, the chosen data caps should not unduly restrict current applications and be set as comparable to an urban user's average data in that region. This is especially

important because in most cases, multiple people in a household are using the broadband service at once, not just one person.

Comparable speed is critical to sustain subscriptions. As new services and applications are available on the World Wide Web, higher speeds are needed. Low-income subscribers cannot be expected to participate in the 21st century using 20th century speeds. Yet setting a specific speed in a static regulation will defeat the requirement of a “comparable speed” required in the law, since broadband technology and applications are advancing very quickly. Under the circumstances, speeds adequate to meet the needs of current applications used by an average urban consumer should set the speed needed for the program, and this speed should be examined every two years.

Mobile Broadband Service. CETF agrees with the FCC that low-income consumers are more likely to only have mobile broadband service, due to affordability issues.³³ As a result when the FCC sets a minimum service standard for mobile broadband, it should set it above the average American consumer (1.8 GB of data in December 2014). A review of the California Wireless Lifeline Program offerings shows that the free plans have very limited amounts of data offered (from zero to a maximum of 250 MB). 250 MB per month of data typically lets a user browse 10 web pages and read roughly 20 emails a day. For a typical household, this level of data usage would be completely inadequate given modern usages.

Minimum Service for Tribal Lifeline. CETF applauds the higher \$34.25 per month in federal Lifeline discounts for low-income consumers living on Tribal lands. California’s Lifeline

³³ Broadband Lifeline Notice, at para. 45, at 23.

program does not have a special minimum level of service for Tribal Lifeline plans, but CETF agrees that such a requirement would be beneficial to low-income Tribal households.³⁴

c. Updating Standards and Compliance

CETF agrees with the FCC that minimum service levels and standards must evolve with technological advances.³⁵ CETF supports the Wireline Competition Bureau being charged with establishing and updating a mechanism to set the minimum service levels at set intervals, and suggests the interval be no greater than three years given the rapid pace of technology. To monitor compliance with minimum service levels, providers should file their voice and broadband offerings annually with the FCC and these filings should be made public, within a month, in an easy-to-search database by census block group. Complaints by consumers or non-profit organizations should be enforced with fines or other penalties, including consumer refunds.

d. Support Level

CETF will address the questions in the Notice relating to a proposed permanent support level of \$9.25 and about the appropriate contribution charge, support from subscribers, and incentives for support from states. Given that California consumers contributes much more to the telephone Lifeline Fund (\$910,070,000 in 2013) than disbursements to California households (\$141,420,000),³⁶ CETF has a strong interest in seeing Lifeline funds spent efficiently and effectively.

CETF recommends that the FCC not adopt a permanent subsidy amount in this proceeding. It is too early and there are too many changes to be able to determine a subsidy amount at this

³⁴ The more serious issue is whether there is adequate wireless service to Tribal lands.

³⁵ Broadband Lifeline Notice, at para. 48-49, at 24.

³⁶ Universal Service Support Mechanisms by State: 2013 Report, Table 1.9, data from USAC.

time. CETF recommends that after the first year of the new broadband Lifeline program, the FCC should review data relating to the ISPs' costs and demand, costs to promote the program, and administrative costs, and then assign a reimbursement rate that covers broadband service, equipment necessary to access broadband service (modems/routers), outreach, advertising and consumer education. From this information in combination with the baseline data on eligible households, the FCC then will have the necessary data to determine a permanent rate and budget. CETF would expect the total to be no larger than the budget from 2012 and no lower than the budget in 2014.

Broadband Connection Charge. CETF supports a one-time reimbursement to broadband Lifeline providers to cover any up-front connection charges for fixed residential broadband consumers.³⁷ The Notice appropriately observes that the connection charge for installing a fixed broadband connection is more difficult and complex than the wireless Lifeline telephone program. Based on the experience CETF had from its “*Get Connected!*” program and the Comcast Internet Essentials program, low-income households – particularly those who are brand new to broadband – often need hands-on assistance in learning how to install the modem in their homes, and connect their electronic devices (whether wired or wirelessly via a router). In the Internet Essential program, Comcast mailed a self-installation kit to its participating low-income families participating in that school-based broadband program. Upon request, Comcast provided a “truck roll” to send a Comcast technician to assist the household with the installation. There is no question that an extra broadband connection charge for installation assistance would be a barrier to low-income households where every dollar counts. The level of broadband connection charge subsidy should be determined by a comparable charge for broadband installation for

urban broadband customers by ISPs in that region. Precedent for such a broadband connection charge exists in the former Link Up program,³⁸ which covered installation fees and costs for the telephone Lifeline program.

As to the subscriber support level for broadband service, CETF proposes that a Lifeline subscriber should have “some skin in the game” meaning that the low-income subscriber should pay a portion of the charge for the Lifeline service with the exception of those who very and extremely low-income as defined by the Housing and Urban Development Agency (HUD). From its nine years of experience working in broadband adoption in California, CETF has found that low-income consumers here view a \$10 standalone broadband rate as affordable.³⁹ CETF also knows people who have extremely low-incomes (for a family of four, this is annual income of \$19,740, calculated as 30% of the national median income of \$65,800)⁴⁰ will have a difficult time with all the upfront costs⁴¹ and \$10 service charge per month.⁴²

Further, should a broadband provider offer a landline or wireless broadband service for \$19.25 for example, and the FCC reimburses the provider with a Lifeline broadband credit of \$9.25 from the program, leaving \$10 per month to be paid by the subscriber, the gross revenue to the provider of \$19.25 is adequate for a reasonable payback in about three years for provision of a basic broadband service to the Lifeline customer.

³⁸ “Link Up is defined by USAC as, “The Lifeline Program support component that reimburses ETCs for reducing the one-time connection fee(s) associated with initiating telephone service for eligible consumers.” http://www.usac.org/_res/documents/li/pdf/handouts/LI-Glossary-of-Terms.pdf

³⁹ This data comes from nine years working with the Comcast Internet Essentials program and other low cost broadband offers in the Northern California area which includes urban, coastal, and agricultural farm areas, and other wireless broadband offers throughout the state.

⁴⁰ See end of Attachment A, article re HUD 2015 Income Limits where the median family income for a family of four was set as \$65,800 for 2015. “The FY14 Consolidated Appropriations Act redefined extremely low income families as those whose incomes do not exceed the greater of 30% of the area median family income or the federal poverty guidelines as published by the Department of Health and Human Services.” Source: <http://nlihc.org/article/hud-releases-2015-income-limits>

⁴¹ The upfront costs may include a modem, router, computer, printer, printer ink cartridges and printer paper.

⁴² See additional discussion under Increased Competition for Lifeline Customers and Innovative Services sections herein.

CETF is focused on the urgent need for an affordable broadband rate; thus CETF supports a companion subsidy at the state level, hence Recommendation 4 to authorize states to implement their own statewide broadband Lifeline programs and to resolve broadband Lifeline service complaints about VOIP providers, if they so desire.⁴³ There are laws in many states that prohibit state Commissions from setting rates for broadband. Additionally if there is a state subsidy, such subsidy will enable broadband providers to recover the \$275 that CETF recommends be put into an independent fund in Recommendation 3.

As noted earlier, an effective broadband program must address *all three barriers* to empower the poor with broadband technology: cost, relevance, and digital literacy. CETF respectfully requests that the Commission also address relevance and digital literacy as part of the broadband Lifeline program to properly “finish the job.” These two components of broadband adoption are completely unfunded at present in any systematic way, and the digital literacy training gap is not addressed by most current broadband providers or it is addressed by referring people to online training sites that are not suitable for beginners or those who need a language other than English.^[1] The goal of broadband adoption simply cannot be met without focused programs funded by all broadband providers, government agencies like the FCC and the state utility commissions, and the assistance of schools, libraries and technology-trained CBOs to achieve full broadband adoption for underserved communities. Recommendation 3 provides a means to fund this critical need that is in the public interest. Broadband providers would ordinarily spend money to acquire customers. For example, many home alarm companies and wireless phone

⁴³ The CPUC requires express delegated authority from the FCC to resolve complaints for interconnected VOIP providers due to California Public Utilities (PU) Code 710(b),⁴³ which prohibits the CPUC from exercising jurisdiction over interconnected VOIP services except as required or expressly delegated by federal law or expressly directed to do so by statute.

companies offer to buy-out a customer's existing contract if she moves from a competitor's service to their service. Community-based organizations (CBOs), schools and librarians are "trusted messengers" to target low-income populations to help them understand the relevance of broadband to better their lives, and to provide the typical two to three in-person discussions it takes to convince a first-time adopter to subscribe to broadband.

CETF proposes that all broadband providers develop and submit an annual broadband Adoption Plan (Adoption Plan) to the FCC and state commissions to achieve the National Broadband Plan goal of collectively enrolling 90% of Americans by 2020. CETF requests the Commission specify elements and activities of the Plan that may be supported by the required \$275 per eligible household for broadband adoption, including funding for: (1) experienced, third-party outreach and sign-ups by CBOs, schools and libraries for targeted low-income communities; (2) effective digital literacy programs in target neighborhoods; (3) acquisition of affordable computing equipment (such as low cost refurbished devices below \$100) and technical assistance; (4) independent program management and coordination not to exceed 10% of the cost per household sign-up; and (5) in-language advertising that targets the low-income communities in media they use.

e. Managing Program Finances

The FCC appropriately raises concerns on ways to root out waste, abuse and fraud in the program by ensuring the processes are sound, and no duplicate support is provided.⁴⁴ The first thing the FCC must do is decide whether a transition period is necessary that will allow two low-income benefits – one Telephone Lifeline and one broadband Lifeline – during a set time period during the IP-enabled transition for some or all classes of low-income consumers.

⁴⁴ Broadband Lifeline Notice, at para. 55, at 26.

Today the FCC can analyze the trend data it has on low-income households dropping telephone Lifeline service in addition to the trend data for its current mobile wireless Lifeline program to project a financial forecast for the next years. As Lifeline options change and a new broadband Lifeline program is added, the trend data will change. Thus, it would be prudent to project financial needs and determine an adequate budget once a year of the new Broadband Lifeline program has been completed, and the FCC has some experience and data under its belt. CETF anticipates that the take rate will increase, but urges collection of data once available to make an accurate decision on budgetary requirements. It is doubtful that there will be so much promotion of affordable broadband offers in the short term such that the Lifeline funds collected will exceed the available funds spent in the earliest year(s). The FCC also has historical data on the usage of the telephone Lifeline subsidy compared to the eligible households.

f. Transition

Should the FCC decide to establish a national verifier for eligibility in this docket, during the transition, CETF supports current service providers applying the new rules for eligibility in the transition period while the FCC sets up the new national verifier. The California Public Utility Commission (CPUC) already has in place a third party Lifeline program verifier. This verifier could apply the federal rules in the short-term, should the CPUC decide this is in the public interest during the transition.

CETF recognizes a transition is necessary as the Commission moves from a telephone Lifeline only program to a broadband Lifeline program. Given the urgency of the broadband adoption initiatives and their impact on economic development⁴⁵ and work readiness by students

⁴⁵ See generally International Telecommunications Union (2012). "Impact of Broadband on the Economy" (April 2012) <https://www.itu.int/pub/D-PREF-BB.RPT2>; and Qiang, Christine Zhen-Wei, et al, "The Economic Impacts of

of all ages, CETF recommends that the telephone Lifeline program and the broadband Lifeline program run in parallel for the length of the IP-enabled transition period involving copper-based landline systems. CETF proposes that the low-income household of first time broadband adopters may select *both* a telephone Lifeline and a broadband Lifeline for a limited time period (for example 3-5 years). FCC-funded consumer education via widespread advertising and marketing efforts (similar to the Digital Television transition marketing effort) would be necessary to educate the public about the availability of low-cost voice provided on broadband systems as the transition occurs. As noted above, some classes of low-income consumers such as seniors or people with disabilities may be disproportionately impacted by the end of the telephone Lifeline program, and so these consumers should have the opportunity to continue to obtain telephone Lifeline program benefits in addition to a broadband Lifeline benefit during the transition. In order for the transition to broadband Lifeline to occur, significant public education must take place to educate consumers about voice options on IP-enabled and wireless broadband platforms. Similar to the Digital Television Transition, a major public education campaign via public service announcements (PSAs) and paid advertising is necessary. Such an advertising and marketing effort – including in language and in culture efforts – requires a substantial advertising effort that should properly be funded by the FCC and funded via IPS contributions realized through savings from the national verification processing and sharing a portion of the customer acquisition costs. In light of this, the current Lifeline budget is likely to increase from its current level although a national verifier will achieve ISP cost savings.

Broadband. Information and Communications Development 2009: Extending Reach and Increasing Impact” (2009) World Bank.

CETF recommends that low-income households currently on Lifeline choosing to keep telephone Lifeline service should be able to do so until the IP-transition is complete in the consumer's area. Upon completion of the IP-transition, customers then should have only one Lifeline subsidy per tax household. In the event the FCC is inclined to allow only one Lifeline subsidy now – either telephone Lifeline or broadband Lifeline -- CETF encourages the Commission to consider some exceptions to that rule, and allow low-income seniors and people with disabilities to have two subsidies per household if necessary: one for landline telephone service and one for broadband.

g. Legal Authority to Support Lifeline Broadband Service

CETF agrees with the FCC's proposal to include broadband Internet access service as a supported service in the federal Lifeline program. CETF agrees with the Chairman's observation that "we have entered the broadband era – except Lifeline has not."⁴⁶ Commissioner Clyburn said it very eloquently, "we know that broadband is the greatest technology equalizer of our time, but it can only be so if everyone has access. If we fail or never try, the promises that broadband brings will be reserved only for the privileged."⁴⁷ We applaud the spotlight focus of Commissioner Rosenworcel on "The Homework Gap" which holds back low-income children from being part of a diverse STEM workforce.⁴⁸ We agree with Commissioner Pai that "We must target Lifeline spending on those who really need the help," that program beneficiaries should have "skin in the game," that more attention should be paid to tribal Lifeline issues, and that resources should be put towards broadband adoption.⁴⁹ We agree with Commissioner

⁴⁶ Broadband Lifeline Notice, Statement of Chairman Tom Wheeler, at p. 130.

⁴⁷ Broadband Lifeline Notice, Statement of Commissioner Mignon L. Clyburn, at p. 132.

⁴⁸ Broadband Lifeline Notice, Statement of Commissioner Jessica Rosenworcel, at p. 136.

⁴⁹ Broadband Lifeline Notice, Statement of Commissioner Ajit Pai, at p. 138-139.

O’Rielly that tying eligibility only to SNAP may be problematic.⁵⁰ For example, SSI recipients are not allowed to obtain SNAP benefits. It is the appropriate time for the FCC come together to transform the Lifeline program from one solely focused on landline and wireless telephone services to one that embraces multiple modern technologies, including broadband service.

CETF concurs with the legal authorities for action cited in the Notice.⁵¹ Section 254(c) defines universal service as “an evolving level of telecommunications service.”⁵² The FCC’s Open Internet Order found that broadband Internet access service is a “telecommunications service.”⁵³ Further, Section 706(a) of the Telecommunication Act of 1996 speaks plainly to the concept that deployment of advanced telecommunications service should be to “all Americans” not just ones who can afford it:

The Commission and each State commission with regulatory jurisdiction over telecommunications services shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to *all Americans* . . .⁵⁴

The definition of “advanced telecommunications capability”⁵⁵ explicitly encompasses broadband technology:

The term ‘advanced telecommunications capability’ is defined, without regard to any transmission media or technology, as high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.

With copper-based landline systems being phased out over time, changing the Lifeline program to embrace fiber and IP-enabled broadband “where voice is merely an app” is both sensible and inevitable. Thus, CETF recommends that providers who offer broadband in addition to voice

⁵⁰ Broadband Lifeline Notice, Statement of Commissioner Michael O’Rielly, at p. 143.

⁵¹ Broadband Lifeline Notice, at para. 61, at 27.

⁵² 47 U.S.C. Section 254(c).

⁵³ Protecting and Promoting the Open Internet, GN Docket No. 14-28, Report and Order on Remand, Declaratory Ruling, and Order, FCC 15-24, 80 Fed. Reg. 19738, at 19786-87, paras. 331-335 (2015) (Open Internet Order).

⁵⁴ Section 706(a) of the Telecommunications Act of 1996 (1996 Act) (emphasis added).

⁵⁵ Section 706(c)(1) of the 1996 Act.

should be required to offer a broadband service to qualified low-income subscribers where available.

B. Third-Party Eligibility Determination

CETF supports the FCC proposal in the Broadband Lifeline Notice to remove the responsibility of conducting the eligibility determination from the Lifeline providers themselves and to move it to a neutral independent third party provider, a “national verifier.”⁵⁶ This approach has been successful in California as discussed below.

1. National Lifeline Eligibility Verifier

California has already established a state level third-party administrator for its Lifeline program, and it realized many efficiencies and reduced waste, abuse and fraud in the system. The following is a brief history of the CPUC action. On April 2, 2004, the FCC issued FCC 04-87 which required California to conduct verification of customer eligibility in the Universal Lifeline Telephone Service (California Lifeline) Program. The FCC's order was instituted to provide more accountability in the program regarding concerns about ineligible customers receiving discounts.⁵⁷

To ensure compliance with the FCC Order, in 2004, the CPUC released Decision Number (D.) 05-04-026 declaring the intent of the CPUC to hire a third-party administrator (TPA) for the Lifeline Program. The stated rationale was that a TPA would provide:

- (1) Standardization of the document review and information handling policies.
- (2) Benefits and ease of a single, centralized agency.

⁵⁶ Broadband Lifeline Notice, at para. 63-64, at 28-29,

⁵⁷ See California Public Utilities Commission Efforts to Improve California LifeLine Program Accessibility <http://www.cpuc.ca.gov/NR/rdonlyres/E47A4C47-C667-4656-BF2E-A10062BBB18D/0/CalLifelineProgReportfinalPDF.pdf>

- (3) Better assurance of privacy and security of data.
- (4) A high level of expertise in reviewing income information.
- (5) Reductions in administrative costs of the program.
- (6) Greater consistency in review of documents and privacy.⁵⁸

In 2006, the CPUC assumed overall administration of the Lifeline Program from the telephone carriers and contracted with an independent eligibility verification agent, Solix, Inc. (Solix).⁵⁹ Solix was the third-party administrator until 2011. In 2011, the CPUC awarded the third-party contract to Xerox State & Local Solutions, Inc. (Xerox) as the new California Lifeline Administrator (Administrator).

Functions of California's Third-Party Administrator. The Administrator receives and processes subscribers' Lifeline applications on behalf of the CPUC.⁶⁰ It checks for subscribers' documentation of eligibility and for duplicative support. Eligible telecommunications carriers (ETCs) can query the CPUC system to determine in real-time if a prospective subscriber is already receiving a Lifeline benefit from another provider. When a query is made, the Administrator's system matches a prospective subscriber's name, address and/or telephone number with subscriber information already in the system. The system also validates and standardizes the prospective subscriber's address information to facilitate the duplicate check.⁶¹

Due to the robust nature of California's eligibility verification process, the CPUC requested opt-out certification from the National Lifeline Accountability Database (NLAD), as it

58 See Decision Adopting New Universal Lifeline Telephone Service Certification and Verification Processes, D.05-04-026, Order Instituting Rulemaking Into Implementation of Federal Communications Commission Report and Order 04-87, As It Affects The Universal Lifeline Telephone Service Program, R. 04-12-001, April 8, 2005.

59 See California Public Utilities Commission Efforts to Improve California LifeLine Program Accessibility

60 See Petition of the State of California Public Utilities Commission and the People of the State of California to Opt Out of National Lifeline Accountability Database, WC Docket Nos. 11-42 et al., CC Docket No. 96-45 (filed Dec. 3, 2012) (Petition); see also Supplement to the California Public Utilities Commission and the People of the State of California's Petition to Opt Out of National Lifeline Accountability Database, WC Docket Nos. 11-42 et al., CC Docket No. 96-45 (filed Feb. 13, 2013) (Supplement).

61 Id.

served many of the same functions already provided by Xerox, the current Administrator.⁶² On March 4, 2013, the FCC granted the CPUC's request to opt-out of NLAD, but conditioned approval of the opt-out certification on the implementation of a system that incorporated a third party identity verification service.⁶³ The FCC Wireline Bureau was concerned it would be possible for prospective subscribers to receive duplicative support by intentionally or inadvertently providing incorrect information in their Lifeline applications. This risk was heightened in California because the CPUC did not utilize an eligibility database. In conditioning the certification, the FCC pointed out the importance of identity verification database in addition to eligibility verification. Verification databases provide additional means of preventing consumers from falsifying their identity because they require a name be associated with another piece of identifying information in the database, such as a social security number, address and/or the qualifying benefit. If this association cannot be made, the consumer is denied the Lifeline benefit.

As a result, the CPUC altered its contract with Xerox so it would include construction and maintenance of an identity verification database. In 2014, Xerox began provision of the identity verification service.⁶⁴ As of May 2015, the CPUC's current contract with Xerox states that the core duties of the third-party administrator are:

- (1) Qualifying Lifeline customers.
- (2) Operation of a Customer Support Call Center, including multi-language phone lines;

⁶² Id.

⁶³ Order, In the Matter of Lifeline and Link-Up Reform and Modernization, WC No 11-42, DA 13-329 (adopted Mar. 4, 2013, rel. Mar. 4, 2013).

⁶⁴ Id.

- (3) Outbound messaging, including calls and mailing.
- (4) Assorted internal operations, including records management, database operation, and ongoing maintenance of printed and electronic forms/documents.
- (5) Customer account updates and other interaction with carriers.
- (6) Status reporting and other interaction with the CPUC.⁶⁵

CETF provides this information as a potential model for a national verifier.

Further, CETF is generally supportive of the idea proposed by Social Interest Solutions (SIS) to have the Universal Service Administrative Company (USAC) maintain a simple hub that, through the National Lifeline Accountability Database (NLAD), would in real-time interface with Eligible Telecom Carriers (ETCs) and non-ETCs as approved by the FCC and other federal assistance program for households with low-incomes. Communication between the ETCs, non-ETCs and eligible programs via the NLAD has the potential to verify eligibility and confirm subscription data to prevent duplicates on an automated real-time basis, instead of the current process where there is lag time between the manual collection of the information, submission and the determination of eligibility. In general, CETF suggests that eligibility should be allowed if enrolled in specific federal and state low-income programs, and such eligibility may be determined faster and more efficiently, if a federal hub system collects eligibility data from each of these acceptable programs and assists in facilitating the eligibility determination through a data dip.

In the Notice, the FCC asked whether consumers should be able to interact directly with the third party administrator. Direct consumer interaction is an important and positive aspect of what the Administrator does in its role. The California Administrator operates a call center to

⁶⁵ California LifeLine Administrator, The California LifeLine Telephone Program, Agreement Number 11PS5848 for Scope of Work, Amendment 5 (dated March 30, 2015).

answer eligibility and Lifeline program questions directly for consumers, and this is helpful to get information to consumers quickly and accurately.

In California, there is a pre-approval process that occurs quickly and can allow service under the Lifeline program to go forward, subject to the more detailed eligibility verification by the administrator. There can be a multi-day delay between the time an applicant applies to the Lifeline program, and a final decision being rendered on that applicant's eligibility by the Administrator. The delay is due to the Administrator obtaining the supporting documentation from the consumer, performing the critical duplicates check, and then issuing an acceptance/rejection letter to the consumer. Given the documentation is required to determine eligibility and the duplicates check ensures only one benefit per household is issued per the rules, these measures avoid abuse and fraud as to the program. The delay is not problematic and the documentation check serves an important purpose.

Regarding submission of documentation to the Administrator for verification, it is best for the consumer to send it directly to the administrator given documentation is often sensitive information such as paychecks or tax returns. However, community-based organizations often play a critical role in assisting low-income persons with signing up for a Lifeline program benefit and if they are used, particularly to translate for a non-English speaking consumer, this should be allowed.

Regarding the FCC's question on interaction between any prospective federal and state verifier's operations,⁶⁶ CETF expects that the federal and state verifiers could work collaboratively to exchange information to enhance speedy decisions on eligibility. Above, CETF listed the programs that the CPUC relies on to establish eligibility for Lifeline and

⁶⁶ Broadband Lifeline Notice, at paras. 72-74, at 31-32.

suggests a similar approach would be appropriate. CETF does not see any reason why a national verifier approach could not work in harmony with the existing eligibility system in California, but leaves that issue up to the CPUC.

CETF suggests that the FCC begin a beta phase with its current vendor for the NLAD to better understand what is needed to for the national verifier function. The FCC could begin with the broadband providers for which it has approved mergers, acquisitions or transfers of ownership.⁶⁷

For broadband Lifeline eligibility, CETF recommends that enrollment in a broad variety of delineated federal and state programs directed towards low-income persons, and not just single programs like the National School Lunch Program or Federal SNAP program would be advisable. In California, there are two ways to qualify for its Lifeline program.⁶⁸ The first way is by one person in the household qualifying by being enrolled in any of the following twelve public assistance programs:

- Medicaid/Medi-Cal
- Low Income Home Energy Assistance Program (LIHEAP)
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance or Section 8
- CalFresh, Food Stamps or Supplemental Nutrition Assistance Program (SNAP)
- Women, Infants and Children Program (WIC)
- National School Lunch Program (NSL)
- Temporary Assistance for Needy Families (TANF)
 1. California Work Opportunity and Responsibility to Kids (CalWORKs)
 2. Stanislaus County Work Opportunity and Responsibility to Kids (StanWORKs)
 3. Welfare-to-Work (WTW)
 4. Greater Avenues for Independence (GAIN)
- Tribal TANF
- Bureau of Indian Affairs General Assistance
- Head Start Income Eligible (Tribal Only)
- Food Distribution Program on Indian Reservations

The consumer merely shows the Administrative evidence of enrollment. The above program list is very similar to the federal Lifeline program eligibility list. CETF supports a very broad set of

⁶⁷ Otherwise the FCC is requiring providers to establish a verification process while here, it is saying separate, carrier-run processes are inefficient and prone to fraud.

⁶⁸ Source: <http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/lifelinedetails.htm#qualify>

low-income focused federal and state programs, and cautions the Commission against reliance on single programs as the sole qualifier, such as the National School Lunch Program or the federal SNAP program (the single eligibility methods chosen for the Comcast Internet Essentials program and the future AT&T DirecTV broadband discount program, respectively). For example, designating one program can leave target populations out as in the case of SNAP which prohibits people accepting SSI benefits from receiving SNAP benefits. A lot of seniors and people with disabilities receive SSI which has a maximum monthly benefit of \$729 - \$900.

The second way a household may qualify for the California Lifeline program is income-based, meaning the household qualifies for California Lifeline if the household's total annual gross income is at or less than these annual income limit:

Household Size	Annual Income Limits⁶⁹
1-2 members	\$25,700
3	\$29,900
4	\$36,200
Each additional member	Add \$6,300

Documentation is required to show the household income meets the annual income limits if the household is qualifying by the income-based method. Acceptable proof is as follows:

- Front page only of prior year's state (540, 540A, 540 2EZ, 540NR, or 540X), federal (1040, 1040A, 1040EZ, 1040NR, 1040NR-EZ, 1040SS, or 1040X), or tribal tax return
- Income statements or paycheck stubs for 3 consecutive months within the past 12 months
- Statement of benefits from Social Security, Veterans Administration, retirement/pension, Unemployment Compensation, and/or Workmen's Compensation
- Alimony and/or child support documents, and/or
- Other official documents that also document current address would be needed.

⁶⁹ These annual income limits are effective from June 1, 2015 to May 31, 2016.

Thus, CETF recommends two ways to qualify for the broadband Lifeline program:

(1) automatic eligibility by participating in one of a broad variety of federal and state programs directed towards aiding low-income persons, and (2) the income-based approach, all administered by an independent national verifier.⁷⁰

Tax Household. CETF proposes that the term “household” in the broadband Lifeline context should not refer to single-family dwelling, apartment or a flat. The definition should be a “tax household” for this program. In our experience, multiple low-income families, families and their relatives may reside in one flat, apartment or single family dwelling. In the Comcast Internet Essentials program, CETF had CBOs report that in a multi-family house, Comcast declined to activate two Internet Essential connections for situations where two families shared a single dwelling. This meant second family did not have an Internet connection available to them and remained disadvantaged. CETF urges the Commission to direct ISPs to adopt a “tax household” as the correct delineator of a household for purposes of broadband Lifeline program.

Privacy. CETF agrees that privacy of the customer data proffered for eligibility purposes may contain confidential, personal and proprietary customer information, such as social security numbers, tax returns, paycheck stubs, and government service verification documents. As such, CETF recommends strict requirements and periodic audits be placed on the national verifier to take every reasonable precaution to protect the confidential, personal and proprietary customer data with at every stage, including protecting the data in transit and at rest in its database systems. Recent large data breaches of federal employee databases is cause for serious and legitimate concern and requires an approach with eyes wide open about the necessary safeguards.

⁷⁰ This link shows a comparison of the California LifeLine Program versus the federal Lifeline Program: https://www.californialifeline.com/en/federal/discounts_comparison

Additional Functions. It seems reasonable for the national verifier to be paid for out of the Lifeline program, because this process will be more efficient than prior processes where each carrier performed the eligibility review. Additionally ETCs will save money since they will not do this function. CETF recommends the national verifier also be responsible for recertifying a subscriber at a regular interval (every two to three years) to ensure the subscriber remains eligible pursuant to program rules. The national verifier should be chosen through an open RFP process and subject to an annual financial audit.

2. Coordinated Enrollment with Other Federal and State Programs

CETF supports the FCC proposals in the Notice that leverage other federal agencies and their state counterparts to perform important consumer education on the federal Lifeline program.⁷¹ CETF envisions an applicant being able to enroll in the federal Lifeline program simultaneously while enrolling in other federal or state low-income programs that automatically qualify the subscriber for Lifeline, for example Supplemental Nutritional Assistance Programs (SNAP), NSLP, Medicaid, SSI, Federal Public Housing Assistance, LIHEAP, Section 8, or TANF. CETF strongly encourages discussions with other federal and state agencies to break down silos between agencies and encourage this type of coordination. Such initiatives could result in less administrative burdens, program savings, lower advertising costs, and improved consumer education on program availability.

CETF recommends that the federal Lifeline benefit be easily portable to whatever provider the consumer chooses. In the current marketplace of landline, wireless and broadband, the benefit should be technology neutral so the customer may choose the service best for his household's needs. Further, Lifeline benefits should be easily transferable between eligible

⁷¹ Broadband Lifeline Notice, at para. 92-103, at 36-39.

carriers. Finally, recertification should not be required for each activation on a new provider unless it is time for the regular recertification conducted by the Administrator or national verifier.

Coordination is also important for *outreach, advertising and education*. On the digital adoption leg of the stool, outreach, advertising and education on broadband relevance (“digital literacy”) are all activities that must occur and be funded to actively help low-income consumers adopt broadband at home. As the FCC has sought to curb waste, abuse and fraud, and improve efficiency and effectiveness in the verification process, it can do the same for outreach, advertising and education. Because the law requiring Lifeline authorizes payments for service only, the FCC should adopt a centralized model that requires all ISPs to contribute some of the cost savings from shifting the administrative eligibility function to the FCC, and a contribution based on the customer acquisition costs to a broadband Adoption Fund at the federal and/or state level.

California has taken exactly this approach for its landline and wireless Telephone Lifeline outreach, advertising and education, for the same reasons it set up a single statewide eligibility verifier as discussed herein at Section H. The key to success is working toward shared goals and coordinated strategies that leverage limited resources. CETF opines that the major effort for outreach, advertising and education needs to focus on broadband adoption at home. Home is where low-income consumers must learn new computer skills and outlay larger amounts of money to acquire and sustain service, and obtain computer equipment. Low-income communities have adopted mobile phone service in high numbers, while not as many devices, low-income households are on par for service per household with middle and higher income communities. Subscriptions for telephone Lifeline for copper-based service is rapidly declining,

and their providers are requesting conversion to all broadband systems via the IP-transition. Given this inevitable trend, CETF recommends that current Lifeline low-income households who wish to keep telephone Lifeline service should be able to do so until the IP-transition is complete in the consumer's area. Upon completion of the IP-transition, customers then should have only one broadband Lifeline subsidy per tax household. In the event the FCC is inclined to allow only one Lifeline subsidy during the transition – either telephone Lifeline or broadband Lifeline – CETF encourages the Commission to consider some exceptions to that rule. For example the FCC could allow low-income seniors and people with disabilities to have two subsidies per household if necessary: one for landline telephone service and one for broadband.

3. Streamline Eligibility for Lifeline Support

CETF supports efforts to streamline eligibility for Lifeline while lower administrative costs for stakeholders and not encouraging waste, abuse or fraud. CETF's three primary recommendations are as follows:

1. Identify categories of eligibility that can be auto-enrolled and implement pre-qualification processes with other income maintenance programs, for example, a Medicaid card or SSI payment.
2. Encourage with zest the companies for which the FCC has required implementation of a discounted broadband service as the result of an approved merger, acquisition or transfer of ownership to utilize the national verifier. This will be cost efficient for all involved. These required programs must not supplant the availability of a subsidy to a household. It will provide the FCC with more accurate data about broadband penetration and therefore the public when the information is aggregated as suggested above. The FCC will also have real time information about performance against public

benefit requirements. CETF also sees the cost savings to companies as an opportunity for them place some of it into the independent fund needed for the work of adoption, in essence recruit future customers for companies.

3. Income level should be retained for two reasons:

- The national verifier should be able to meet IRS requirements in order to query for verification of income within the eligible guidelines meaning the qualification process should be smooth and quick.
- The goal of Lifeline is to connect each to all is appropriate. The FCC should provide the opportunity to people who, while eligible, do not apply for other federal low-income programs.

CETF recommends a change to the current FCC rules requiring low-income consumers to have a household income at or below 135% of the Federal Poverty Guidelines (\$15,890 for one person household, \$21,506 for a two person household, \$27,122 for a three person household or \$32,738 for a four person household in 2015). If income verification continues to be used,⁷² CETF proposes that the household income be increased to 200% of the Federal Poverty Guidelines, due to the higher cost of living in California where the largest number of poor people live. Or the national verifier could use the HUD income guidelines issue each that are by geographic areas to more accurately represent levels of poverty consistent with the cost of living in localities.

For low-income households not enrolled in one of the federal qualifying programs, the most appropriate baseline for poverty in California is 200% of the federal poverty level (FPL), which is \$47,700 for a family of 4 in 2015 (see Chart A in Attachment A). CETF research found that four California public assistance programs today are at 200% of FPL (or close to it): Low Income Home Energy Assistance Program (LIHEAP) Weatherization (193% of FPL); California Alternative Rates for Energy (CARE) (200% of FPL); CalFresh SNAP (200% of FPL); Family

Electric Rate Assistance Program (FERA) (250% of FPL). (See Charts B, C, D, E and F in Attachment A).

4. Standards for Eligibility Documentation

In its Notice, the Commission proposed requiring Lifeline providers to obtain additional information such as photo identification or a government-issued photograph to verify that the eligibility documentation presented by the consumer is valid.⁷³ A balance should be struck between verifying the identity of the applicant versus placing undue burdens on the applicant given low-income consumers may lack access to copiers or scanners to readily provide required identification information or copies of government-issued identification. Additionally if the person should need to go in person there needs to be easily accessible locations that do not require a potential customer to travel hours on a bus to reach.

Ideally the technology advances in combination with interagency cooperation with the appropriate security measures can enable the national verifier to query other federal low-income programs to verify participation and therefore document eligibility for Lifeline.

⁷³ Broadband Lifeline Notice, at para. 118 at 45.

C. Increasing Competition for Lifeline Consumers

1. Expanding the Universe of Eligible Telecom Carriers

The FCC sought comment on how to increase the number of ETCs in order to have competition among broadband providers and how to reduce ETC burdens, including the ETC designation process and verification of eligibility requirements.⁷⁴ CETF agrees that the ETC obligations under a federal Broadband Lifeline program should be rethought and made less burdensome to encourage as many providers to offer broadband to low-income households. First, the ETC designation process should also be simplified. Second, the existence of a national verifier will reduce existing eligibility verification duties on ETCs which would be helpful to reduce burdens imposed by participation in the program. Third, the universe of available ETCs should be expanded to include not only landline broadband companies, but wireless Internet Service Providers (WISPs), community and muni broadband providers, schools, libraries, and non-profit organizations who provide broadband access to residential households. Any obligation to also provide telephone Lifeline service in the traditional sense should be lifted from these non-traditional broadband providers. The federal broadband Lifeline subsidy should be portable, and applicable to not only “thin” broadband Lifeline plan but also applied towards more robust plans if the household desires it and wishes to pay the extra cost.

State Lifeline Support. The Commission requested specific comment on ways to encourage states to provide an additional subsidy for Lifeline service. CETF agrees that combined state and federal contributions to Lifeline are important to the program because it increases the total benefit available to a low-income household. As discussed at length above, California has a robust state Lifeline program and as a result, our residents enjoy a strong

⁷⁴ Broadband Lifeline Notice, at para. 121-127.

program with multiple providers (about a dozen wireless Lifeline eligible telecommunications carriers in addition to landline telephone companies) and a wide variety of rate plans, including landline telephones and wireless telephones (the latter including wireless data plans). In California, because of the dual federal and state programs, there are currently wireless Lifeline plans that are completely free to the qualifying subscriber. Under typical plans, Lifeline subscribers receive a free wireless smartphone, unlimited voice calls, unlimited messaging (SMS/texting), and a very modest amount of wireless data, typically 200-250 MB of data per month. Information about the California Lifeline program may be obtained at the public website here: <https://www.californialifeline.com/en>

CETF Recommendation 4 is critical to enable many states to set up a state Lifeline for broadband program. States should be authorized by the FCC to implement their own statewide broadband Lifeline program and to resolve broadband Lifeline service complaints about VOIP providers, if they so desire.⁷⁵ The FCC should grant States the authority to collect and distribute funds for state level broadband Lifeline programs that would supplement the federal broadband Lifeline program, and to resolve any complaints about such a state broadband Lifeline program. In addition the Commission should set numeric goals for home broadband penetration that ISPs report quarterly to the FCC by low-income and communities by census block group.

Innovative Services for Low-Income Consumers. CETF encourages the FCC to look at innovative ways to provide broadband to low income households. The experience CETF has had indicates that Wi-Fi hotspots and free public Wi-Fi services serve an important niche for free

⁷⁵ The CPUC requires express delegated authority from the FCC to resolve complaints for interconnected VOIP providers due to California Public Utilities (PU) Code 710(b),⁷⁵ which prohibits the CPUC from exercising jurisdiction over interconnected VOIP services except as required or expressly delegated by federal law or expressly directed to do so by statute.

public access for homeless and very low-income persons to access the Internet through smart phone technology. Wi-Fi hot spots allow those with a low-cost smartphone or tablet device to establish a free email address, make free IP-enabled phone calls, and obtain information from the Internet. It enables them to communicate with loved ones, social services, or potential employers.

CETF supports adding programs that benefit homeless and low-income veterans as qualifying eligibility criteria. CETF has performed work in the workforce development arena on broadband adoption and technology training programs for veterans, and can attest that these programs are valuable to veterans who are readjusting to civilian lives and looking for new skills to make a living. Thus, CETF supports adding programs like the Veterans Pension program run by the U.S. Department of Veterans Affairs to the Lifeline program. Outreach should target veterans' organizations, workforce development agencies, and technology training programs working with veterans.

D. Modernizing and Enhancing the Program

1. TracFone Petition for Rulemaking Regarding Texting

In the Broadband Lifeline Notice, the Commission asked whether it should amend its rules to treat the sending of a text message as usage of Lifeline services.⁷⁶ CETF supports texting as part of the service, thus reversing the FCC's current policy. At this point, consumer behavior shows that texting is very popular and accepted as a way to communicate, particularly among younger generations. Further, we have seen texting is effective during emergency situations as texts can often get through when voice calls fail. As a result, CETF agrees that texting should be

⁷⁶ Broadband Lifeline Notice, paras. 142-146, at 52-53.

a supported service. Already the California Lifeline program allows texting as a supported service, and many wireless ETC providers allow for unlimited texting in the state's Lifeline plans.

2. Subscriber De-enrollment Procedures

The FCC has asked for comment on the proposed rule changes to de-enrollment for lack of use and based on the customer choosing to discontinue the service. The process to disconnect service for all customers has become cumbersome. CETF concurs that Lifeline providers should make the number readily available and on all materials, and ensure there are adequate business hours including early evening and weekends hours that are available to customers. Subscribers should be able to de-enroll from Lifeline services, for any reason without pressure to subscribe to other services or keep the Lifeline service. Furthermore it should be implemented within 24 hours, certainly no more than two days, and the appropriate database (state and/or national) should be notified within 24 hours if not real-time. Subscribers should only have to notify the provider. The national or state verifier should retain information about the eligibility such that the customer need not recertify when moving to another vendor.

F. Efficient Administration of the Program

1. Program Evaluation

CETF strongly supports evaluation as a management process. In order to effective evaluation at any point there need to be agreed upon as elements that will be measured and metrics leading to goals. CETF suggests state Adoption Plans that contain: (1) the number of new broadband subscriptions of low- income subscribers by census block (nested within census block groups and census tracts) and by school (nested within schools districts) for that quarter; (2) the total number of broadband subscriptions by low-income subscribers by census block (nested within

census block groups and census tracts) and by school (nested within school district) since the inception of the broadband Lifeline program, and (3) the number of low-income subscribers who have left the plan (monthly churn rates). The draft Adoption Plans should be publicly available to the public and state commissions, and should be open to public comment and subject to amendment by the FCC before approval. The activities set forth in the Adoption Plans would be funded with a minimum of \$275 allocated per eligible low-income household from an appropriate funding source such as the broadband providers. The FCC should provide clear direction on each Adoption Plan's required content and the acceptable outreach, marketing and advertising activities that the funds may cover.

The FCC should specify the database or sources used each year for the Adoption Plans. CETF recommends using the U.S. Census Bureau American Community Survey for all low-income households. Adoption Plans should identify the number of eligible households by census block, census block groups, and census tract (nested within one another) and by school and school district. *The goals must be based on these identified eligible households.* Funding would be subject to oversight by an independent, third party administrator selected by an open Request for Proposal by the FCC (example, an entity like the Universal Service Administrative Company) in order to ensure transparency of the fund use, grants to experienced CBOs, schools, and libraries for outreach, with documented subscriptions of the target low-income households. Finally, the funds should also provide national public service announcements to effectively market and advertise the new federal broadband Lifeline program to underrepresented communities by a skilled marketing firm chosen after an open Request For Proposal.

Outreach, Advertising and Education. On the digital adoption leg of the stool, outreach, advertising and education on broadband relevance (digital literacy) are all activities that must occur and be funded to help low-income consumers adopt broadband at home. As the FCC has sought to curb waste, abuse and fraud, and improve efficiency and effectiveness in the verification process, it can do the same for outreach, advertising and education. Because the law requiring Lifeline authorizes payments for service only, the FCC should adopt a centralized model that requires all ISPs to contribute some of the cost savings from shifting the administrative eligibility function to the FCC, and a contribution based on the customer acquisition costs to a broadband Adoption Fund at the federal and/or state level.

California has taken exactly this approach for its wired and wireless Telephone Lifeline outreach, advertising and education, for the same reasons it set up a single statewide eligibility verifier as discussed herein at Section H. The key to success is working toward shared goals and coordinated strategies that leverage limited resources. CETF opines that the major effort for outreach, advertising and education needs to focus on broadband at home. This is where low-income consumers need to learn new skills and outlay larger amounts of money to acquire and sustain service. Low-income communities have adopted mobile service in numbers, while not as many devices, yet on par for service per household with middle and higher income communities. Telephone Lifeline for copper-based service subscription is declining and will be converted to broadband in the IP-transition.

VI. Conclusion

For all the reasons set forth above, CETF requests the Commission take swift action to reform the federal Lifeline program to bring affordable broadband to all our residents.

Respectfully submitted,

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