

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

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

**COMMENTS OF THE  
NATIONAL CABLE & TELECOMMUNICATIONS ASSOCIATION**

The National Cable & Telecommunications Association (NCTA) submits these comments in response to the Commission’s request for further comments on proposals to reform the universal service Lifeline program for low-income consumers.<sup>1</sup> NCTA supports the Commission’s goal of reforming the Lifeline program to “promote the availability of modern services for low-income families.”<sup>2</sup> To do so, the Commission should ensure that eligible consumers are afforded maximum flexibility in choosing services that meet their needs, and that service providers are encouraged to participate and offer a wide range of services to Lifeline customers, rather than discouraged from participating in the program through the imposition of onerous requirements.

**INTRODUCTION**

The cable industry has led the way in developing programs to promote broadband adoption. A number of cable operators, including Bright House Networks, Cox Communications, Eagle Communications, Mediacom and Suddenlink, offer discounted

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<sup>1</sup> *Lifeline and Link Up Reform and Modernization*, WC Docket Nos. 11-42, 09-197, and 10-90, Second Further Notice of Proposed Rulemaking, 30 FCC Rcd 7818 (2015) (*2015 Lifeline Reform FNPRM*).

<sup>2</sup> *Id.* at 7825, ¶ 10.

broadband service to low-income consumers through the Connect2Compete program.<sup>3</sup>

Midcontinent Communications offers its own Broadband Lifeline Assistance Program to low-income consumers within its service areas in Minnesota, North Dakota and South Dakota.<sup>4</sup>

Comcast offers its Internet Essentials program, which is the nation's largest and most comprehensive broadband adoption program, offering low-cost high-speed Internet service for \$9.95 a month, the option to purchase an Internet-ready computer for less than \$150, and multiple options to access free digital literacy training in print, online and in person.<sup>5</sup> Since 2011, Comcast's innovative program has connected more than 500,000 families – more than 2 million low-income Americans – to the power of the Internet at home. The Commission should act now to improve low-income Americans' ability to adopt broadband services by reforming the Lifeline program to ensure that consumers have the flexibility that they need when selecting communications services, and that service providers are not discouraged from participating in the program.

## **I. PROVIDE LIFELINE SUBSCRIBERS FLEXIBILITY IN CHOOSING SERVICES**

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Rather than adopting minimum service standards for Lifeline voice and broadband service, the Commission should allow eligible low-income consumers to use their Lifeline discounts on any voice or broadband service or bundle of voice or broadband services offered by any participating service provider, including any programs such as those discussed above that

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<sup>3</sup> *Closing the Digital Divide*, NCTA.com, <https://www.ncta.com/positions/closing-the-digital-divide> (last visited Aug. 31, 2015).

<sup>4</sup> *Id.*; *Broadband Lifeline Assistance*, Midcocomm.com, <https://www.midcocomm.com/Services/Internet/broadband-lifeline-assistance> (last visited Aug. 31, 2015).

<sup>5</sup> *Comcast Extends Internet Essentials, Its High-Speed Internet Adoption Program, To Low-Income Senior Citizens In San Francisco*, Comcast Voices Blog (Aug. 19, 2015), <http://corporate.comcast.com/news-information/news-feed/comcast-extends-internet-essentials-to-low-income-senior-citizens-in-san-francisco>.

providers may offer to low-income consumers. There would be no difference between the services and rates offered to Lifeline customers and those offered to non-Lifeline customers.

As the Commission learned as a result of its Lifeline broadband pilot programs, “[C]onsumers respond well to having a choice of plans. Households have different needs for data speeds, usage amounts, service type and devices. The pilots showed low-income consumers do not all want or need the same products.”<sup>6</sup> Debra Berlyn, chairperson of the Commission’s Consumer Advisory Committee agreed, stating, “Another important measure [of reform] is to allow Lifeline customers to be treated just the same as any other customer in the marketplace, with their benefits delivered directly to them, and allowing the customer to choose the broadband services that best serve their needs. This makes sense in our competitive communications marketplace and provides consumers with additional privacy protections.”<sup>7</sup>

Given this, the Commission should not adopt a one-size-fits-all standard for Lifeline-supported services. Although it is important to focus on ways to educate and encourage non-adopters to use broadband, some low-income consumers may choose to use their Lifeline subsidy only for voice service and they should be allowed to do so. Others may choose to subscribe to a higher-speed broadband service bundle, and this also should be allowed. Allowing Lifeline subscribers to use their subsidy on any service offered by a provider would eliminate the Commission’s concern that, “[u]nlike competitive offerings for non-Lifeline customers, minutes and service plans for Lifeline customers have largely been stagnant.”<sup>8</sup> Under this approach,

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<sup>6</sup> Julie Veach, Chief, Wireline Competition Bureau, *Driving Lifeline Updates With Data*, Official FCC Blog (May 22, 2015), <https://www.fcc.gov/blog/driving-lifeline-updates-data>.

<sup>7</sup> Debra Berlyn, *Modernizing the Lifeline Program Will Benefit Consumers Across the Country*, Morning Consult (July 24, 2015), <http://morningconsult.com/opinions/modernizing-the-lifeline-program-will-benefit-consumers-across-the-country/>.

<sup>8</sup> *2015 Lifeline Reform FNPRM*, 30 FCC Rcd at 7827-28, ¶ 16.

Lifeline subscribers would have access to the same competitive offerings as non-Lifeline customers and would not be limited to choosing “stagnant” service plans.

## **II. ENCOURAGE PROVIDER PARTICIPATION BY REMOVING ENTRY BARRIERS**

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In addition to allowing low-income consumers to use their Lifeline discounts on any available service package, the Commission should ensure that there are many service offerings available for Lifeline subscribers by encouraging broad service provider participation in the program. Robust participation in the Lifeline program by service providers will ensure that customers have a broad range of options and services on which to use their Lifeline subsidy.

### **A. Simplify the Lifeline Service Provider Eligibility Process**

At the current time, only carriers that have been designated as eligible telecommunications carriers (ETCs) by the states or the Commission are able to receive Lifeline support. The Commission noted that it previously determined that “it had the authority to provide Lifeline support to include carriers other than ETCs,” but in 1997 “decided that for administrative convenience and efficiency, it would only provide Lifeline support to ETCs.”<sup>9</sup> However, “The Commission did observe that it would reassess this decision if it appeared Lifeline was not being made available to low-income consumers nationwide.”<sup>10</sup>

As the Commission stated, “[E]vidence in the record indicates that the ETC designation may be an impediment to broader participation in the Lifeline program.”<sup>11</sup> Under the current process, providers must engage in lengthy and often contentious ETC designation processes in each state in which they operate to participate in the Lifeline program. Many service providers have not been willing to go through this expensive and time-consuming use of resources and

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<sup>9</sup> *Id.* at 7867, ¶ 135.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 7866, ¶ 132.

therefore do not currently participate in the Lifeline program. The Commission should remove this barrier to Lifeline participation by reversing its prior decision to limit Lifeline support solely to ETCs and establish a streamlined national eligibility process.

Rather than requiring service providers to go through an onerous ETC designation process, the Commission should allow any service provider that wishes to participate in the Lifeline program to register by filing or updating the FCC Form 498, Service Provider Identification Number and Contact Information Form, similar to service provider participants in the universal service schools and libraries E-rate program.<sup>12</sup> Service providers could then advertise their ability to accept eligible low-income consumers' Lifeline discounts.<sup>13</sup>

**B. Establish a Third-Party to Verify Subscriber Lifeline Eligibility**

The Commission should adopt its proposal to remove the responsibility for determining a subscriber's Lifeline eligibility from the service provider and establish a national third-party verifier to confirm subscriber eligibility. As the Commission correctly concluded, in addition to combating waste, fraud and abuse, “[d]oing so also brings much-needed dignity to the program, [and] reduces administrative burdens on providers, which should help to facilitate greater provider participation and competition for consumers.”<sup>14</sup>

The third-party verifier should be responsible for reviewing subscribers' eligibility forms and documentation and determining their eligibility to receive the Lifeline discount. Consumers should deal directly with the third-party verifier and should not need to provide any of their eligibility documentation to the service provider. The third-party verifier also should coordinate

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<sup>12</sup> To encourage the broadest possible number of service providers to participate, the Commission generally should allow service providers to indicate on the form whether they will participate in the Lifeline program for voice, for broadband, or for both services.

<sup>13</sup> If the Commission establishes some other form of designation process for determining service providers' eligibility to participate in the Lifeline program for broadband, existing ETCs should be grandfathered into any new or streamlined designation process as nationally designated providers.

<sup>14</sup> *2015 Lifeline Reform FNPRM*, 30 FCC Rcd at 7845, ¶ 63.

data from other federal and state databases to compile a database of Lifeline-eligible consumers. Service providers could then query this database after receiving a request from a consumer wishing to use a Lifeline discount.

After a national third-party verifier is established, that entity should be responsible for retaining customers' eligibility documentation; service providers should no longer have a role in or responsibility for reviewing or retaining eligibility documents. Service providers should not have to submit existing Lifeline customers' eligibility documentation to the third-party verifier. Such a process would not only be burdensome on service providers, but would also introduce unnecessary risk to customers' private information by requiring the transfer of extremely sensitive personal information regarding customers' low-income eligibility.

The Commission is correct in noting that “the administrative burden that Lifeline providers face in verifying subscriber eligibility is significant.”<sup>15</sup> Reducing this burden by establishing a national third-party verifier will make it much more likely that service providers will participate in the Lifeline program, increasing options for low-income consumers and increasing the number and quality of services available. The Commission should not eliminate these participation inducements by requiring service providers to pay for part or all of the operations of the national verifier. The national verifier is a cost of the universal service program and universal service funding should be used to pay this cost, just as they are used to pay all other administrative costs of the fund.

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<sup>15</sup> *Id.* at 7852, ¶ 88.

## CONCLUSION

As the Commission has recognized, reforms to the Lifeline program should ensure that low-income consumers not only receive the communications services that they need, but also that they are treated with dignity. Their choices of which voice and broadband services to purchase need not be any different from any non-Lifeline consumer. The Commission should take the steps discussed above to widen both the range of service options available to Lifeline customers, and the number of providers participating in the Lifeline program.

Respectfully submitted,

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