Center on Budget and Policy Priorities
820 First Street, NE, Suite 510 Washington, DC 20002
202-408-1080 Fax: 202-408-1056 center@cbpp.org www.cbpp.org

September 29, 2015

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: *Proposed Rule -- Lifeline and Link Up Reform Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, published July 17, 2015, WC Docket Nos. 11–42, 09–197, 10–90; FCC 15–71*

Dear Ms. Dortch:

Thank you for the opportunity to comment on the proposed Federal Communications Commission (FCC) regulation to improve Lifeline service operations and to expand Lifeline to cover broadband services. We are filing the attached comments in response to those filed by Professor David Super of Georgetown University Law School and others. The Center on Budget and Policy Priorities is a nonpartisan research and policy institute. We pursue federal and state policies designed both to reduce poverty and inequality and to restore fiscal responsibility in equitable and effective ways. We apply our expertise in programs and policies that help low-income people in order to help inform debates and achieve better policy outcomes. Through our work we have developed a deep knowledge of eligibility and enrollment policies and operations in the major federal benefit programs – an area on which the Commission seeks input in this proposed regulation.

The Center on Budget and Policy Priorities strongly supports the proposal to expand Lifeline services to include broadband. The initiative would modernize the FCC's current Lifeline program, which facilitates access to basic telephone services to low-income households, by adding broadband service to facilitate Internet access for participants, among other improvements. *Less than half* of low-income households now have high-speed Internet connections in their homes, despite mounting evidence that such connections are highly beneficial to obtaining jobs and to educational achievement, as well as to accessing health and other services and to making more economical consumer purchases. In combination, the evidence indicates that individuals and households need Internet access to fully participate in modern society.

The "digital divide" means that the wide-ranging and frequently irreplaceable benefits of Internet use are not available to all members of society, particularly people with low incomes. This exacerbates the effects of income inequality. Efforts to close this divide — such as the FCC's initiative — are both necessary and welcome.

In addition, the Commission seeks input on ideas to modernize the Lifeline eligibility and enrollment process. We strongly support the idea of establishing a more centralized approach to eligibility and enrollment by creating a single verifier who would use a consistent eligibility and enrollment (and recertification) process through a single technology platform. This verifier would make it easier for state and federal agencies to collaborate with Lifeline and streamline the enrollment process. Of course, there are several states that already offer eligibility and enrollment services. If a single state agency is willing to continue to offer these services within the performance parameters set by the Commission for the new national verifier, we encourage the Commission to permit them to continue to do so. As the Commission builds out a national verifier platform and process, there will be a need for some flexibility to accommodate differences in what services states already offer and their desire and ability to collaborate with the verifier.

In addition, we offer our thoughts and recommendations to the Commission's many requests for suggestions on how to define and reach the potentially eligible population, how to coordinate enrollment with benefit programs that confer Lifeline eligibility and on the benefit issuance process. Currently the program appears to reach only about a quarter of the roughly 50 million households that are eligible for Lifeline benefits. We estimate that three-quarters of those eligible for Lifeline are enrolled in SNAP and/or Medicaid. Building stronger connections to those programs, as well as the other federal benefits that confer eligibility for Lifeline, could yield significant improvements in Lifeline's participation rates amongst eligible low-income households.

Our comments, which include input from Ty Jones, Lindsey Poole, Dorothy Rosenbaum, Isaac Shapiro, and Zoë Neuberger are attached for your review.

Sincerely,

Stacy Dean
Vice President for Food Assistance Policy

CBPP's Detailed Comments on the FCC's Proposed Rule:
Lifeline and Link Up Reform Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, published July 17, 2015

These comments follow the section and paragraph format of the Commissions proposed rule. We identify the section, paragraph number and specific FCC request for input in **bold** and/or *italics* before providing our comments. We have generally organized the comments according to the order of the proposed rule. In a few cases, we grouped requests from non-sequential paragraphs together because the requests for input or comments were very similar.

Section A: The Establishment of Minimum Service Standards

The Center strongly believes that restructuring Lifeline so that it includes broadband access is essential for low-income households to participate in the economy. As our recent paper, "FCC Broadband Initiative Could Reduce Barriers to Low-Income Americans' Advancement and Promote Opportunity,"[1] concluded:

> *Less than half* of low-income households now have high-speed Internet connections in their homes, despite mounting evidence that such connections are highly beneficial to obtaining jobs and to educational achievement, as well as to accessing health and other services and to making more economical consumer purchases.

In the area of employment, Home Internet use is important in searching for and obtaining jobs. Unemployed people conducting Internet job searches between 2005 and 2008 found work about 25 percent faster than workers with comparable skill levels and other characteristics who did not search online, a study concluded.[2] This marked a change from an earlier study by the same authors using 1998-2001 data, which found no effect.

This shift in results, combined with the increasing popularity of online job search, reflects the Internet's growing importance to job searches. Some 38 percent of unemployed workers searched online for jobs in 2003, up from 14 percent in 1998, a study found. In an indication that workers increasingly perceived online search as valuable, the share of unemployed workers searching online for jobs rose both because of the increase in the share of workers with Internet access as well as because those with access became more likely to search for jobs online. A rising share of already employed workers also used online job searches, evidence that workers increasingly believe that Internet searches can provide a step

[1] See: http://www.cbpp.org/research/poverty-and-inequality/fcc-broadband-initiative-could-reduce-barriers-to-low-income

[2] Peter Kuhn and Hani Mansour, "Is Internet Job Search Still Ineffective?" July 29, 2013, www.econ.ucsb.edu/~pjkuhn/Research%20Papers/NLS_NetSearch.pdf. Published in *The Economic Journal*, December 2014.

up to a better job.[3] Other research has found that as people overcome barriers to Internet use, they conduct job searches online at higher rates than their counterparts who had Internet access all along.[4]

Broadband access at home and Internet skills are also important for job applications, job training,[5] employment scheduling,[6] and job performance. For example, almost half of all users of Comcast's targeted low-income family Internet Essentials service report that their employers expect them to have home Internet access.[7]

2. Minimum Service Standards for Broadband

16. The Commission thus seeks comments on how the Lifeline program can address the "homework gap" issue—the gap between those households with school-age children with home broadband access to complete their school assignments and those low-income households with school-age children without home broadband access. The Commission recognizes that no one program or entity can solve this problem on its own and what is needed is many different organizations, vendors, and communities working together to address this problem. The Commission therefore seeks creative solutions to addressing this gap so that eligible low income students are provided with affordable, reliable, and quality broadband services in order to effectively complete their homework, and have the same opportunity as their classmates to reach their full potential and feel like they are part of the academic conversation.

Broadband access is essential to the educational advancement of low-income households. Homework increasingly demands the use of the Internet; nearly all (94 percent) school districts serving low-income populations reported that at least "some of their teachers assign Internet-based homework," and 27 percent said "more than half of their teachers do so," a 2007 study found.[8] Most high school students need to use the Internet outside of school to complete their homework, a comprehensive new study of high school students found. Among high schoolers, 73 percent "are required to use the Internet to complete homework

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[3] Betsey Stevenson, "The Internet and Job Search," National Bureau of Economic Research Working Paper 13886, March 2008, www.nber.org/papers/w13886.

[4] National Telecommunications and Information Administration (NTIA) & Economics and Statistics Administration (ESA), U.S. Department of Commerce, *Exploring the Digital Nation: America's Emerging Online Experience,* June 2013, http://www.ntia.doc.gov/files/ntia/publications/exploring_the_digital_nation_-_americas_emerging_online_experience.pdf.

[5] *Ibid.*

[6] David Super, "Comment to FCC on Lifeline and Link up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund," August 31, 2015, https://repository.library.georgetown.edu/handle/10822/761538.

[7] John B. Horrigan, "Essentials of Connectivity: Comcast's Internet Essentials Program and a Playbook for Expanding Broadband Adoption and Use in America," research funded by the Comcast Technology Research & Development Fund, March 2014, http://corporate.comcast.com/images/Final_IE_Research_Full_Paper.pdf.

[8] National School Boards Association, "Creating & Connecting: Research and Guidelines on Online Social – and Educational – Networking," July 2007, http://grunwald.com/pdfs/Grunwald_NSBA_Study_Kids_Social_Media.pdf.

outside of school" daily or every few days and another 24 percent have to use the Internet for homework, but less frequently, the study found.[9]

Yet 40 percent of households with school-age children and incomes of under $25,000 lack a high-speed connection at home, the Pew Research Center recently found.[10] This means that a large number of low-income children face significant obstacles to completing their homework. Or, they may have to miss extracurricular activities that enhance college admission to use broadband at a community site, such as the library.[11] These may be particularly serious problems for the rural poor, who may be unable to stay late at school due to bus schedules and who may not have access to libraries or other public access points once they go home.

Questions 17-19: Coordination with the National School Lunch Program (NSLP)

17. …the Commission seeks comment on how best to ensure that low income households that include school children are aware of and have the opportunity to participate in a broadband-focused Lifeline program. As an initial matter, the Commission seeks comments on how best to identify such households.

18. The Commission first seeks comments on data it can use from the schools and libraries universal service support program (the E-rate program) to assist its efforts…How might the Commission use [NSLP eligibility] information to ensure that Lifeline eligible households with school children are aware of the opportunity provided by the Lifeline program? How does the fact that E-rate discount levels are based on the percentage of children eligible for both free and reduced school lunches impact the usefulness of E-rate data for identifying households that are eligible for Lifeline support which is limited to lower-income households?

19. The Commission seeks comments on sources of data that would be useful for identifying Lifeline eligible households with school-age children. How will the movement away from individual NSLP data collection affect the Commission's ability to identify Lifeline eligible households with school children? Are the state databases that directly certify some students' eligibility to participate in NSLP a possible source of information that could help the Commission identify Lifeline eligible households with school children? Are there other non-burdensome methods to identify Lifeline eligible households with students and make sure that those households with school children are aware of the opportunity to receive Lifeline support?

We agree that it is important to ensure that low-income households that include school children are aware of and have the opportunity to participate in a broadband-focused Lifeline program and to determine how to identify such households. In particular, the Commission seeks comments on using data from the E-rate program and the National

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[9] Hispanic Heritage Foundation, myCollegeOptions, and Family Online Safety Institute, "Taking the Pulse of the High School Student Experience in America," April 29, 2015, https://www.fosi.org/documents/142/Taking_the_Pulse_Phase_1_Research_Findings_FINAL.pdf.

[10] John B. Horrigan, "The numbers behind the broadband 'homework gap,'" Pew Research Center, April 20, 2015, http://www.pewresearch.org/fact-tank/2015/04/20/the-numbers-behind-the-broadband-homework-gap/

[11] Kerry Flynn, "Living Without Broadband in 2015: How 55 Million Americans Find Jobs, Study, Watch YouTube," *International Business Times*, June 2, 2015, http://www.ibtimes.com/living-without-broadband-2015-how-55-million-americans-find-jobs-study-watch-youtube-1943615.

School Lunch Program for this purpose. Below we address several of the specific questions on which the Commission seeks comments.

The Commission seeks comment on how best to ensure that low income households that include school children are aware of and have the opportunity to participate in a broadband-focused Lifeline program. As an initial matter, the Commission seeks comments on how best to identify such households.

As we describe in greater detail later in our comments, the most effective way to reach low-income households with school children would be through a stronger and more effective eligibility and enrollment system that leverages data from the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and other benefits.

In addition, schools can be powerful partners to ensure that low-income households with school children are aware of Lifeline services and understand clearly how to apply. Schools, particularly those with high concentrations of poor children, understand the limitations that students face when they do not have Internet access at home. Schools will be more likely to help with this effort if the Commission provides them with specific outreach language or tools that can help connect eligible families to a specific reliable service. Moreover, outreach efforts that take place in schools will be most successful if parents and teachers have confidence that the promised Lifeline services are available and accessible –meaning that the application process can be navigated easily.

To operationalize the role of schools in outreach, the Commission can partner with the Department of Education, the Department of Agriculture, national organizations that represent school districts and their leaders, and education groups to promote the Lifeline program to households that are likely to be eligible.

Eligible families could be informed about how to enroll. In the past, information from free school meal applications has been used to identify eligible households. In schools that continue to collect meal applications, approval notices for free or reduced-price meals can still be used as the basis for enrolling households for Lifeline services. For example, the Commission could work with the Department of Agriculture encourage districts to include on approval notices for free school meals instructions for how to enroll for Lifeline services, using the approval notice as the basis for eligibility. Implementation of the Community Eligibility Provision in thousands of our nation's highest-poverty schools means that data from school meal applications are no longer nearly universally available. Nevertheless, the notice to parents from community eligibility schools that all students will receive meals at no charge could include instructions for how to enroll for Lifeline services using SNAP, Medicaid, or income information as the basis for eligibility.

Alternatively, schools could be partners for more general outreach to potentially eligible households. For example, the Commission could work with the Department of Education to issue a joint letter explaining to school superintendents how low-income students can be enrolled for Lifeline services.

How will the movement away from individual NSLP data collection affect the Commission's ability to identify Lifeline eligible households with school children?

Community eligibility is an option within the National School Lunch and School Breakfast Programs that increases access to school meals in high-poverty schools. Now in its second year of nationwide availability, community eligibility has been implemented by more than 14,000 schools, which serve more than 7 million children. While the school meal programs traditionally used applications to determine which students are eligible for free or reduced price meals, community eligibility uses existing data from programs like SNAP to determine if an entire school is eligible to offer community eligibility and feed all students at no charge. As a result, community eligibility schools no longer collect meal applications.

The Commission first seeks comments on data it can use from the schools and libraries universal service support program (the E-rate program) to assist its efforts.

School meals applications have long been used to determine the poverty level of a school or of individual students, including determining discounts for telecommunications services through the E-rate program. The E-rate program has adopted a policy that allows community eligibility schools to use the data that remains available to them through the school meal programs to measure the poverty level of a school, but in these schools individual children are no longer determined to be low income or not.

In July 2014, the FCC issued new policy guidance regarding how districts apply for E-rate discounts. Under the new policy, all school districts, regardless of whether they adopt community eligibility in any of their schools, determine their E-rate discount for the district as a whole, rather than for individual schools (as under the previous policy). Districts that do not have community eligibility schools divide the number of children who qualify for free and reduced-price meals by the total enrollment of the district to determine the share of low-income students.

Districts where some or all of their schools have implemented community eligibility will determine the number of students who would qualify for free meals automatically even without community eligibility (because they have been identified as low income by another program, such as SNAP, or are considered at risk of hunger) and multiply that by the community eligibility multiplier (currently 1.6). The result is the number of students considered approved for free or reduced-price meals. The 1.6 multiplier reflects analysis showing that for every ten students who would qualify for free meals automatically, roughly six more students come from families that would qualify for free or reduced-price school meals if they completed an application. Once a community eligibility school calculates the number of students considered approved for free meals, the resulting number of students gets added to the students approved for free meals at other schools. The total number of students approved for free meals across all schools in the district gets divided by the total number of students enrolled in the district. The resulting percentage determines the district's E-rate discount percentage.

This policy works well for school districts to calculate their E-rate discounts, but is not an effective data source for determining Lifeline eligible households. Because community eligibility schools use a multiplier to estimate the number of students who would be eligible for free or reduced-price meals if the school collected applications, not all low-income students are identified individually. Thus E-rate data is not a useful mechanism for identifying households that are eligible for Lifeline services in districts with community eligibility schools.

The absence of school meal application data and the inapplicability of the data available through the E-rate program underscore the importance of using schools as a fallback, but not the primary method, of identifying which individual students qualify for Lifeline services.

Are the state databases that directly certify some students' eligibility to participate in NSLP a possible source of information that could help the Commission identify Lifeline eligible households with school children?

Using direct certification databases to identify households eligible for Lifeline services does not offer an improvement on our proposed approach of using SNAP data directly. While school districts are federally mandated to use data matching to automatically enroll children in households receiving SNAP benefits for free school meals, some children are inadvertently missed in this process. Even though some states include data from the Temporary Assistance for Needy Families cash assistance program in their data matching, the small numbers of additional children who could be identified as a result is outweighed by the complexity of drawing on this additional data source.

States are required under federal law to directly certify at least 95 percent of school-age children in households receiving SNAP benefits, but only 12 states met that benchmark for the 2013-2014 school year, the most recent year for which data are available. Therefore using SNAP data directly would more effectively identify school-age children whose households qualify for Lifeline services.

In addition, direct certification only captures a share of the children who qualify for free meals. Limiting eligibility to this group of students would miss school-age children whose families would meet the household income requirements for Lifeline support.

How might the Commission use [NSLP eligibility] information to ensure that Lifeline eligible households with school children are aware of the opportunity provided by the Lifeline program?

Over time, the number of schools adopting community eligibility is likely to grow, as eligible districts become familiar with this relatively new option. Thus, many of our nation's highest-poverty schools will no longer be able to use school meals data to identify households eligible for Lifeline services. Thus schools are not well suited to be the primary mechanism to identify households eligible for Lifeline services. The low-income students attending those schools can be identified through the other methods we recommend. Schools, however, including community eligibility schools, can be important partners to make sure eligible households with school children are aware of the Lifeline program. As described above, developing specific language for school meal notices and working with the Department of Education, school districts, and education groups to promote awareness of the Lifeline program are promising strategies.

21. Health Care. The Commission seeks comment on additional broadband health care related initiatives that can significantly improve the health outcomes for low-income consumers.

Broadband access is vital to the health care of low-income households. "Broadband provides consumers the ability to research health issues, obtain and share their personal health information with third parties, and to communicate with doctors, including specialists who may work in a different city," a recent Government Accountability Office (GAO) study found.[12] Access to high-speed Internet service also affects individuals' ability to use telemedicine, where patients can connect with health professionals remotely. It is critical that as the use of telemedicine and other health information technologies continues to grow, low-income consumers are not left behind because of economic barriers.[13] Telemedicine and using the Internet to research health issues may also reduce health costs.

Low-income households can better navigate the health care system using the Internet. Health insurance often includes co-payments and other devices designed to reduce use of services, and low-income patients in particular forgo necessary health care disproportionately in response to such cost-sharing. Studies by RAND and others have shown that patients often do not make the best choices when curbing their use of health care in response to cost-sharing; for instance, RAND has found that they are just as likely to reduce their use of effective care as of less-effective care.[14] But Internet access can help patients make better-informed choices about what care to seek. It also can help patients and family members recognize early warning signs of conditions that benefit from early treatment.

22. Individuals with Disabilities. The Commission seeks comment on how to ensure the benefits of broadband reach low-income individuals with disabilities. For example, are there unique outreach efforts or eligibility initiatives targeted towards individuals with disabilities that ensure the benefits of broadband are utilized by this community? Additionally, the Commission seeks comment on any data showing the use, benefits, and penetration of broadband for individuals with disabilities so that the Commission may identify trends across different types of communities and regions, particularly those that serve individuals with disabilities.

One potentially overlooked benefit of broadband to individuals with disabilities is that assistive devices so critical to their daily life may not always be available in brick-and-mortar stores. Being able to obtain these items online can have a large impact on their quality of life. It also can extend the duration of time that people with disabilities can remain in their home or community.

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[12] Government Accountability Office, "Broadband: Intended Outcomes and Effectiveness of Efforts to Address Adoption Barriers Are Unclear," 2015, http://www.gao.gov/assets/680/670588.pdf.

[13] Consumer Partnership for eHealth, "Leveraging meaningful use of Electronic Health Records to reduce health disparities," October 2013, http://nationalpartnership.org/research-library/health-care/HIT/leveraging-meaningful-use-to.pdf.

[14] RAND Health, "The Health Insurance Experiment: A Classic RAND Study Speaks to the Current Health Care Reform Debate," 2006, http://www.rand.org/content/dam/rand/pubs/research_briefs/2006/RAND_RB9174.pdf

Broadband access can also help individuals with disabilities apply for government benefits without having to travel to local offices. For instance, one can apply online for SNAP food assistance in 42 states. And, enrollment systems for health coverage through the federal and state marketplaces is premised upon the primary means of enrollment being through a web portal.

We also strongly encourage the Commission to collaborate with the Social Security Administration (SSA) to promote Lifeline services to participants in the Supplemental Security Income Program, and the Medicare Part D Low-income Drug Subsidy, many of whom are disabled. In addition, the Social Security Disability Insurance program includes beneficiaries who are low income and would qualify for Lifeline Services based on their income. SSA could be an important partner in reaching this eligible population. Below we recommend the Commission add the Medicare Part D Low-income Subsidy to the list of programs that confer Lifeline eligibility.

The Commission may also wish to partner with organizations that focus on connecting low-income people to the benefits and services for which they are eligible. For example, the Benefits Data Trust works to improve the efficiency of benefits enrollment for low-income people by using data-driven strategies and a person-centered approach to target and streamline the outreach and application assistance process. Their organization typically partners with states or federal programs to identify likely eligible but unenrolled individuals. They then do outreach to those individuals and provide intensive support through the application process. They have undertaken projects focused on low-income individuals with disabilities and would likely have significant expertise to share with the Commission on how to reach this population.

3. Service Levels

28. …The Commission seeks comment on this proposal [to establish minimum service levels for fixed and mobile voice and broadband service that Lifeline providers must offer to all Lifeline customers in order to be eligible to receive Lifeline reimbursement].

CBPP does not have technical expertise in the area of phone, mobile phone, or broadband service levels. We cannot make recommendations that respond to the detailed questions in this section of the proposed rule. Nevertheless, we wish to express our support for expanded service. To accommodate both increased and varying technology access needs, we recommend Lifeline consider offering the following services:

- Continue offering voice service subsidy (for landlines and/or mobile phones).
    - Allow for more than one subscription per household for mobile phones, given the norm for each person rather than each household to possess and

use a mobile phone.[15] For example, two adults in the same household may be employed or seeking employment at the same time. The Commission would likely need to tie additional phone service to those who have need for the extra service, such as job seekers, seniors, and students.

- Add broadband service, paired with modem supply and installation.
  - We urge the Commission to consider providing an add-on service of wireless router supply and installation as well for households that request it; this is especially crucial for access to broadband by students who may be borrowing Wi-Fi capable laptops or tablets from schools and other initiatives working to close the "homework gap," an issue noted by the FCC in the proposed rule. We urge the Commission to consider providing a wireless (mobile) data service subsidy in lieu of wireline (home) broadband service if the household prefers such an approach.
- Allow for a consumer or their household any combination of the above.

Consumers have different capacity and needs, so this approach would allow consumers to choose the kinds of technology access that matches their needs and existing resources. Not all households have a computer, and broadband service might be achieved via smartphone or tablet. The proposed addition of broadband service could be configured to support those devices. While this expanded list of Lifeline services would require more program funding, all of the aforementioned services are critical for access to information and resources that meets individuals' needs. For the Commission to have its intended impact, it must consider the various ways that households may elect to utilize the new service.

d. Support Level

46. The Commission tentatively concludes that it should set a permanent support amount of $9.25, and seeks comment on this tentative conclusion.

CBPP does not have expertise on what specific level of support is appropriate for Lifeline. We agree with Professor David Super's comments that the Commission should index the Lifeline benefit amount to some measure of inflation so that the real value of the benefit stays high enough to support an acceptable service level.[16] As Super points out, failing to index the benefit would degrade the benefit over time to a level that would only provide a benefit that the Commission would never embrace directly.

The Commission should build an automatic inflation adjustment, on an annual or bi-annual basis into its basic program design. This is a very typical feature of major entitlement programs. For example, the value of the individual benefits in the federal school meals

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[15] http://www.pewinternet.org/2015/04/01/chapter-one-a-portrait-of-smartphone-ownership/. 64% of all American adults own a smartphone. 50% of American adults with a household income under $30,000 a year own a smartphone.

[16] Comments of Professor David Super on the Second Further Notice of Proposed Rulemaking, page 17, submitted on August 31, 2015.

program and SNAP are adjusted each year to reflect food inflation. When calculating their eligibility for SNAP, households deduct certain expenses in order to determine their disposable income available to purchase food. Capped deductions are also adjusted each year (using elements of the Consumer Price Index that most reflect the relevant costs) to reflect inflation. This ensures that the value of the benefit keeps pace with inflation and maintains its value.

Leaving inflation adjustments to the rulemaking process is highly unlikely to result in consistent adjustments. Adjustments this small would likely be a relatively lower priority than other Commission concerns in any given year, which would result in the erosion of the value of the benefit over time. SNAP's quality control tolerance level (the amount by which a monthly benefit can be incorrect and not trigger an error finding in the audit process) was established at $5 in regulation and left to the Secretary's discretion to increase. The level went decades without being adjusted.

The Consumer Price Index appears to have several indices for telephone and mobile phone service as well as broadband. We assume that the Commission also tracks prices of these services and may be able to offer its own index. We encourage the Commission to use the best available index and not wait for a perfect index that may not yet exist.

Cost-Sharing

While the Commission did not propose establishing cost sharing in its questions around the support level, we felt it was important to respond to this idea. We strongly oppose efforts to impose cost sharing on Lifeline consumers. We concur with Professor Super that such a shift in policy would dramatically dampen low –income households' ability to participate in Lifeline. Evidence shows that even modest nominal charges represent an important barrier to participation for low-income people:

- In Medicaid, co-pays reduce doctors' visits and medication adherence. In what is considered the definitive study on the impact of cost-sharing on the use of medical care, copayments reduced episodes of care for everyone, especially low-income patients. Low-income adults reduced episodes of effective care by 41% when faced with copayments, compared with only a 29% reduction in episodes of effective care for adults who were not low-income. The same study found that premiums reduce enrollment.[17] If cost-sharing can impact participation in something as essential health care, the effect on internet adoption would likely be even larger.
- In the late 1960's and early 1970's, SNAP (then called the Food Stamp Program) included a purchase or co-pay requirement. Households had to put up some funding in order to receive a much larger amount in benefits. The purchase requirement was universally understood to play a significant barrier on participation. When the

[17] RAND Health, "The Health Insurance Experiment: A Classic RAND Study Speaks to the Current Health Care Reform Debate," 2006, http://www.rand.org/content/dam/rand/pubs/research_briefs/2006/RAND_RB9174.pdf

purchase requirement was eliminated from the Food stamp program in the 1970's, participation increased tremendously, growing 1.5 million in the first month alone.[18]

- In the Lifeline program itself, participation grew extensively after 2008[19], once the benefit could be applied to cellular service, which could be entirely covered by the benefit, instead of partially subsidized as land lines are.

Small co-pays could also represent larger amounts when transaction costs are included. A much higher proportion of low-income people are unbanked than the proportion of middle- and upper-income people that are unbanked. While 27.7% of households who earn less than $15,000 annually are unbanked, just 5.1% of those who earn between $30,000 and $50,000 are unbanked.[20] Added costs, such as transportation costs to pay the fee in cash or the costs associated with buying a money order, required to pay a nominal fee may represent a barrier, apart from or in addition to the cost itself.

Co-pays would also increase costs for Lifeline providers. The cost of collecting such small fees from consumers could be prohibitively high, particularly if unbanked consumers pay in cash delivered in-person.

e. Managing Program Finances

50. Seeks comments on a budget for Lifeline
51. What should the amount of the budget be calculated from (e.g. current participation)?
52. Seeks comment on how to forecast demand

We encourage the Commission to estimate a budget for the program just as other agencies make estimates for entitlements or mandatory programs – that is, open-ended programs that do not receive a specific dollar appropriation from Congress. Agencies project spending for mandatory programs based on relevant information, including estimates of potential beneficiaries and the cost of providing the benefit. These projections are affected by the underlying economic assumptions used in the budget, such as the projected GDP growth rate, inflation, and unemployment rate, as well as potentially by a range of other factors specific to each program. Typically, OMB provides these assumptions to the agencies in late November so that the individual programs may develop baseline estimates for the President's budget which is issued in early February. The assumptions are fed into models that the agencies have built to project program spending. These models have the benefit of many years of past program performance relative to other factors in the economy

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[18] U.S. Department of Agriculture, Food and Nutrition Service, Supplemental Nutrition Assistance Program. 2014. "A Short History of SNAP." Available at http://www.fns.usda.gov/snap/short-history-snap. Last accessed 15 September 2015; U.S. Department of Agriculture, Economic Research Service. 1999. "The Food Stamp Program." The Changing Food Assistance Landscape: The Food Stamp Program in a Post-Welfare Reform Environment. Agricultural Economic Report No. 773. Pp. 2-6. Available at http://www.ers.usda.gov/media/1774214/aer773b.pdf.

[19] Federal-State Joint Board on Universal Service, Federal Communications Commission. 2012. Universal Service Monitoring Report. Table 2.1. Available at https://apps.fcc.gov/edocs_public/attachmatch/DOC-319744A1.pdf.

[20] Federal Deposit Insurance Corporation. 2014. 2013 FDIC National Survey of Unbanked and Underbanked Households. Available at https://www.economicinclusion.gov/surveys/2013household/documents/2013_FDIC_Unbanked_HH_Survey_Report.pdf.

such as poverty, unemployment and core program costs (food or health care). Agencies typically update these estimates of program costs throughout the year, with an official update in the President's mid-session review, as new information becomes available.

An estimating challenge for the modernized Lifeline program and expanded broadband services, particularly during the initial phase of the program, will be the take-up rate by eligible beneficiaries. Nevertheless, the Commission could work with academics or professional forecasters to use historic enrollment by state to seek to identify key predictors of participation, such as poverty, connections to other programs, a single state Lifeline verifier vs. provider enrollment programs or the cost of commercial mobile service. These factors could help inform what key variables are major drivers of Lifeline participation.

The Commission notes that the Lifeline program is month-to-month, and that they want "to avoid a situation where the Commission would be forced to suddenly halt support for individuals that otherwise meet the eligibility requirements." We would encourage the Commission to ensure that they raise sufficient revenues early in the expanded Lifeline program to establish a healthy contingency fund to use in case expenditures exceed available revenues.

By contrast, we do not support establishing a cap on Lifeline services. The Commission is just beginning to embark on a focused multi-year effort to expand Lifeline benefits and to modernize the eligibility and enrollment system with one goal being to reach more eligible people. Capping the program at this point would be premature and would undermine the Commission's efforts. The Commission did not produce evidence to suggest that the program would necessarily grow faster than the Commission will project or could sustain. Moreover, a cap would almost certainly send a signal to providers, the national verifier and other community groups that connect eligible people to Lifeline that they ought not exceed the cap for fear of exceeding the cap and generating waitlists for the service. If Lifeline enrollment and costs grow beyond what is expected, the Commission will have the opportunity to reassess how best to address the issue, including raising revenue, curbing eligibility or limiting benefits.

e. Transition

53. If the Commission adopts the proposal to eliminate the provider from determining whether a consumer is eligible for Lifeline, as discussed, the Commission seeks comments in particular on the appropriate transition to ensure that the Lifeline program has sufficient protections against waste, fraud and abuse. For example, should the Commission have a transition where the providers continue determining eligibility while the third-party process is being established and, if so, how long should there be an overlap to ensure that the third-party process is working as intended? For each of the possible program changes discussed in this document, the Commission seeks comments on whether a transition is necessary and, if so, how to structure any such transition to minimize fraud and protect the integrity of the program while maximizing the value and benefits to consumers.

54. The Commission seeks comments on specific paths to transition that would minimize the impact on both consumers and Lifeline providers.

We recommend that the Commission set up a timeline and process for transitioning from the current Lifeline eligibility and enrollment process to the new system. If for, example, the Commission plans to use a third-party eligibility verifier, the verifier would need time to procure or build the technology and services for such a process, test the technology and business process in a few states, incorporate learning and address systems issues, and then develop a national rollout plan. This process would likely take several years but would be well worth it. Such an effort would also ensure that customers, providers, state agencies, and other partners would have the ability to provide input on the plan and the information necessary to inform their own business decisions. Such a process would also be more predictable from a budgetary and management resource perspective. The Commission could consider different options for the transition such as the verifier taking all new applications and slowly absorbing renewals referred from the providers.

B. Third-Party Eligibility Determination

57. The Commission seeks comment on the costs and benefits of each approach for third-party eligibility including the costs to providers, the universal service fund, and the costs and timeframe to transition to an alternative mechanism. In particular, the Commission seeks comment on leveraging eligibility and oversight procedures that already exist within other benefit programs rather than recreating another mechanism just for Lifeline. The Commission also seeks comment on whether to provide eligible consumers with a portable benefit, provided by the third-party verifying eligibility, which they could use with any Lifeline provider.

1. National Lifeline Eligibility Verifier.

58. In this section, the Commission seeks comment on whether the Commission should establish a national Lifeline eligibility verifier (national verifier) to make eligibility determinations and perform other functions related to the Lifeline program.

We strongly recommend that the Commission pursue a single national eligibility verifier with some flexibility in how it operates in each state. A national Lifeline eligibility verifier, or in the alternative, a single eligibility verifier in states where there is no single state Lifeline agency, to make eligibility determinations is an efficient and effective method to facilitate coordinated enrollment into Lifeline for consumers. A single entity would meet the Commission's goal of streamlining the Lifeline eligibility enrollment process to increase access, reduce costs and improve program integrity for consumers and providers.

A single entity has several advantages for consumers:

- A clear point of contact for applicants and participants. Consumers would apply and renew for Lifeline services through a single point of contact. This would dramatically increase transparency about the program, its benefits, and consumer responsibilities.
- Consistency in program operations. A single entity could use the same online application portal supported by a call center. The application process, including customer service and adherence to requirements could be standardized. This would likely increase accuracy, eliminate unnecessary administrative actions, and reduce transaction costs for the program's low-income clientele.

- Low-income consumers would only have to share their personal information with one entity. Here we agree with the comments of the Low-Income Consumer Groups that "moving the enrollment and re-certification of eligibility functions away from private companies to a single agent is both more appropriate for the administration of a low-income program and is more protective of consumer privacy."[21] Since there are hundreds of ETC (Eligible Telecommunications Carriers), having one entity adds a layer of protection to consumers' personal information since they would only have to share it with one entity and not multiple ones, especially when the consumer chooses to change providers.

- A single verifier would remove the conflict of interest for providers. Providers seeking Lifeline enrollees may discourage robust assessments of eligibility. Moreover, the current arrangement discourages consumer choice. An ETC has an incentive to enroll a customer and represent that the service can only be used with their company. This likely discourages the consumer's ability to shop around for the best deal.

A single entity is also beneficial for the ETCs:

- It will reduce burdens on the ETCs, which would allow them to focus on outreach and application assistance. This view is supported by Comcast, a current ETC, which states in its comments that "the current requirement for Lifeline providers to verify the eligibility of prospective Lifeline customers deters provider participation because it is costly and burdensome."22 In addition to providing the service and marketing to potential consumers, some ETCs also process applications, determine eligibility, and conduct verifications. Eliminating the requirement that the ETCs conduct eligibility and verification determinations could allow more companies to participate in Lifeline.

- It will also provide the ETCs with a single entity for Lifeline interactions. For the same reasons that it would benefit consumers, having one entity to deal with and refer all potential Lifeline participants to is a simple process that allows ETCs to focus on providing the best services for consumers.

- As mentioned above, both providers and consumer protection groups agree that provider involvement in the eligibility verification process increases the potential for fraud since providers are able to enroll and receive reimbursement for ineligible customers.23 A single entity that is not tied to a particular provider would eliminate this problem.

In addition to providing a simpler interaction for consumers and ETCs, a single entity would also make it easier for state and federal agencies that operate Lifeline qualifying programs, such as SNAP, Medicaid, and SSI, to cooperate and partner with the Lifeline program. Currently, in states where there are multiple ETCs, a state agency that wishes to streamline enrollment with a qualifying program or wants to allow access to their eligibility database to determine eligibility would have to work with numerous ETCs. This makes an

[21] Opening Comments on the Second Further Notice of Proposed Rulemaking By the Low-Income Consumer Groups, page 10, submitted on August 31, 2015.
[22] Comments of Comcast Corporation on the Second Further Notice of Proposed Rulemaking, page 8, submitted on August 31, 2015.
[23] Provided comments by both Comcast (p. 8) and Low-Income Consumer Groups (p. 10).

otherwise simple transaction so complex that some state agencies may choose not to participate. For example, there are 33 Lifeline carriers in Maine, so Maine's Department of Health and Human Services would potentially have to allow 33 different carriers access to their database looking for the same information.[24] Each program must establish a memorandum of understanding with each ETC and well as build an electronic connection with each ETC (that may each have different technology platforms). The administrative burden of undertaking and maintaining such a match has likely reduced many states' interest in cooperating with the Lifeline program.

There several additional benefits of a single verifier:

- A single entity, or at least a single entry point via an online portal, call center, or unified application, could help with Lifeline outreach. If the public perceives Lifeline administration as a single organization, it will reduce confusion about where and how to apply. It's much easier to promote a program with a uniform application process than a program where consumers have to find providers that offer it via different application procedures. In addition to the ETCs that have an incentive to advertise and promote Lifeline, the national (or state) verifier would also be able to promote Lifeline. The verifier could provide outreach materials for state agencies that administer the qualifying public assistance programs as part of an arrangement between the national (or state) verifier and the state agency.
- A single entity would likely improve program integrity. With the implementation of the duplicates database, the Commission has made tremendous progress in eliminating fraud in the program. A national verifier can build upon the progress that already has been made. By concentrating the eligibility function with a national verifier and a few state Lifeline agencies, the Commission would have more transparency and control over the eligibility and enrollment process. The Commission could audit the accuracy of the eligibility determinations and more easily promote best practices to reduce errors. Moreover, under the national verifier model, Lifeline would take aggressive steps to import the robust eligibility decisions made in Lifeline qualifying benefit programs. This would necessarily improve accuracy.

If a state has created its own single entity for Lifeline eligibility verification that works and is a sufficient alternative to the national verifier, we recommend that the state be able to continue with that method so long as they check for dual enrollment in the national database. The Commission has noted the success of state Lifeline agencies. If these agencies are able to perform and states finance their administration, there is no reason to replace them. Moreover, it will take several years to implement a national verifier. Maintaining strong state Lifeline agencies is a sound approach during the transfer. Such entities could share their expertise with the verifier.

59. The Commission proposes that a national verifier would, at a minimum, review consumers' proof of eligibility and certification forms, and be responsible for determining prospective subscribers' eligibility. The

[24] According to USAC there are 33 Lifeline carriers in Maine. From USAC's website, *Companies in My State*. Available at http://www.lifelinesupport.org/ls/companies/companies.aspc.

Commission seeks comment on the scope of this core function and other potential responsibilities associated with determining eligibility that the administrator could undertake.

We recommend that the Commission work with a vendor (private or non-profit) to create a uniform application and recertification process and build a technology platform to support it. State agencies that operate Lifeline eligibility and reenrollment processes could continue to do so. In states that use the national verifier, there would be a uniform entry point that's available via the web, telephone, and on paper. The verifier would accept applications and processes them. The verifier would also build relationships with qualifying Lifeline programs so that it could validate program enrollment electronically (as states like Maryland currently do). The verifier could also accept applications generated by state agencies operating qualifying programs. ETCs could assist applicants in preparing and submitting applications. They, however, would no longer make determinations of eligibility. The verifier would not need to be the same organization as the vendor who builds the system to support the eligibility and enrollment process. The verifier, for example, might elect to procure such a system from another vendor.

We believe this approach would be more efficient and effective for applicants, participants, ETCs, and the Lifeline program. Certainly, it would result in improved access to the program. And, with a more uniform approach to eligibility, the program's overall accuracy and integrity would also increase.

To explain how this process would work it is best to walk through the Lifeline application process under a model where there is a national verifier and/or state verifier. Additional models will be illustrated later on.

1. An applicant completes and submits an application for Lifeline benefits. If s/he applies online, the application would provide the applicant the ability to upload copies of required verifications, including proof of program participation and income documents. We also recommend that the application provide the individual with the ability to provide, at their option, their qualifying benefit program case number on the application. (This allows for an easier match with the state agency.) On that application, no matter where the consumer lives in the state, the application would be submitted to the national verifier electronically, by mail, or over the telephone. Eligibility rules that apply in that state will apply to that applicant.

2. When the verifier receives the application from the consumer they will register the application, which requires them to check the consumer's name against the National Lifeline Accountability Database (NLAD) (that either the verifier operates itself or queries the Commission-operated NLAD) to determine if the individual is already receiving Lifeline benefits.

3. If the consumer already receives Lifeline services they are denied. If the consumer is not present in the Lifeline database, the verifier will then check for enrollment in Medicaid, SNAP, SSI, or any other program for which they can confirm eligibility electronically. This will vary by state for state administered programs and by program for federally administered programs. (Note, HUD can likely verify enrollment for federal housing programs.)

Early in the rollout of this process, it may only be possible to build connections with a few programs. We recommend, as we discuss later in the comments, that the verifier focus on Medicaid, SNAP, and federal programs because those are the largest public assistance programs with the most participants. It also limits the number of agreements and partnerships the verifier needs to establish in its early days. Moreover, some electronic verifications simply do not make sense to pursue. To illustrate, if the verifier were to establish an agreement with each of the entities that administer the qualifying public assistance programs to check enrollment information, this could literally be thousands of entities – there are over 13,000 school districts in the United States.

Continuing with the model, the verification of the consumer's enrollment in Medicaid, SNAP, and/or SSI can occur in several ways that range from very manual to fully automated processes. For example:

a. A client can provide paper documentation (which they attached to an electronic application) of their enrollment in qualifying benefit program.
b. Provider staff may also have the ability to verify enrollment directly with the benefiting program through several means.

    - Provider staff can call the qualifying program and hope to reach staff there who will verify a Lifeline applicants' enrollment in the qualifying program.
    - Benefiting programs may offer a more automated means to verifying enrollment. State agencies, at their option, could allow the national verifier to have look-up authority of an individual's enrollment in a qualifying public assistance program. One method that benefit programs use now is an interactive automated phone system where organizations with special access can verify an individual's enrollment if they know the individual's case number for the qualifying programs. Another approach is the same model but via a web portal.

These approaches are acceptable but not the most efficient because they require a person to do the physical look up for each applicant. Many state agencies give health providers or WIC clinics this kind of "provider" access to their systems to look up whether clients they are serving have Medicaid coverage.

Some state agencies currently operate portals that are used by either providers or other third-party entities to check an individual's eligibility for certain public assistance programs. This is an example from Utah that allows WIC agencies to check a participant's enrollment in Medicaid to provide adjunctive eligibility to the individual. The portal used by the national verifier could be similar.

According to comments submitted by USDA's Food and Nutrition Service (FNS) to FCC on the proposed rule, a joint letter between FNS and FCC states that under Section 11(e)(8)(A) of the Food and Nutrition Act, SNAP State agencies may disclose certain SNAP recipient information to persons directly connected with the administration or enforcement of Lifeline for the purpose of verifying whether an applicant consumer qualifies for Lifeline. "SNAP further clarified that the sharing of data is limited to a "yes/no response to the ETC stating whether the applicant consumer is in fact receiving SNAP benefits."[25] This type of yes/no response is what can be shown on the screen in the portal.

Medicaid provides a similar flexibility when sharing enrollment data for the purpose of supporting other federal benefits programs (45 CFR 164.512(k)(6)(ii)). The regulations state that "A covered entity that is a government agency administering a government benefit program providing public benefits [i.e. Medicaid] may disclose protected health information relating to the program to another covered entity that is a government agency administering a government program providing public benefits [i.e. SNAP] if the programs serve the same or similar populations and the disclosure of protected health information is necessary to coordinate the covered functions of such programs or to improve administration and management relating to the covered functions of such programs."

The Medicaid Privacy Rule allows covered entities to disclose protected health information to "business associates" if the covered entity obtains satisfactory assurances that the business associate will use the information only for the purposes for which it was engaged by the covered entity, will safeguard the information from misuse, and will help the covered entity comply with some of the covered entity's duties under the Privacy Rule. (45 CFR 164.502(e), 164.504(e), 164.532(d) and (e))

c. A highly preferable approach would be to establish an electronic check that is driven directly off of the online application. If the verifier could undertake such an approach in "real time" via an online or telephone application, it would not need to ask applicants for any additional questions on the application. Moreover, it would avoid having to ask applicants for whom they cannot verify program enrollment for additional paperwork (which adds another step to the application process.) Even if the match occurred after the application were submitted, an electronic automated match will dramatically reduce the need for the verifier to take additional steps to verify eligibility.

[25] Comments of the Food and Nutrition Service on the Second Further Notice of Proposed Rulemaking, page 4, submitted on August 31, 2015.

d. A third option is for the national verifier to use the national database that includes the name, date of birth, and address of individuals enrolled in one of the public assistance programs in some states. The Administration for Children and Families maintains such a database. It is called the Public Assistance Reporting Information System (PARIS).[26] State agencies that administer the public assistance programs submit their enrollment list to the national database weekly, monthly, or quarterly. PARIS is a suboptimal solution on a national basis. It is voluntary and only 16 states and the District of Columbia currently participate.[27] Nevertheless, it could prove fruitful as a verification of eligibility tool for participants who live in the states that do participate.

It is important to note that without federal legislation, the Commission cannot require state or federal agencies to cooperate with a national verifier to provide program enrollment verification. Nevertheless, we believe that many SNAP and Medicaid agencies would do so. We discuss this issue later in the comments.

4. If the verifier electronically confirms that the applicant (or a household member) is enrolled in one of the programs that confer Lifeline eligibility, the applicant is found eligible. The verifier would then activate an authorization code and releases the code to the applicant. The verifier will maintain a record of the authorization code in case the Lifeline provider contacts the verifier seeking the authorization code to setup the Lifeline services. This can help with the issue that was raised by Professor David Super on page 11 of his comments to the FCC,[28] where a consumer may misplace their authorization code.

   We will discuss the details of the advantages of the PIN system in our response to Transferring Lifeline Benefits Directly to the Consumer, where the Commission requests information about the use of an alternative to a physical card and the pros and cons of such an approach. We agree with Professor Super's assertion that borrowing the Electronic Benefit Transfer (EBT) technology of SNAP and other programs is unlikely to help here.[29] An authorization code or Personal Identification Number (PIN) much like the one proposed by AT&T in 2011[30] is a more appropriate mechanism to transfer the Lifeline benefit directly to the consumer, not an Electronic Benefit Transfer (EBT) card.

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[26] The Public Assistance Reporting Information System (PARIS) is a federal-state partnership that insures the integrity of public assistance programs through detecting and deterring improper payments. PARIS works with all 50 states, the District of Columbia and Puerto Rico to assist them in maintaining the honorable intentions of public programs. Information on PARIS is available here: http://www.acf.hhs.gov/programs/paris.

[27] http://www.acf.hhs.gov/programs/paris/reports

[28] Comments of Professor David Super on the Second Further Notice of Proposed Rulemaking, page 11, submitted on August 31, 2015.

[29] *Ibid* page 11.

[30] AT&T, WC Docket No. 11-42, at 11-12 (filed Apr. 21, 2011). Available at http://apps.fcc.gov/ecfs/comment/view?id=6016378056. Last accessed on 7 August 2015.

5. If the verifier cannot electronically confirm an applicant's enrollment in one of the benefit programs that confer Lifeline eligibility, the applicant may provide paper documentation of such enrollment. For example, a family that participates in the National School Lunch Program (NSLP) could use the letter they received from the school district stating that the children were eligible for free or reduced-price meals, individuals receiving public housing or Section 8 assistance could submit the letter from the housing authority stating their enrollment. Some state health and human services agencies have built a function into their client online benefit management system that allows clients to print out a statement confirming enrollment. (This is helpful when Medicaid participants need health services but do not have their Medicaid card.) The applicant could submit this verification to the verifier in a variety of ways. One way would be to take a picture of the verification and email to the verifier, but it could be scanned, faxed, mailed, or taken into an office (if one exists). If an individual were applying via a call center, the Lifeline call center might be able to accept verbal confirmation from a call to the program provider.

   If the individual provides non-electronic verification that they are enrolled in one of the other qualifying programs, they are deemed eligible and then the verifier activates an authorization code and releases it to the applicant.

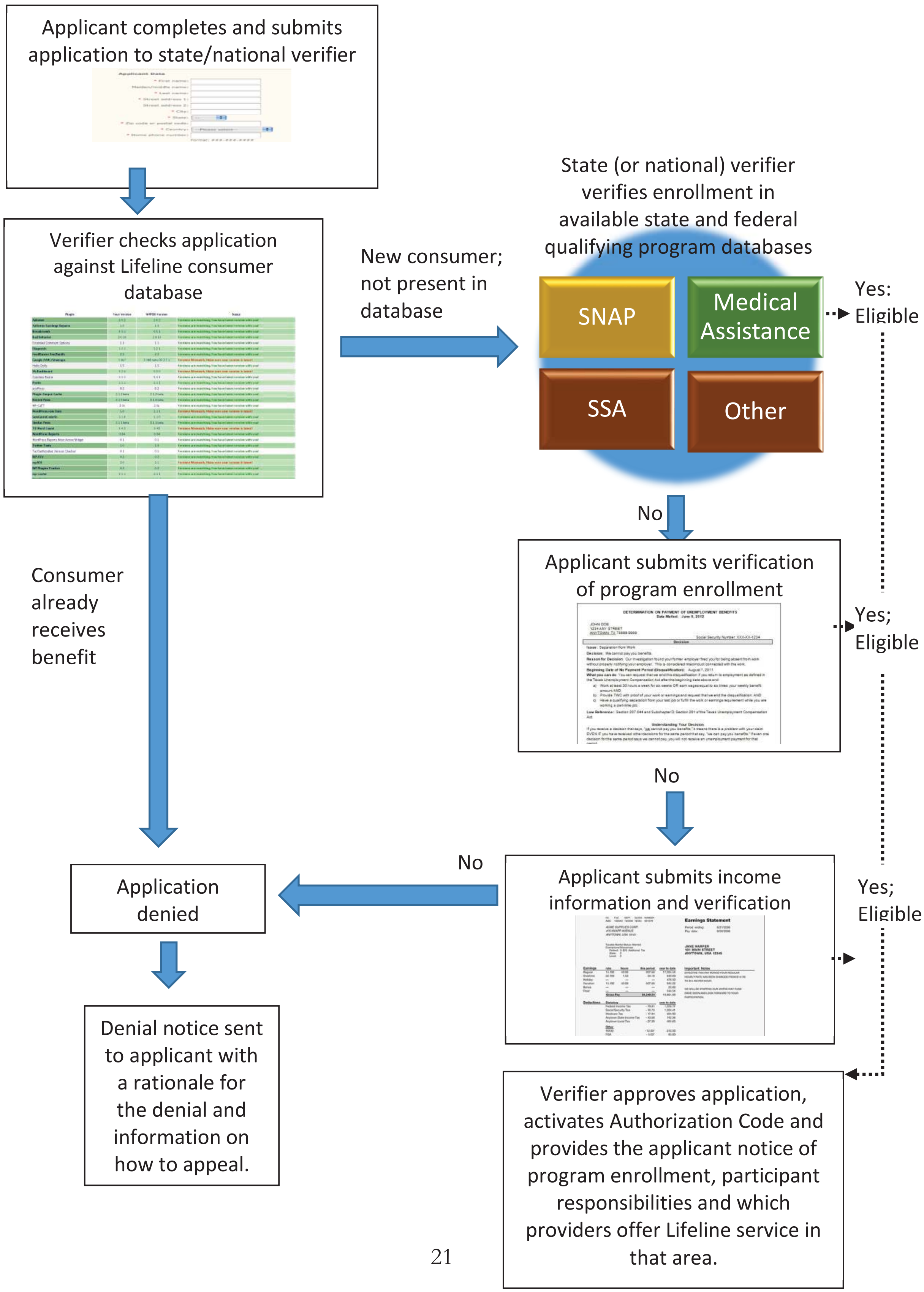
6. If the consumer cannot verify enrollment in any of the qualifying public assistance programs, the next step would be to request the applicant to submit income information to determine if they are income-eligible for Lifeline. Income verification such as paystubs or check stubs from unearned income sources like Social Security or other sources would be used in the same way that consumers verify enrollment in the qualifying public assistance programs. As discussed above this could be online, by email, scan, fax, mail, online, or in person (if possible).

   If the consumer is able to verify that his or her income meets the standards for Lifeline eligibility, then he or she is approved and the verifier will distribute an authorization code to the consumer. If the consumer is not income eligible then his or her application is denied.

   After an applicant is approved and receives his or her Lifeline authorization code, several steps remain:

   - The consumer would provide the code to the Lifeline provider of his or her choice. We also recommend that the consumer be offered the choice to set how long the provider can debit their Lifeline account, i.e., for at least as long as the benefit is authorized.
   - In order to obtain reimbursement, the provider would submit the authorization code to the Universal Service Administrative Company (USAC).
   - The authorization code would be associated with two pieces of information: the eligibility of the consumer for the Lifeline benefit, and whether the benefit had already been applied to service from another provider.

Possible Eligibility and Enrollment Process for the National Verifier

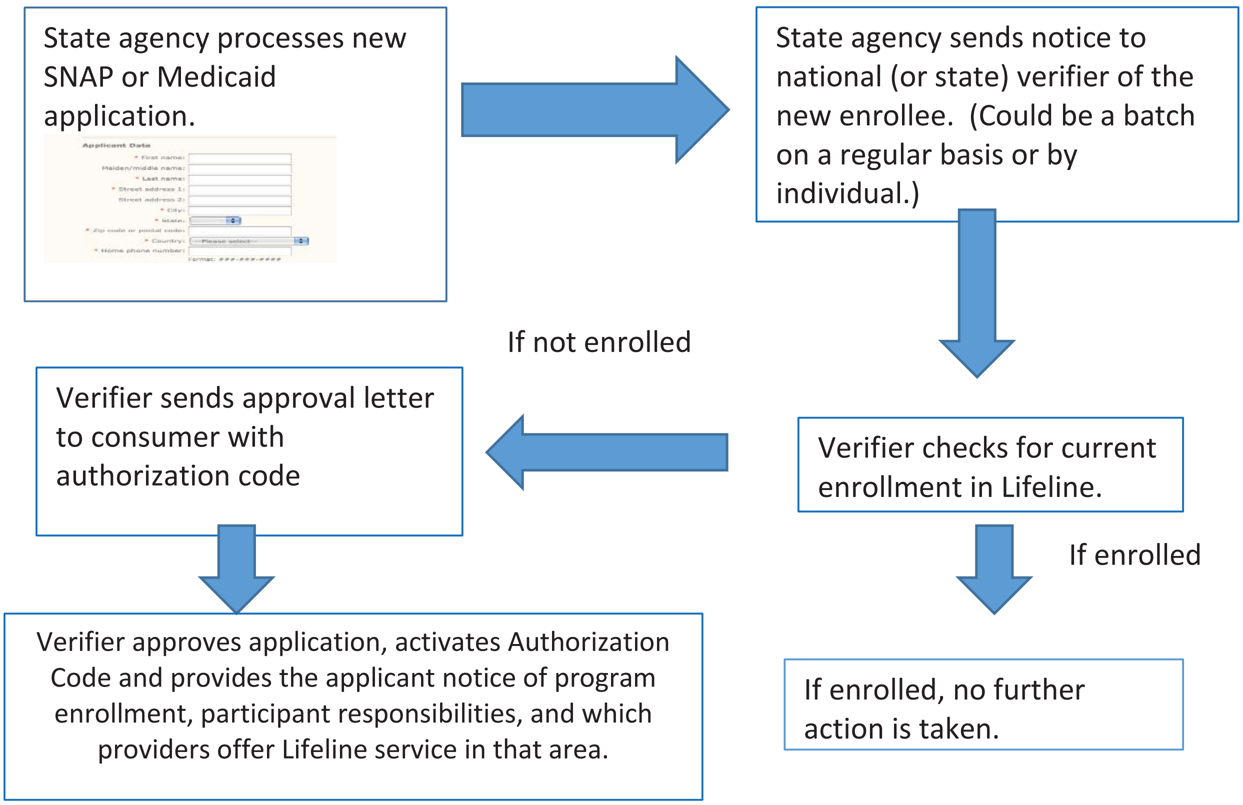


We recommend that the Commission supplement this approach by allowing interested state or federal agencies that operate Lifeline qualifying benefit programs to proactively share enrollment information with the national verifier. Once a state agency determines that an individual or household is eligible for a qualifying assistance program, the state agency could share (with the client's permission) enrollment data with the verifier so that the verifier might then send an authorization code to benefit participants not already enrolled in Lifeline.

This model would require participation from the state agency, but it would allow for a streamlined and simple process for consumers who have enrolled in a qualifying public assistance program.

- First, the state agency will send information about approved applicants to the verifier on a periodic basis, e.g., weekly or monthly. The application for qualifying program benefits would need to request whether the consumer grants permission to share the information in order to qualify for Lifeline services.
- Second, after receiving the notice the verifier will check the database (likely the NLAD) to determine if the individual or anyone in the household is currently receiving Lifeline.
- If not, the individual is sent a letter stating that they are eligible to receive Lifeline. The letter would include the authorization code, instructions on participation in the program, and possibly a list of Lifeline providers in the state. The letter will include important information about eligibility period, how to switch providers, contact information for the verifier, and the amount of the benefit.
- Fourth, the consumer is able to use the authorization code to shop around for a Lifeline participating service that best fits their needs.

Possible Lifeline Benefit Redemption Process



60. Interfacing with Subscribers and Providers. The Commission seeks comments on whether consumers should be permitted to directly interface with a national verifier, or whether only providers should be permitted to do so.

In moving to a national verifier model, we believe that the provider's role ought to shift from eligibility and enrollment to outreach and application assistance.

We recommend that only the verifier (national or state agency) make the final determination of eligibility, including at recertification, for applicants and adjudicate issues for ongoing consumers. ETCs can play a crucial role, however, in providing application assistance for Lifeline services. Providers can promote the program and assist individuals with submitting applications and appropriate documentation. The verifier might want to consider providing ETC's that provide application assistance with a special provider access so that the verifier knows when an application comes from an ETC outreach site. The verifier might even provide notice to the ETC when the individual is determined eligible. This would permit the provider to reach out to the newly eligible Lifeline household in order to offer their company's services. This would be a significant incentive for providers to continue to assist with enrollment.

61. If subscribers are not able to directly interface with a national verifier to apply for a Lifeline benefit, are there other ways a national verifier could interact with consumers? For example, California has established a call center to answer consumers' questions about the Lifeline application process.

We strongly support the idea of offering support to applicants so that they may successfully complete the application process. There are several ways that the verifier could do so:

- Establish a Lifeline call center and online chat feature to answer questions about application and renewal requirements as well as the Lifeline program.
- Plan to "call out" to clients who submit incomplete or inconsistent applications. (Many problems with applications can be resolved with a quick phone call. Of course, applicants of Lifeline services may not have phones. But, participants will and the verifier could offer service with a focus on renewals.)
- At a minimum, host a website that answers basic questions about the application and renewal process.
- Provide training to providers and community organizations that are interested in providing application assistance to potentially eligible organizations. Groups that conduct SNAP and Medicaid outreach would likely be interested.

62. Processing Applications. Next, the Commission seeks comment on whether a provider should be permitted to provision service to a consumer prior to verification of eligibility by a national verifier. Would a similar, multi-day approval process on the national level negatively impact consumers? If so, does the benefit of reduced waste, fraud, and abuse in the program outweigh any harms a delay may cause? What additional costs would shortening the review process incur?

There is no reason to believe that a national verifier will require more time to make an eligibility determination than is currently the norm. Moreover, the Commission can set an application timeliness standard as a part of its customer service standards for the verifier. If applicants know what to expect, i.e. three days or one week, and the verifier consistently meets the standard, then there should be no significant impact on consumers.

If providers that provide application assistance to individuals are confident that the applicants will have their Lifeline benefit approved, we see no reason to prevent the providers from advancing Lifeline services to applicants. Should applicants prove to be ineligible, providers must bear the entire expense of the advanced services. Without such a protection, providers could easily take advantage of applicants and set them up for large debts for Lifeline services for which the provider knew they would never be eligible. If, however, the applicant proves eligible (as the provider is trained to predict accurately) the provider benefits by having directly enrolled a new customer.

63. The Commission also seeks comment on whether it should implement a pre-approval process…Would pre-approval increase the chances for waste, fraud, and abuse in the program?

As we stated in our response to the prior question, if providers who provide application assistance to individuals are confident that the applicants will have their Lifeline benefit approved, we see no reason to prevent the providers from advancing Lifeline services to applicants. Should applicants prove to be ineligible, providers should bear the entire expense of the advanced services. Without such a protection, providers could easily take advantage of applicants and set them up for large debts for Lifeline services for which the provider knew they would never be eligible.

The Commission may wish to explore an option called "presumptive eligibility" that is available to certain designated entities in Medicaid at state option. Under this option, designated entities, assess individuals to be likely eligible for Medicaid and those individuals can immediately begin accessing Medicaid covered health services on the assumption that the individual is Medicaid eligible. This eligibility is time limited and consumers must complete the full Medicaid determination process to stay covered. A similar approach could be pursued with trusted Lifeline service providers.

64. What assistance, if any, should providers or a national verifier give to the subscriber in completing a Lifeline application and compiling supporting eligibility documentation to shorten the eligibility verification process? For example, should verifier staff walk applicants through the enrollment process? Would permitting the national verifier to enroll subscribers directly without the subscriber having to apply through the provider shorten this period?

We encourage the Commission to work to establish an outreach program whereby community organizations that work with low-income populations would receive grants to help enroll eligible individuals into Lifeline services.

As we noted above, we recommend that the verifier (national or state agency) make the final determination of eligibility for applicants and adjudicate issues for ongoing consumers. ETCs can play a crucial role, however, in providing application assistance for Lifeline services. Providers can promote the program and assist individuals with submitting applications and appropriate documentation. The verifier might want to consider providing them with a special provider access so that the verifier knows when an application comes from an ETC outreach site. The verifier might even provide notice to the ETC when the individual is determined eligible. This would permit the provider to reach out to the newly eligible Lifeline household in order to offer their company's services. This would be a significant incentive for providers to continue to assist with enrollment.

We have also provided comments on the level of assistance that the provider could provide. And, we recommend a redesign of the model application to make it easier for applicants and users to complete correctly.

65. Should consumers applying for benefits apply directly to national verifier or through provider, who transmits documents to national verifier? Why/what are the benefits?

We recommend that the national verifier make the adjudication of eligibility, whether for new applicants or renewals of participants. The providers can offer as much assistance to consumers in this process as they like. We hope the new system is designed to allow them to post the online application portal on their websites along with information about the call center and paper methods of application. The providers can conduct outreach fairs using the portal to help sign up individuals. They may also offer application assistance. Consumer choice, however, is profoundly limited when the only means of application is through providers. As we discussed in our opening, there are many benefits to removing the providers from the application and enrollment process.

67. How should states with limited processes that verify eligibility against some, but not all, Lifeline-qualifying programs, interact with a national verifier?

As we outlined above, we recommend permitting states' Lifeline agencies to continue to perform eligibility and enrollment functions in their states. Over time, as the national verifier gains capacity and meets the robust customer service standards, we would expect the Commission to ensure that the state agencies are also meeting these standards. The Commission could encourage these state agencies to expand the list of programs with which they interface. At a minimum, the Commission could seek to negotiate interfaces with federal databases on behalf of the national verifier and these state agencies.

69. Existing State Systems for Verifying Eligibility. In this section the Commission seeks comment on the relationship between a national verifier and states with existing systems for verifying eligibility. (i.e., could they opt out if their systems were at least as robust?)

We addressed this question in several of our above responses. We recommend that the Commission set robust customer service and program integrity standards for any entity or agencies operating the Lifeline program. If the state agencies meet these requirements, there is no reason not to continue to allow them to operate the program.

70. The Commission seeks comment on requirements for state eligibility databases generally in order for a state to qualify to opt out of a national verifier. Specifically, the Commission seeks comment on whether state eligibility databases should be required to verify eligibility for each Lifeline qualifying program, or whether such a requirement would impose an unreasonable burden.

Perhaps such a requirement might provide additional incentive for qualifying state benefit programs to cooperate with state Lifeline agencies. We would encourage the Commission to wait before considering imposing such a requirement. We believe that as the Commission and the national verifier improve the quality of Lifeline eligibility and enrollment services that many state Lifeline agencies will want to improve and align their standards to the national verifier.

71. The Commission seeks comment on whether we should set a requirement for updating eligibility data on a regular basis, and if so, what the appropriate time frame should be.

We recommend that the Commission establish 12-month eligibility periods for Lifeline support, as is the practice (or is allowed) in other federal programs such as school meals and Medicaid. Then, at the end of the 12-month period, Lifeline could verify that the consumer still participates in the other program and, if not, require the consumer to verify income in order to maintain ongoing eligibility. More frequent confirmation that none of the other programs' benefits have not ended would be cumbersome and would not yield improved program integrity. For the subset of individuals who no longer qualify and receive "additional" months of Lifeline support, the additional months would operate as a work incentive, or earnings disregard. Research finds that ending all benefits immediately at the time a low-income beneficiary finds a new job contributes to employment instability.

72. The Commission seeks comment on whether and to what extent to include state database consumer privacy protections in any opt-out standard we adopt…The Commission seeks comment on whether the Commission should require this type of "yes" or "no" response [which state eligibility databases currently use] from Lifeline eligibility databases as a means to protect consumers' private information as part of our opt-out threshold. What other types of controls can the Commission adopt to protect consumer privacy?

States, the federal government, and other entities have well-established data-sharing agreements that provide privacy protections for important personal information under the privacy rules of each program and under the general privacy statutes of the U.S. The Commission should adopt all the required measures to protect consumer privacy in accordance with established laws and practices. The provision of a "yes" or "no" response to providers, without specific information about which program was the basis of the applicants eligibility seems adequate to establish to the provider that the consumer is eligible for Lifeline support. We recommend that only the minimum information necessary be shared with the provider.

As is the practice in other benefit programs, we recommend that, at a minimum, as part of the Lifeline application the Commission establish notices that inform the applicant that the information they provide will be verified by comparing it to certain state and federal databases.

We further recommend that the Commission work with the states and other entities that administer public benefit programs to incorporate Lifeline into their application processes. Ideally those applications would ask applicants if they want to have their application information forwarded to Lifeline for consideration for Lifeline eligibility. Alternatively, those agencies could provide detailed information about Lifeline eligibility rules and specific steps the consumer needs to take to apply for Lifeline, as we discuss below in response to question 86.

75. Alternative State Interaction. In this section the Commission seeks comment on utilizing state eligibility systems as the primary means of verifying Lifeline eligibility, and utilizing a national verifier to promote and coordinate state eligibility verification efforts.

The Commission asked for comments whether it should continue to allow low-income consumers to qualify for Lifeline support based on income eligibility. We agree with the many other commenters including Lifeline Connects Coalition/Joint Commenters, California Emerging Technology Fund, California Telehealth Network, Connected Nation, Inc., New York Public Service Commission, and Professor Super, who said that eligibility on the basis of income needs to continue. Not all low-income people qualify for federal public benefits and there are some eligible groups, namely households that contain immigrants, seniors, and childless adults who participate at very low rates. If the Commission limited Lifeline to only those individuals who participate in other federal programs there will be low-income consumers who would be excluded from Lifeline. For example, unemployed able-bodied adults without dependents face a time-limit on receipt of SNAP in many states, aren't eligible for Medicaid in states that have not expanded Medicaid, and aren't eligible for SSI or almost any other public assistance program. This is a very vulnerable population that has extremely low income. USDA data show that while these people are on SNAP their gross income averages 19 percent of the poverty line — about $2,200 per year for a household of one in 2014 — compared to gross income of 58.5 percent of the poverty line for the average household on SNAP.[31] Lifeline benefits, which may include broadband, would be a critical support for this group as they look for employment and/or training. In addition to this group of low-income consumers, other vulnerable groups also participate in federal assistance programs at very low rates including seniors and eligible immigrants. As Professor Super noted in his comments, income eligibility may also be important for low-wage working families that do not get SNAP or other public assistance programs because they find the administrative burden excessive relative to the benefit they would receive.[32]

At the same time, while the use of income verification for eligibility is important, we agree with Professor Super's assertion that the Commission would be making a mistake if it chooses to limit applicants' and recipients' ability to qualify for Lifeline based on low incomes alone, without participation in other programs.[33] If the Commission decides to restrict Lifeline eligibility only to income eligibility, some of the primary losers would be elderly and disabled persons (whose incomes exceed the SSI eligibility limits and who have a low participation rate in SNAP and other public assistance programs) and also low-wage working families who are just above the federal poverty limit but have high out-of-pocket child care or housing expenses. In SNAP, low-wage working families are able to deduct their child care and shelter expenses from their gross income to more accurately reflect the

[31] Center on Budget and Policy Priorities, "Approximately 1 Million Unemployed Childless Adults Will Lose SNAP Benefits in 2016 as State Waivers Expire," http://www.cbpp.org/research/food-assistance/approximately-1-million-unemployed-childless-adults-will-lose-snap-benefits

[32] Comments of Professor David Super on the Second Further Notice of Proposed Rulemaking, page 14, submitted on August 31, 2015.

[33] *Ibid*, page 14.

amount of the money they have available to purchase food.[34] Without the program eligibility requirement, these families that are enrolled in SNAP (and possibly NSLP) would not be able to receive Lifeline. To best serve the purpose of connecting low-income people to vital telecommunication services, Lifeline eligibility must remain with both a program-based eligibility standard and an income-based eligibility standard.

76. The Commission seeks comment on how to incent states to develop dependable means-tested processes to verify consumer Lifeline eligibility. Does the Commission have the authority to utilize universal service funds to finance the development and implementation of Lifeline eligibility verification systems at the state level?

While the Commission does not have the authority to mandate that state agencies interact with the national verifier, states are likely to be interested in assisting with Lifeline for three reasons.

- State health and human services agencies are in the business of helping vulnerable families and individuals. State agencies provide low-income individuals with a package of programs and services designed to respond to their circumstances. Assisting individuals to access Lifeline services is very much in keeping with the mission and goals of state human services agencies.
- State agencies benefit when their clients have phone service and broadband access. Many state human services and health agencies operate call centers, online applications, and online account management services that they promote to clients to help reduce the use of local offices. With cell phones and broadband access, more low-income people would be able to access these services at their own convenience. Clients having their own mobile phones and broadband access also may make the clients more available for the human services agencies when they reach out for interviews or need follow-up information from applications.
- State agencies would likely prefer to build a simple electronic interface to confirm eligibility rather than have their clients flood local offices and call centers with requests for documentation of their enrollment. Many state human services agencies are working on ways to reduce the traffic in local offices. An electronic interface would support that effort.

Despite their inherent interest in supporting Lifeline services, states will incur costs to build the interfaces that the Commission seeks. We encourage the Commission to consider providing payment to the state agencies to help offset such costs. For example, the Commission could offer states a one-time, matching reimbursement for costs related to making changes to identify Lifeline-eligible applicants, building electronic interfaces to Lifeline qualifying programs, and updating applications their applications to allow for state human service agencies to identify those SNAP and Medicaid applicants who are interested in Lifeline.

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[34] CBPP paper, "Policy Basics: Introduction to the Supplemental Nutrition Assistance Program (SNAP)," http://www.cbpp.org/research/policy-basics-introduction-to-the-supplemental-nutrition-assistance-program-snap

78. Dispute resolution. The Commission seeks comment on any means or process for consumers or providers to contest a rejection of a prospective consumer's eligibility.

We recommend that part of the national verifier's role be to establish an appeals process. An appeals process works best when the applicant or recipient who has been denied coverage receives a written notice that explains the specifics of why the application or renewal request was denied. Then, if the individual disagrees with the decision, he or she can appeal. The appeals process ensures a means to identify and to correct mistakes. It can also provide important management information about where in the process mistakes occur. The Commission will want the verifier to be just as mindful of improper denials as it is of improper approvals.

79. Privacy. The Commission seeks comment on how the functions of a national verifier would conform to government-wide statutory requirements and regulatory guidance with respect to privacy and information technology.

The verifier would not be able to use government data unless it can demonstrate to the federal and state agencies whose data it will use that it meets necessary standards. This needs to be a key requirement of the Commission's RFP and vendor selection process as well as all memoranda of understanding with state and federal agencies.

Hospitals, community-based service providers and many non-governmental agencies access and use data from secure government sources. To do so, they must demonstrate the ability to protect the privacy of program beneficiaries consistent the federal requirements governing those programs.

2. Coordinated Enrollment with Other Federal and State Programs.

86. The Commission seeks comments on coordinating with federal agencies and state counterparts to educate consumers about, or simultaneously allow consumers to enroll themselves in, the Lifeline program. The Commission seeks comments on this issue as an alternative or supplement to, its inquiry regarding a whether a third-party should perform consumer eligibility determinations rather than Lifeline providers.

States, schools, housing authorities or community-based organizations that operate the federal programs that confer Lifeline eligibility can play a crucial role in promoting the Lifeline benefit. Many states use their eligibility and enrollment process as a means to communicate to low-income individuals that they may be or are certain to be eligible for other benefits. This can be done during the application process where applicants are told by caseworkers or via a pop-up message on an online application form that they appear to be eligible for other services. It can also occur in a benefit approval letter. For example, many states will include information in a SNAP approval package (typically mailed to the client) information about other programs for which the clients now qualify and where to apply for those services.

The Commission could support such an effort by developing materials that the appropriate agencies could share with their clients about Lifeline. These could be flyers to post in local offices, template materials to train staff, text inserts for approval notices, or pop-ups for web applications that might provide a link to a Lifeline application. Programs that confer eligibility to Lifeline will be most comfortable sharing materials developed by Lifeline itself since they can rely upon the accuracy of such information and materials about the program do not promote a single provider over another. We encourage the Commission to seek input from these programs about what materials and messages would work best for their client base.

91. *The Commission seeks comment on how best to leverage the existing technologies, databases, and fraud protections that already exist in other federal benefit programs.*

The Lifeline eligibility and enrollment process already makes good use of the rigorous eligibility and enrollment processes and fraud protection used by other programs. SNAP and SSI each have very robust eligibility processes that typically demand applicants to supply detailed information about and verification of their household income and circumstances. These programs have access to multiple third-party databases to help verify household statements about their financial status, including: state tax data, employment records through the state unemployment insurance program, the federal and state new hire databases used by child support enforcement, department of motor vehicles records, state vital statistics, department of corrections prisoner rosters, and more. Moreover, these federal programs also have robust quality control systems to ensure high levels of program integrity and minimal errors.[35]

Many programs use SNAP enrollment as a basis for eligibility because of its rigorous assessment of household financial circumstances. The federal school meals program requires states and school districts to automatically enroll children in SNAP into free school meals. Other programs such as Medicaid, WIC, child care, and LIHEAP have the option to use information in the SNAP system or enrollment itself as the basis of financial eligibility.

Cross enrollment from one federal program to another works beyond just SNAP as well. Individuals who participate in SSI or state cash assistance programs are deemed as automatically eligible for SNAP. Many states confer Medicaid eligibility to seniors and individuals with disabilities who are enrolled in SSI. And, SNAP confers eligibility to all pregnant women, infants, and young children who seek to enrolled in WIC. Federal benefit programs allow for or even require eligibility into one program on the basis of enrollment in another for three primary reasons:

- To eliminate redundant paperwork and effort by the eligible household and program operators. Many low-income programs have similar eligibility criteria. There is no reason to expend limited federal and state resources on duplicative paperwork. Using

[35] For more on SNAP's quality control system, see: http://www.cbpp.org/research/food-assistance/snap-error-rates-remain-near-all-time-lows

the eligibility determination or findings from an eligibility review in one program for another is sensible practice.

- To increase program integrity. A number of federal programs, such as the school meals programs, do not have the administrative capacity to undertake a detailed assessment of household financial circumstances. In many cases, building such administrative capacity would come at the expense of providing benefits because federal funding for the overall program is capped. Program operators can enhance program integrity and accuracy by leveraging the investments made by other programs.
- To reach eligible people. Low-income households may not be fully aware of the array of benefits and services for which they are eligible. When they apply (and are determined eligible) for one program, they are self-identifying themselves as in need and often eligible for other services. Policy officials interested in reaching eligible people typically turn to programs that have similar eligibility criteria as one of the first best places to conduct outreach.

94. Should the Commission pursue coordinated enrollment in a manner that authorizes SNAP administrators to allow consumers who qualify for SNAP to simultaneously sign up for Lifeline as well?

We strongly support this optional model. As described above, we believe it would work best for the SNAP or Medicaid agencies to forward to the verifier information about SNAP/Medicaid enrollment. This is how direct certification from SNAP to school meals works. The verifier would then take the new SNAP and/or Medicaid enrollment information and process those individuals as new applications for benefits. Once they verify that the individuals (or their household members) are not already enrolled in Lifeline, they could simply send an approval notice with an authorization code to the applicant. Of course, this would require that the SNAP/Medicaid agency obtain their applicants' consent to share data. This could be accommodated by modifying those programs' applications.

95. Are there any legal and practical limitations of having the state or federal benefit administrators serve as agents for the Commission with respect to Lifeline? Are there other ways to coordinate enrollment with other Federal or state agencies?

The primary constraint will be resources. State agencies would have to cover the costs associated with this activity out of their own funds or with funds provided by the Commission.

96. The Commission seeks specific comment on how to encourage coordinated enrollment with other Federal assistance programs that qualify participants for support under the Lifeline program—such as Medicaid; SSI, Federal Public Housing Assistance, LIHEAP, NSLP free lunch program, and TANF… The Commission seeks comment on how we can coordinate its outreach and enrollment efforts to reach low-income veterans. For example, the Veterans Affairs Supportive Housing (VASH) program, a joint effort between *the Department of Housing and Urban Development and the Department of Veterans Affairs, provides support to homeless veterans and their families to help them out of homelessness and into permanent housing.*

As we discuss in our answers to questions 17-19, 72 and 86, there are multiple options for coordinating enrollment with other programs, and the treatment need not be the same for all programs. Some agencies may be able to (and willing to) incorporate a question asking the applicant if he or she wants to apply for Lifeline services into the application for their programs and forward the application if the applicant checks "yes." This would be the most direct way to coordinate enrollment and would likely achieve the largest results in meeting eligible non-participants.

Alternatively the Commission could develop materials such as fliers, posters, and wording for online benefit screeners or pop-ups for web sites that would provide information about eligibility for Lifeline and links to how to apply. These materials could be tailored to different populations and provided in multiple languages. There also are, across the nation, nonprofit organizations who assist low-income individuals in applying for health and human services benefits, as well as tax preparation. We encourage the Commission to seek input from the agencies and communities on what outreach approaches would yield the best results.

3. Transferring Lifeline Benefits Directly to the Consumer

98. In this section, the Commission seeks comments on whether designate third party entities can directly transfer Lifeline benefits to individual consumers.

An important aspect of the modernization initiative is the Commission's effort to increase customer choice in the Lifeline service provider selection process. Now, applicants typically apply for and enroll into the Lifeline through a provider. That may inherently limit their understanding of the ability to change providers if their Lifeline service is of low quality. We agree with the discussion section in the proposal that suggests an effective means to support the goal of consumer choice would be for

1. Applicants to enroll through a process that is independent of the providers, and
2. Provide eligible households that complete the eligibility and enrollment process a voucher that authorizes service at the Lifeline provider of their choice.

This approach has many parallels to the child care subsidy and Medicaid enrollment process. Under each of those programs, eligible households receive authorization to obtain child care or health care services at approved providers.

101. The Commission also seeks comment on the appropriate mechanism that should be used to transfer the Lifeline benefit directly from a third party to the consumer.

We concur with Professor Super's comment that an electronic benefit transfer (EBT) system would not be an effective mechanism to distribute and to redeem Lifeline benefits.[36] Such an approach would be unnecessarily complex and would increase costs that could be avoided by using a PIN or authorization code system instead.

In the SNAP and cash assistance programs, the term "EBT" means that clients receive their benefits on an electronic debit card in lieu of cash or a check. The card has all of the features of a typical bank debit card. Clients can use their SNAP benefits at authorized retailers to purchase food and can withdraw cash benefits via ATMs that are part of the EBT system. For SNAP and cash assistance programs it is critical that recipients be able to use their benefits at multiple retailers on multiple occasions during the month. Consumers, including SNAP participants, travel to the store of their choice to purchase food. In order to use their benefit, they must have an in-person interaction with the retailer. And, for the most part, SNAP's 250,000 authorized retailers[37] already have equipment to allow them to take electronic payment. EBT has been a sensible option to issue these cash and cash-like benefits because the payment system rests within an existing infrastructure that retailers and banked individuals already use. As the modern banking world has shifted to providing consumers with the option to pay for goods and services electronically (either through credit or debit purchases), it provided SNAP and cash assistance with a new alternative to paper vouchers or checks.

By contrast, EBT is not a workable model for Lifeline clients to pay their telephone and broadband service providers. First, Lifeline benefits only need to be available for one payment to one provider each month. Moreover, telephone and broadband providers do not typically require their customers to make monthly payments for service in person. They send their clients monthly bills and receive payment via check or electronic payment. As a result, an EBT system would require new investments and ongoing costs for providers. Lifeline providers would need to acquire the technology to read EBT cards, and pay the per-transaction processing fees for EBT payments assessed by the EBT vendor.[38] There would also be new costs to the Lifeline program associated with creating and mailing the cards.

Clients would incur new costs under such an approach. Where the program transferred the cards directly to consumers in-person, consumers would incur time and travel costs to go to the physical location to obtain the card. Low-income people disproportionately rely on public transit and work in hourly jobs with no paid time off, and the cost of taking time off to interact with a social service provider can be particularly burdensome to this population.

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[36] Comments of Professor David Super on the Second Further Notice of Proposed Rulemaking, page 11, submitted on August 31, 2015.

[37] USDA Retailer Management Annual Report 2013 available at http://www.fns.usda.gov/sites/default/files/snap/2013-annual-report.pdf

[38] U.S. Department of Agriculture, "Deadline Approaching for SNAP Retailers to Pay EBT Equipment Costs, as Required by the Farm Bill," September 17, 2014, available at http://www.fns.usda.gov/pressrelease/2014/fns-000714. Last accessed on 7 Aug 2015.

In addition, one would have to consider the cost of replacement cards. Many state agencies currently charge participants for replacement cards at around $5 per card.[39] If the card were mailed, the consumer would experience delay in accessing the benefit while she waited for it to come in the mail.

The most significant cost, however, would be the transportation and transaction cost of using an EBT card to pay a Lifeline provider for monthly service. Since EBT cards must be physically processed by the retailer accessing the benefits, use of an EBT system for Lifeline would require consumers to travel to the Lifeline provider to provide the payment. This process would carry the same travel and unpaid time-off costs as traveling to receive the EBT card.

102. The Commission seeks comments on approaches other than a physical card but using alternative approaches such as an online portal or application on a user's device to submit payment.

We strongly support a benefit issuance model that provides eligible participants an authorization code or number. To redeem the benefit, the consumer could submit to the Lifeline provider the authorization code just as they might submit the number on a prepaid debit card. Telecommunications companies that offer online payment already accept credit and debit card numbers; the authorization code could be handled in a similar way. This model leverages existing channels of commerce rather than imposing a new requirement on providers.

An authorization code, in contrast to an EBT card, could carry all of the needed information about a Lifeline benefit while avoiding many of the costs associated with an EBT card.

- There would be no cost for creating or issuing the physical card, as an authorization code could be provided remotely (for example, over the phone or online)[40] at a very low cost to the issuer and to the consumer.
- Lifeline providers would not need to pay a vendor fee to obtain equipment to read EBT cards or to process payments.

The authorization code system would also eliminate the problem of delays to benefit issuance.

- On determination of eligibility, the state or national entity verifying eligibility would provide an authorization code to the applicant.
- The applicant would have access to her benefit and be able to subscribe to service from a Lifeline provider of her choosing almost immediately.

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40 Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, Proposed Rule, 80 Fed. Reg. 42670-42705 (July 17, 2015). Section 104. Available at http://www.gpo.gov/fdsys/pkg/FR-2015-07-17/pdf/2015-17289.pdf. Last accessed 7 August 2015.

To accommodate future policy changes that might include more than one kind of benefit, a second authorization code could be added so that each benefit corresponded to an individual code (for example, one for telephone service and one for broadband Internet service). Or the system could be built to use a single code to authorize more than one service.

While we agree with the concerns raised by the Low-Income Consumer Groups that a physical card may bring about negative perception of the program,[41] we do not agree that an authorization code or PIN would bring about such a negative perception and recommend the use of an authorization code or PIN as an effective method to transfer Lifeline benefits to low-income consumers.

103. If a portable benefit is offered to consumers through a national verifier or state or Federal agency, how would such a benefit be provided? How should secure physical cards be issued to the consumer? How may the Commission best facilitate coordination between third parties determining eligibility and Lifeline providers during the transition? What protections should be put in place to prevent fraud or abuse by, for example, automatically deactivating the card if it is not used for a certain period of time, if the consumer is no longer eligible, or if the consumer reports that the card has been lost or stolen? If the benefit is placed on a federal or state benefit card, can the FCC put in place such protections or must the FCC work within the structures and rules already established by the other relevant agencies? Would the customer need to "touch" the Lifeline provider on a monthly basis to reapply the discount?

A benefit issuance system that relied upon providing eligible households with an authorization code to use at the provider of their choice could be designed to address all of the concerns raised by the Commission in this series of questions. The authorization code system would allow for auditing and independent eligibility verification.[42]

- Each authorization code could be assigned an automatic expiration date to coincide with the recertification date for the benefit.
- Additionally, the system could be designed such that the entity administering the system could deactivate the authorization code if needed, for example, if the authorization code were forgotten or stolen or the consumer reported a change of income that made her ineligible before the recertification date.
- While administration of the authorization code system might be carried out by a vendor under contract much as the EBT system is, the government administrator would still retain the ability to check eligibility and audit the system.
- The system would be designed in such a way that the authorization code could be coded as obligated or "used" once it is redeemed by a Lifeline provider for service that

[41] Opening Comments on the Second Further Notice of Proposed Rulemaking By the Low-Income Consumer Groups, page 11, submitted on August 31, 2015.

[42] Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, Proposed Rule, 80 Fed. Reg. 42670-42705 (July 17, 2015). Section 103. Available at http://www.gpo.gov/fdsys/pkg/FR-2015-07-17/pdf/2015-17289.pdf. Last accessed 7 August 2015.

month, to limit service to one subscription per consumer. To transfer providers, the consumer could notify her current provider, who would contact the entity administering the system to "free" the benefit, so that the consumer could initiate service with another provider. We recommend that the FCC choose a short time period, such as two days, within which to require the benefit to be marked "free" so that it can be used with another provider.

- We recommend that Lifeline eligibility be set for one year. The benefit authorization code would allow for 12 months of payment to a provider from the time of authorization. An authorization code would be used to provide continuous eligibility for the year and the consumer would not have to provide the code monthly to the provider. We agree with the comments of the Low-Income Consumer Groups that there is a significant inconvenience in tying Lifeline benefits to a physical item that requires a Lifeline consumer to actively do something each month to receive the benefit.[43] Our recommendation is that the authorization code last for the entire year that the consumer is eligible and using the Lifeline benefits.

104. As an alternative, or in addition to, the possibility of placing Lifeline benefits on a physical card, should consumers' Lifeline benefits be distributed by a national verifier or state or federal agency through a unique identifier or PIN associated with individual consumers?

As we have outlined in our responses to the prior questions, we believe that issuing eligible households a voucher through an identifier or authorization code would be the most effective means to issue the Lifeline benefits.

4. Streamline Eligibility for Lifeline Support

106. Discussion. The Commission seeks comment on the prospect of modifying the way low-income consumers qualify for support under the Lifeline program to target the Lifeline subsidy to those low-income consumers most in need of the support... The Commission seeks comment on how to streamline the program while promoting the Commission's goals of universal service and ensure that all consumers, including the nation's most vulnerable are connected.

107. The Commission first seeks comment on which federal assistance programs it should continue to use to qualify low-income consumers for support under the Lifeline program.

108. The Commission also seeks comment on whether it should continue to allow low-income consumers to qualify for Lifeline support based on household income and/or eligibility criteria established by a state.

[43] Opening Comments on the Second Further Notice of Proposed Rulemaking By the Low-Income Consumer Groups, page 10, submitted on August 31, 2015.

109. Further, the Commission seeks comment on whether low-income consumers should be permitted to qualify for Lifeline support through programs which do not currently qualify consumers for Lifeline benefits.

110. Additionally, the Commission seeks comments on the extent to which modifying eligibility criteria under the Lifeline program reduces and streamlines Lifeline providers' recordkeeping processes.

Lifeline support is available to families and individuals who participate in one (or more) specified low-income programs, as well as to others with income at or below 135 percent of the federal poverty level. The specified programs that confer Lifeline eligibility are:

- **Medicaid:** A state-administered public insurance program that provides health coverage to all qualifying low-income families and individuals, including children, parents, pregnant women, seniors, and people with disabilities.[44]
- **The Supplemental Nutrition Assistance Program (SNAP, formerly food stamps):** A state-administered, federally funded program that helps all qualifying low-income families and individuals afford an adequate diet by providing resources to purchase food at most food retailers in the U.S.[45]
- **Supplemental Security Income (SSI):** A federally funded, federally administered program that provides monthly cash assistance to all qualifying people who are disabled, blind, or elderly and have little income or resources.[46]
- **Federal Public Housing Assistance (Section 8):[47]** Federally funded housing assistance is administered by the Department of Housing and Urban Development (HUD) and USDA through local housing authorities and property owners. Because of funding limitations only about one in four eligible households can participate. Participants are disproportionately households with elderly or disabled members.[48]
- **The Low-income Home Energy Assistance Program (LIHEAP):** A federally funded program that is administered by state and local governmental and non-governmental agencies that, as appropriated resources permit, helps low-income families defray some of the costs of home energy bills.

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[44] See CBPP, *Policy Basics: Introduction to Medicaid,* http://www.cbpp.org/research/health/policy-basics-introduction-to-medicaid.

[45] See CBPP, *Policy Basics: Introduction to the Supplemental Nutrition Assistance Program (SNAP),* http://www.cbpp.org/research/policy-basics-introduction-to-the-supplemental-nutrition-assistance-program-snap.

[46] See CBPP, *Policy Basics: Introduction to Supplemental Security Income,* http://www.cbpp.org/research/policy-basics-introduction-to-supplemental-security-income

[47] This wording is from Lifeline regulations, but, as we discuss below, it is unclear and confusing.

[48] See CBPP, *Policy Basics: Federal Rental Assistance,* http://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance.

- **Temporary Assistance for Needy Families (TANF)**: A block grant to states that states use to provide cash assistance, work-related activities, and other benefits and services to low-income families with children.[49]

- **Free meals under the National School Lunch Program:** A federally funded program administered by local school districts that subsidizes the cost of school meals for all qualifying children in families with income below 130 percent of the federal poverty level.

- **Certain tribal-specific federal assistance programs.** People who reside on Tribal lands qualify for Lifeline if they receive Bureau of Indian Affairs general assistance, Tribally Administered TANF, Head Start (if the household meets its income standard), or the Food Donation Program on Indian Reservations (a commodity program that operates on many Indian Reservations in lieu of SNAP.)

Two of these programs — Medicaid and SNAP — are available broadly to many low-income families and individuals, and have entitlement funding, meaning that, if eligible, a family or individual is guaranteed to be able to sign up with no waiting list. As a result, these two programs have the broadest reach among the low-income population. SNAP reaches 90 percent of SNAP-eligible households. SNAP participants are among the lowest-income households in the United States — according to SNAP administrative data, more than 80 percent of SNAP households (or almost 20 million households in 2013) had income below the poverty line. Medicaid also has high coverage rates, particularly for eligible low-income families with children.

Moreover, Medicaid and SNAP both are administered by states, and, in most states, the same state agency determines eligibility for both programs, sharing staff and automated systems. As a result, we recommend the Commission prioritize Medicaid and SNAP for the enrollment and verification efforts under consideration. As shown below, the Commission could reach almost three-quarters of the eligible Lifeline population through these two programs. It would be highly efficient for the Commission to use the very thorough eligibility determinations these programs have already conducted rather than duplicate their effort.[50]

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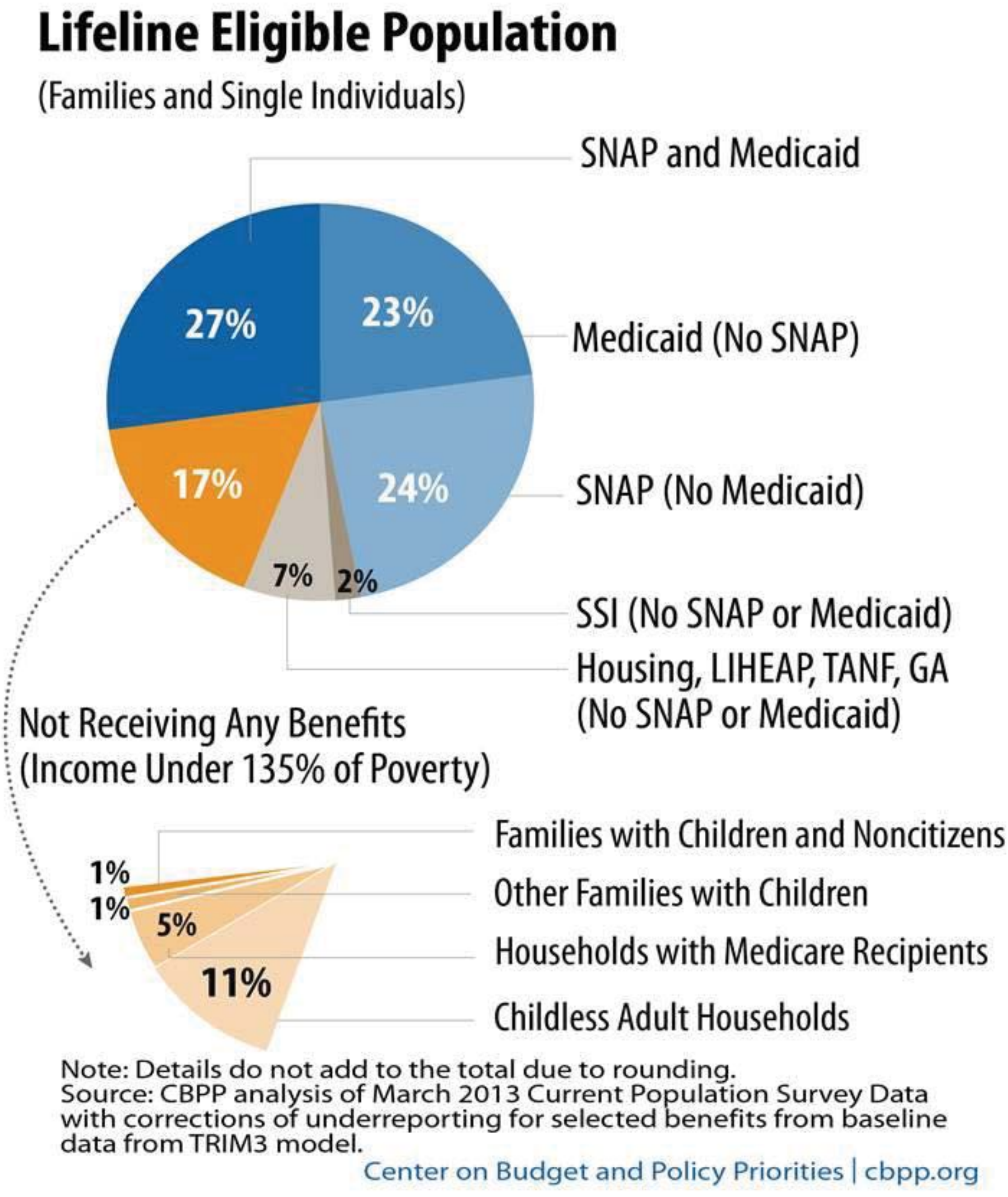
[49] See CBPP, *Policy Basics: An Introduction to TANF,* http://www.cbpp.org/research/policy-basics-an-introduction-to-tanf.

[50] For information about SNAP's very low error rate see, CBPP, *SNAP Error Rates Remain Near All-time Lows: Payment Accuracy Reflects Program's Extensive Quality Control System,* http://www.cbpp.org/research/food-assistance/snap-error-rates-remain-near-all-time-lows.



To illustrate the potential that SNAP and Medicaid hold for reaching the Lifeline- eligible population we examined the Current Population Survey (CPS), a Census Bureau Survey that includes information on income and program participation of resident U.S. households. We supplemented the Census data by using established methods to correct for underreporting of SNAP, SSI, TANF, and other benefits.[51] According to these analyses, about 50 million

[51] For this analysis we supplemented the CPS to correct for the well-known problem of income and participation underreporting in the Census data using baseline data from the Transfer Income Model Version III (TRIM III), a policy microsimulation model the Urban Institute developed and maintains under contract with the Department of Health and Human Services' Office of the Assistant Secretary for Planning and

families and individuals were eligible for lifeline in 2012 using the criteria outlined above — that is, they, or someone who lived with them and was related to them participated in one of the programs that confers Lifeline eligibility at some point during the year, or their unit had annual cash income below 135 percent of the official poverty level. These units represent about 37 percent of all such units in the U.S.

As can be seen in the figure above, about three-quarters of the Lifeline-eligible population had at least one member who participated in SNAP, Medicaid, or both. Again, because these two programs have such high penetration in the low-income population and because they are often administered together by the same state agency, we recommend the Commission focus its efforts on these two programs. We have discussed above how the Commission could collaborate with states to verify Lifeline eligibility through these two programs.

At the same time, these programs do not have high participation for certain groups, notably the near-poor elderly, childless adults (especially in states that have not yet expanded Medicaid), and certain other hard-to-reach very vulnerable populations. It is important 1) for the Commission to maintain the other programs as avenues for Lifeline eligibility and 2) to ensure an avenue for people who do not participate in any programs to document their income.

In addition to the Lifeline-eligible population that received SNAP or Medicaid, about another 2 percent received SSI and a further 7 percent received Housing, LIHEAP, TANF, or state General Assistance. These programs are vital to low-income families and individuals, but most families and individuals who receive them also receive SNAP and/or Medicaid.

A few comments about these other programs:

- TANF and state General Assistance almost always are administered by the same state agencies that administer SNAP and Medicaid (and LIHEAP sometimes also is operated in the same state agency), so the Commission may be able to piggy back on the relationship established with states for the purpose of verifying Lifeline eligibility through participation in those programs.
- The Social Security Administration (SSA) is responsible for determining eligibility for SSI, (as well as Social Security Disability Insurance and the Medicare Part D Low-income Drug subsidy.) Many elderly or disabled participants trust SSA. In addition, its operations are federally administered and it has sophisticated computer matching

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Evaluation. We considered related people who live together to be a unit for determining income and program participation. We counted the unit as Lifeline-eligible if any member received any of the benefits in 2012 or if the unit had annual income below 135 percent of the federal poverty level. The results illustrate eligibility and program participation among low-income population, but it is important to note that the CPS has some limitations. For example, we are not able to model perfectly the Lifeline unit because the CPS does not provide information about which household members share income and expenses. Also, we cannot identify program participation perfectly; for example, we cannot distinguish whether participation in school meals is "free" or "reduced-price" and in the CPS "Medicaid" participation may include people whose health coverage actually is under the Children's Health Insurance Program or other state health coverage programs.

capabilities and communications efforts. As a result, SSA could be a worthwhile partner for Lifeline in reaching low-income seniors and people with disabilities who do not receive SNAP or Medicaid.

- For Housing programs, the Lifeline eligibility descriptions are unclear and confusing. Lifeline regulations and outreach materials indicate that participation in "Federal Public Housing Assistance (Section 8)" qualifies a consumer for Lifeline. But, unlike the other specified federal programs (such as Medicaid, SNAP, SSI, and LIHEAP), this description does not correspond to one specific federal program and it is unclear to which of several possible programs it refers.

  The Department of Housing and Urban Development (HUD) and the Department of Agriculture's Rural Housing Service (RHS) provide low-income housing assistance through numerous programs, including HUD's Public Housing, Section 8 Project Based Rental Assistance, and Housing Choice vouchers (also known as "Section 8"), and RHS's Section 521 Rental Assistance program. Both agencies administer smaller programs as well.

  Since these housing programs are means-tested and serve low-income households and because they may reach some households that Medicaid and SNAP do not (notably some households with elderly or disabled members) we recommend that the Commission clarify that participation in any of them can qualify a consumer for Lifeline. To accomplish this the wording should be changed to "Federal Low-income Housing Assistance." Alternatively, a list of all the federal low-income housing assistance programs could be included.

  Depending on the program, state and local housing authorities or property owners determine household eligibility for assistance. The paperwork that participating households receive when they qualify for assistance differ based on the location and the program. As a result it may be difficult for the Commission to coordinate with the thousands of local entities across the U.S. and in every state. However, HUD maintains a centralized database of participants in its housing assistance programs and also has negotiated data-sharing agreements with Social Security and other entities to facilitate the electronic verification of eligibility by local housing authorities and property owners. As a result, it may be possible for the Commission to coordinate with HUD to verify a household's participation in HUD-funded housing assistance.

- As discussed above (in response to questions 17 to 19) while millions of children are approved for free school meals, individual schools and school districts across the U.S. determine eligibility for free school meals, which would make it a very difficult program for the Commission to use to confirm Lifeline eligibility. Moreover because of Community Eligibility, many of the districts with the lowest-income children no longer collect school meal applications. The school meal program could be an avenue for outreach to eligible or potentially eligible families, however. (We were not able to model participation in free school meals because we cannot distinguish whether children received "free" or "reduced-price" school meals based on the information in the CPS. Though it is worth noting that our analysis does not identify many Lifeline eligible families with children who do not qualify by virtue of participating in another program.)

Based on information from the CPS, more than 80 percent of the Lifeline-eligible population participated in one of the seven programs that confers Lifeline eligibility that we could model, but almost 20 percent, despite having income below 135 percent of the federal poverty level would not be able to receive Lifeline based on participation in one of these programs. As a result, it is important that the Commission maintain a way for very low-income households to demonstrate their eligibility by documenting their income, without needing to participate in one of the federal programs.

The majority of this group (more than two-thirds of those who do not receive other benefits and 11 percent of the total Lifeline-eligible population) are childless adults. The childless adult group is diverse. It includes homeless people, other long-term unemployed workers with limited education and skills, veterans of the Armed Forces, the short-term unemployed, people approaching retirement age who have difficulty finding work, people with disabilities who have not yet qualified for a disability benefit, unemployed young adults, people recently released from prison, and many others. Childless adults are often not eligible for programs that serve low-income populations, or, when eligible, they tend to have low participation rates. The eligibility rules for childless adults are, in the future, likely to be somewhat different from in recent years, in offsetting directions:

- First, childless adults have been historically ineligible for Medicaid, but under the Affordable Care Act, childless adults with income up to 138 percent of poverty now qualify for Medicaid in the states that have opted to expand Medicaid.
- However, in SNAP, many non-disabled childless adults will be excluded from eligibility in the future because of the reinstatement of a three-month time limit that had been lifted in most states because of high unemployment rates during and after the recession.[52]

Some members of this group could be reached by adding Veterans Pension benefits to the list of qualifying programs, as the Commission observes in the proposed rule. We support this addition to the list of programs. Recipients of Veterans Pension benefits have documented their low-income to the Veterans Affairs Administration.

But because many childless adults do not qualify for any benefits, we believe it is essential that eligibility not be limited to only people who participate in other programs. As discussed above, access to telecommunications services is critical for health and employment and if Lifeline were limited to only households that participate in other programs then some of the nation's lowest-income people — those with the least access to other support — would be excluded.

The other demographic that often does not receive one of the qualifying programs are households with Medicare recipients. (They represent more than a quarter of households that do not receive other benefits and 5 percent of the Lifeline-eligible population.) Almost all elderly people (65 and older) receive Medicare Part A (hospital insurance) and Medicare

[52] See Ed Bolen, "Approximately 1 Million Unemployed Childless Adults Will Lose SNAP Benefits in 2016 as State Waivers Expire," Center on Budget and Policy Priorities, http://www.cbpp.org/research/food-assistance/approximately-1-million-unemployed-childless-adults-will-lose-snap-benefits

also is available to people who receive Social Security Disability Insurance after a two-year waiting period. Many of the lowest-income elderly and disabled individuals also receive one of the benefits that already confers Lifeline eligibility, notably Medicaid, SSI, SNAP, Housing assistance, or LIHEAP. However, elderly and disabled individuals with near-poverty income have lower participation rates in these programs. Outreach through SSA to this population would be one worthwhile avenue to reach this group, but many of them participate in Medicare Part D Low-income Drug Subsidy (sometimes called "Extra Help" or LIS). This is a federally funded program administered by SSA and the Department of Health and Human Services that pays the monthly premiums and limits copayments and other out-of-pocket costs for low-income Medicare recipients with income up to 135 percent of the poverty line and limited assets.[53] A partial subsidy for premiums and copayments is available for those with income up to 150 percent of poverty (and with somewhat higher assets.) We recommend adding this program to the list of programs that confer Lifeline eligibility. In 2012 more than 4 million Medicare recipients received the LIS who did not receive Medicaid.

Finally, in the proposed rule the Commission asks what the effect would be of eliminating eligibility through Tribal-specific programs. We strongly oppose the elimination of these programs as a means to establish Lifeline eligibility. As the Commission notes, Indians may not participate in both SNAP and the Food Donation Program on Indian Reservations (a commodity distribution program that more than 85,000 individuals, who are disproportionately elderly, in 276 tribes participate in.) Many FDPIR participants live in areas that are remote and far away from participating SNAP retailers and/or the state agencies that determine SNAP eligibility. This is a very poor, highly isolated group. The consequences of this group losing access to Lifeline services could be severe for their health and social well-being.

5. Standards for Eligibility Documentation

112. In this section, the Commission proposes requiring Lifeline providers to obtain additional information in certain instances to verify that the eligibility documentation being presented by the consumer is valid, including obtaining eligibility documentation that includes identification information or a photograph. It also seeks comment on ways to further strengthen the qualification and identification verification processes to ensure that only qualifying consumers receive Lifeline benefits.

114. The Commission seeks comment on requiring Lifeline providers to obtain additional information to verify that the eligibility documentation being presented by the consumer is valid and has not expired.

One of the advantages of using participation in other federal benefit programs with rigorous eligibility determinations is that Lifeline does not have to duplicate the effort of verifying that the applicant meets certain eligibility criteria. Federal benefit programs have procedures in place to verify information that applicants present at application and subsequently, under each program's rules for reporting changes and for periodically redetermining eligibility.

[53] See http://www.ssa.gov/medicare/prescriptionhelp/ and http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/R40611_gb.pdf

We recommend that at the time an applicant applies for Lifeline the Commission ensures that the applicant is currently participating in a qualifying program and that the other program's eligibility determination is recent (i.e., within the prior six months to a year, depending on the stability of the applicants' circumstances. Elderly or disabled people are much less likely than recently unemployed individuals to experience changes in their income that would disqualify them and other programs' rules recognize that difference.) We further recommend that the Commission establish 12-month eligibility periods for Lifeline support, as is the practice (or is allowed) in other federal programs such as school meals and Medicaid. Then, at the end of the 12-month period Lifeline could verify that the consumer still participates in the other program and, if not, could terminate assistance at that time.

More frequent confirmation that none of the other programs' benefits have not ended would be cumbersome and would not yield improved program integrity. For the subset of individuals who no longer qualify and receive "additional" months of Lifeline support, the additional months would operate as a work incentive, or earnings disregard. Research finds that ending all benefits immediately at the time a low-income beneficiary finds a new job contributes to employment instability.

D. Modernizing and Enhancing the Program

1. TracFone Petition for Rulemaking Regarding Texting

137. In light of the widespread use of text messages, and as part of the Commission's continuing efforts to modernize the Lifeline program, the Commission seeks comment on amending the Commission's rules to treat the sending of text messages as usage for the purpose of demonstrating usage sufficient to avoid de-enrollment from Lifeline service.

140. Is it appropriate to base a subscriber's intention to use a supported service on that subscriber's use of a non-supported service? The Commission also seeks comment on whether the distinctions between text messaging, voice, and email should remain relevant, for the purposes of the usage rules, given that all such transmissions may occur over the same broadband Internet access service.

We encourage the Commission to allow sending texts to count as usage for the purpose of demonstrating usage sufficient to avoid de-enrollment. Many individuals use text as their primary means of communication via mobile phone. Employers and employees communicate via text. Teachers and parents communicate via text. And, SNAP and Medicaid participants can now reach their caseworkers via chat with text and e-mail. We see no reason to force Lifeline participants to use phone service in order to maintain their mobile device if their basic needs are met with text and e-mail.

E. Efficient Administration of the Program

8. Universal Consumer Certification, Recertification and Household Worksheet Forms

195. In this section, the Commission seeks comment on adopting forms approved by the Office of Management and Budget (OMB) that all consumers, ETCs, or states, where applicable, must use in order to certify consumers' initial and ongoing eligibility for Lifeline benefits.

198. The URL,www.usac.org/li/FCCForComment, displays sample forms that USAC currently uses for recertification and provides to ETCs to use for the household worksheet. While we do not propose to adopt these specific forms, the Commission seeks comment on the sample forms displayed at the URL as a starting point. What are the shortcomings of these forms, if any? What other information should be included on these forms? Are there other mechanisms by which the Commission can increase consistency and uniformity in its certification and recertification practices?

Overall the application and recertification forms are a good first effort. Many of the questions are generally simple and understandable, there is reasonable use of white space and the section design helps users to understand the required steps. The application and renewal forms, however, could be improved in several key ways:

- We strongly encourage the Commission to use a larger font size and make better use of white space. As currently designed, the form would be hard for most people to fill in within the space provided. More space for answers and between sections makes it easier for the user to follow instructions and complete the form accurately. It is also problematic to demand in bold that applicants fill out the form **<u>"completely and legibly"</u>** when there is insufficient space to do so.
- We encourage the Commission to run the form against a third-grade reading test. Words like "eligibility," "indicate," and "qualifying" are often confusing to readers with more limited vocabularies and reading skills. The Flesch-Kincaid reading grade level for the Lifeline Household Worksheet, for example, requires an 11th grade reading level according to Microsoft Word.
- The tone of the opening instruction is not helpful. It demands that applicants fill out all of the required sections and then does not label which sections are required vs. not. We would rewrite it to say:

  Please fill out all of the sections on this form. We need this information to help us decide whether your household qualifies for Lifeline services. Remember -- it's important to tell the truth! We will check the answers you give with public records and other available information. Blank answers or answers that don't match other sources might slow down our ability to make a decision. If you need help, contact us at XXXXX

  It is important to offer help to applicants when the form threatens them with prosecution if they get something wrong on the form. Most mistakes are innocent and can be avoided with minor assistance. Even if the Commission creates a webpage with information on each question (as the IRS does for tax forms), applicants may need help to fill out the form accurately.
- It is not clear to us why the form needs a billing and a mailing address. You may want to explain that on the form.
- In the first part of the Program Requirement – Eligibility section:

- We encourage the Commission to group the tribal programs together at the end of the list. Right now they are spaced apart. It would draw tribal members' eye to that grouping more easily if they were together. Similarly, it would allow non-tribal members to scan over that grouping and to focus on the programs that apply to them.
- We would list the programs and follow each one with a blank line with the instruction to include their case number if they have one. This will support efforts to do data matching with federal benefit programs.
- We would consider providing different forms for states that use the federal income standards, states that use their own standards, Alaska and Hawaii. There is no reason to provide applicants with information that doesn't apply to their state.
- The description of housing programs is vague and does not match how people in the housing community or participants in housing programs describe their programs. We recommend that the Commission consult with HUD on how to list the programs that trigger Lifeline eligibility in a way that would be understood by housing participants.
- We would rewrite the household definition instruction to say:

  ***What do we mean by "household"? For Lifeline, a household is you and the people that you live with at the same address who also share income and expenses.*

• In Section 3:

- We suggest that eliminating each of the individual initial boxes. One signature at the end of the section is sufficient. There is a risk someone will miss a step and the application will be invalid.
- Item 1 is very complicated and redundant with the requirement that applicants tell the truth. We suggest dropping it and making the truth telling statement much more clear. If you must keep it, we suggest rewriting it to say, "*The information that I provided about my or my household members' program participation or our income is accurate to the best of my knowledge.*"
- We suggest grouping items 5 and 7 together. They both cover the importance of telling the truth and the consequences for failure to do so. It's odd to split them up.
- Right now items 5 and 7 are not written in a very understandable way. We suggest merging rewriting 5 and 7 to say:
  - *I have told the truth on this form. I know that knowingly providing false information on this form is against the law and can result in fines, imprisonment, de-enrollment, or being barred from the program.*

197. The Commission seeks comment on potential drawbacks to adopting a standardized form.

We recommend establishing a standardized form that eligibility verifiers can apply to modify with your approval. Such a process allows for innovation and improvement. It would also allow states with state specific issues to modify the form slightly to address their specific context. This is the approach that the Department of Health and Human Services took with applications for health coverage after the passage of the Affordable Care Act.