



September 30, 2015

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 11-42; WC Docket No. 09-197; WC Docket No. 10-90

Dear Ms. Dortch:

On behalf of the National Consumers League,¹ the nation's pioneering consumer and worker advocacy organization, we are pleased to offer the following reply comments in response to the Commission's *Second Further Notice of Proposed Rulemaking* in the above-captioned dockets.²

Much like electricity and the telephone before it, broadband service is quickly becoming an essential utility, required to participate in modern American life. The Internet has dramatically enhanced our society, but has also widened the opportunity gap between those who have broadband and those who do not in key areas such as employment, education and healthcare access. We support the Commission's goal of addressing these disparities via the inclusion of broadband in the Lifeline program. We also support, in particular, the comments of the Leadership Conference on Civil and Human Rights³ (LCCR) and Consumer Action.⁴

Because low-income consumers are disproportionately harmed by a lack of connectivity, expanding Lifeline to cover broadband services could significantly improve the well-being of the

¹ The National Consumers League, founded in 1899, is America's pioneer consumer organization. Our mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad. For more information, visit www.nclnet.org. NCL gratefully acknowledges the assistance of David Nayer (Georgetown Law '17) in the preparation of these reply comments.

² *Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order*, WC Docket Nos. 11-42, 09-197, 10-90, FCC 15-71 (Rel. June 22, 2015) ("NPRM").

³ Comments of the Leadership Conference on Human and Civil Rights, "Re: WC Docket No. 11-42; WC Docket No. 09-197; WC Docket No. 10-90," (Rel. August 31, 2015) (available at: <http://org2.salsalabs.com/o/6587/images/Lifeline%20Modernization%20Leadership%20Conference%20Comments%20Final%208-31-2015.pdf>);

⁴ Comments of Consumer Action, "Re: Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42," (Rel. August 31, 2015) (available at <http://apps.fcc.gov/ecfs/document/view?id=60001223168>)

the millions⁵ of consumers that are eligible. In 2014, over 13 million people depended on Lifeline for access to essential telephone service. Expanding the service to the 46 percent of low-income American adults (those making \$30,000 per year or less) who do not have broadband access⁶ can remarkably improve their quality of life. For example, employers and government agencies are increasingly shifting their application processes for essential benefits programs online in an effort to improve efficiency. Without easy access to broadband, low-income consumers may not be able to use these critical services. Lack of access to broadband can also make it harder for low-income consumers and their families to stay in touch with current or prospective employers, family support networks and educational institutions.

NCL strongly opposes the implementation of a cap on funding for Lifeline, temporary or otherwise. Such a cap would necessarily be arbitrary and result in an artificial underserving of demand.⁷ The Commission should attempt to fill this demand rather than limit the size of the program. Given the importance of broadband access as a utility, any qualifying consumer who wants broadband access via the Lifeline program should be able to participate in the program.

NCL also opposes any changes to the qualification structure for Lifeline, including tying eligibility solely to the SNAP program. We believe that the program should be serving as many needy individuals as possible, not minimizing the benefit's availability. Many of those in need of the Lifeline benefit may not qualify for SNAP in particular. We support outreach to low income veterans as proposed in the NPRM based on this same principle of inclusion.

We are also concerned about the amount of funds made available to individuals. We concur with Consumers Action's statement that a \$9.95/month discount will not significantly improve affordability for broadband plans, which are generally much more expensive than voice plans.⁸ NCL also urges the Commission to allow the Lifeline subsidy to be applied to products that bundle voice and broadband together. Both services are crucial to participating and competing in today's interconnected world. Consumers should not have to choose between the two.

⁵ Lifeline is available to any person or household with an income under 135% of the Federal Poverty Guidelines or qualified for other state aid programs like Medicaid or SNAP. <https://www.fcc.gov/lifeline>. In 2014's third quarter, approximately 13.75 million people benefitted from Lifeline. <http://www.usac.org/res/documents/about/pdf/quarterly-stats/LI/Number-of-Lifeline-Program-Subscribers.pdf>.

⁶ Home Broadband 2013, Pew Research Center, Kathryn Zickhur and Aaron Smith (available at <http://www.pewinternet.org/2013/08/26/home-broadband-2013/>)

⁷ Notice of Proposed Rulemaking, WC Docket Nos. 11-42, 03-190, CC 96-45, FCC 11-32 (Rel. March 4, 2011), paragraph 6 on page 5.

⁸ Consumer Action, "Re: Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42," (Rel. August 31, 2015) (available at <http://apps.fcc.gov/ecfs/document/view?id=60001223168>), page 3. "Consumer Action is gravely concerned that the \$9.95 Lifeline subsidy is only a fraction of the average cost of broadband access."

It is also important to define the standard of service for broadband. The Commission should require Lifeline broadband service providers to maintain a reasonable minimum service speed to ensure that the broadband experience remains comparable to non-Lifeline service quality. While we do not propose a specific speed target, we note that in its 2015 Broadband Progress Report, the Commission updated its definition of “broadband” download speeds from 4 Mbps to 25 Mbps.⁹ While it may be infeasible to provide this standard of service to Lifeline beneficiaries at present, the proliferation of data-intensive applications and services suggests that there may be a need to require Lifeline broadband service providers to meet this standard in the future.

A final concern regards Lifeline’s verification system. Other commenters, such as the LCCR and the National Urban League, have written extensively on the issue and we join them in their concerns.¹⁰ We support shifting from a provider-based verification system to a national verification system, run by the Commission, state agencies, or the Universal Service Administrative Company. This methodology will ease privacy concerns and allow for more efficient information exchange between the Lifeline program and benefit programs such as state SNAP, TANF, SSI and LIHEAP.

We appreciate the opportunity to comment on this important, pro-consumer proceeding. Should you have any questions or would like to discuss NCL’s recommendations, please do not hesitate to contact John Breyault, NCL Vice President of Public Policy, Telecommunications and Fraud at johnb@nclnet.org or (202) 207-2819.

Respectfully,



John D. Breyault

⁹ Federal Communications Commission. “2015 Broadband Progress Report,” (available at: <https://www.fcc.gov/reports/2015-broadband-progress-report>).

¹⁰ Leadership Conference on Human and Civil Rights,”Re: WC Docket No. 11-42; WC Docket No. 09-197; WC Docket No. 10-90,” (Rel. August 31, 2015) (available at: <http://org2.salsalabs.com/o/6587/images/Lifeline%20Modernization%20Leadership%20Conference%20Comments%20Final%208-31-2015.pdf>), page 4. “Consumers must hand over sensitive personal information to a carrier’s customer service representative, which in turn have record-keeping obligations. “; National Urban League, “Comments of Multicultural Media, Telecom and Internet Council *et al.* (Rel. August 31, 2015) (available at: <http://civilrightsdocs.info/pdf/telecom/NUL-MMTC-Lifeline-Comments.pdf>), page 12. “Lifeline Supporters agree with the Commission’s decision to create a national verifier and recommend that the agency look to state agencies or the Universal Service Administrative Company (“USAC”) to fulfill this role.”

Vice President, Public Policy, Telecommunications and Fraud
National Consumers League
Phone: (202) 207-2819
Email: johnb@nclnet.org