

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

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

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**REPLY COMMENTS  
SUBMITTED ON BEHALF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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**INTRODUCTION**

The federal Lifeline program (Lifeline) promotes universal connectivity and ensures that all Americans have access to telephone service. It is vitally important to preserve the integrity of the Universal Service Fund (Fund) that provides important program funding and is critical to the effectiveness and sustainability of the Lifeline effort. To this end, the Federal Communications Commission (FCC) began a series of reforms in

2011 designed to preserve the Fund by preventing waste, fraud and abuse.<sup>1</sup> On June 22, 2015, the FCC took additional measures to achieve this important objective when it released a Second Further Notice of Proposed Rulemaking (FNPRM) proposing additional reforms of the Lifeline program.<sup>2</sup> Among these was a proposal to create a national eligible telecommunications carrier (ETC) designation process for Lifeline service providers to replace the existing state-by-state designation approach.<sup>3</sup> On August 31, 2015, the National Association of Regulatory Utility Commissioners (NARUC) filed comments urging the FCC to preserve the state-by-state approach.<sup>4</sup> The Public Utilities Commission of Ohio (PUCO) concurs with NARUC's position on this issue and appreciates the opportunity to submit these supporting reply comments for the Commission's studied consideration.

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<sup>1</sup> See *Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*; WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23 (Report and Order and Further Notice of Proposed Rulemaking) 27 FCC Rcd 6656 (2011).

<sup>2</sup> *Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*; WC Docket Nos. 11-42, 09-197, 10-90 (Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order) (Rel. Jun. 22, 2015) (FNPRM).

<sup>3</sup> See 47 U.S.C. §214(e)(2).

<sup>4</sup> *Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*; WC Docket Nos. 11-42, 09-197, 10-90 (Comments of the National Association of Regulatory Utility Commissioners) (Filed Aug. 31, 2015) (NARUC Comments).

## DISCUSSION

The FCC seeks comments on ways to increase competition for Lifeline consumers. To this end, the FCC has sought comment on creating a new Lifeline service provider approval process. The FCC advances a uniform national designation process or some combination of the federal and state processes.<sup>5</sup> In response, NARUC posits that the states have effectively led the charge to limit fraud and abuse within the Lifeline program, and, therefore, that limiting or eliminating state authority in this area makes little sense.<sup>6</sup> The PUCO agrees with NARUC's assessment.

As noted in the NARUC comments, the current state-by-state ETC designation process works well.<sup>7</sup> Ohio has a rigorous ETC designation process that allows for a thorough review of the managerial, technical and financial capabilities of all companies seeking ETC designation in the state. Ohio's process has proven itself to be effective in allowing PUCO staff to conduct the investigation necessary to ensure the overall viability of the Lifeline service providers operating in the state. Ohio is in the best position to protect vulnerable segments of its population and it believes that its current designation system achieves this goal quite well. Service to the old adage "if it isn't broken then there's no need to fix it" would appear to be in order here.

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<sup>5</sup> See FNPRM at ¶ 140.

<sup>6</sup> NARUC Comments at 11.

<sup>7</sup> *Id.*

The PUCO further agrees with NARUC's assertion that states are, in fact, interested in legitimate ETC applicants and must have adequate information to assess the qualifications of such applicants.<sup>8</sup> NARUC is absolutely correct that each state is different in this regard. What works in Ohio and the information required by the PUCO may differ from that required by another state. But the point to be stressed here is that states are the closest regulatory entities to those providers offering service within their respective jurisdictions and, therefore, are in the best position to assess what information is most relevant in evaluating these entities. Accordingly, the PUCO believes that any reforms undertaken to streamline the ETC designation process to promote competition within the Lifeline market should and must preserve the important role of the states to carry out the designation process.

The PUCO supports NARUC's position of partnership, not preemption.<sup>9</sup> NARUC refers to the past effectiveness of the Federal-State Joint Board on Universal Service (Joint Board) in reforming the Lifeline program and urges the FCC to be mindful of such efforts as it takes final action in this proceeding.<sup>10</sup> As NARUC indicates, and the PUCO agrees, Ohio and other states should continue to have a role in matters, including the ETC designation process, that so directly affect its vulnerable populations.

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<sup>8</sup> NARUC Comments at 11.

<sup>9</sup> *See Id.* at 6.

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

## CONCLUSION

While Lifeline has benefitted from both federal and state oversight, the current state-by-state designation process is an appropriate and necessary approach that requires no revision at this time. This process enables states to seek information about matters unique to them to tailor effective, localized responses that would otherwise be lost in a streamlined national designation process. It provides states with a means of knowing and evaluating those entities that wish to provide Lifeline service to the most vulnerable of their citizens. The Lifeline designation process is not broken and, accordingly, does not need to be fixed. For these reasons, the PUCO supports the initial comments filed by NARUC and urges the FCC to strongly consider NARUC's comments in this proceeding. The PUCO appreciates the opportunity to provide these reply comments and the FCC's studied and thorough consideration of them.

Respectfully submitted,

*/s/ William L. Wright*

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**William L. Wright**

180 East Broad Street, 6<sup>th</sup> Floor

Columbus, OH 43215-3793

614.466.4397 (telephone)

614.644.8764 (fax)

[william.wright@puc.state.oh.us](mailto:william.wright@puc.state.oh.us)

**Attorney for the Public Utilities  
Commission of Ohio**

Dated: September 30, 2015