

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

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

To: The Commission

**REPLY COMMENTS OF  
CTIA – THE WIRELESS ASSOCIATION®**

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**REPLY COMMENTS OF  
CTIA – THE WIRELESS ASSOCIATION<sup>®</sup>**

CTIA – The Wireless Association<sup>®</sup> (“CTIA”) replies to the comments filed in response to the Federal Communications Commission (“FCC” or “Commission”)’s Second Further Notice of Proposed Rulemaking (“*Second Lifeline Reform NPRM*”) in the above-captioned proceedings.<sup>1</sup>

The record overwhelmingly demonstrates that wireless services have become an essential part of the Lifeline program that corresponds to the changing adoption and usage trends among low-income consumers. As the Commission considers modifying the existing Lifeline program, the Commission should ensure that a modified Lifeline program continues to reflect low-income consumers’ adoption and usage of mobile wireless services.

In particular, the Commission should refrain from applying minimum service standards to generally available broadband services that could receive Lifeline support. To the extent the

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<sup>1</sup> *Lifeline and Link Up Reform and Modernization*, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, 30 FCC Rcd 7818 (2015) (“*Second Lifeline Reform NPRM*”).

Commission adopts minimum service standards for Lifeline-specific offerings, the Commission should ensure such standards reflect consumer adoption and utilization of mobile wireless services that will encourage wireless providers to participate in the Lifeline program. The Commission also should avoid adopting regulations that would unnecessarily burden Lifeline providers without improving program administration, such as the proposals for officer training certifications and maintaining a dedicated 24/7 de-enrollment line. Ultimately, any modifications to the Lifeline program should enable mobile wireless service providers to continue offering eligible low-income consumers the ability to choose mobile wireless services to meet their educational, occupational, health, and other important needs.

**I. THE RECORD DEMONSTRATES THE ESSENTIAL ROLE OF WIRELESS FOR LOW-INCOME CONSUMERS IN THE LIFELINE PROGRAM.**

The record demonstrates the significant value of wireless service, and mobile wireless broadband services in particular, for low-income consumers. Notably, Consumers Union observes that “[f]or many vulnerable populations, including rural consumers, low-income consumers, and consumers living in communities of color, a mobile device is the first – and sometimes the only – means to access the Internet.”<sup>2</sup> Similarly, Qualcomm notes that “[i]n today’s mobile broadband-fueled world, low-income consumers are increasingly choosing mobile broadband connectivity to meet their educational, medical, employment, and general communications needs” and that “mobile broadband can play an important role in closing the ‘homework gap.’”<sup>3</sup>

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<sup>2</sup> Consumers Union Comments at 3; *see also, e.g.*, Tracfone Comments at 4-5 (discussing the important role played by wireless providers during natural disasters); CTIA Comments at 3-4, 8-10.

<sup>3</sup> Qualcomm Comments at 3; *see also, e.g.*, AT&T Comments at 8 (noting that in its experience, the vast majority of Lifeline customers chose plans that include both voice and data); Benton Foundation and Rural Broadband Policy Group Comments at 12, 28 (discussing the potential impact of mobile broadband on the economy and the needs of low-income and smartphone dependent users).

The record further shows that mobile wireless services have become the backbone of the Lifeline program, significantly increasing the program’s success in connecting eligible low-income consumers. Indeed, Free Press notes that “the expansion [of the Lifeline program] to wireless services was very beneficial to users, as it allowed them to use the Lifeline subsidy for a service in which they undoubtedly found more utility than Plain Old Telephone Service.”<sup>4</sup> Further, wireless providers have created new and attractive Lifeline service options and have greatly enhanced the public benefits of the program, “offering and promoting Lifeline services which low-income consumers found important and desirable, and which they could afford.”<sup>5</sup>

Commenters that focus exclusively on fixed broadband services ignore the substantial value and benefits that mobile wireless broadband services offer low-income consumers.<sup>6</sup> With the added benefit of mobility, wireless broadband services are increasingly the preferred platform for providers of educational, health, occupational, and general information resources who previously focused on the fixed broadband platform.<sup>7</sup> Moreover, mobile wireless services are at the forefront of meeting the needs of diverse communities including minorities, people

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<sup>4</sup> Free Press Comments at 31; *see also, e.g.*, Joint Commenters Comments at 2 (“Today, nearly three quarters of all Lifeline subscribers choose wireless resellers to meet their essential communications needs.”); CTIA Comments at 4-7.

<sup>5</sup> Tracfone Comments at 4-6; *see also, e.g.*, Joint Commenters Comments at 5-7 (describing how wireless Lifeline offerings have improved and diversified over time to meet evolving consumer demands).

<sup>6</sup> *See* AARP Comments at 8; Univision Comments at 2.

<sup>7</sup> At one time the exception, mobile learning platforms are becoming the norm. One survey found that nearly 60 percent of the respondents said mobile tech has been adopted in a quarter or more of the schools in their district. CCSSO Comments at 5. *See also, e.g.*, Ewan Spence, *The Mobile Browser Is Dead, Long Live The App*, FORBES (Apr. 2, 2014), <http://www.forbes.com/sites/ewanspence/2014/04/02/the-mobile-browser-is-dead-long-live-the-app/>; Amy Westervelt, *Mental-Health Apps Make Inroads With Consumers and Therapists*, WALL ST. J. (Sept. 27, 2015), <http://www.wsj.com/articles/mental-health-apps-make-inroads-with-consumers-and-therapists-1443407477>.

with disabilities, and older adults.<sup>8</sup> The Commission should therefore ensure that reforms to the Lifeline program reflect the wireless adoption and usage trends of low-income consumers and providers of services for low-income consumers.

**II. WHILE THE RECORD SHOWS THAT MINIMUM SERVICE STANDARDS ARE UNNECESSARY, IF ADOPTED, SUCH STANDARDS SHOULD REFLECT LOW-INCOME CONSUMERS' ADOPTION AND UTILIZATION OF MOBILE WIRELESS SERVICES.**

As CTIA previously noted, competition among Lifeline providers has led to new and innovative programs and offerings that include texting, data, and other features, as well as low- or no-cost handsets.<sup>9</sup> For example, the record demonstrates that Lifeline consumers have received increasing value for the \$9.25 Lifeline subsidy. As Tracfone describes, market forces drove it to increase its voice service minutes by more than 500 percent and add unlimited texting for Lifeline customers, with competitors responding in kind.<sup>10</sup> The Joint Commenters also describe Lifeline plans with greater numbers of minutes, texts, amounts of data usage, and devices over the last few years.<sup>11</sup>

Competition among Lifeline providers will continue to encourage improved offerings more effectively than Commission-established minimum service standards. The record makes

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<sup>8</sup> See, e.g., Aaron Smith, *U.S. Smartphone Use in 2015*, PEW RESEARCH CENTER (Apr. 1, 2015), [http://www.pewinternet.org/files/2015/03/PI\\_Smartphones\\_0401151.pdf](http://www.pewinternet.org/files/2015/03/PI_Smartphones_0401151.pdf) (reporting that 19 percent of Americans, particularly those from vulnerable populations, use their mobile devices for accessing online content, including employment, education, health care and government related content); Benton Foundation and Rural Broadband Policy Group Comments at 10 (describing mobile applications that help connect therapists with children who have developmental and speech issues); Consumers Union Comments at 1, 3; Council of Chief State School Officers Comments at 5 (“[T]he Commission should also continue to support wireless options for low-income consumers, including mobile broadband connectivity. At one time the exception, mobile learning platforms are becoming the norm.”); CTIA Comments at 3-4.

<sup>9</sup> See CTIA Comments at 5.

<sup>10</sup> See Tracfone Comments at 11-12; see also Sprint Comments at 6-7; Joint Commenters Comments at 5-7.

<sup>11</sup> Joint Commenter Comments at 6.

clear that the competitive nature of the Lifeline market makes minimum service standards unnecessary.<sup>12</sup> Moreover, commenters note that minimum service levels do not serve the public interest. For example, the New York Public Service Commission expresses concern that service standards would “restrict the offerings available to low-income consumers” and urges the Commission “to maintain as much competitive choice as possible.”<sup>13</sup>

Proponents of minimum service standards generally focus on the need to ensure that Lifeline customers receive value that is reasonably comparable to services that are generally available to all consumers. Commenters, however, express strong interest in offering generally available broadband plans to eligible Lifeline subscribers subject to Lifeline support.<sup>14</sup> In such case, there is no need for minimum service standards to ensure that Lifeline customers receive comparable service offerings, since the same offerings would be available to all consumers and subject to significant competitive pressures to maintain and improve services.<sup>15</sup>

To the extent the Commission adopts any minimum standards for Lifeline-specific plans, it should ensure that those standards do not create a barrier to mobile wireless participation in the Lifeline program.<sup>16</sup> Performance standards that do not take into consideration mobile network capabilities would impede low-income consumers’ access to the mobile services that they are

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<sup>12</sup> See, e.g., CTIA Comments at 10; AT&T Comments at 8-9; Sprint Comments at 6-8, 12-13; Comcast Comments at 12-13; Tracfone Comments at 11-12; ITTA Comments at 26-27; NCTA Comments at 2-3; Public Knowledge Comments at 21-23 (stating that only Lifeline-specific plans should be subject to minimum service standards).

<sup>13</sup> New York Public Service Commission Comments at 7; see also, e.g., Navajo Tribal Utility Authority Comments at 3; Commnet Wireless and Choice Communications Comments at 4.

<sup>14</sup> See, e.g., Comcast Comments at 12-13; AT&T Comments at 8-9; Frontier Comments at 9-10; Joint Commenters Comments at 17-18; NCTA Comments at 3-4; Verizon Comments at 8-9.

<sup>15</sup> See, e.g., Public Knowledge Comments at 21-23; AT&T Comments at 8-9; Commnet Wireless and Choice Communications Comments at 6; Frontier Comments at 9-10; NCTA Comments at 2.

<sup>16</sup> See CTIA Comments at 10-12.

increasingly adopting and using to meet their communications needs. Moreover, as CTIA noted in its initial comments, the Lifeline Broadband Pilot Program showed that low-income consumers are highly price-sensitive<sup>17</sup> – if Lifeline service standards are set without regard to existing network and market characteristics, the Lifeline subsidy may be insufficient to encourage eligible low-income consumers to participate in a broadband-based Lifeline program.

Thus, the Commission should refrain from applying minimum service standards to generally available broadband services that could receive Lifeline support. To the extent the Commission adopts minimum service standards for Lifeline-specific offerings, the Commission should ensure such standards reflect consumer adoption and utilization of mobile wireless services that will encourage wireless providers to participate in the Lifeline program.

### **III. TO PROMOTE EFFICIENCY AND COMPETITION WITHIN THE LIFELINE PROGRAM, THE COMMISSION SHOULD AVOID ONEROUS AND UNNECESSARY REGULATIONS.**

CTIA continues to support effective measures to prevent waste, fraud, and abuse in the Lifeline program.<sup>18</sup> As CTIA noted in initial comments, even before the FCC adopted the 2012 *Lifeline Reform Order*, the wireless industry worked closely with the Commission and the Universal Service Administrative Company (“USAC”) to establish an in-depth validation (“IDV”) process to identify and de-enroll duplicates, a process that led to the highly successful National Lifeline Accountability Database (“NLAD”).<sup>19</sup> By all accounts, the NLAD has already demonstrated great success, largely eliminating the problem of consumers receiving multiple Lifeline benefits. Likewise, wireless Lifeline providers have worked closely with the states in

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<sup>17</sup> See *id.* at 9-10.

<sup>18</sup> See, e.g., Comments of CTIA – The Wireless Association<sup>®</sup>, WC Docket No. 11-42 (filed Apr. 21, 2011); Comments of CTIA – The Wireless Association<sup>®</sup>, WC Docket No. 11-42 (filed Apr. 2, 2012).

<sup>19</sup> CTIA Comments at 7.

their efforts to bring further efficiencies to the program. CTIA and its member companies therefore share the Commission’s desire to adapt the program to meet changing consumer needs in a cost-effective and responsible manner.

At the same time, as commenters observe, some of the proposals in the *Second Lifeline NPRM* would increase burdens on Lifeline providers without improving program administration. In this regard, the record shows that proposed officer training certifications would impose considerable burdens on providers without significantly reducing waste, fraud, and abuse. As GCI states, “[r]equiring that a company officer certify the training of all customer-facing personnel will generate yet more paperwork for little benefit.”<sup>20</sup> AT&T expresses similar concern in simply noting that officer certifications would be “administrative overkill.”<sup>21</sup> ITTA also argues that providers already face strong incentives to ensure compliance with consumer eligibility and documentation requirements, and that the Commission’s proposed measures would therefore be appropriate only in an “enforcement context and/or with respect to implementation of a compliance plan involving a particular company that has been found to have violated the rules.”<sup>22</sup> The Joint Commenters further suggest that officer training certifications would discourage, rather than encourage, provider participation in the Lifeline program.<sup>23</sup> In sum, the initial comments demonstrate that the Commission’s proposal for officer training certifications should not be adopted.

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<sup>20</sup> GCI Comments at 30.

<sup>21</sup> AT&T Comments at 38.

<sup>22</sup> ITTA Comments at 24; *see also* GVNW Consulting Comments at 29 (“In addition to being ambiguous and unworkable, this proposal for officer certification continues an unwelcome trend of criminalizing enforcement of the Commission’s rules.”).

<sup>23</sup> *See* Joint Commenters Comments at 95-96.

The comments also confirm that a dedicated 24/7 line would not be a viable solution for customer de-enrollment. Stakeholders generally agree that Lifeline customers who seek to terminate their Lifeline service should be able to do so promptly.<sup>24</sup> However, the record demonstrates that there are far better ways to achieve the goal of prompt service termination than the proposed requirement that providers maintain a dedicated 24/7 de-enrollment line, such as the automatic de-enrollment approaches described in the record.<sup>25</sup> As Verizon suggests, wireless carriers have already augmented their toll-free numbers by making a number of alternative options available for Lifeline subscriber de-enrollment requests, including online portals, text messages, and e-mails.<sup>26</sup> The record also shows that it would be extraordinarily expensive and burdensome for providers to staff such dedicated lines, and that consumers may become confused about which number to call to reach their providers for customer service.<sup>27</sup>

Accordingly, the Commission should not adopt these unnecessary proposals and instead focus its efforts on proposals that will bring demonstrable benefits to eligible Lifeline subscribers while minimizing the burdens on providers.

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<sup>24</sup> See, e.g., ITTA Comments at 4; TracFone Comments at 50-51; Verizon Comments at 6; Windstream Comments at 9.

<sup>25</sup> See, e.g., CTIA Comments at 13 (supporting a coordinated enrollment and automatic de-enrollment process).

<sup>26</sup> See Verizon Comments at 6.

<sup>27</sup> See, e.g., AT&T Comments at 37; Cox Comments at 4; GCI Comments at 27-28; ITTA Comments at 4; Joint Commenters Comments at 69-71; TracFone Comments at 51; Windstream Comments at 9.

#### **IV. CONCLUSION.**

Consistent with the above comments, the Commission's efforts to modify the Lifeline program should reflect the essential role wireless plays in the Lifeline program and ensure that eligible low-income consumers have access to competitive Lifeline services, especially wireless services that bring significant educational, occupation, health, and other benefits to these communities.

Respectfully submitted,

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