

consumer action

Education and advocacy since 1971

September 30, 2015

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

Re: Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, WC Docket No. 09-197, WC Docket No. 10-90

Dear Ms. Dortch:

Consumer Action¹ respectfully submits these reply comments on selected sections of the Federal Communications Commission's (FCC) Second Further Notice of Proposed Rulemaking (FNPRM) in the above-captioned dockets. The FNPRM was published in the Federal Register on July 17, 2015. We submitted initial comments in the docket on August 30, 2015.²

We have reviewed the initial comments submitted in the docket, and continue to be most troubled by two items: 1) The recommendations to transition the Lifeline program to a direct benefit or voucher system and 2) The recommendation to have Supplemental Nutrition Assistance Program (SNAP) as the *only* qualifying program. As we discussed in our initial comments, we oppose any move to a voucher system and also oppose moving to a SNAP-only system. We think these proposed reforms would hurt millions of low-income consumers who need and would otherwise qualify and benefit from the program, especially veterans and older adults.

As a consumer organization that has worked with a diverse community of low-income consumers to receive federal and state benefits—including non-English speakers, older Americans and veterans—we are surprised by the lack of details or knowledge found in the comments about how using the SNAP system would work to qualify consumers for Lifeline benefits to receive wireless phone or discounts on broadband services.

In reading the comments supporting the transition to a direct benefit system based on SNAP, no information has been presented that convinces us that filers know how the SNAP system works. None of the filers offered evidence that they have talked to any SNAP programs around the country. As a result, they have no idea of what the cost would be to have SNAP administer Lifeline or even if SNAP in the different states would be willing to do so.

As stated in our initial filing, we believe any transition to a voucher system should not

¹Consumer Action is a national non-profit advocacy and education organization that has served consumers since 1971. Consumer Action has a national reputation for multilingual consumer education and advocacy in the fields of credit, banking, privacy, insurance and utilities. Consumer Action's nationwide network of more than 8,000 community-based organizations enables it to reach millions of consumers—in their own languages and in their own communities.

² Consumer Action's Aug. 31 filing in this matter: <http://apps.fcc.gov/ecfs/comment/view?id=60001198746>

occur until the FCC is able to determine how much a transition to it would cost the program. Consumer Action continues to urge the FCC to conduct a study to look at how the administrative costs of a voucher-based program would compare to the current program costs. Our fear is that the cost would be far too high.

For example, there is no evidence that commenters who support a voucher program have conferred with any bank or other financial institution about whether such a system would be technically feasible. No filer has shared evidence that a stored value card or prepaid card is capable of providing the automatic bill pay function needed for a voucher system to work. Even so, such a card would require the cardholder to initiate and continue to authorize the payments.

Many of the consumers we know who use Lifeline appreciate the current system that makes it easy for them to participate. Once they sign up and are approved they don't need to do anything further until they have to recertify after one year. With the voucher system, Lifeline participants who can't use automatic bill pay from a stored value card would need to go into a store or to an ATM every month to get the cash to make the payment. If so, this could be a burden, especially for consumers who reside in rural areas, have disabilities, or depend on public transportation. Any reforms including a voucher system must ensure consumers can receive Lifeline support consistently and conveniently.

While Consumer Action has strong concerns about how a voucher system similar to SNAP would work, we also oppose using SNAP as the sole qualifier. Calls to eliminate income-based Lifeline or qualifying through programs like Public Housing Assistance, Low Income Home Energy Assistance Program (LIHEAP), National School Lunch Program's free lunch program (NSLP), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF) or Medicaid would exclude millions. Recent estimates are that three in five Lifeline-eligible, older adults do not participate in SNAP³. Moreover, roughly one million of the nation's poorest people will be cut off SNAP (the former food stamp program) over the course of 2016, due to the return in many areas of a three-month limit on SNAP benefits for unemployed adults aged 18-50 who aren't disabled or raising minor children⁴. Additionally, linking Lifeline to SNAP—a politically-charged program which is always under attack, and often victim to state-specific political whims and cuts—would be a dangerous risk, as it makes those already at the bottom rung financially vulnerable to losing another needed program.

If the FCC really wants to improve the program on the national level, Consumer Action continues to urge you to consider the California model. This state program has been tested, is succeeding and has the support of industry, consumer groups and the state Public Utilities Commission.

Thank you for the opportunity to submit reply comments. Consumer Action stands ready to meet with you and others at the FCC as it moves forward on this FNPRM.

Sincerely,



Ken McEldowney, Executive Director

³ <http://www.chicagotribune.com/suburbs/oak-park/community/chi-ugc-article-ageoptions-is-working-to-eradicate-senior-hun-4-2015-09-23-story.html>

⁴ <http://www.cbpp.org/research/food-assistance/approximately-1-million-unemployed-childless-adults-will-lose-snap-benefits>