

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
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

**REPLY COMMENTS OF THE BENTON FOUNDATION
AND RURAL BROADBAND POLICY GROUP**

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SUMMARY

The Benton Foundation strongly supports including broadband as a supported service in the Lifeline program and maintains that by including broadband in the Lifeline Program, the Commission will expand the benefits of the program to help a) unemployed and underemployed persons, b) close the education gap, c) and increase telemedicine and telehealth services to rural areas. Therefore, Benton disagrees with ITTA -The Voice of Mid-Size Communications Companies (“ITTA”) and the Free State Foundation, which ostensibly argue for not including broadband in lifeline. To achieve these goals, the Commission should set minimum service levels. Unlike the recommendations of The Information Technology and Innovation Foundation (“ITIF”), which recommends a lower-level service for broadband for basic functions like web browsing and email, Benton believes a standard that supports functional uses should include streaming videos for homework, class lectures online, and even telemedicine, essential services that broadband supports. Benton also supports a third-party verification system that will allow lower-income communities the opportunity to more easily verify for the program. By taking these steps, the Commission could ensure that the Lifeline program appropriately meets the demands of a competitive market place as well as addresses closing the digital divide.

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The Benton Foundation¹ and the Rural Broadband Policy Group (“Benton”) respectfully submit these reply comments in response to the Federal Communication Commission’s (“FCC” or “the Commission”) *Second Further Notice of Proposed Rulemaking* requesting comment on the expansion of the Lifeline program to include broadband service and other questions relating to the administration and reform of Lifeline service.

INTRODUCTION

The hundreds of comments filed in this proceeding demonstrate that the potential expansion of the Lifeline program is an issue of urgent importance to members of the public and

¹ The Benton Foundation works to ensure that media and telecommunications serve the public interest and enhance our democracy. Benton pursues this mission by: 1) seeking policy solutions that support the values of access, diversity and equity; 2) demonstrating the value of media and telecommunications for improving the quality of life for all; and 3) providing information resources to policymakers and advocates to inform communications policy debates. Benton is a member of the Commission’s Consumer Advisory Committee (CAC) and chairs the CAC Universal Service Working Group. Benton has long advocated for universal, affordable telecommunications access for all citizens.

the telecommunications industry alike. Benton responds here to certain issues raised by other commenters in this proceeding. However, overall, the record reinforces Benton's position that the Commission should expand the Lifeline program to include broadband, set minimum service levels, require third-party verification, and create a flexible and responsive benefit amount. By taking these steps, the Commission could ensure that the Lifeline program appropriately meets the demands of a competitive marketplace and helps close the digital divide.

I. THE COMMISSION SHOULD INCLUDE BROADBAND INTERNET SERVICE IN THE LIFELINE PROGRAM.

In its initial comments, Benton strongly supported the Commission's efforts to include both standalone and bundled broadband service as part of the Lifeline program. The proposed expansion has met with broad support from a wide spectrum of commenters, including public interest groups, consumers, and industry groups.

Although ITTA, The Voice of Mid-Size Communications Companies ("ITTA") does not challenge the Commission's authority to include broadband service in the Lifeline program, and does not in principle oppose doing so at some time in the future, ITTA does argue that the Commission should not even consider support for broadband until after the Commission overhauls the Lifeline program. ITTA both exaggerates the need for reform, and underestimates the critical importance of broadband. While ITTA agrees that the Commission should explore modernizing Lifeline to include broadband, it argues that the Commission should not do so until it has first addressed the administrative and other programmatic issues faced by the Lifeline program and exercise expenditure control.² As discussed below, Benton agrees that improving Lifeline management is important, but taking such measures should not halt the Commission's

² ITTA Comments at 5.

operation and progress that could close the digital divide.³ The argument that the Commission should exercise new financial controls does not preclude the Commission from including broadband in Lifeline.

Randolph May, President of the Free State Foundation (“Free State”), also argues that the costs associated with broadband access cannot be covered by the current Lifeline subsidy amount. Although he, too, does not dispute that the Commission has the power to expand Lifeline to broadband, and does not oppose it in theory, the effect of his argument is that the Commission would not be able to do so. Free State argues that this price differential would make expansion of the Lifeline program either futile (because the program could not cover enough of the cost to increase broadband access) or too costly (because the program would need to drastically expand the benefits offered).⁴ Free State’s argument is premised on the myth, addressed below, that functional broadband cannot be delivered at a reasonable price.

A. The Commission should not postpone including broadband while the Lifeline program is reformed.

The Commission has already undertaken numerous reforms of the Lifeline program, and the current FNPRM includes additional critical reforms that are likely to be implemented alongside the inclusion of broadband. There is no need to delay the modernization of the Lifeline program because reforms can be undertaken alongside the proposal to include broadband. Nevertheless, ITTA insists dramatic steps are necessary to obviate concerns about the “integrity” of the Lifeline program.⁵ It argues that the Commission should fix design flaws in Lifeline's administration and strengthen the fiscal controls of the program instead of supporting the

³ See also National Hispanic Media Coalition Comments at 5.

⁴ Randolph J. May, President, The Free State Foundation Comments (“Free State Comments”) at 5.

⁵ ITTA Comments at 5.

inclusion of broadband. ITTA sees reform of Universal Service Fund mechanisms and the adoption of a budget as necessary fiscal measures, which must precede any expansion of the program to include broadband.⁶ However, the Commission has already moved decisively to eliminate fraud, waste, and abuse within the program. ITTA itself acknowledges that the FCC adopted reforms in 2012 to improve program administration and strengthen protections against fraud, waste, and abuse. Some of these reforms are still being implemented, and the administrative and fiscal strength will continue to improve as they come into effect.⁷

Additionally, the record in this proceeding contains suggestions for other reforms, which the Commission can adopt. In particular, the contemplated move to a third-party verification system has received enthusiastic support from all quarters, including from ITTA and other industry groups.⁸ If the Commission adopts a third party verification system, this one change could dramatically improve the administration and fiscal health of the Lifeline program.

Finally, it should be noted that postponing Lifeline modernization would generate inefficiencies and greater administrative waste. Proceeding in that manner would likely require readjustments to accommodate the modernization anyway. The cost of changing to new policies and procedures now, then new ones, is wasteful.

B. The substantial benefits of broadband access for low-income households make expansion an immediate priority.

The inclusion of broadband in Lifeline is a substantial public good that can be accomplished right now. ITTA fails to appreciate the essential and immediate nature of the need to bridge the digital divide for low-income Americans. While the Lifeline program has had some

⁶ ITTA Comments at 5-6.

⁷ *Lifeline and Link Up Reform and Modernization*, 30 FCC Rcd 7818, 7872-91 (2015).

⁸ ITTA Comments at 14-17.

problems, its benefits have far outweighed the costs, and expanding it to include broadband would bring even greater advantages.⁹ The benefits of broadband access for low-income households are multitudinous, particularly households with schoolchildren,¹⁰ unemployed or underemployed persons,¹¹ and persons affected by illness and disability.¹² The comments of other parties provide additional examples of the immediate benefits that would flow from the inclusion of broadband service in Lifeline.¹³ Broadband Internet access now serves as the “lifeline” to the interconnected digital world of the 21st century. When weighing the choice to expand the program now versus waiting until the Lifeline program can be perfected, the Commission must consider these economic, educational, and health benefits of Internet access for low-income consumers.

C. Expanding Lifeline to include broadband has immediate economic benefits.

As Benton has previously argued, there are substantial economic benefits from broadband adoption among low-income consumers¹⁴ as well as for everyone else connected to the Internet. Under Metcalfe’s Law,¹⁵ the value of an expanding network benefits everyone on the network. Simply put, affording Internet access to low-income users does not just benefit those individuals; it also enables people and businesses in the larger community to reach those low-income individuals.

⁹ Benton Comments at 6-13.

¹⁰ Benton Comments at 5-7.

¹¹ Benton Comments at 8-9.

¹² Benton Comments at 9-10.

¹³ Low-Income Consumer Groups Comments at 5 (Lifeline broadband would meet the basic needs in the areas of education, health care, benefit those with disabilities, and public safety).

¹⁴ *Id* at 5-6.

¹⁵ Metcalfe’s Law states that a network’s impact is the square of the number of nodes in the network. “Metcalfe’s Law,” *available at*

<https://www.techopedia.com/definition/29066/metcalfes-law>.

At the individual level, Internet access can yield savings through online shopping and digital discounts, and access to employment applications and opportunities.¹⁶ For one example, Public Knowledge points to airline tickets: “Delta Airlines charges a \$25.00 fee for booking a ticket by telephone—a charge that is waived when booking a ticket online.”¹⁷ On a larger scale, broadband adoption, particularly among low-income communities, has proven benefits for the economy as a whole.¹⁸ Beginning to bridge the digital divide will not only provide a “hand-up” to low-income households, but will inject new strength into the American economy.

1. Including broadband in Lifeline would close the “Homework Gap.”

Benton has emphasized the important educational opportunities Internet access affords students; it is the essential educational tool of the 21st century. Online repositories of information, educational streaming video content, virtual classrooms, and online homework and school resources are vitally important elements of education today. Internet access outside of school provides access to these resources, and keeps students engaged in learning. As the Houston Independent School District and San Diego Unified School District pointed out,

Students who are able to access the Internet outside of the constraints of a school day are more engaged, miss less school, and are more successful in their learning endeavors and more willing to continue their learning when they are able to use the power of the Internet to set a path and pace that suits them individually.¹⁹

¹⁶ U.S. Government Accountability Office, Report 15-473, “Broadband: Intended Outcomes and Effectiveness of Efforts to Address Adoption Barriers Are Unclear” at 8-9 (June 2015); *See also* Benton Comments at 8-9.

¹⁷ Public Knowledge Comments at 12 (citing Delta Airlines, Direct Ticketing Charges, *available at* http://www.delta.com/content/www/en_US/traveling-withus/planning-a-trip/booking-information/optional-fees-services/direct-ticketing-charges.html)

¹⁸ Benton Comments at 12.

¹⁹ *Ex Parte* Notice of Houston Independent School District and San Diego Unified School District at , Notice of Ex Parte Communication of The Houston Independent School District, Texas and the San Diego Unified School District at 1 (July 30, 2015).

Other commenters reinforced the need to close the “Homework Gap” that emerges for low-income students who do not have the opportunity to access the Internet outside of school. Public Knowledge points to a Federal Reserve study that found students with a computer and broadband access at home “have six to eight percentage point higher graduation rates than similar students who don’t have home access to the Internet.”²⁰ Qualcomm Incorporated noted the dramatically improved educational outcomes observed through the Commission's own E-Rate and Learning On-the-Go programs that provide mobile broadband access.²¹ This is further supported by the National Hispanic Media Coalition which notes that “[i]n the past year 44 percent of smartphone users between the ages of 18-29 have used their phones to access educational content.”²² The message is clear: students need the connected, digital tools to prevent being left behind. The sooner the Commission can get Internet access into the hands of students from low-income families through the Lifeline program, the sooner they can begin to succeed.

2. Including broadband would address telehealth and telemedicine needs in rural areas.

Internet access is increasingly a gateway to healthcare and medical information. Illness and disability can be tremendous obstacles for low-income households, and having access to the advantages of modern telehealth and other online healthcare services can be essential in reducing this burden. Many other commenters touched upon the substantial health benefits that could be obtained by including broadband service in Lifeline. In its comments, Magellan Health, Inc. emphasized the importance of mobile devices for everything from scheduling appointments to

²⁰ Public Knowledge Comments at 5-6.

²¹ Qualcomm Incorporated Comments at 2.

²² National Hispanic Media Coalition Comments at 14.

engaging with community support structures.²³ Members of the Rural Broadband Policy Group describes how Internet access is particularly important for health-applications in rural areas, where access to medical practitioners can be difficult:

“[H]ealthcare providers use the Internet to monitor patients' vital signs, deliver medication, disseminate health information, and stay in touch with their patients. But, patients must also get online in order for the system to work. Patients can use the Internet to research symptoms or access care directly from their home when they lack transportation or are homebound. Contacting health providers via digital channels can be more convenient for patients in remote areas.”²⁴

These applications of digital connectivity have a direct and substantial impact on the wellbeing of people every day. Delaying inclusion of broadband while dithering about specific administrative reforms leaves sick and disabled low-income households without access to these essential health benefits.

3. The price barrier to broadband adoption for low-income families can be solved by expanding the Lifeline program benefits.

Benton believes that functional broadband service can be provided at or near the cost of the current Lifeline benefit amount.²⁵ However, Free State has argued that the current benefit amount will be unable to cover the cost of broadband service. In particular, Free State's comments focus on two issues: the cost of equipment, and the minimum standards set by the Commission for broadband would price low-income recipients of Lifeline out of the broadband market.²⁶ It argues that these costs will cause the true price of broadband to far exceed the current benefit amount resulting in either minimal enrollment or the need for a substantial

²³ Magellan Health, Inc. Comments at 2.

²⁴ Members of The Rural Broadband Policy Group Comments at 11.

²⁵ Benton Comments at 19-20.

²⁶ Free State Comments at 4-6.

increase in the cost of the Lifeline program. However, this gloomy binary outlook need not be the case. Benton and others have anticipated such concerns and offered solutions to them.

Benton recognized that equipment costs and connection fees can impose additional barriers to the adoption of fixed broadband service.²⁷ However, mobile broadband service tends to have lower ancillary costs compared to fixed service, and Benton has continually emphasized the importance of supporting both of these options for Lifeline recipients. Benton has highlighted numerous innovative programs that offer mobile broadband access at or around the current subsidy amount.²⁸ Programs of this kind may be the best solution for consumers who do not have access to reasonably-priced fixed broadband due to unavailability in their area or high ancillary costs. These existing programs demonstrate both the feasibility of offering relatively robust mobile broadband services at rates comparable to the current subsidy level, and why it is critically important that the Commission include support for both mobile and fixed broadband. Additionally, the Commission should consider one-time reimbursements for connection charges, or subsidies for equipment costs. That kind of direct support would eliminate the barrier of ancillary costs, and has received support from other commenters such as the Communications Workers of America and American Federation of Labor-Congress of Industrial Organizations.²⁹

Free State frets that the Commission's recent redefinition of high speed broadband to 25Mbps means that the cost of functional broadband service for Lifeline subscribers will be too expensive because as speeds increase, so will costs.³⁰ However, the Commission is not proposing that Lifeline service should be 25 Mbps at this time. Service levels evolve, and 25

²⁷ Benton Comments at 27.

²⁸ Benton Comments at 29-30.

²⁹ Communications Workers of America and American Federation of Labor-Congress of Industrial Organizations Comments at 5.

³⁰ Free State Comments at 5-6.

Mbps could be appropriate at some point in the future. What is important now is that minimum service standards are essential to ensure that low-income consumers receive functional Internet access that allows them “full participation in our society and economy” in line with the mission of the Lifeline program.³¹ Aside from the innovative low-cost mobile broadband offerings described above, there are many other solutions for low-cost broadband access. Programs like Comcast's Internet Essentials demonstrate that traditional providers can offer functional broadband at a price well within the range of the current subsidy level. Opening the market to non-traditional providers, such as small and community-based providers, can yield great value for low-income consumers as well. For instance, Harlem Free Wi-Fi has utilized unlicensed spectrum to bring free wireless Internet access to over 80,000 residents, including many in low-income housing.³² Benton is confident that a more open Lifeline marketplace that includes community co-ops, local non-profits, and innovative businesses alongside traditional providers will result in a vibrant and competitive broadband marketplace where robust and affordable service is a reality for low-income consumers.

Another way to address cost barriers is to work with these local and community-based to break down other non-price barriers to broadband adoption. As the National Digital Inclusion Alliance (“NDIA”) points out:

“broadband adoption is most effectively increased by community-driven efforts that combine affordable home broadband service, public broadband access and locally trusted technology training and support. If we, as a country, are to successfully increase Internet access and meaningful use, we must integrate low-cost broadband offers with on-the-ground training and support that effectively tackle all three

³¹ *MTS and WATS Market Structure, and Amendment of Parts 67 & 69 of the Commission's Rules and Establishment of a Joint Board*, 50 Fed. Reg. 939, 941, para. 9 (Jan. 8, 1985).

³² Public Knowledge Comments at 29.

barriers.”³³

This holistic approach can be achieved through the inclusion of broadband in Lifeline, the expansion of the market to include nontraditional service providers, and through education and digital literacy programs that teach the value of broadband. Connected Nation describes how, by simply opening up Lifeline to include community-based solutions and distribution models, and working with organizations that already serve low-income communities on a regular basis, the Commission can “plant a seed” to assist people in acquiring digital literacy skills and understanding the value and relevance of broadband connectivity.³⁴

II. THE COMMISSION SHOULD SET MINIMUM SERVICE STANDARDS FOR BROADBAND.

Benton strongly supports the imposition of minimum service standards for broadband because doing so is the only credible way to ensure that Lifeline participants receive an adequate level of service.³⁵ However, ITIF and the United States Telecom Association (“USTA”) question the need for minimum service standards by asserting that: 1) most applications “necessary for participating in society and the economy” are supported by a trivially slow connection³⁶; and 2) that such standards would preclude consumers from selecting the “Lifeline broadband service that best fits their needs.”³⁷ The Commission should, however, reject such out-of-date conceptions of what constitutes adequate use of applications in the modern economy and should, moreover, reject the unrealistic notion that the absence of minimum standards empowers the consumer.

³³NDIA Comments at 4.

³⁴ Connected Nation Comments at 3.

³⁵ Benton Foundation Comments at 13.

³⁶ ITIF Comments at 5.

³⁷ USTA Comments at 10.

First, ITIF’s notion of broadband “support” of what it deems socially- and economically-necessary applications reflects a striking unfamiliarity with the realities of economic disadvantage. ITIF asserts, for example, that basic functions like “web browsing, email, or submitting a job application can be done with a relatively slow connection,” quoting the *National Broadband Plan* for the proposition that “most applications in use today can be supported by actual download speeds of 1 Mbps.”³⁸ However, such connection speeds simply do not support applications that have become basic to the modern economy and education. The Commission has addressed minimum speeds in recently setting the standard for the Connect America Fund, another Universal Service program, at 10 Mbps downstream/1 Mbps upstream.³⁹ What is a necessary speed will evolve; thus, for purposes of defining high speed broadband in the *2015 Broadband Progress Report*, the Commission found that the minimum speed benchmark should be updated from 4 Mbps/1 Mbps,(as specified more than five years ago, in the *National Broadband Plan*) to “at least 25 Mbps and actual upload speeds of at least 3Mbps.”⁴⁰ The Commission must look at the functional use of each essential service and determine a speed that would be adequate to that community at that time.

Closing the Homework Gap, for example, demands service levels that provide students the ability to upload multimedia-intensive projects quickly.⁴¹ The geographically-distributed

³⁸ ITIF Comments at 5 (quoting *National Broadband Plan* at 16).

³⁹ *Connect America Fund*, 29 FCC Rcd 7051, 7125, para. 231 (2014).

⁴⁰ *2015 Broadband Progress Report and Notice of Inquiry On Immediate Action to Accelerate Deployment*, 30 FCC Rcd 1375, 1377, para. 3 (2015).

⁴¹ American Library Association Comments (“ALA Comments”) at 10-11 (“Increasingly, they are embedding video in an online presentation that needs to be uploaded to a school platform while Skyping with their project team to decide which photo editing software works best for the presentation. A middle school student may be live-chatting with an online homework tutor and sharing a math assignment via an online workspace to receive immediate feedback on a sticky

nature of modern employment, moreover, requires that prospective job applicants be able to participate in remote interviews over Skype to compete effectively in the marketplace.⁴² ITIF, by contrast, designates the ability to stream high-resolution video as a marginal benefit, dismissing the difference between a 5 mbps and a 20 mbps connection as merely the ability to “enjoy YouTube in high-definition instead of 360p.”⁴³ Finally, emerging telehealth functions, which enable patients to obtain real time health monitoring and consultation, require broadband speeds that do not cause the end user to buffer or time out. Each of these increasingly necessary applications, in stark contrast to ITIF’s assertions, require speeds far greater than 1mbps to be truly accessible to Lifeline participants.

Second, USTA’s curious assertion that the absence of minimum standards actually empowers low-income consumers to obtain broadband suited to their needs is unsupportable. Without evolving minimum standards, Lifeline service will become inadequate for its intended purposes and will not meet some essential consumer needs. Bridging the digital divide demands that Lifeline participants obtain access to high-quality broadband, not the mere connectivity sufficient for “general communication” (web browsing and e-mail) that the USTA emphasizes in its comments.⁴⁴ Low-income users, old and young, do not have needs that differ from those with higher incomes; they should not be condemned to mere digital subsistence. It is difficult to imagine, for example, a senior citizen who would not benefit immensely from the broadband service that delivers speeds increasingly required for telehealth applications.⁴⁵ Without

word problem. Even the youngest students are adding written work or uploading videos to classroom blogs.”)

⁴² ITIF Comments at 11.

⁴³ ITIF Comments at 6.

⁴⁴ USTA Comments at 10.

⁴⁵ ALA Comments at 8.

specifying sufficient minimum service standards that give consumers a meaningful chance at flourishing rather than simply satisfying their barebones “needs,” the Commission ensures that many low-income consumers will be forced to make a Hobson’s choice between insufficient nominal broadband and none at all.

The Commission should set a minimum service standard for fixed broadband offerings that considers a variety of elements such as speed, geographical location (rural or urban) and capacity.⁴⁶ These standards must relate to current need. As the California Emerging Technology Fund (“CETF”) notes in its comments,

Comparable speed is critical to sustain subscriptions. As new services and applications are available on the World Wide Web, higher speeds are needed. Low-income subscribers cannot be expected to participate in the 21st century using 20th century speeds. Yet setting a specific speed in a static regulation will defeat the requirement of a ‘comparable speed’ required in the law, since broadband technology and applications are advancing very quickly. Under the circumstances, speeds adequate to meet the needs of current applications used by an average urban consumer should set the speed needed for the program, and this speed should be examined every two years.⁴⁷

III. THE COMMISSION SHOULD ADOPT THIRD-PARTY VERIFICATION OF LIFELINE ELIGIBILITY.

There is no major dispute as to the establishment of a national third-party verifier for Lifeline eligibility. The only area of disagreement among commenters is whether the verifier should be purely national or a hybrid entity that delegates responsibility for verification to both the federal and state governments.⁴⁸ For example, USTA strongly supports a uniform, single verifier for Lifeline with uniform standards, practices, and procedures.⁴⁹ Furthermore, it states

⁴⁶ California Emerging Technology Fund Comments (“CETF Comments”) at 20-21.

⁴⁷ CETF Comments at 21.

⁴⁸ *See, e.g.* USTA Comments at 8-9 (supporting a single, unified national verifier); NTCA -The Rural Broadband Association (“NTCA”) Comments at 3-8 (supporting approach whereby Lifeline enrollment is coordinated with extant federal programs for low-income citizens).

⁴⁹ USTA Comments at 7.

that the current “tapestry” of Lifeline verifiers in the different states creates an administrative burden and hurdle to an efficacious program.⁵⁰ On the other hand, NTCA supports a more coordinated approach.⁵¹ NTCA maintains that the administrative burden on small carriers to take on the authority to become a verifier would be substantial, and that a national verifier would do a better job at outreach to consumers. However, it says, even the Commission agrees that state-run third party verifier databases create delays.⁵² Thus, for NTCA, a coordinated enrollment would minimize opportunities for erroneous enrollment and lessen the burden on carriers.

Benton strongly supports the establishment of a third-party verifier. However it takes no position at this time on precisely how such a verifier should be defined. On this, Benton strongly supports the National Consumer Law Center’s position that the establishment of any national Lifeline eligibility verifier would remove some of the “structural conflicts” that exist in the current Lifeline eligibility format. This change would manifest a positive step to enhance the program’s appropriateness for addressing the needs of low-income consumers.⁵³ Similarly, a third-party eligibility system will improve the timeliness and efficacy of the existing benefits. Lastly, Benton believes that any national third party verification system would greatly profit from coordination with means-tested programs such as the Veterans Pension Benefits program.⁵⁴

IV. THE COMMISSION SHOULD ESTABLISH A FLEXIBLE AND RESPONSIVE LIFELINE BENEFIT.

Benton urges the Commission to review and revise as necessary the monthly Lifeline

⁵⁰ *Id.*

⁵¹ NTCA Comments at 5 (“coordinated enrollment can speed up the process for lifeline subscribers”).

⁵² NTCA Comments at 5 (citing *Lifeline and Link Up Reform and Modernization*, 30 FCC Rcd at 7888, para. 68).

⁵³ Low-Income Consumer Groups Comments at 10.

⁵⁴ Benton Comments at 42. *See also* Low Income Consumer Groups Comments at 17.

subsidy amount annually in light of the quality of Lifeline offerings, minimum service standards, and changes in the cost of living.⁵⁵ ITTA and the Internet Innovation Alliance alone propose that the benefit amount should be fixed at the current monthly level of \$9.25.⁵⁶ While Benton has previously indicated that innovative programs and competition could lead to broadband offerings at or near the price of the current subsidy amount, permanently fixing the benefit amount does not make sense considering the evolving nature of both the market and underlying technology.

National Digital Inclusion Alliance echoes Benton's argument, noting that “[i]t is premature to lock in this amount of funding while the broadband market is still changing and the Lifeline program is just beginning to support broadband.”⁵⁷ The support level should be established with flexibility necessary to ensure that the program can fulfill its goal of making broadband Internet access affordable for low-income Americans. As Public Knowledge notes,

the Commission should analyze the price points at which eligible households will be willing to subscribe to broadband service, the number of households likely to subscribe at each price point, whether some households are unwilling to subscribe altogether (even when offered a free service),...⁵⁸

This process would be impossible with a fixed benefit amount.

CONCLUSION

For all the reasons discussed above, the Benton Foundation and Rural Broadband Group urge the Commission to adopt broadband in the Lifeline program, impose a minimum service standard that would functionally support essential services that would benefit communities with low- or no-access to broadband, propose a flexible and responsive amount for broadband

⁵⁵ Benton Comments at 3, 31.

⁵⁶ ITTA Comments at 2; Internet Innovation Alliance Comments at 19.

⁵⁷ NDIA Comments at 11.

⁵⁸ Public Knowledge Comments at 31.

benefits, and adopt a third-party verification system that will allow lower-income communities the opportunity to more easily verify for the program.

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