

**Before the
Federal Communications Commission
Washington, D.C. 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 CONNECTED NATION, INC.

Connected Nation, Inc., a nationwide non-profit devoted to advancing the adoption and use of broadband technology, hereby submits reply comments in response to comments filed on the Second Further Notice of Proposed Rulemaking released by the Commission in the above-captioned proceedings.¹

In its opening comments, Connected Nation strongly endorsed the Commission's proposal to modernize the Lifeline program to include broadband and made several suggestions on how modernization can best proceed. In particular, Connected Nation proposed that the Commission change the program by (1) supporting broadband service,² (2) creating a third-party income verification process,³ (3) ensuring that Lifeline be available to the most vulnerable

¹ *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71, 80 Fed. Reg. 42760 (2015).

² Comments of Connected Nation, Inc., WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (Connected Nation Comments) at 3-15.

³ *Id.* at 16-17.

populations by avoiding “qualification gaps,”⁴ and (4) including community-based groups as qualified distributors of Lifeline services.⁵

Commenters overwhelmingly support these proposals. As Connected Nation noted in its opening comments, modernization of the Lifeline program, first recommended in the National Broadband Plan in 2010, is long overdue.

I. COMMENTERS OVERWHELMINGLY SUPPORT INCLUDING BROADBAND SERVICE IN LIFELINE AND ESTABLISHING A NATIONAL THIRD-PARTY VERIFICATION SYSTEM

The Commission received dozens of comments in the opening round, a record that includes hundreds of pages of viewpoints, suggestions, and ideas. Mayors and state legislators, U.S. Territories and state governments, broadband providers,⁶ technology companies,⁷ local community organizations,⁸ nationwide non-profits and advocacy groups,⁹ members of Congress,¹⁰ and individual citizens all contributed to a vast and diverse record.

⁴ *Id.* at 18-20.

⁵ *Id.* at 20-27.

⁶ Comments of Mobile Beacon, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (Mobile Beacon Comments); Comments of AT&T Services Inc., WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 2 (“any effort to bring Lifeline into the 21st century must include broadband Internet access as a covered Lifeline service.”); Comments of Charter Communications, Inc., WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 2-3; Comments of COMPTTEL, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 3-5.

⁷ *See, e.g.*, Comments of Qualcomm Incorporated, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 1 (“the Program needs to reflect the realities of the 21st Century communications marketplace and should be upgraded as soon as possible”).

⁸ Comments of the National Digital Inclusion Alliance, WC Docket Nos. 11-42, 09-197, and 10-90 (Aug. 31, 2015) (NDIA Comments); Comments of the National Housing Conference, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 26, 2015) (NHC Comments) at 1-2.

⁹ Comments of the Leadership Conference on Civil and Human Rights, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015); Comments of Asian Americans Advancing Justice, *et al.*, WC Docket Nos. 11-42, 09-197, 10-90 (errata filed Sep.1, 2015) (MMTC Comments) at 2; Letter from Bill Callahan, Director, Connect Your Community 2.0, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015); Comments of the Rural Broadband Policy Group, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 9-13; Comments of the Schools, Health, and Libraries Broadband Coalition, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (SHLB Comments) at 1-2; Letter from Amy VanDeVelde, National Program Manager, The OASIS Institute, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (OASIS Institute Comments); Comments of the Greenling Institute, *et al.*, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 4 (Greenling Institute Comments); Comments of the National Hispanic Media Coalition, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 5-6.

¹⁰ Letter from Sen. Richard Blumenthal to Hon. Robert McDonald, Secretary of Veteran Affairs and Hon. Tom Wheeler, Chairman, Federal Communications Commission (Aug. 31, 2015).

The sheer vastness of this record—and the level of detail in comments regarding Lifeline program operations—should not overshadow the key point. **Including broadband in the Lifeline program is resoundingly viewed by commenters as a critical and important step toward digital inclusion in the United States.**

Similarly, community organizations, broadband providers, and public interest advocates generally agree with Connected Nation that the Commission should establish a nationwide third-party income verification and accountability process for distributing Lifeline benefits.¹¹

Therefore, while there is solid and healthy debate on many of the details of this modernization, the Commission must keep in mind this big picture. Details are certainly important, particularly when it comes to making sure that large, low-income population groups do not get left behind in the modernization process.¹² But the Commission should pay heed to the overarching purpose of this proceeding, which is to recognize that the broadband adoption gap in the United States is “persistent and particularly wide for vulnerable low-income populations.”¹³ The Commission should respond to the clarion call from across the country that asks the Commission to fundamentally transform the \$1.6 billion per year Lifeline program into a program that directly and effectively supports broadband adoption and digital inclusion.

¹¹ See, e.g., NDIA Comments at 12 (“a National Verifier should work directly with community-based organizations in order to empower those organizations to be strong ambassadors for the Lifeline program.”); Comments of the Benton Foundation, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (Benton Foundation Comments) at 38-45; Comments of the American Library Association, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (ALA Comments) at 15; AT&T Comments at 12-23; Comments of Comcast Corporation, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (Comcast Comments) at 7-9.

¹² See, e.g., Comments of Telecommunications Regulatory Board of Puerto Rico, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) (PR Regulatory Board Comments) at 19-25 (discussing potential “qualification gap” covering hundreds of thousands of Puerto Rico residents if the Commission limits Lifeline eligibility to NSLP and SNAP programs, which do not operate in Puerto Rico); Benton Foundation Comments at 44-45.

¹³ Connected Nation Comments at 4.

II. THE COMMISSION SHOULD NOT CREATE “QUALIFICATION GAPS” BY LIMITING THE METHODS OF QUALIFYING FOR LIFELINE

As Connected Nation mentioned in its comments, various parts of the *Notice* imply that the Commission is considering methods to limit Lifeline enrollment to participants in certain federal assistance programs, such as the Supplemental Nutrition Assistance Program (SNAP) or the National School Lunch Program (NSLP).¹⁴

The Commission should not limit eligibility in this way. Doing so could create a significant “qualification gap” for the program that could render millions of Americans ineligible for Lifeline benefits. As the Benton Foundation noted, “[t]he Commission should not disfavor those who are income-eligible but, for whatever reason, not enrolled in other federal assistance programs.”¹⁵

The Telecommunications Regulatory Board of Puerto Rico raised a number of practical and important challenges in this approach as it would impact Puerto Rico.¹⁶ As the Puerto Rico Board notes, the broadband adoption rate in Puerto Rico (45%) is lower than that of any state. Nearly 2 million residents of Puerto Rico do not have broadband at home. Only ten states have more residents without broadband.¹⁷ Connected Nation strongly agrees with the Puerto Rico Board that “the success of the Commission’s Lifeline reform depends upon success in Puerto Rico.”¹⁸

Limiting the methods of enrollment to certain federal programs would have a devastating impact in Puerto Rico, because federal assistance programs do not operate in Puerto Rico as they do on the mainland. As the Puerto Rico Board noted, Puerto Rico residents do not receive federal

¹⁴ *Notice* at ¶¶ 111-13, and n.234.

¹⁵ Benton Foundation Comments at 45.

¹⁶ Through Connect Puerto Rico, Connected Nation has worked closely with the government of Puerto Rico in various broadband programs since 2009. See www.connectpr.org/?lang=en and www.connectpr.org/?lang=es.

¹⁷ PR Regulatory Board Comments at 4-8.

¹⁸ PR Regulatory Board Comments at 8.

nutrition benefits from SNAP—they instead participate in a block grant program that has income qualification thresholds that are *one-quarter to one-third* of the income needed to qualify for SNAP on the mainland. Families also do not enroll in the national school lunch program in Puerto Rico, and qualification processes for Medicaid and Temporary Assistance for Needy Families (TANF) also differ.¹⁹

Given these disparities, the Commission should work directly with the government of Puerto Rico and other states and territories to make sure that it does not unwittingly toss hundreds of thousands of Americans into a deep “qualification gap.”²⁰ Maintaining an independent income verification process for Lifeline, coordinated with the Puerto Rico Board’s own state Lifeline universal service fund, is absolutely essential.

III. LIFELINE SHOULD SUBSIDIZE BROADBAND CONNECTIVITY PURCHASED AND DISTRIBUTED BY COMMUNITY-BASED INSTITUTIONS TO BENEFIT VULNERABLE, LOW-INCOME POPULATIONS

In its comments, Connected Nation proposed that the Commission open up the Lifeline program to creative, community-based organizations that strive to serve the low-income population.²¹ Many community programs and non-profits currently provide a myriad of services to vulnerable, target low-income populations, offer additional tools such as digital literacy training, and therefore can be effective ambassadors and distributors of Lifeline broadband services.

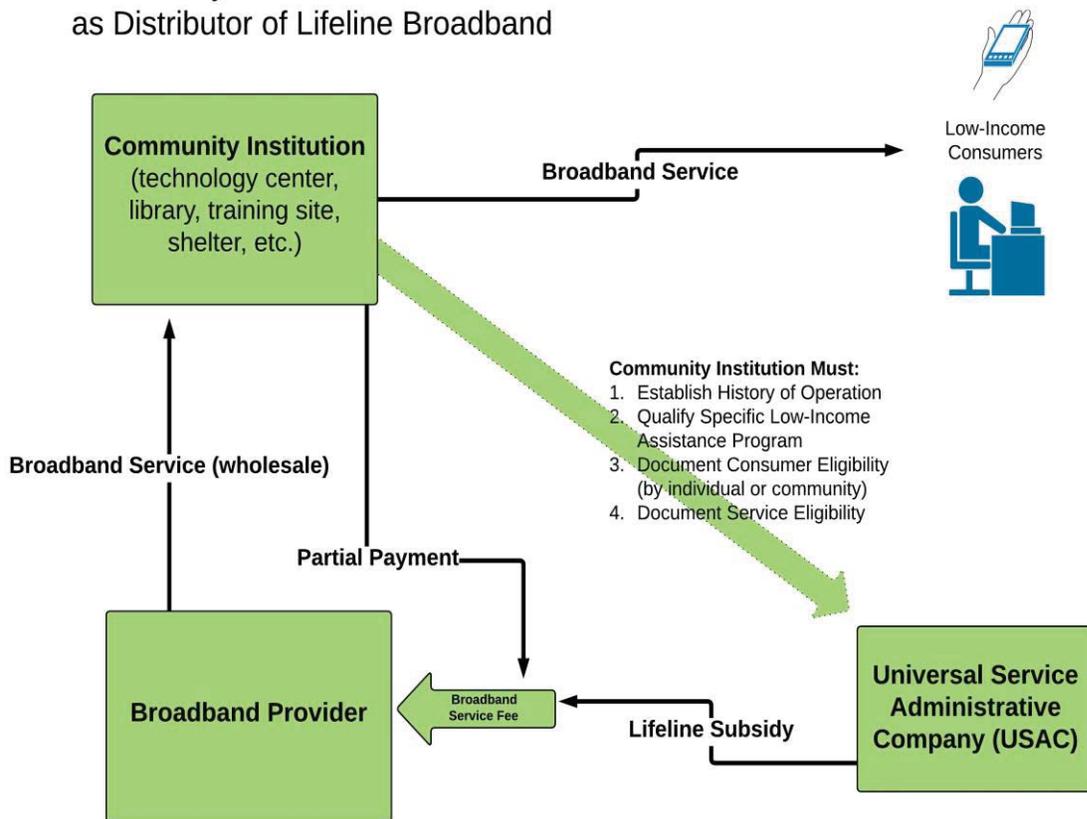
¹⁹ PR Regulatory Board Comments at 14-15, 21-25; Connected Nation Comments at 18-20.

²⁰ See PR Regulatory Board Comments at 25 (limiting enrollment to certain federal programs not available in Puerto Rico would “be an unconscionable outcome, given the gaping broadband adoption gap in Puerto Rico”); Comments of General Communication, Inc., WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 20-21 (urging Commission to work with state-specific qualification processes, noting that failure to do so “will certainly cause many low-income consumers who rely on [state] programs to be locked out of the Lifeline program. . . . These consumers should not be punished. . .”).

²¹ Connected Nation Comments at 20-27.

Connected Nation proposed that when a community technology center, library, assistance center or shelter, training organization, school, local or state agency, or non-profit organization²² **purchases** broadband services and directly **distributes** those services to a targeted low-income population, the **purchase** of that service by the community institution should be eligible for a Lifeline discount. Figure 1 below illustrates how this method would operate.

Figure 1
Community Institution
as Distributor of Lifeline Broadband



As Connected Nation discussed, there are many benefits to this approach. First, it would allow community institutions to directly participate in the program without the need to become a broadband provider themselves, either as an Eligible Telecommunications Carrier (ETC), or as a

²² For purposes of these reply comments, Connected Nation refers to all of these institutions as “community institutions.”

“certified”²³ or “registered provider,”²⁴ or through an “alternative designation process.”²⁵

Instead, these institutions would be purchasing qualifying services **from** a broadband provider that meets the Commission’s standards. Administratively, the Lifeline funds would continue to flow from USAC to the underlying broadband provider.²⁶ Second, because community institutions could purchase connectivity in bulk (such as thousands of Wi-Fi hot spots by a library or bulk purchase of connectivity by a public housing operator), distributing Lifeline in this way would allow the Lifeline program to share those economies of scale. Third, this approach would allow the Lifeline program to reach some of the hardest-to-reach, low-income families—the unbanked, foster children in group homes, and those without a stable, permanent address. Fourth, as comments amply demonstrate, community institutions are in a position to help Lifeline broadband users use the Internet effectively through digital literacy and job skill training and encourage users to become long-term users.

Stated simply, bringing community institutions into the Lifeline program in the manner proposed by Connected Nation would distribute more connectivity, to more low-income individuals, at a lower cost, and with a greater effectiveness.

The most significant change in Commission rules required to open up this potential would be for the Commission to define the situations in which a community institution purchase

²³ SHLB Comments at 6-7 (“[t]here is no statutory requirement that a provider must be an Eligible Telecommunications Carrier to participate in the Lifeline program.”).

²⁴ Comments of AT&T at 27-32 (arguing that the Commission replace ETC requirement with a “Registered Provider” process).

²⁵ Comcast Comments at 9-11.

²⁶ Connected Nation believes that community institutions should be allowed to become ETCs should they so choose. *See, e.g.*, Benton Foundation Comments at 46-48; NDIA Comments at 13; SHLB Comments at 6-7. However, the reality is that even if ETC requirements are modified or replaced with a Lifeline provider “registration” or “certification” procedure, many, if not most, community institutions may still view the decision to become a broadband ISP, with its attendant regulatory, tax, legal, and customer service requirements, as inconsistent with their core mission or even feasible. For many institutions, reselling or distributing broadband provided by another ISP may be a preferred option. Connected Nation believes that **all options** should be on the table for community institutions and believes that its proposal would allow many institutions to participate in the Lifeline program quickly, directly, and efficiently.

of broadband would qualify for the subsidy. Connected Nation proposed that these broadband purchases would qualify if:

1. The community institution has demonstrated service to the community and has established programs that assist low-income populations;
2. The connectivity purchased by the community institution would be distributed directly to (such as a Wi-Fi hot spot) or directly to benefit (such as connecting a community technology center) the low-income population; and
3. The connectivity purchased meets the other speed and terms of service established by the Commission for Lifeline broadband support.

With regard to the level of the Lifeline subsidy, Connected Nation suggests that community institutions be given a choice. A community institution that maintains documentation of eligibility for each low-income end-user recipient of connectivity would have the full Lifeline discount applied to that connection. Alternatively, a community institution could choose to receive a lower level of reimbursement that is a direct function of the poverty rate of its service area.²⁷

Many community institutions and non-profits have made similar suggestions and proposals to the Commission. The American Library Association and the Urban Libraries Council both urge the Commission to create a mechanism in the Lifeline program that would allow library-provided connectivity (Wi-Fi hotspots) to be eligible for Lifeline subsidies.²⁸ Similarly, the National Housing Conference (NHC) proposed to allow public housing authorities to “aggregate” a monthly Lifeline subsidy, which would allow affordable housing developers to

²⁷ Connected Nation Comments at 25-28. The American Library Association suggested a similar approach for Lifeline reimbursement for library Wi-Fi hotspot check-out programs. ALA Comments at 18; *see also* Comments of the Consortium for School Networking, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 25, 2015) at 4-5 (Commission should test a community eligibility model for Lifeline eligibility).

²⁸ ALA Comments at 15-18; Comments of the Urban Libraries Council, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 3.

“efficiently provide broadband to every unit.”²⁹ The National Digital Inclusion Alliance described several community-based projects that provide or distribute broadband connectivity to low-income populations.³⁰ The Telecommunications Regulatory Board of Puerto Rico recommended that Lifeline support connectivity offered by community technology centers operated by the government, municipalities, and non-profits. These centers are located in neighborhoods with high unemployment, poverty, and school drop-out rates.³¹

These proposals share common elements with Connected Nation’s suggestion: that the community institution act as direct distributor of connectivity to the target population, and that Lifeline subsidy would apply to the community institution’s procurement of broadband services.

Community institutions from across the country stress the need to include community-based organizations into the Lifeline program.³² The SHLB Coalition urged the Commission to “provide incentives for anchor institutions to promote enrollment” and said that schools and libraries should be eligible to receive Lifeline support “to the extent they are providing service to eligible low-income consumers.”³³

The Joint Commenters led by the Greenlining Institute state that firmly establishing community-based organizations into the Lifeline program is necessary for Lifeline to be effective, as these institutions “are familiar with local issues or needs” and “more effective in

²⁹ NHC Comments at 3-6, 9. *See also* Letter from Hon. Edwin M. Lee, Mayor, City and County of San Francisco, WC Docket No. 11-42 (filed Aug. 31, 2015) at 2 (Lifeline support “should be available to providers administering service to public housing”). The Providence (R.I.) Housing Authority provided bilingual digital and financial literacy training to public housing residents through Wi-Fi hot spots provided by Mobile Beacon. Mobile Beacon Comments at 3; Letter from Sunia Zaterman, Executive Director, Council of Large Public Housing Authorities, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 27, 2015).

³⁰ NDIA Comments at 14-15, App. A (describing Connecting for Good, Technology for All, and PCs for People projects)

³¹ PR Regulatory Board Comments at 27-29.

³² *See, e.g.*, NDIA Comments at 12-13; Mobile Beacon Comments at 7; City of Seattle, Community Technology Advisory Board Comments, WC Docket Nos. 11-42, 09-197, 10-90 (Aug. 31, 2015) at 4 (Lifeline should “proactively broker public/private partnerships between providers and local social service nonprofits”).

³³ SHLB Coalition Comments at 5, 7.

reaching their targeted groups.”³⁴ As a group of commenters led by the Multicultural Media, Telecom and Internet Council said, it is “imperative that community-based organizations and national or regional intermediaries that serve vulnerable populations be actively engaged.”³⁵

IV. CONCLUSION

The record in this proceeding overwhelmingly shows that expanding Lifeline to broadband is a national priority and is important to the cause of digital inclusion. In its Comments, Connected Nation urged the Commission not to lock itself into thinking that Lifeline can only be a program that provides a monthly subsidy for a home broadband subscription. Instead, the Commission should build a role for community institutions, technology centers, state and local agencies, libraries, and non-profit organizations into the Lifeline program. Commenters from across the country support these community-based approaches. Adopting this approach would help the Lifeline program, as the NTIA encourages, “meet people where they are, encourage them, and show them how they can safely use the Internet to improve their lives.”³⁶

Respectfully submitted,



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³⁴ Greenlining Institute Comments at 22-24; *see also* OASIS Institute Comments at 1.

³⁵ MMTC Comments at 16.

³⁶ National Telecommunications and Information Administration, U.S. Dep’t of Commerce, *Broadband Adoption Toolkit* (May 2013), http://www2.ntia.doc.gov/files/toolkit_042913.pdf, at 4.