

**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 CENTURYLINK

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CenturyLink, Inc. (“CenturyLink”)¹ submits these reply comments in response to the Commission’s request for comment on additional potential reforms to the Lifeline program.²

I. INTRODUCTION AND SUMMARY

CenturyLink appreciates that the Commission continues to examine and implement reforms to enable the Lifeline program to more effectively and efficiently support the communication needs of today’s low-income customers. Voice communications are still of critical importance. At the same time, as commenters widely agreed, broadband internet access has become a critical communication tool for participating in today’s society. The Commission should continue to adjust the Lifeline program to effectively address these developments in the

¹ This filing is made on behalf of CenturyLink, Inc. and its subsidiary entities that are incumbent local exchange carriers.

² *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, FCC 15-71, 30 FCC Rcd 7818 (rel. June 22, 2015) (FNPRM), *appeals pending sub nom. United States Telecom Association v. FCC*, Nos. 15-1322, *et al.* (D.C. Cir. pet. for review filed Sept. 11, 2015). Along with these specific reply comments, as a member of the United States Telecom Association (US Telecom) and ITTA, CenturyLink fully supports the comments already filed by those associations in this proceeding. *See* Comments of the United States Telecom Association (filed Aug. 31, 2015); Comments of ITTA – The Voice of Mid-Size Communications Companies (filed Aug. 31, 2015).

communications marketplace. The Commission should continue to mold the Lifeline program to effectively promote access by low-income customers to today's critical communication tools.

In order to redesign the Lifeline program to better support the communication needs of today's low-income consumers, CenturyLink, sharing the views of others, views that the Commission should make the following changes to the Lifeline Program:

- Create or engage a national verifier;
- Support that verifier through general Lifeline program support;
- Permit all Lifeline provider participation to be voluntary;
- Carefully expand the Lifeline program to provide discounts on broadband internet access service;
- Keep the Lifeline monthly support amount at \$9.25; and
- Further consider moving to reimbursement support calculated through the NLAD and using NLAD to perform recertifications once a national Lifeline verifier is implemented.

These changes should afford low-income consumers greater access to a variety of communication options while encouraging broader provider participation and improving administration of the program.

CenturyLink also shares the views of others that the Commission should not adopt certain reforms that it is considering. The Commission should:

- Not mandate minimum service levels;
- Not mandate a 24-hour Lifeline customer service line;

- Not require Lifeline providers to de-enroll customers within two business days of a customer request, but instead afford providers the same five business days as de-enrollment for duplicate support and a customer's failure to recertify; and
- Not require training certification from every individual involved in providing Lifeline service.

These proposed reforms only add to the administrative burdens of the program without a sufficient offsetting benefit to low-income consumers. As such they would primarily serve as disincentives to provider participation without enhancing low-income consumers' access to today's critical communication tools.

II. THE COMMISSION SHOULD PRESS FORWARD WITH IMPLEMENTING SEVERAL OF ITS PROPOSED REFORMS.

The Commission should move forward with implementing the proposed reforms discussed in this section. Not only will these changes give low-income consumers greater access to a variety of communication options but they should also encourage broader provider participation and improve administration of the Lifeline program.

A. Establish a National Verifier for the Lifeline Program.

As many commenters have advocated³ and CenturyLink has also previously advocated,⁴ the Commission should take the necessary steps to remove Lifeline providers from the role of determining consumer eligibility for the Lifeline program. Creating a centralized entity that

³ See, e.g., Comments of the American Cable Association at 8-9 (filed Aug. 31, 2015); Comments of AT&T at 12 – 23 (filed Aug. 31, 2015) (Lifeline providers would not determine consumer eligibility under AT&T's "New Lifeline" program); Comments of Frontier Communications at 6-7 (filed Aug. 31, 2015); Comments of the National Cable & Telecommunications Association (NCTA Comments) at 5-6 (filed Aug. 31, 2015).

⁴ See, e.g., Notice of Ex Parte Letter from Melissa Newman, CenturyLink to Marlene H. Dortch, FCC, filed in WC Docket No. 11-42 (June 10, 2015); Notice of Ex Parte Letter from John E. Benedict, CenturyLink to Marlene H. Dortch, FCC, filed in WC Docket No. 11-42 (May 19, 2015).

administers Lifeline eligibility determinations in a consistent, neutral manner for all consumers should ultimately be more efficient and preferable to the current de-centralized process that puts non-neutral providers in the position of determining their own potential customers' eligibility for the program. Consumers should be able to interface directly with the national verifier including applying for the program directly with the verifier. Once a consumer has established their Lifeline program eligibility through the verifier, they can select the provider they wish to provide their telephone service, broadband internet service, or both and receive the Lifeline discount.

B. Fund the National Verifier through General Lifeline Program Support.

As several others have advocated, the Commission should pay for the national verifier in the same manner that it pays for other administration of the Lifeline program.⁵ Requiring Lifeline providers to pay for the administrator will only serve as a disincentive to those who may be considering participation for the first time. Additionally, requiring such payment from existing Lifeline providers would add yet another administrative financial burden of the program on those providers and could also serve to reduce the pool of existing Lifeline providers. This in turn in a circular fashion could increase the financial burdens of the program on the fewer remaining providers in a manner that would ultimately be unsustainable.

Also, in creating a national verifier and removing Lifeline providers from eligibility determinations, the Commission should be able to reduce the number and scope of audits that it would need to determine compliance with Lifeline program rules. This could allow some funding for those efforts to shift to funding a national verifier.

⁵ See, e.g., Comments of Cox Communications, Inc. at 7 (filed Aug. 31, 2015); NCTA Comments at 6 (filed Aug. 31, 2015); Comments of Verizon at 4-5 (filed Aug. 31, 2015).

C. Permit All Lifeline Provider Participation To Be Voluntary.

Over the last few years the Commission has been reforming each of its universal service programs to better align those programs with the realities of today's communications marketplace and the communication needs of today's consumers. It is also the perfect opportunity to discard one of the remnants of an older communications policy and free Lifeline providers from the strictures of eligible telecommunications carrier (ETC) status. The Lifeline program should be reformed to promote voluntary participation for all Lifeline providers.⁶

D. Expand the Lifeline Program to Provide Discounts on Broadband Internet Access Service.

To adequately address the communications needs of today's low-income consumers the Commission should expand the Lifeline program to provide discounts on broadband internet access service. The discount should be the same discount that is available for voice service, and the consumer should be able to choose whether to apply the discount to any standalone voice service, any standalone broadband service, or any bundled service offering. In this manner the Commission can support low-income consumers' access to broadband internet service without substantially increasing the costs of the Lifeline program.⁷

Also, there should not be a separate discount for a broadband connection charge. CenturyLink agrees with others who have noted that a discount for a broadband connection charge will add additional complexities to the program, could potentially result in abuse of the reimbursements, and would potentially increase the costs of the program.⁸ Still, as with all

⁶ See AT&T Comments at 27-31 (advocating for a new approach to authorizing Lifeline providers that is de-linked from ETC status).

⁷ In the absence of universal service contributions reform, it would be prudent to avoid substantial increased costs in the Lifeline program that will not be offset through other savings of the program.

⁸ See, e.g., Comments of ITTA at 10-12 (filed Aug. 31, 2015).

programs, the Commission should periodically review the program to determine whether or not the changes are accomplishing the established goals, then revise the goals and/or the program implementation as necessary.

The Commission should not mandate that Lifeline providers offer broadband internet service in order to participate in the program. Providers should be allowed to have Lifeline customers apply the discount to any qualifying voice, broadband internet or bundled offering (including at least a qualifying voice or broadband internet service) that the provider already offers in a particular area. In other words, providers should not be required to deploy additional services in additional areas solely for purposes of participating in the Lifeline program.

E. Retain the \$9.25 Monthly Support Amount.

In the absence of sufficient evidence of what other support amount would be optimal, the Commission should retain the current monthly Lifeline support amount of \$9.25.

F. Continue to Evaluate Using NLAD to Calculate Reimbursement Support and Perform Recertifications.

The Commission should begin testing using NLAD to calculate provider reimbursement support, but should not transition to using NLAD to calculate reimbursement at this time. In CenturyLink's experience there are still open issues as to the extent that NLAD's information regarding our Lifeline customers is sufficiently in sync with our own databases to be sufficiently reliable in calculating our monthly reimbursement amounts. Nevertheless, the Commission and USAC should proceed with steps toward using NLAD to calculate reimbursement support for Lifeline providers, and eliminate the need for providers to submit monthly reimbursement requests. There should be a mechanism that would allow providers to compare the basis for NLAD's calculation of support and a dispute process available when providers did not agree with the calculation.

Similarly, the Commission and USAC could begin testing using subscriber information in NLAD to perform recertifications that Lifeline providers have requested to have USAC administer.

III. THE COMMISSION SHOULD DECLINE TO IMPLEMENT CERTAIN PROPOSED REFORMS.

An overarching goal of the FNPRM is to increase Lifeline competition by including new providers. These providers already offer competitive services, but have decided that the Lifeline provider costs exceed the benefit to their organization. Therefore, the existing obligations should be removed or substantially decreased without including an entire new set of broadband obligations. Therefore, the Commission should decline to implement other of its proposed reforms as discussed below. These proposed reforms add to the administrative burdens of the program without a sufficient offsetting benefit to low-income consumers. If implemented they would serve primarily as disincentives to provider participation without enhancing low-income consumers' access to today's critical communication tools, and will result in a lack of competition for the services provided to low-income consumers.

A. Minimum Service Levels Are Not Necessary for Wireline Service.

For voice service, the definition of "voice telephony" already establishes certain minimum service standards. It is not necessary to impose additional service standards on wireline service which typically has unlimited minutes of local calling at a flat rate. At CenturyLink, a Lifeline customer may elect to apply the Lifeline discount to any of our residential voice rate plans that include at least some amount of minutes at a flat rate.⁹ As such, our Lifeline voice service offerings to low-income consumers are essentially the same as our

⁹ CenturyLink does not offer Lifeline service on pure message rate service where the Lifeline discount if applied could trigger an effective service rate of less than zero.

voice service offerings to non low-income consumers, and it is not clear what other “minimum standard” for voice service would be warranted.

Nor should the Commission impose minimum service standards with respect to broadband internet service. Instead, low-income consumers should be permitted to choose the level of service they desire as fits within their income ability. Also, Lifeline providers should not be required solely for purposes of the Lifeline program to offer a particular level of broadband service to low-income consumers that they do not already offer to non low-income consumers.

B. A 24-Hour Customer Service Line for Lifeline Customers Is Not Warranted.

Currently, CenturyLink has a 24-hour customer service line for repair issues, but for other non-emergency customer service issues such as service initiation or termination, billing issues or service modifications, those communications lines are not available at all hours. CenturyLink is not aware of issues with respect to Lifeline discounts or specifically Lifeline customers seeking to terminate Lifeline discounts or seeking to terminate telephone service that would warrant 24-hour customer service support.¹⁰ For CenturyLink this would be an ineffective use of customer service resources and wholly arbitrary.

C. Mandating A Shorter De-enrollment Window When a Customer Seeks to Terminate Lifeline Service Is Not Warranted.

The Commission has proposed that it require providers de-enroll a Lifeline customer within two business days of the customer’s request to be de-enrolled.¹¹ From a systems perspective this shorter window for de-enrolling a Lifeline customer for this particular type of de-enrollment would be much more difficult to implement than simply applying the same five-business-day de-enrollment period that is already established for customers who must be de-

¹⁰ For CenturyLink, a customer seeking to terminate Lifeline benefits does not automatically mean that the customer is terminating their telephone service with CenturyLink.

¹¹ See, FNPRM ¶ 150.

enrolled for duplicative support and customers who must be de-enrolled for failing to respond to recertification requests. Permitting the same time period for de-enrollment will be easier to administer, will effectively respond to the customer's request, and will be sufficient to ensure the appropriate use of Lifeline program funds.¹²

D. Requiring a Training Certification from All Company Individuals Involved in Enrolling and Recertifying Customers for the Lifeline Program Is Not Warranted.

In spite of the Commission's professed desire to reduce administrative burdens of the Lifeline program on Lifeline providers, the Commission seems determined to increase those burdens at every turn. As a large telecommunications provider offering Lifeline service in many states, if this level of training certification were required CenturyLink would have to monitor and track this Lifeline program training for hundreds of employees. This requirement seems more appropriate as a compliance program component if the Commission, USAC or other auditor has found that a Lifeline provider's employees have not complied with Lifeline program rules. It seems excessive where a Lifeline provider's employees have not evidenced that they lack a reasonable understanding of Lifeline program rules.

IV. CONCLUSION

CenturyLink recommends that the Commission press forward with several of its proposed reforms that will render the Lifeline program more effective in supporting the communication needs of today's low-income consumers. The most fundamental reforms that should be made are (1) moving to a national verifier and removing Lifeline providers from the eligibility determination process, (2) de-linking Lifeline provider authorization from ETC status, and (3) making Lifeline discounts available for broadband internet access services. At the same time, however, the Commission should abandon certain proposed reforms that will primarily serve to

¹² See also Comments of ITTA at 28-31 (filed Aug. 31, 2015).

increase administrative burdens on Lifeline providers and serve as a disincentive to Lifeline provider participation without a sufficient corresponding benefit for low-income consumers.

Respectfully submitted,

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