

**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 COMPETITIVE CARRIERS ASSOCIATION

Steven K. Berry
Rebecca Murphy Thompson
C. Sean Spivey
Courtney Neville
COMPETITIVE CARRIERS ASSOCIATION
805 15th Street, NW, Suite 401
Washington, DC 20005

September 30, 2015

SUMMARY

Competitive Carriers Association (“CCA”), the nation’s leading association for competitive wireless providers and stakeholders across the United States, joins the large and diverse array of parties supporting the Federal Communications Commission’s (“FCC” or “Commission”) efforts to restructure the Lifeline program by providing low-income consumers with affordable access to essential broadband services. CCA is particularly pleased that the Commission has recognized the vital role of mobile broadband services to low-income consumers and supports the Commission’s efforts to expand access to these services through an updated Lifeline program.

At the same time, CCA shares the concerns of those parties noting that certain program elements contemplated by the Commission’s *Second Further Notice of Proposed Rulemaking* (“*FNPRM*”) could have inadvertent and counterproductive effects on the ability of service providers—especially smaller providers—to extend broadband service to consumers. Thus, for example, CCA joins commenters in urging the Commission to increase Lifeline support levels to cover the increased costs associated with broadband and opposing any reduction in “voice-only” Lifeline support levels.

Nevertheless, CCA fully supports the Commission’s efforts to modernize the Lifeline program by: (i) facilitating competition among Lifeline service providers by streamlining the ETC designation process; (ii) encouraging the use of underutilized spectrum to provide innovative services to low-income consumers; (iii) treating the sending of text messages as evidence that a subscriber is “using” Lifeline service; and (iv) allowing subscribers to de-enroll themselves from Lifeline services for any reason. These common-sense measures advance the policies underlying the Lifeline program, as well as the public interest more generally.

Table of Contents

I.	THE COMMISSION SHOULD NOT ESTABLISH MINIMUM SERVICE LEVELS FOR LIFELINE OFFERINGS.....	3
II.	THE COMMISSION SHOULD RECOGNIZE THAT EXPANDING THE SCOPE OF THE LIFELINE PROGRAM WILL REQUIRE A CORRESPONDING INCREASE IN LIFELINE SUPPORT LEVELS	6
	A. The Commission Should Increase Lifeline Support Levels to Account for the Expanded Array of Supported Services	6
	B. The Commission Should Preserve Existing Lifeline Support Levels for “Voice-Only” Service Plans	8
	C. The Commission Should Preserve Existing Lifeline Support Levels Available to Consumers on Tribal Lands.....	9
III.	THE COMMISSION SHOULD ENSURE THAT ITS LIFELINE REFORMS DO NOT HARM SMALLER SERVICE PROVIDERS.....	10
IV.	THE COMMISSION SHOULD IMPLEMENT SPECIFIC MEASURES TO MODERNIZE THE LIFELINE PROGRAM.....	13
	A. Streamlining the ETC Designation Process.....	13
	B. Innovative Services for Low-Income Consumers	14
	C. Using Text Messaging to Confirm that Lifeline Service is Being Used.....	16
	D. Allowing Subscribers to De-Enroll Themselves	16
	CONCLUSION.....	17

**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 COMPETITIVE CARRIERS ASSOCIATION

Competitive Carriers Association (“CCA”) hereby replies to initial comments on the *Second Further Notice of Proposed Rulemaking* (“FNPRM”), seeking input on proposed reforms to the Lifeline program intended to “promote the availability of modern services”—including broadband services—“for low-income families.”¹

CCA is the nation’s leading association for competitive wireless providers and stakeholders across the United States. CCA’s membership includes more than 100 competitive wireless providers ranging from small, rural carriers serving fewer than 5,000 customers to regional and national providers serving millions of customers. Many of CCA’s carrier members offer critical Lifeline service in both urban and rural parts of the country. CCA also represents approximately 200 associate members consisting of small businesses, vendors, and suppliers that serve carriers of all sizes.

¹ *Lifeline and Link Up Reform Modernization, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, WC Docket No. 11-42, et al.*, 30 FCC Rcd 7818, 7819 at ¶ 1 (2015) (“FNPRM”).

CCA is pleased to join the large and diverse array of parties supporting the Commission’s efforts to restructure the Lifeline program to provide low-income consumers with affordable access to broadband services.² As the *FNPRM* recognizes, although broadband services are essential to participate fully in American society, low-income consumers are far more restricted in their ability to access these services than other segments of the population.³ CCA agrees that it is appropriate, in fact necessary, to expand the Lifeline program to address this imbalance.

CCA also is pleased that the *FNPRM* recognizes the vital role of *mobile* broadband services to all Americans, including low-income consumers.⁴ Accordingly, CCA supports the Commission’s proposal to extend the Lifeline program to cover mobile broadband services—and thereby extend the benefits of mobility to a broader range of consumers. Indeed, the trend toward greater and more intensive use of wireless capacity is evident in consumers’ growing reliance on the availability of mobile broadband services. The unique benefits of mobile broadband services, such as lower cost of service and equipment, make it particularly accessible and useful to low-income consumers.⁵ As opposed to a luxury service, Pew Research Center

² See, e.g., Comments of Comcast Corporation, WC Docket No. 11-42, at 4 (filed Aug. 31, 2015); Comments of Public Knowledge, WC Docket No. 11-42, at 2 (filed Aug. 31, 2015); Comments of Sprint Corp., WC Docket No. 11-42, at 2 (filed Aug. 31, 2015); Comments of the Tennessee State Conference NAACP, WC Docket No. 11-42 (filed Sep. 8, 2015); Comments of Windstream Services, LLC, WC Docket No. 11-42, at 2 (filed Aug. 31, 2015).

³ *FNPRM* ¶ 4.

⁴ See, e.g., *FNPRM* ¶ 6.

⁵ See Anton Troianovski, The Wall Street Journal, The Web-Deprived Study at McDonald’s at 1 (Jan. 28, 2013), available at <http://www.wsj.com/articles/SB10001424127887324731304578189794161056954> (reporting that “[c]heap smartphones and tablets have put Web-ready technology into more hands than ever. But the price of Internet connectivity hasn’t come down nearly as quickly. And in many rural areas, high-speed Internet through traditional phone lines simply isn’t available at any price” and that “roughly a third of households with income

recently found that “[n]early two-thirds of Americans are now smartphone owners, and for many these devices are a key entry point to the online world.”⁶ Therefore, the measures proposed in the *FNPRM* will help to ensure that all consumers are able to share in the benefits of mobile broadband.⁷

At the same time, CCA shares the concerns of those parties noting that certain program changes contemplated in the *FNPRM* could have inadvertent and counterproductive effects on the ability of smaller providers—including many competitive wireless providers—to extend broadband service to consumers. CCA urges the Commission to ensure that appropriate accommodations are made to mitigate the potential for such harms.

I. THE COMMISSION SHOULD NOT ESTABLISH MINIMUM SERVICE LEVELS FOR LIFELINE OFFERINGS

The *FNPRM* proposes to establish minimum service levels for all Lifeline offerings “[i]n an effort to . . . extract the most value possible from the Lifeline subsidy” and more generally advance the goals of the Lifeline program.⁸ Several commenters have suggested that minimum service standards are not necessary.⁹ If, however, the Commission disagrees, it should only institute *reasonable* minimum service levels that account for the different uses, capabilities, and

of less than \$30,000 a year and teens living at home still don’t have broadband access there . . .”).

⁶ See Aaron Smith, Pew Research Center, U.S. Smartphone Use in 2015 at 2 (Apr. 1, 2015), available at <http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/>.

⁷ See *FNPRM* ¶¶ 18-27.

⁸ *Id.* ¶ 15.

⁹ See, e.g., Comments of Sprint Corporation, WC Docket No. 10-90 at 11 (filed Aug. 31, 2015) (“Sprint Comments”).

architectures of *mobile* broadband networks.¹⁰ While CCA often has promoted technology-neutral USF policies,¹¹ program rules that fail to account for relevant differences across technological platforms are problematic. By failing to accommodate differences, these rules have the potential to exclude entire classes of service providers without good cause, thereby denying the benefit of the services they provide to consumers, such as access to critical resources like employment opportunities and health care information, anytime, anywhere.

The proposed Lifeline speed threshold is a case in point. Although CCA appreciates the Commission’s desire to ensure that Lifeline subscribers are not receiving second-class service, any speed threshold should not be set at an artificially high level that does not reflect market and technological conditions in the relevant geographic area. In particular, any Lifeline speed threshold should not be based on a survey of speeds available in “urban areas,” as Lifeline minimum service levels should not be used as an inefficient, indirect mechanism for trying to equalize speeds available in urban and rural areas.¹² At its core, Lifeline support is designed to subsidize the ability of *low-income consumers* to access available services— not to subsidize the ability of *service providers* to expand the capabilities of existing networks; that is the function of the High-Cost USF programs.

¹⁰ See *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel, CCA, to Marlene H. Dortch, FCC, WC Docket No. 11-42 at 2 (filed June 10, 2015); see also Comments of Competitive Carriers Association, WT Docket No. 15-125 (filed June 29, 2015).

¹¹ See, e.g., Comments of Competitive Carriers Association, WC Docket No. 10-90 at 2 (filed Aug. 8, 2014) (expressing CCA’s continuing belief that “the most effective approach to achieving the universal service objectives underlying the Connect America Fund would be to distribute support on a competitively neutral basis through a single funding mechanism”).

¹² See *FNPRM* ¶ 44 (seeking comment on whether to define minimum performance standards in the Lifeline context based on the level of service generally subscribed to “in urban areas” or “by a substantial majority of Americans”).

Instead, any minimum service level—should one be adopted by the Commission—must ensure that low-income consumers in a given market have access to broadband services that are comparable to those available to consumers with higher levels of income in that market. CCA agrees with other parties that have urged the Commission to recognize the differences across technological platforms and geographic regions, and in a manner that reflects the mobile broadband speeds that are actually available to the general population.¹³ Specifically, CCA echoes stakeholders’ concerns regarding the *FNPRM*’s assumption that 10/1 Mbps speeds are available or readily achievable throughout the entire country.¹⁴ This simply is not the case, and any contrary assumption would be misguided.¹⁵ As Sprint notes, it would not be reasonable or tenable “for the Commission to require that a service provider offer downtown DC level of service to all Lifeline customers in its designated service areas”¹⁶

Furthermore, it would be counterproductive to deny Lifeline benefits to low-income consumers located in areas without access to the highest broadband speeds. This is particularly true where service providers are offering broadband services that, while not at the leading edge of technology, nevertheless serve important consumer needs and facilitate their ability to

¹³ See, e.g., Comments of Alaska Rural Coalition, WC Docket No. 11-42 at 7-8 (filed Aug. 31, 2015) (noting that “imposing an urban standard sets an unreasonable expectation” given that many areas of the country currently lack access to high-speed broadband services) (“ARC Comments”); Comments of Commnet Wireless, LLC and Choice Communications, LLC, WC Docket No. 11-42 at 4 (filed Aug. 31, 2015) (“[N]on-Lifeline usage patterns in urban areas are not a good proxy for where to establish minimum broadband service levels in low-density/low-income areas, or insular areas outside the continental United States”) (“Commnet Comments”); see also Comments of Competitive Carriers Association, GN Docket No. 15-191 at 9 (filed Sept. 15, 2015).

¹⁴ *FNPRM* ¶ 48.

¹⁵ See Comments of General Communication, Inc., WC Docket No. 11-42 at 19 (filed Aug. 31, 2015) (“GCI Comments”); Sprint Comments at 15.

¹⁶ Sprint Comments at 15.

participate in America’s increasingly digital society. For example, in rural areas where 4G LTE is not yet deployed, 3G technologies continue to provide significant benefits to consumers. CCA therefore cautions the Commission against restricting availability of service to any particular minimum level of service or standard of technology across all geographic areas.¹⁷

II. THE COMMISSION SHOULD RECOGNIZE THAT EXPANDING THE SCOPE OF THE LIFELINE PROGRAM WILL REQUIRE A CORRESPONDING INCREASE IN LIFELINE SUPPORT LEVELS

A. The Commission Should Increase Lifeline Support Levels to Account for the Expanded Array of Supported Services

The *FNPRM* generally seeks comment on how the reforms proposed therein should impact the support levels provided under the Lifeline program.¹⁸ As a general matter, the *FNPRM* expresses the Commission’s intent to “extract more value for low-income consumers from the [Lifeline] subsidy.”¹⁹ At the same time, the Commission appears to recognize that expanding the Lifeline program to cover broadband services, and imposing minimum service levels on Lifeline providers, may carry significant costs. Indeed, the Commission explicitly notes that the reforms proposed in the *FNPRM* may “require low-income consumers to contribute personal funds for such robust service.”²⁰

CCA appreciates the Commission’s efforts to deliver improved services—including broadband services—to Lifeline subscribers. However, CCA cautions the Commission against compelling consumers who are least able to bear the costs associated with such improvements to do so. CCA therefore respectfully disagrees with the Commission’s tentative proposal to retain

¹⁷ See Comments of Competitive Carriers Association, WT Docket No. 15-125 at 25 (filed June 29, 2015); Sprint Comments at 14-15.

¹⁸ *FNPRM* ¶¶ 52-60.

¹⁹ *Id.* ¶ 15.

²⁰ *Id.* ¶ 52.

the current, interim non-Tribal Lifeline support amount of \$9.25 per month on a permanent basis.²¹

Instead, CCA believes that Lifeline support levels should be increased to offset the additional costs associated with such improvements. Because it costs more for service providers to offer broadband *and* voice services than voice services alone, CCA agrees with those parties that have urged the Commission to implement a corresponding increase in the monthly subsidy provided under the program.²² Notably, the average cost of providing 2 GB of data per month—the minimum data allowance threshold discussed above—is approximately \$20.00.²³ As such, any subsidy intended to support both mobile voice *and* mobile broadband service should be increased to at least \$20.00 per month. While service providers would still be responsible for certain costs, this approach would preserve the effectiveness of the Lifeline program and ensure that low-income consumers are not deterred from participating in the program.²⁴

Increasing support levels in a reasonable way could lead to an increase in the size of the overall Lifeline budget. However, any such increase would be money well spent given the obvious benefits to low-income consumers. Moreover, any increased funding requirement could be offset by pro-competitive policies instituted by the Commission,²⁵ and through enhanced

²¹ *Id.*

²² See Comments of Alaska Communications, WC Docket No. 11-42 at 8 (filed Aug. 31, 2015) (“ACS Comments”); ARC Comments at 2; Sprint Comments at 12, 14.

²³ See Google, *Project Fi*, available at <https://fi.google.com/about/>; Forbes, *The Average Price of Data*, available at <http://www.forbes.com/sites/tristanlouis/2013/09/22/the-real-price-of-wireless-data/>.

²⁴ See Sprint Comments at 19 (noting that the existing support amount of \$9.25 per month would not facilitate broader broadband adoption by low-income consumers).

²⁵ The Commission should consider revisiting the amount of a broadband-inclusive subsidy in the future based on how it resolves outstanding issues like data roaming and special

efforts to curb waste, fraud, and abuse. CCA agrees with CTIA that “a Lifeline cap would not be appropriate, particularly at this time” and would serve only to deny critical broadband access to low-income consumers.²⁶ At the same time, the Commission should ensure that any modifications to the Lifeline budget do not negatively impact funding decisions in connection with other USF programs, which provide critical support to rural areas, schools, libraries, and health care providers.²⁷

B. The Commission Should Preserve Existing Lifeline Support Levels for “Voice-Only” Service Plans

The *FNPRM* seeks comment on whether Lifeline support levels should be reduced for mobile (but not fixed) voice-only service plans.²⁸ This proposal is premised on the Commission’s belief that “[t]he cost of provisioning wireless voice service has decreased significantly since the *Lifeline Reform Order*.”²⁹ But the Commission provides no basis for this assertion, which ignores the costs wireless providers will incur as they upgrade their networks to provide broadband capabilities to consumers, consistent with the *National Broadband Plan* and the Commission’s universal service policies. Under these circumstances, reducing the “voice-only” subsidy level would serve only to shift costs onto low-income consumers and deter enrollment—a result that would be inconsistent with the objectives of the Lifeline program.

access. Assuming the data roaming and special access marketplaces become more competitive in the future, the overall costs of providing mobile broadband services to consumers—including Lifeline subscribers—should decrease, which in turn could justify reducing the subsidy.

²⁶ See Comments of CTIA-The Wireless Association, WC Docket No. 11-42 at 17 (filed Aug. 31, 2015) (“CTIA Comments”).

²⁷ See *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel, CCA, to Marlene H. Dortch, FCC, WC Docket No. 11-42 at 2 (filed June 10, 2015).

²⁸ *FNPRM* ¶ 53.

²⁹ *Id.*

Moreover, reducing support levels for mobile providers would disrupt market dynamics and place mobile providers at a severe competitive disadvantage. Indeed, subjecting mobile and fixed providers to disparate treatment in this fashion would be inconsistent with decades of Commission policy favoring competitive and technological neutrality.³⁰ The Commission provides no justification for basing *mobile* support levels on the costs of provisioning service while providing flat support amounts to fixed providers.

Ultimately, reducing support levels would harm low-income consumers and undermine efforts to realize the objectives of the Lifeline program. As Sprint observes, “millions of households . . . would find themselves in a significantly worse position than they are today if voice support is reduced.”³¹ For these reasons, CCA agrees with other stakeholders that the Commission should maintain the size of the existing monthly subsidy for voice-only service.

C. The Commission Should Preserve Existing Lifeline Support Levels Available to Consumers on Tribal Lands

The *FNPRM* correctly acknowledges the importance of Lifeline and Link Up support to consumers on Tribal lands, and seeks comment on whether changes to existing programs are appropriate.³² Specifically, the *FNPRM* asks whether the additional \$25 per month in Lifeline support available to those consumers will make voice service affordable for these consumers.³³ CCA appreciates the Commission’s recognition of the vital nature of these programs in expanding the reach and adoption of communications services on Tribal lands. For this reason,

³⁰ See, e.g., *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, at ¶ 48 (1997) (concluding that rules that minimize competitive and technological bias would “facilitate a market-based process whereby each user comes to be served by the most efficient technology and carrier”).

³¹ Sprint Comments at 19.

³² *FNPRM* ¶¶ 162-63.

³³ *Id.* ¶ 162.

CCA joins the majority of stakeholders in opposing any measures that would decrease effective levels of Lifeline and Link Up support on Tribal lands.³⁴ CCA agrees that the Commission should work to ensure that adequate funding is available to consumers on Tribal lands and, in particular, should ensure any change in support does not disproportionately affect service in Alaska or other Tribal lands.³⁵

III. THE COMMISSION SHOULD ENSURE THAT ITS LIFELINE REFORMS DO NOT HARM SMALLER SERVICE PROVIDERS

The *FNPRM* reflects the Commission’s obvious desire to make the Lifeline program more effective by improving program administration and efficiency. CCA generally supports such initiatives, and its members stand ready to assist the Commission in implementing these proposals once adopted. That said, CCA urges the Commission to exercise caution in evaluating these proposals so that they are not implemented in a way that would harm smaller service providers.

Use of a Third-Party Administrator for Eligibility Verification. The Commission proposes to shift responsibility for consumer eligibility verification from Lifeline providers to a neutral third-party administrator, which would maintain a national database of low-income consumers who receive these services.³⁶ CCA agrees with other commenters that this proposal could be effective in easing Lifeline program administration.³⁷ However, the implementation of the National Lifeline Accountability Database (NLAD) was far more complicated than initially

³⁴ See, e.g., GCI Comments at 16; Comments of Smith Bagley, Inc., WC Docket No. 11-42 at 16 (filed Aug. 31, 2015) (“SBI Comments”).

³⁵ See ACS Comments at 8; ARC Comments at 2; GCI Comments at 3, 16; SBI Comments at 18.

³⁶ *FNPRM* ¶ 63.

³⁷ See ACS Comments at 6; SBI Comments at 29; Sprint Comments at 23.

expected. Notably, the NLAD experienced several unscheduled system outages and spontaneous system connectivity issues,³⁸ which disproportionately impacted smaller providers who were less able to “weather the storm” than their larger counterparts.

CCA therefore agrees that the Commission should build flexibility into its eligibility verification processes to avoid similar difficulties should they arise in connection with new database procedures.³⁹ At a minimum, the Commission should ensure any third-party administrator interacts with the NLAD in a way that reduces administrative complications and protects consumer privacy.⁴⁰ CCA also agrees that the Commission should ensure that any transition to the use of a third-party administrator does not interrupt Lifeline subscribers’ service or impose further financial or administrative burdens on service providers.⁴¹

As an alternative to the Commission’s proposal to create a national third-party eligibility verifier, the Commission also seeks comment on whether to coordinate programs between federal agencies and their state counterparts for enrollment, including whether eligibility to participate in programs like the Supplemental Nutritional Assistance Program (SNAP) could also be used to determine Lifeline eligibility.⁴² While CCA appreciates the Commission’s attempt to educate low-income consumers about Lifeline benefits and streamline the enrollment process, CCA echoes commenters’ concerns that there may be significant financial and administrative burdens that result from requiring state agencies to conduct coordinated enrollment in the

³⁸ See Universal Service Administrative Company, *Lifeline: Latest News*, available at <http://www.lifelinesupport.org/li/tools/news/default.aspx> (last visited Sep. 25, 2015).

³⁹ See SBI Comments at 29; Sprint Comments at 23.

⁴⁰ FNPRM ¶¶ 74, 85; see also Commnet Comments at 5.

⁴¹ See ARC Comments at 11; SBI Comments at 31.

⁴² FNPRM ¶¶ 92, 95.

Lifeline program.⁴³ Specifically, as the Department of Agriculture’s Food and Nutrition Service (“FNS”) has noted, because SNAP is administered at the state and local level, the Department of Agriculture does not have adequate authority to require state agencies administering the benefits to work with other agencies.⁴⁴ Consequently, this may result in administrative confusion and other complications stemming from the lack of access to other state databases, capacity to process applications, and the need for the Commission to reach out to each individual agency to gain consent for Lifeline enrollment.⁴⁵ Further, state agencies’ finite financial and administrative resources may be unduly burdened if required to enroll SNAP recipients in Lifeline, while at the same time continuing to perform existing program responsibilities.⁴⁶ Accordingly, CCA encourages the Commission to exercise caution when debating whether to coordinate enrollment in the Lifeline program with other state and federal agencies—particularly SNAP.

Officer Training Certification. The Commission proposes to require that an officer of each eligible telecommunications carrier (“ETC”) certify on its FCC Form 497 that all individuals “taking part in that ETC’s enrollment and recertification processes” have received sufficient training on the Lifeline rules.⁴⁷ Curb waste, fraud, and abuse in the Lifeline program is critically important to the stability of the fund, but the certification proposal advanced in the

⁴³ See *Ex Parte* Letter from Kevin W. Concannon, Under Secretary, Food, Nutrition, and Consumer Services, U.S. Dept. of Agriculture to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-42 (filed Aug. 31, 2015) (“USDA *Ex Parte*”); *Ex Parte* Letter from Mitchell F. Brecher, Counsel to TracFone Wireless, Inc. to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-42 (filed Sept. 25, 2015).

⁴⁴ USDA *Ex Parte* at 2.

⁴⁵ *Id.* at 2-3.

⁴⁶ *Id.* at 3.

⁴⁷ *FNPRM* ¶ 210.

FNPRM would serve only to increase the costs of program administration without offsetting benefits.

As GCI indicates, most carriers “separate[] the Lifeline sales function from the eligibility-review and approval function.”⁴⁸ Consequently, imposing a training requirement with respect to all employees that take part in enrollment and certification “processes” would sweep too broadly and require ETCs to incur additional costs. And, as the Small Carriers Coalition notes, these costs are especially burdensome for small carriers, which may devote a significant percentage of their staff to customer-facing activity in connection with Lifeline administration.⁴⁹ CCA therefore urges the Commission to take no further action with respect to its proposal.

IV. THE COMMISSION SHOULD IMPLEMENT SPECIFIC MEASURES TO MODERNIZE THE LIFELINE PROGRAM

The ultimate goal of the *FNPRM* is to reform the Lifeline program in a manner that “reflect[s] the realities of the 21st Century communications marketplace in a way that ensures both the beneficiaries of the program, as well as those who pay into the universal service fund . . . are receiving good value for the dollars invested.”⁵⁰ CCA agrees wholeheartedly, and believes that several specific proposals advanced in the *FNPRM* will modernize the Lifeline program in a manner that will achieve this objective.

A. Streamlining the ETC Designation Process

The *FNPRM* requests input on ways the Commission might increase the number of service providers offering Lifeline services, and to “facilitate broader participation in the Lifeline

⁴⁸ See GCI Comments at 30.

⁴⁹ See Comments of the Small Carriers Coalition, WC Docket No. 11-42 at 4 (filed Aug. 31, 2015) (“Small Carriers Coalition Comments”).

⁵⁰ *FNPRM* ¶ 1.

program and encourage competition with [the] most robust service offerings in the Lifeline market.”⁵¹ CCA supports these objectives to facilitate consumer choice and enhance the overall effectiveness of the Lifeline program.⁵² In particular, CCA supports the *FNPRM*’s proposal to streamline the process for designating service providers as ETCs, and agrees that the Commission has “substantial flexibility to design a more streamlined ETC designation process for federal default states,”⁵³ as well as other states.

The *FNPRM* specifically recognizes the importance of the ETC designation process in facilitating competition among Lifeline service providers.⁵⁴ At the same time, the Commission correctly suggests that many entities—including wireless providers—are deterred from seeking ETC status due to the burdensome nature of the process.⁵⁵ As a general matter, CCA supports efforts to streamline the ETC designation process.⁵⁶ That said, CCA believes that the Commission must carefully balance the desire to facilitate market entry against the desire to curb waste, fraud, and abuse in the Lifeline program. This can be achieved by liberalizing *procedural* requirements—*i.e.*, by eliminating overlapping state and federal requirements, minimizing additional certification reporting requirements, and streamlining de-enrollment procedures—while retaining existing *substantive* standards for ETC designation.

B. Innovative Services for Low-Income Consumers

⁵¹ *Id.*, ¶ 121.

⁵² *Id.* ¶¶ 34, 44; *see also* 47 U.S.C. § 254.

⁵³ *FNPRM* ¶ 122.

⁵⁴ *Id.*

⁵⁵ *Id.* ¶ 123.

⁵⁶ *See* Sprint Comments at 32.

The *FNPRM* seeks comment on how unlicensed and underused licensed bands can best be harnessed for the purpose of providing broadband service to low-income consumers.⁵⁷ As the Commission recognizes, spectrum in unlicensed bands like television white spaces, and limited licensed bands such as Educational Broadband Service, is “a community and educational asset that can be utilized to improve broadband access and provide for innovative uses among low-income Americans . . . ”⁵⁸ CCA generally supports efforts to more fully utilize this asset and agrees that spectrum can and should be harnessed more effectively to help extend broadband service to low-income consumers.⁵⁹ As the Commission notes, such spectrum can be used by providers to “deliver a variety of offerings, such as Wi-Fi hotspots”⁶⁰ and offer enhanced service in hard-to-reach areas where consumers live, work and travel.⁶¹

However, CCA notes that traditional use of Wi-Fi and other unlicensed technologies by carriers involves deployment and equipment costs, such as provisioning and distributing customer premises equipment (CPE). Therefore, the Commission should proceed with caution in demanding use of unlicensed bands, so as to avoid placing unreasonable burdens on service providers. The Commission should instead leverage use of unlicensed spectrum for mobile broadband access that would facilitate the deployment of LTE service in unlicensed bands in a manner that reflects the needs of all carriers. For example, as CCA has urged in the past, the

⁵⁷ *FNPRM* ¶ 129.

⁵⁸ *Id.* ¶¶ 129-30.

⁵⁹ See Comments of Competitive Carriers Association, ET Docket No. 15-105 at 2 (filed June 11, 2015) (“CCA LTE-U/LAA Comments”); Comments of Competitive Carriers Association, ET Docket No. 15-105 at 3 (filed June 26, 2015) (“CCA LTE-U/LAA Reply Comments”).

⁶⁰ *FNPRM* ¶ 129.

⁶¹ See, e.g., Engadget, *Why T-Mobile Wants to Give You a Wireless Router for Free* (Sep. 11, 2014), available at <http://www.engadget.com/2014/09/11/t-mobile-personal-cellspot/>.

Commission should remain vigilant and mindful of the need for all carriers - large and small - to access these new technologies.⁶²

C. Using Text Messaging to Confirm that Lifeline Service is Being Used

The *FNPRM* seeks comment on TracFone’s proposal to treat the sending of text messages as “usage” sufficient to allow a Lifeline subscriber to avoid de-enrollment from the program.⁶³ CCA joins the many commenters that support this proposal.⁶⁴ As Tracfone and the Commission note, text messaging is widely used by wireless consumers and, in particular, by individuals who are deaf, hard of hearing, or have difficulty with speech.⁶⁵ Modifying the Lifeline program rules in accordance with Tracfone’s proposal therefore is consistent with the Commission’s goal of establishing new program rules that are flexible and “evolve with technology and innovation.”⁶⁶

D. Allowing Subscribers to De-Enroll Themselves

The *FNPRM* observes that Section 54.405(e)(1) of the Commission’s rules allows ETCs to de-enroll a Lifeline subscriber where there is a reasonable basis to believe that the subscriber is no longer eligible, but does not cover situations where the subscriber himself wishes to terminate Lifeline service.⁶⁷ CCA supports the Commission’s efforts to address this oversight

⁶² See CCA LTE-U/LAA Comments at 11; CCA LTE-U/LAA Reply Comments at 9.

⁶³ *FNPRM* ¶ 143.

⁶⁴ See, e.g., GCI Comments at 23; SBI Comments at 25; Sprint Comments at 29.

⁶⁵ See TracFone Wireless, Inc. Petition for Rulemaking and for Interim Relief, WC Docket No. 11-42 at 5 (filed Oct. 1, 2014); see also *FNPRM* ¶ 145.

⁶⁶ See *FNPRM* ¶ 48.

⁶⁷ *Id.* ¶ 149.

and allow subscribers to de-enroll themselves from the Lifeline program, for any reason.⁶⁸ This common-sense measure will help to prevent fraudulent enrollment and wasted resources.

In contrast, CCA cautions the Commission against requiring Lifeline providers to publicize and make available a 24-hour customer service number on all materials describing the service, including “all print, audio, video, and web materials.”⁶⁹ Such a regulation will unnecessarily burden the financial and administrative resources of smaller providers. As GCI suggests, the vast majority of customers are *not* Lifeline subscribers, and most carriers have not found it necessary to have 24-hour customer service numbers for any customers.⁷⁰ As such, requiring carriers to incur significant and unnecessary costs would only undermine their ability to provide Lifeline benefits to low-income consumers.⁷¹

CONCLUSION

For the reasons set forth herein, CCA urges the Commission to reform its Lifeline rules and policies in a manner consistent with these reply comments.

Respectfully submitted,

/s/ Rebecca Murphy Thompson

Steven K. Berry

Rebecca Murphy Thompson

C. Sean Spivey

Courtney Neville

COMPETITIVE CARRIERS ASSOCIATION

805 15th Street, NW, Suite 401

Washington, DC 20005

September 30, 2015

⁶⁸ *Id.* ¶ 150.

⁶⁹ *Id.* ¶¶ 150-51.

⁷⁰ *See* GCI Comments at 27.

⁷¹ *See, e.g.*, Small Carriers Coalition Comments at 4 (noting that requiring a 24-hour customer service number “would impose a significant cost on small carriers while offering almost no benefit to the [FCC’s] goal of program compliance”).