



N A R U C  
National Association of Regulatory Utility Commissioners

**NOTICE VIA ELECTRONIC FILING**

*December 22, 2015*

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

**RE: Notice of Written Ex Parte from the State Members of the FCC's Federal State Joint Conference on Advanced Services filed:** *In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket 11-42, Telecommunications Carriers Eligible for Universal Service Support, WC Docket 09-197, Connect America Fund, WC Docket 10-90.*

**Secretary Dortch:**

Commissioners **Gregg C. Sayre** (NY), **Betty Ann Kane** (DC), **Catherine Sandoval** (CA), **Lynn Slaby** (OH), **Paul Kjellander** (ID), and **Elliott Elam, Jr** (SC) are the current **State Members** of the Federal Communications Commission's **Federal-State Joint Conference on Advanced Services**. The **State Members** routinely elect a State Chair to streamline State-federal communications. The current State Chair is **Commissioner Sayre**.

Commissioner **Sayre** facilitated the filing of this letter.

Earlier this year, the **State Members** determined that a survey of existing State Lifeline Programs might provide some useful data points for the Commission in its deliberations in the above-captioned proceeding. NARUC has conducted similar surveys that elicited relevant information. Indeed, in June, Florida Commissioner **Ronald Brise**, a NARUC representative to the Federal State Joint Board on Universal Service cited to previous NARUC informal surveys in testimony before the United States Senate<sup>1</sup> that pointed out that at least 15 States use their social service databases to confirm consumer eligibility for participation in the Lifeline program.<sup>2</sup>

---

<sup>1</sup> See *Testimony on behalf of NARUC by Commissioner Ronald A. Brise before the United States Senate Commerce, Science and Transportation Subcommittee on Communications Technology, Innovation and the Internet, Hearing on "Lifeline: Improving Accountability and Effectiveness*, at: <http://www.commerce.senate.gov/public/cache/files/c97efe66-fc7c-4c63-a69a-efb280b1759d/A20A596EE94F40EFB1B297B3CF2B9DFC.commissioner-brise-testimony.pdf>. Note Appendix A, *State suggestions on how to further improve lifeline* and Appendix B, *Impact of FCC Reform on States*.

<sup>2</sup> States responding to 2013 and April 2015 informal surveys that they had a system in place to confirm the eligibility of Lifeline subscribers included: CA, FL, ID, IL, IN, KS, MI, NE, NC, NY, OR, PA, WA, WI, WY. In AZ & GA the largest ILEC in the State has contracted for access to the social service database but no other ETC had access. In Oct. 2015, a national lifeline provider told NARUC the following States also utilize databases for eligibility verification: AR, CT, GA, MD, MA, ME, MO, NJ, NM, NV, PR, TN, TX, and WV.

The **State Member's** December 2015 survey (which garnered responses from 42 states) indicates that at least 21 States – including California, The District of Columbia, Florida, Georgia, Idaho, Illinois, Kansas, Minnesota, Nebraska, Nevada, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Tennessee, Utah, Vermont, Washington, West Virginia, and Wyoming - have some sort of verification program in operation.<sup>3</sup> The FCC's announcement that it is creating databases was likely an incentive for some States to defer action on plans to deploy State-specific databases. But, as GAO's witness at the same Senate hearing, Mr. Michael Clements, pointed out during the Q&A, *the data the FCC needs to confirm eligibility resides at the State level.*<sup>4</sup> Given this linkage, the recently proposed notion of eliminating the State role vis-à-vis ETC designations is poor policy. Indeed, in a response to some hearing follow-up questions from several Senators in June, Commissioner Brise cited to the State experience with the use of social service databases to confirm eligibility as a reason to urge the FCC to collaborate with States:

*to incentivize the use of State databases. The federal government can learn much from the States that utilize their databases, such as Florida. Working with States to utilize their social service databases to verify eligibility is most likely the quickest, easiest and least costly way to reach a nearly universal eligibility verification system.*

He also cited to NARUC's July 2015 *Resolution on ETC Designations for Lifeline Broadband Service*, at: <http://www.naruc.org/Resolutions/Resolution%20on%20ETC%20Designations%20for%20Lifeline%20Broadband%20Service.pdf>, pointing out it specifically urges “the FCC to refrain from disrupting the existing Federal-State partnership in the provision of Lifeline Services by preempting the authority of States to designate ETCs for the provision of advanced telecommunications services to low-income consumers in their States.”<sup>5</sup>

The attached Excel file includes all the responses from the **State Members'** December 2015 informal survey. This survey covers different ground. It does repeat a request from earlier surveys seeking ideas from State commission staff that work on the lifeline program on how the FCC should modify the program. See Appendix A, *infra*.

It contains responses on two separately tabbed sheets. One tab provides responses to 11 questions about State Voice Lifeline Services. The other provides responses to 12 questions about State low-income broadband programs.

The responses also contain anecdotal evidence of State's use of the ETC designation process to prevent fraud and abuse.<sup>6</sup> Elimination or modification of the State role in such designations will obviously eliminate these important protections for the program.

<sup>3</sup> See Responses to Question 4 re: Voice Lifeline Service Programs.

<sup>4</sup> See June 2, 2015 *Senate Subcommittee on Communications, Technology, Innovation and the Internet hearing on “Lifeline: Improving Accountability and Effectiveness,”* archived video available online at: <http://www.commerce.senate.gov/public/index.cfm/hearings?id=58293C5D-2754-4B89-848D-124B3A2B8044>

<sup>5</sup> See also, *Comments of the National Association of Regulatory Utility Commissioners*, filed August 31, 2015 in the proceedings captioned: *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, available online at: <http://apps.fcc.gov/ecfs/comment/view?id=60001198799>.

<sup>6</sup> See e.g., Responses to Questions 10 & 11 re: Voice Lifeline Service Programs by California, Idaho, Illinois, Indiana, Mississippi, Nevada, Missouri, Mexico, Oklahoma, Ohio, South Carolina, and Wisconsin (among others).

*If you have questions about this letter, please do not hesitate to contact the undersigned (or you can call Brad Ramsay at 202.898.2207 (w), 202.257.0568(c) or at jramsay@naruc.org).*

**Respectfully Submitted on Behalf of the State Members by:**

**THE HONORABLE GREGG C. SAYRE  
“STATE CHAIR” OF THE STATE MEMBERS OF  
THE FEDERAL STATE JOINT CONFERENCE ON ADVANCED SERVICES**

**cc** *Edward “Smitty” Smith, Legal Advisor to the Chairman on Wireless, Engineering and Technology,  
Consumer Affairs and Incentive Auction  
Stephanie Weiner, Senior Legal Advisor to the Chairman, Wireline  
Rebekah Goodheart, Legal Advisor to Commissioner Clyburn on Wireline  
Travis Litman, Senior Legal Advisor to Commissioner Rosenworcel  
Nicholas Degani, Legal Advisor to Commissioner Pia on Wireline  
Amy Bender, Legal Advisor to Commissioner O’Reilly on Wireline*

## APPENDIX A

*Below is a list of ideas offered by individual NARUC members and staff that work on Lifeline on a regular basis.*

### IMPORTANT CAVEAT:

**These suggestions have not been considered or endorsed by NARUC or any specific State commission.**

*NARUC specified that NARUC would not attribute particular responses to any State or individual. This anonymity encouraged a broader range of recommendations for the FCC'S consideration.*

**ORIGINAL QUESTIONS:** “NOT-FOR-ATTRIBUTION: If you or your commission has general comments/suggestions on how the FCC can improve its voice lifeline program – which will NOT be attributed to any particular state or staff member – put those comments here:”

RESPONSE:

- require all companies offering telephone service, telecommunications service, home phone service, voice telephony service, and/or cell phone service (or whatever you would like to call it) to households to also offer federal Lifeline service
- establish minimum standards, which should be based on competitive retail service offerings
- any minimum standards should be applicable to all irrespective of location or of technology and on a non-discriminatory basis
- discounted services should be offered on a stand-alone basis

RESPONSE:

I believe the FCC should limit Lifeline eligibility only to the programs that the federal government has the ability to verify participation in. This would make the federal eligibility database an achievable goal and would make it the singular authority on eligibility.

RESPONSE:

The Commission should better ensure that providers do not profit from waste, fraud, and abuse of the program. The FCC could improve its Lifeline program by further ensuring that participating providers have not become providers solely for the purposes of participation in the Lifeline program and that such providers are not critically reliant on Lifeline subsidies for survival. The FCC could also improve the program by removing responsibility for assessing and verifying eligibility from providers and, instead, assign such responsibilities to an independent third party.

The Commission should also consider eliminating cost to providers of administering Lifeline programs and then enlist an independent third party or parties to handle administration and promotion. This will better ensure that providers are relatively indifferent between serving a Lifeline and a non-Lifeline customer and that the program promotion does not suffer as a result of provider indifference as to its success.

RESPONSE:

The USAC annual recertification letters are ineffective. Many customers believe it is junk mail and do not complete the renewal notice and others never receive it. They are subsequently terminated from the Lifeline program. The recertification process needs improvement.

RESPONSE:

While duplicates are an issue, eligibility is also an issue. It would be nice if a cross agency data base could be developed that would include eligibility information. Additionally, do we know that when subscribers submit the IEH certification that they are really independent. It seems strange that when there are three people

living at the same address and they all have the same last name but the provider has IEH certifications for each of the occupants - what do you do?

RESPONSE:

Require a minimum monthly payment as a condition of receiving Lifeline service.

Adopt regulations surrounding the use of third-party agents.

Establish customer service standards (e.g., clear menu options for reporting a handset as lost or stolen, etc.)

Revoke ETC designation of companies that willfully and intentionally violate Lifeline rules.

Eliminate Lifeline eligibility based on a household member who is not the applicant.

RESPONSE:

The PUC recommends that the FCC retain the compliance plan process for any potential Lifeline providers without their own integrated facilities based telecommunications network. However, the Pennsylvania PUC suggests that the FCC should take steps to expedite the compliance plan process and rule on them in a quicker fashion so as not to deter states from promptly processing pending ETC petitions from non-facilities based applicants.

RESPONSE:

If the FCC wants help with auditing they should consider asking (they have not asked for help), and they should establish procedures for audits. Some states have performed some site audits (for sign-ups) and several carrier audits.

RESPONSE:

Add to NLAD a requirement to upload the eligibility documentation if eligibility is not based on direct query of a state database.