



February 11, 2016

VIA ELECTRONIC FILING

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

Re: *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)

Dear Ms. Dortch:

In response to questions raised in meetings with the Commissioners' offices on January 21, 2016, the California Emerging Technology Fund files additional comments on the above-referenced dockets, pertaining to issues raised on Lifeline and Link Up reform and modernization in the Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, dated June 18, 2015; released June 22, 2015 (Second FNPR).

1. How should the FCC encourage all types of providers (including incumbent cable providers and wireless providers, for example) to become eligible telecommunications carriers (ETCs)?

In the Second FNPR at para. 122-123, the FCC proposes to streamline the ETC designation process to increase market entry into the Lifeline space for federal default states. CETF agrees that a diverse group of voice (landline telephone, wireless telephone and IP-enabled voice providers) and broadband providers (fixed and mobile) will best serve the Lifeline program. The current telephone-centric ETC requirements in 47 CFR Section 214(e) make it difficult for non-incumbent local exchange providers (ILEC) such as traditional cable providers from becoming ETCs. As a result, CETF supports a relook at the FCC's traditional ETC definitions and the designation process in order to adopt a technology-neutral approach that enhances competition in the Lifeline telephone and broadband spaces by providers.

The FCC might review Decision No. (D.) 14-01-036, Decision Adopting Revisions to Modernize and Expand the California Lifeline Program, in California Public Utilities Commission (CPUC) Rulemaking No. (R.) 11-03-013, Order Instituting Rulemaking Regarding Revisions to the California Universal Telephone Service (LifeLine) Program, dated

January 16, 2014, issued January 27, 2014. In it, the CPUC noted that since 2010, it has evaluated proposals by wireless service providers seeking ETC status to provide federally funded discounted wireless service to low-income households. The California ETC general requirements for federal Lifeline are that the carrier must offer local usage plans comparable to those provided by the incumbent local exchange carrier and that the plans must be in the public interest. (D.14-01-036, at p.9.) In reviewing the proposed service offerings of wireless service providers seeking federal support as wireless ETCs, the Commission has compared the proposed price of the wireless service providers' proposed service, including additional features such as unlimited long distance calls and caller ID, to a similar set of services from AT&T and Verizon California, Inc., the two largest wireless incumbent local exchange carriers in California at that time. (Id.)

The CPUC also examined basic service elements of its landline telephone service Lifeline program to expand it for wireless voice service providers. In considering these issues, the CPUC has looked at ETC requirements in that context and begun consideration of how they might be changed so they are technology neutral. The following six California Lifeline service elements have been waived in recent ETC designations to recognize the special aspects of wireless voice service: (1) ability to receive free unlimited incoming calls, customer choice of flat rate local service or measured rate local service; (3) free provision of one directory listing per year; (4) free white pages telephone directory; (5) free access to Directory Assistance calls and free access to 800 and 800-like toll free numbers. In looking at wireless services, there are two safety considerations that the CPUC acknowledged that are inherent in most wireless services: (1) the likely removal of the handset from the home and (2) poor mobile reception resulting from weather conditions, terrain, indoor use or gaps in service coverage. (Id. at p. 10.)

As to broadband, the CPUC will be looking at IP-enabled services in the context of Lifeline in Phase III of R.11-03-013, which has not yet commenced. In looking at these issues, one challenge for the CPUC is Section 710 of the California Public Utilities Code which limits its ability to exercise regulatory jurisdiction or control over Voice over Internet Protocol and Internet Protocol-enabled services except as required or expressly delegated by federal law or expressly directed to do so by statute. This is why CETF has asked that the FCC specifically provide that its rules do not precludes states from having its own telephone and broadband Lifeline programs.

In streamlining the ETC process, it is important for the FCC to look at unique issues relating to broadband providers. First, service elements for broadband will need to be established that afford users affordable broadband service at speeds that can provide reasonably comparable service for commonly used broadband applications in urban areas. These service elements should be upgradable easily as technology advances. Issues like additional charges by service providers for modems and wireless routers should be addressed. Second, the ETC designation process should be simplified to make it less burdensome for broadband providers to participate. The universe of ETCs should include landline broadband companies, Wireless Internet Service Providers (WISPs), community and muni broadband providers, schools, libraries and non-profit organizations who provide low cost broadband access to residential households. Third, the existence of a national verifier will reduce existing eligibility verification duties on

ETCs which will reduce burdens on those participating in the program. Finally, it is appropriate to allow states to continue to have a role in performing the ETC designation if it desires.

The federal broadband Lifeline program should be portable, and applicable to not only “thin” broadband Lifeline plans but also applied towards more robust broadband plans if the household desires it and wishes to pay the extra cost.

2. Should mobile voice stay in the Lifeline program or be phased out?

CETF supports a phase out of mobile voice (example Voice over Internet Protocol (VoIP)) over time (example 3-5 years). Mobile voice may be provided by broadband based systems and so should be phased out as a stand-alone service over time.

3. Third party eligibility for the national system

As previously discussed in our comments in this docket, the FCC will benefit from a Lifeline system that uses multiple safety net programs to establish eligibility. Currently the CPUC uses 16 safety net programs to establish telephone Lifeline eligibility.¹ Xerox, the third party eligibility processor, handles the eligibility verification.

Further, any future FCC Lifeline administrator should work with other government agencies to integrate Lifeline into their programs, so enrollees are automatically notified of Lifeline eligibility once they are accepted into a safety net program. Information on Lifeline should be included with information about the safety net programs. The Lifeline database should be able to query agency databases for eligibility information.

4. Focus on bringing broadband to individuals with disabilities

Finally CETF urges that extra effort be made to enable broadband services reaching low-income people with disabilities, who as a group, stand to benefit greatly from broadband as a tool to deliver affordable, convenient and effective services to the as well as a means of participating in society on a more level playing field. Online communication often means the other party does not know the person is disabled. Additionally the vast majority of people with disabilities do not have children so are ineligible for the public benefit offers the FCC has approved in recent merger applications. CETF recommends a funded outreach program to “trusted messenger” groups that serve the disability community to educate them on broadband benefits, affordable broadband offers, and how to obtain an inexpensive device. This could be funded to be handled through the FCC’s Disabilities Rights Office.

Further, in crafting the broadband Lifeline rules, please adopt rules that won’t make it difficult for people with disabilities to participate in the program. Commenters have suggested vouchers, Electronic Benefits Transfer (EBT) cards, or accounts administered by financial institutions using a PIN. In looking at these options, CETF cautions the Commission to consider the burden it might put on people with disabilities who in many cases are also unbanked and for whom transportation can be an added burden. Any Lifeline benefit should be easy to access by

¹ <http://www.cpuc.ca.gov/lifeline/>

Marlene H. Dortch
February 22, 2016
Page 4

all consumers and especially by with disabilities. Please contact the undersigned if you have any further questions at susan.walters@cetfund.org and rachellechong@gmail.com.

Sincerely yours,

/s/ Susan Walters

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/s/ Rachelle Chong

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