

EX PARTE PRESENTATION

February 17, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445-12th Street SW
Washington, DC 20054

RE: *Lifeline and Link Up Reform and Modernization* (WC Docket No. 11-42)

Dear Ms. Dortch:

On Friday, February 6, Executive Director of Consumer Action Ken McEldowney and the undersigned party met with FCC Commissioner Mignon Clyburn, Holly Saurer, Media Legal Advisor (Acting) and DeeAnn Smith, Staff Assistant, to discuss Lifeline and Link Up Reform and Modernization.

The purpose of the meeting was to discuss Consumer Action's perspective on the proposed Lifeline reforms, including their filings and petition submitted to the Commission, which can be found here:

<http://apps.fcc.gov/ecfs/document/view?id=60001400697>.

McEldowney discussed his role as chair of the California Public Utilities Commission's (CPUC) Universal Lifeline Telephone Service Trust Administrative Committee, and provided details about the California Lifeline Program. He said that California should be a model to the Commissioners as they reform the Federal Lifeline program, noting:

- 2.2 million consumers served through the program
- Budget of \$350 million
- The use of a third party verifier has almost eliminated all fraud
- The Lifeline budget (and subsidy requirement) is established annually by the CPUC, in cooperation with providers
- All companies have minimum standards
- In Oakland, where McEldowney lives, there are 20 providers for Wireless Service, and 10 providing landline service. He said that there are many competitors, in part, because payments are made directly to carriers.
- California's participation rate is 80 – 90 percent of those that are eligible for the program.

McEldowney discussed Consumer Action's community-based educational partnerships with Comcast that are helping network families and school children. He discussed his role on the AT&T Consumer Advisory Board and his opposition to proposals put forward by AT&T seeking to limit qualifying programs.

McEldowney said that there are lessons learned from having a CPUC's Universal Lifeline Telephone Service Trust Administrative Committee, which the FCC may want to model. If the FCC moves to expand Lifeline to include broadband, he said there will be a number of details to be addressed, and that the CPUC Committee reviews logos, scripts, even what color envelopes work best to remind consumers to recertify every year (pink). The California hotline answers questions and provides information in English, Spanish and Chinese. He said California requires no co-pay or "skin in the game" and subsidizes connection fees.

Ken discussed California's "forward looking" approach to establishing a budget. He explained how the Commission comes up with a surcharge based on information provided by carriers to the Committee and staff (see attached materials for more detail).

Ken explained about the third party verifier in California:

- they collect the sensitive information; carriers do not know what programs clients have used to apply and qualify for the program
- when consumers are verified for the program, they receive a pin number they use to get service from a provider
- the third party verifier reports monthly and provides key details on who is getting services, etc.

McEldowney offered to provide more information on the California third party verifier program, which is attached.

Pursuant to section 1.1206(b)(2) of the Commission's rules, this letter is being filed electronically in the record of the above-referenced proceeding. Please do not hesitate to contact Ken McEldowney if you have any questions.

Respectfully submitted,

Cleo Manuel Stamatatos