

## EX PARTE PRESENTATION

February 17, 2016

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission (FCC)  
445-12<sup>th</sup> 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 Gigi B. Sohn, Counselor to the Chairman, and intern Gabrielle Whitehall, 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 at:

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

McEldowney outlined Consumer Action's role in consumer education and outreach, including their module on California Lifeline, which is available in five languages.

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 Federal Lifeline program, noting that 2.2 million households are served through the program with a budget of \$350 million.

He explained:

- The CPUC's third party administrator develops materials, maintains the database and determines eligibility; all of this is out of the hands of the carriers. Data is protected because it is not shared across the system of carriers. Carriers do not know the qualifying programs of their consumers.
- The use of a third party verifier has almost eliminated all fraud
- There is healthy competition for providing Lifeline services in California, with many companies providing services. For example, in Oakland there are 20 wireless carriers providing free lifeline and an additional 10 carriers providing landline lifeline.
- Carriers are paid directly by the Commission.

Regarding ETC status requirements, McEldowney noted that there could be less incentive to pick and choose states if the approval system were streamlined to cover the entire footprint of a company as opposed to state-by-state ETC approvals.

McEldowney said that Consumer Action would continue to support phone service as a stand alone, and wireless voice as part of a bundle. McEldowney suggested a tiered system as an option with a higher subsidy for broadband than voice.

They discussed the IP Transition, and the role that the FCC's Consumer Government Affairs Bureau (CGB) will be playing. McEldowney will follow up and meet with Alison Kutler, from CGB. He discussed that Consumer Action and AT&T were conducting an IP Transition educational program.

McEldowney noted that California has authorized expenditures to educate the public about Lifeline. Currently, since competition has caused sharp growth in households on Lifeline money is not being spent on promotion. Instead they are determining which segments of the eligible population are not being reached and will target future spending on reaching those consumers.

McEldowney explained how California comes up with their Lifeline budget. He explained how the Commission comes up with a surcharge based, in part, on future participation figures provided by carriers to Commission staff (see attached materials for more detail).

McEldowney explained the role the CPUC's Universal Lifeline Telephone Service Trust Administrative Committee plays in making Lifeline work in the state; he recommended the FCC consider such a committee.

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