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

EX PARTE COMMENTS OF THE
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

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The National Telecommunications and Information Administration (NTIA), as the President's principal adviser on telecommunications and information policy, respectfully submits these comments on the *Second Further Notice of Proposed Rulemaking* (*Notice*) in the above-captioned proceedings.[1]

I. Introduction and Summary.

When President Obama took office in 2009, one-third of the nation's eligible 25.7 million low-income households were taking advantage of discounted basic telephone service through the Lifeline universal service fund program.[2] Since that time, the communications landscape has evolved substantially. Mobile communications and data services are more popular, and more vital. Americans connect with government, commercial and community services, employers, educational resources, and social contacts through the Internet more than ever before. Today, two-way, high-speed, high-capacity Internet access – or broadband – enables a range of communications from voice calling to sophisticated multimedia. Broadband can instantly unlock

[1] *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, 30 FCC Rcd. 7818, *available at* https://apps.fcc.gov/edocs_public/attachmatch/FCC-15-71A1.pdf (rel. June 22, 2015) (*2d FNPRM*). For convenience, unless otherwise indicated, all citations herein shall refer to documents filed in WC Docket No. 11-42.

[2] *Lifeline Link Up Reform and Modernization, Federal-State Joint Board on Universal Service; Lifeline and Link Up*, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, Notice of Proposed Rulemaking, 26 FCC Rcd. 2770, 2779 at ¶ 25, *available at* https://apps.fcc.gov/edocs_public/attachmatch/FCC-11-32A1.pdf (rel. Mar. 4, 2011) (*Lifeline NPRM)*.

a world of information and enable communications anywhere, anytime, to anyone able to get online. All of this utility and enrichment potential makes a modernized Lifeline program more critical than ever to help expand opportunities for low-income consumers in the digital economy.

NTIA offers comments on behalf of the Administration in support of updating the Lifeline program to subsidize access to broadband for low-income consumers. Based on the Administration's extensive experience in leading national broadband programs, the Administration recommends that the Federal Communications Commission (Commission) make the following enhancements to the Lifeline program:

- Expand the Lifeline program to support broadband services while ensuring that voice service remains available for low-income individuals and communities;
- Subsidize Lifeline services for as long as subscribers' incomes qualify them for program benefits and they desire the supported services;
- Leverage other federal and state low-income assistance programs, including coordinating enrollment and outreach, to increase the efficiency and effectiveness of Lifeline and these other complementary low-income assistance programs; and
- Establish a national third-party verifier to determine low-income consumers' eligibility to receive easy-to-use portable Lifeline benefits, either through a direct benefit or other means.

II. The Administration Strongly Supports Modernizing the Lifeline Program to Include Broadband.

The Administration recognizes that broadband is fundamental to full participation in our nation's civic and commercial life. Access to this transformative technology should not be limited by one's rural or urban residence, age, race, ethnicity, physical ability, or income. The strength of America's economic future depends, in part, on building a strong digital economy and ensuring we have a digitally literate workforce whose skills make our industries globally competitive. To promote the digital economy's sustained growth, the Administration has long advanced the goal that all Americans should have access to affordable broadband. To help meet that goal, the Commission must modernize the Lifeline program to reflect consumers' current and evolving communications needs.

We support the goal of the Commission in this proceeding to build on past improvements to the Lifeline program, and to complete the comprehensive programmatic restructuring it began several years ago.[3] The Commission has emphasized its "ongoing commitment to monitor, re-examine, reform, and modernize all components of the Fund to increase accountability and efficiency, while supporting broadband deployment and adoption across the Nation."[4] This

[3] *2d FNPRM* at ¶ 8.
[4] *Id.* at ¶ 9.

effort, in conjunction with the work of public and private stakeholders, is integral to accomplishing the Administration's goal of ensuring ubiquitous, affordable broadband for all Americans.

Efforts to strengthen the Lifeline program are fully consistent with the Administration's approach to broadband policy. Since its inception, the Administration has promoted broadband deployment and adoption as critical to the nation's economic growth and competitiveness. President Obama has sought to ensure that everyone in the country can access reasonably-priced broadband service with his comprehensive plan for "Connecting America" and eliminating the digital divide.[5] Highlights of the Administration's efforts include:

- The American Recovery and Reinvestment Act of 2009 (Recovery Act) extended broadband infrastructure to many unserved and underserved American communities.[6] NTIA and the Agriculture Department's Rural Utilities Service (RUS) coordinated federal broadband investments under Recovery Act programs run by each agency.

    - NTIA's Broadband Technology Opportunities Program (BTOP) invested approximately $4 billion in 233 projects that: expanded or improved broadband networks around the country; encouraged low-income residents and other vulnerable populations to use broadband services; and constructed or enhanced public computer centers that offered digital literacy training.[7] Thus far, grant recipients have added more than 670,000 new broadband subscribers, in addition to building 115,000 new or upgraded network miles connecting nearly 26,000 community anchor institutions. NTIA continues to assist communities across the country to improve broadband access and adoption through its BroadbandUSA effort.[8]

    - RUS leveraged $2.5 billion of Recovery Act funding to provide loans, grants, and loan/grant combinations totaling $3.4 billion to construct broadband projects in rural America under the Broadband Initiatives Program (BIP).[9] In addition, RUS funds broadband facilities under its Farm Bill Broadband Loan Program and Telecommunications Infrastructure Program. RUS expects that an estimated 1.9 million rural households,

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[5] *See Connecting America: What High-Speed Internet Means in the 21st Century*, The White House, https://www.whitehouse.gov/connect-america.

[6] The American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, 123 Stat. 115 (2009).

[7] National Telecommunications and Information Administration (NTIA), *Broadband Technology Opportunities Program (BTOP) Quarterly Program Status Report* at 1 (Oct. 2015), *available at* http://www.ntia.doc.gov/files/ntia/publications/ntia_btop_26th_qtrly_report_02.02.16.pdf.

[8] Keynote Address of Lawrence E. Strickling, Assistant Secretary of Commerce for Communications and Information, NTIA, at the Silicon Flatirons Conference on the Digital Broadband Migration, "The Evolving Industry Structure of the Digital Broadband Landscape" (Jan. 31, 2016), *available at* http://www.ntia.doc.gov/speechtestimony/2016/keynote-address-assistant-secretary-strickling-silicon-flatirons-conference-dig.

[9] U.S. Department of Agriculture, Rural Utilities Service, *Broadband Initiatives Program Quarterly Report as of 6/30/15, available at* http://www.rd.usda.gov/files/UTP_RUSBIPStatusReportJune2015.pdf.

businesses, farms, factories, schools, libraries, and healthcare facilities will receive new or improved broadband services as a result of RUS funding since 2009. Along with the loan programs, RUS also provides broadband funding through the Community Connect Grant Program, which has awarded over $77 million in grants to 74 unserved communities since 2009.

- The President's ConnectEd initiative, launched in 2013 with the goal of ensuring broadband connections in the classrooms of virtually all of America's students by 2018, has resulted in over $10 billion in public and private commitments under the Department of Education's leadership in collaboration with the Commission.[10]

- In 2015, the Department of Housing and Urban Development began its ConnectHome pilot program that would provide high-speed Internet connections, digital literacy training, and devices to 275,000 families in assisted housing in 27 cities and one tribal nation.[11]

- On September 21, 2015, President Obama released recommendations of the Broadband Opportunity Council, which he established to coordinate federal agency promotion of broadband investment, deployment, and adoption. Among other recommendations, federal agencies pledged to modernize programs valued at approximately $10 billion by allowing them to include broadband.[12]

In addition, NTIA recently launched its Data Central website to give the public access to extensive data that NTIA has collected on broadband use. Since 1994, NTIA has regularly examined how and where people access the Internet by sponsoring the Computer and Internet Use Supplement to the Census Bureau's Current Population Survey (CPS). To facilitate access to these data, Data Central provides raw data from the CPS Supplement, a Data Explorer tool for statistics and trends, and NTIA's analyses of the data.[13] Finally, in October 2015, the Commission and NTIA announced they were nearly half way to achieving the President's goal of making 500 MHz of private and federal spectrum available for mobile and fixed wireless broadband by 2020.[14]

Motivated by an understanding that broadband can provide opportunities that affirm individual dignity, improve productivity, and enhance our nation's global competitiveness, the Administration continues to implement its comprehensive plan to further digital inclusion.

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[10] *See ConnectEd Initiative*, The White House, https://www.whitehouse.gov/issues/education/k-12/connected.
[11] *FACT SHEET: ConnectHome: Coming Together to Ensure Digital Opportunity for All Americans*, The White House (July 15, 2015), *available at* https://www.whitehouse.gov/the-press-office/2015/07/15/fact-sheet-connecthome-coming-together-ensure-digital-opportunity-all.
[12] *Delivering on Broadband Opportunity*, The White House (Sept. 21, 2015), https://www.whitehouse.gov/blog/2015/09/21/new-steps-deliver-high-speed-broadband-across-united-states.
[13] *Data Central*, NTIA, http://www.ntia.doc.gov/data.
[14] *Joint Statement following Biannual Spectrum Planning Meeting on Friday, October 9, 2015, between FCC Chairman Tom Wheeler and Assistant Secretary of Commerce for Communications and Information Lawrence E. Strickling* (Oct. 9, 2015), *available at* https://www.ntia.doc.gov/speechtestimony/2015/joint-statement-following-biannual-spectrum-planning-meeting-friday-october-09-.

Overall, the Administration's broadband initiatives are enabling millions of individuals to participate more fully in today's digital society. Expanding the Lifeline program to include options for broadband service can serve as an impactful complement to the Administration's comprehensive broadband expansion and adoption programs.

III. There is a Critical Need to Extend Lifeline Support to Broadband for the Nation's Most Vulnerable Residents.

We wholeheartedly agree with the Commission's conclusion that extending Lifeline benefits to broadband service for low-income consumers can potentially better their circumstances in several critical areas, such as education, health care, and public safety.[15] BTOP projects that assist residents of unserved and underserved communities, including people with limited incomes, people with disabilities, and those living in remote rural areas and tribal lands, demonstrate the powerful impact of broadband. As described in the examples below, free or discounted broadband service, or more affordable access resulting from enhanced networks on tribal lands, have helped improve the lives of financially disadvantaged Americans.

A. Extending Lifeline support to broadband likely will narrow the digital divide significantly among low-income households, which are the least likely to use broadband, in part because of cost concerns.

NTIA's Digital Nation research has found considerable variation in broadband adoption based on family income. Households with annual incomes less than $25,000 had a 49 percent home Internet adoption rate in 2013, while households making $100,000 or more annually reported a 95 percent adoption rate.[16] In contrast to this 46 percentage point gap, the "divide" in telephone usage is only 6 percentage points: 93 percent of households with incomes below $25,000 per year had a telephone at home in 2013, while 99 percent of households making at least $100,000 annually had telephones.[17] NTIA data further reveal that in 2013, individuals with annual family incomes below $25,000 were almost twice as likely (51 percent) as all U.S. residents (26 percent) to live in a household in which no one used the Internet at home, and over ten times as likely to do so as those with annual incomes exceeding $100,000 (5 percent).[18] While approximately 31 percent of households without home Internet service earning less than $25,000 annually explained they did not use the Internet at home primarily because it was too expensive, only 20 percent of offline households making $100,000 or more responded similarly.[19] The data also show that among households with home Internet access, 34 percent of those with family incomes below $25,000 per year identified affordability as the most important

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[15] *2d FNPRM* at ¶¶ 18-29.

[16] NTIA, *Digital Nation Data Explorer* (Oct. 29, 2015), http://www.ntia.doc.gov/other-publication/2015/digital-nation-data-explorer (*Data Explorer*) (Metrics selected: "Anyone in Household Uses Internet at Home" by "Family Income").

[17] Source: Current Population Survey, July 2013 Public Use File, *available at* http://www.ntia.doc.gov/page/download-digital-nation-datasets, and NTIA Calculations.

[18] *Data Explorer* (Metrics selected: "No One in Household Uses Internet at Home" by "Family Income").

[19] *Id*. (Metrics selected: "Main Reason for Household Not Online at Home: Too Expensive" by "Family Income").

factor in their choice of home Internet service compared to only 17 percent of households with annual incomes of $100,000 or more.[20]

As our society becomes more reliant on Internet use for telehealth, education, job applications, and training, this gap could perpetuate poverty by preventing low-income households from accessing the tools they need to participate fully in our modern society and economy. The results of NTIA's Internet use survey show that 20 percent of Internet users ages 15 and older conducted online job searches in 2013, and 60 percent of unemployed users did so.[21] Examining the 2013 data by income level demonstrates that among U.S. Internet users 15 years or older, 24 percent of Internet users in households with incomes less than $25,000 searched for jobs online, while 16 percent of those in households with at least $100,000 in annual earnings did so.[22] Extending Lifeline support to broadband promotes this trend by reflecting the realities and preferences of low-income consumers. Using online services to find jobs allows a more extensive geographic search, which can be very important to a low-income person trying to identify employment opportunities outside of an economically disadvantaged area. In addition, many employers today may only recruit applicants online.

B. Extending Lifeline to broadband may help to address the "homework gap" for low-income students.

While approximately 17 percent of U.S. residents three years or older used the Internet at school in 2013, only 14 percent of students living in households with incomes below $25,000 per year did so compared to 23 percent of students in the most affluent households with annual incomes at or above $100,000.[23] NTIA estimates that only 45 percent of school-age children in households that may qualify for the U. S. Department of Agriculture's Supplemental Nutrition Assistance Program (SNAP) benefits used the Internet at home in 2013, compared with 70 percent of their peers in higher-income households.[24] Therefore, the potential for lower educational achievement could increase for low-income Americans because they are less likely than their peers in homes with higher family incomes to use the Internet either at home or school.[25] This "homework gap" may significantly disadvantage some students given the great importance of the Internet as a learning and research tool.

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[20] *Id.* (Metrics selected: "Affordability is Most Important Factor for Home Internet Service" by "Family Income").
[21] *Id.* (Metrics selected: "Searches for a Job Online" by "Age Group" and "Searches for a Job Online" by "Employment Status").
[22] *Id.* (Metrics selected: "Searches for a Job Online" by "Family Income"). *See also*, Aaron Smith and Dana Page, *U.S. Smartphone Use in 2015*, 21 (Apr. 1, 2015), *available at* http://www.pewinternet.org/files/2015/03/PI_Smartphones_0401151.pdf.
[23] *Data Explorer* (Metrics selected: "Uses the Internet at School" by "Family Income").
[24] NTIA used the July 2013 CPS Computer and Internet Use Supplement for these estimates. A child was considered to be school-age if between the ages of 6 and 17 and related to the household reference person. A household was considered to be possibly eligible for Supplemental Nutrition Assistance Program (SNAP) benefits if gross family income did not exceed the programmatic limits listed at http://www.fns.usda.gov/snap/income-rules-income-limits. Note that the CPS records family income as a range, and rounds income limits to the nearest maximum range.
[25] *See* Wesley Austin and Michael W. Totaro, *High School Students' Academic Performance and Internet Usage*, Journal of Economics and Economic Education Research, Vol. 12, Number 1, at 52 (2011) ("Conversely, students

The "California Connects" project is a real world example of the importance of Internet access beyond school to combat the "homework gap."[26] There, BTOP funded laptops and six months of free 4G wireless broadband for approximately 5,800 disadvantaged community college students, which allowed them to devote more time to schoolwork away from campus.[27] The students from disadvantaged backgrounds, including mostly Hispanic students enrolled in the Mathematics, Engineering, Science, Achievement (MESA) program, received digital literacy training, Microsoft certification, a laptop, and six months of free 4G wireless broadband, which they could continue for a fee when the trial period expired.[28] The MESA program required students to transfer to a four-year institution, and reportedly many fulfilled this obligation. MESA students stated that the laptops provided "convenient, mobile access to broadband and Microsoft Office software" suggesting they were able to devote more time to schoolwork off campus to ameliorate the "homework gap."[29]

C. Subsidized broadband access mitigates the cost barrier for low-income seniors and others seeking to manage their healthcare online.

In 2014, approximately 4.6 million Americans 65 years or older lived in poverty.[30] Traditionally, senior citizens, many of whom live on limited fixed incomes, have been among the least likely to use the Internet. For example, in 2013 only 51 percent of persons ages 65 and older used the Internet anywhere, compared to 73 percent of Americans between ages 45 and 64 (reflecting a 22 percentage-point disparity) and 71 percent of Americans overall.[31] Recognizing that an individual's physical mobility often decreases with age, while susceptibility to serious health conditions grows, broadband can help seniors improve their access to important health information.

As an example, a BTOP project in Illinois set out to improve the lives of elders by establishing computer centers in 16 senior housing communities. Residents in these low-income communities who completed digital literacy training received a free personal computer and complimentary Internet access in their apartments. As a result, the project partners saw adoption increase among this community. Participants were able to retrieve health information online, obtain social and government services, and engage with family and friends, all which improved their living conditions in meaningful ways.[32]

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that used the Internet at school and home, which we term moderate use, enjoy higher grades versus those that did not use the Internet.").

[26] *Id.* at 12.

[27] *ASR Case Study Report, Round 2, Foundation for California Community Colleges Sustainable Broadband Adoption*, at 16 (Sept. 12, 2013), *available at* http://www2.ntia.doc.gov/files/fccc_case_study_report_round_2.pdf.

[28] *Id.*

[29] *Id.* at 12.

[30] Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States:2014*, Current Population Reports, U.S. Census Bureau, at 13 (Sept. 2015), *available at* https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf.

[31] *Data Explorer* (Metrics selected: "Uses the Internet (Any Location)" by "Age Group").

[32] *See* NTIA, *BTOP Grant to Connected Living, Inc.*, http://www2.ntia.doc.gov/grantee/connected-living-inc-name-changed-from-myway-village-inc; *Connected Living, Inc. 2012 Annual Performance Progress Report for*

D. Lifeline support for wireless broadband may provide particular benefits for people with disabilities.

Disabled Americans face a particularly acute digital divide, as only 51 percent of persons with disabilities used the Internet in 2013, compared with 77 percent of those who did not report any disability.[33] To help address this persistent aspect of the digital divide, Communication Service for the Deaf, Inc., used BTOP funding to help equip these consumers for work and reduce their higher than average unemployment rate by providing discounted broadband service, special computer equipment, and online technology training delivered through American Sign Language. Deaf and hard of hearing individuals purchased video-configured notebooks and a 3G/4G wireless broadband plan for $230.[34] Technological advancements during the project, such as rapidly expanding hot-spot availability, improved video functionality of wireless devices, and new video applications like FaceTime and Skype for wireless broadband networks, contributed to a strong demand for mobile broadband and devices among participants. The ability to communicate without the constraints of landline connections spurred a cycle of innovation that increased communications access for the deaf and hard of hearing.

E. Expanding Lifeline to broadband services can significantly benefit low-income tribal residents.

In considering ways to increase efficiency of the Lifeline program, the Commission notes the following:

> Given the difficulties many Tribal consumers face in gaining access to basic services by living on typically remote and underserved Tribal lands, the Commission recognizes the important role of universal service support in helping to provide telecommunications services to the residents of Tribal lands.[35]

We strongly agree with the Commission's recognition of the need for adequate universal service support for tribal residents and, therefore, urge continuation of the $25 monthly Lifeline subsidy for tribal residents that enhances the current $9.25 Lifeline support level. Recovery Act broadband projects demonstrate that broadband helps to overcome the geographic isolation that limits opportunity, which contributes to deprivation among Native peoples. For example:

- Frustrated with slow dial-up Internet connections, the College of the Menominee Nation in Wisconsin upgraded its campus Community Technology Center with

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Sustainable Broadband Adoption at 3-4 (Jan. 29, 2013), *available at* http://www2.ntia.doc.gov/files/grantees/25-43-b10574_apr2012_0.pdf.

[33] *Data Explorer* (Metrics selected: "Uses the Internet (Any Location)" by "Disability Status").

[34] NTIA, *BTOP Grant to Communication Services for the Deaf, Inc.*, http://www2.ntia.doc.gov/grantee/communication-service-for-the-deaf-inc.

[35] *2d FNPRM* at ¶ 159.

broadband service averaging 90 Mbps for the 5,000 residents living on or near the 365-mile reservation located in a poor rural area. There, people with disabilities, seniors, at-risk youth, and the unemployed learn computer skills, participate in skills-building activities ranging from GED assistance to math and reading coaching, and receive career exploration and job placement support. Significantly, the robust broadband connections support video conferencing, which enable military service members to stay connected to their loved ones at home.[36]

- The approximately 175,000 members of the Navajo Nation live on 27,000 square miles of tribal lands stretching across the American southwest through Utah, Arizona, and New Mexico. The Navajo Tribal Utility Authority constructed a 15,000-mile wireless network connecting chapter houses, schools, libraries, and hospitals with maximum speeds of 10 Gbps. Such broadband speeds make distance learning, telemedicine, and business development possible on the Navajo Nation. While residents can now subscribe to a new 4G wireless broadband network, they are also anticipating the utility's smart grid metering system, which will include 911 location capabilities to improve public safety on the reservation.[37]

- The Nez Perce Tribe built 216 miles of wireless infrastructure across its 1,200 square mile reservation in Idaho and connected 17 community anchor institutions. Tribe members now have access to affordable 3 Mbps broadband service for $20 a month,[38] as well as enhanced access to e-government and learning resources that the previous dial-up and sporadic satellite connections made impossible.[39]

IV. Lifeline Should Meet Low-Income Consumers' Communication Needs Through an Efficient but Flexible Program that Ensures Access to Competitive and Innovative Broadband Service.

The Lifeline program has provided critical support to low-income consumers for voice service, but must expand to meet their communication needs today by including support for broadband to make it more affordable for lower-income Americans.

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[36] *See* NTIA, *BTOP Grant to College of Menominee Nation*, http://www2.ntia.doc.gov/grantee/college-of-menominee-nation.

[37] *Narrowing the Digital Divide in the Navajo Nation*, NTIA Blog (Jan. 7, 2014), http://www2.ntia.doc.gov/node/869.

[38] Nez Perce Systems, Department of Wireless Internet Services, http://www.nezpercesystems.com/ (last visited Mar. 7, 2016).

[39] *See* NTIA, *BTOP Grant to Nez Perce Tribe: Nez Perce Reservation Broadband Enhancement*, http://www2.ntia.doc.gov/grantee/nez-perce-tribe.

A. The Commission should create a process to periodically assess and calibrate the Lifeline subsidy.

The Administration urges the Commission, in coordination with the Federal-State Joint Board on Universal Service, to undertake a periodic review of the Lifeline program subsidy level to determine its ongoing sufficiency to meet program objectives. Although the current $9.25 monthly subsidy may be adequate for voice service, it may not be adequate to cover broadband services,[40] or to foster the zero-to-low cost options that will encourage the level of adoption required to bridge the digital divide.[41] Nevertheless, it may be possible for providers to supply broadband services to consumers at the current subsidy level through existing programs, while new business models may also emerge.[42] A periodic review of the subsidy – commencing at an appropriate time following this rulemaking – would allow the Commission to monitor trends in the market and encourage continued innovation and industry response. To discourage incentives for waste, fraud, and abuse, the Commission should also explore robust compliance programs that would accompany a higher subsidy level.

In reviewing the subsidy level, the Commission should remain mindful of the unique difficulties of broadband deployment and adoption on tribal lands and other remote areas. Native Americans continue to face economic hurdles related to historic poverty and unemployment. Many tribes live in remote areas that have yet to attract broadband investment, thus making the service prohibitively expensive without increased support (as BTOP projects illustrate). Others may reside in cities and towns with economic hubs, but still face difficulties obtaining broadband because they are not able to afford such services.[43] Infrastructure build out on tribal lands may also be expensive because of the costs of obtaining rights-of-way and

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[40] Numerous commenters noted that the current subsidy level may not be sufficient to increase broadband adoption. *See* Comments of Florida Pub. Serv. Comm'n, WC Docket Nos. 11-42, 09-197, and 10-90, at 4 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198729; Comments of Missouri Pub. Serv. Comm'n, WC Docket Nos. 11-42, 09-197, and 10-90, at 3 (filed Aug. 26, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001098704; Comments of Nat'l Hispanic Media Coal., WC Docket Nos. 11-42, 09-197, and 10-90, at ii (filed Sept. 2, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199514; Comments of Comptel, WC Docket Nos. 11-42, 09-197, and 10-90, at i (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198786.

[41] Some commenters support a zero cost option, while others encourage a program that allows consumers to access broadband for a minimal fee. NTIA does not express a view at this time on which approach better encourages broadband adoption. *Compare* Comments of CTIA, WC Docket Nos. 11-42, 09-197, and 10-90, at 12 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198847; Notice of Ex Parte, Lifeline Connects Coal., WC Docket Nos. 11-42, 09-197, and 10-90, at 5 (filed Oct. 16, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001304177; *with* Comments of California Emerging Tech. Fund, WC Docket Nos. 11-42, 09-197, and 10-90, at 1 (Oct. 22, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001304697.

[42] The Benton Foundation noted that current programs like Comcast's Internet Essentials may offer low-income consumers much needed Internet service at a price they are able to pay. Comments of Benton Found. and Rural Broadband Policy Group, WC Docket Nos. 11-42, 09-197, and 10-90, at 9 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199492.

[43] Comments of Cherokee Nation, WC Docket Nos. 11-42, 09-197, and 10-90, at 5 (filed on Oct. 21, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001304594.

cultural preservation permits.[44] We support the Commission's ongoing conversations with Tribal leaders to ensure that the Lifeline program meets the needs of tribal communities.[45]

B. Lifeline should promote consumer choice.

Like all consumers, Lifeline customers rely on telecommunication services to support an array of communications needs. The Administration supports a Lifeline program that includes broadband but that maintains support for affordable voice service. At its most basic function, Lifeline-subsidized voice service connects low-income families to emergency services. Although broadband use is expanding, there are still situations where voice may take precedence for low-income consumers, including calling 911 for help. Although the Administration does not take a position on how a voice component is offered, we strongly recommend that subsidized voice service remains available for low-income individuals and communities as the Lifeline

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[44] Comments of Gila River Telecomms., Inc., WC Docket Nos. 11-42, 09-197, and 10-90, at 1 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199460.

[45] Tribal commenters uniformly expressed that the tribal subsidy amount would need to increase to meet the heightened costs of broadband deployment. Tribal commenters also expressed the need for the Commission to continue conversations with the tribes as it modernizes the Lifeline program. *See, e.g.*, Comments of Absentee Shawnee Tribe of Oklahoma, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Oct. 13, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001303750; Comments of Alatna Village Council, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Sept. 30, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001301050; Comments of Cherokee Nation, WC Docket Nos. 11-42, 09-197, and 10-90, at 5 (filed on Oct. 21, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001304594, Comments of Choctaw Nation of Oklahoma, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199256; Reply Comments of Coeur d'Alene Tribe, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Sept. 30, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001300884; Gila River Telecomms., Inc. WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199460; Reply Comments of Keweenaw Bay Indian Cmty., WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Sept. 29, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001300627; Reply Comments of Mescalero Apache Telecom, Inc., WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Sept. 30, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001300899; Comments of The Nat'l Cong. of Am. Indians, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Sept. 1, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199524; Comments of The Nat'l Tribal Telecomms. Ass'n, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199258; Comments of The Navajo Nation Telecomm. Regulatory Comm'n, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 28, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001099223; Comments of The Navajo Tribal Util. Auth., WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199414;
Comments of The Nez Perce Tribe, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198852; Comments of The Ogala Sioux Tribe Util. Comm'n, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198851; Reply Comments of The Ohkay Owingeh Pueblo, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Sept. 30, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001300963; Comments of The Red Lake Band of Chippewa Indians, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Sept. 30, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001300721; and Susanville Indian Rancheria, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Oct. 5, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001302115.

program expands to broadband.[46] Further, although the Lifeline program should expand to support broadband services, the Commission should institute phasing and transition periods to ensure that consumers can maintain essential services while they shift to new offerings.[47] Portions of rural America, including tribal lands, still lack "plain old telephone service" because of the high infrastructure deployment costs in remote areas.[48] Accordingly, we urge the Commission to modernize the Lifeline program for broadband, while maintaining the subsidy for stand-alone voice service during a reasonable, well-publicized transition period.[49]

In this proceeding, the Commission sought comment on "ways to increase competition and innovation in the Lifeline marketplace."[50] We applaud the Commission's efforts to promote competition for Lifeline customers to increase access to broadband for people with limited financial resources. We encourage the Commission to empower Lifeline consumers to apply their benefits toward bundled plans including voice and broadband service, regardless of wired or wireless technology or service speed, except as noted below. Such flexibility offers the combined benefit of attracting a broader array of service providers while also improving user choice.

For Lifeline subscribers who desire a basic service plan, the Commission should continue to permit these offerings, which are important to the Lifeline marketplace. By permitting, but not requiring, Lifeline-only plans, the Commission may create incentives for providers to participate in the program. Additional flexibility may also create consumer benefits. For example, the option to subsidize a wireless "family plan" would provide a single benefit to the household in accordance with the "one per household rule," but would enable multiple family members to benefit from wireless broadband access.

C. The Commission should further examine costs and benefits before imposing minimum service standards for broadband.

Understandably, many consumer advocates, some rural carriers, and other commenters argue that the Commission should impose minimum service standards for broadband to ensure

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[46] Reply Comments of The Alaska Rural Coal., WC Docket Nos. 11-42, 09-197, and 10-90, at 4 (filed on Sept. 30, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001301045.

[47] As the Commission explores Lifeline support for broadband services, including mobile services, it should also evaluate the potential challenges of data plans for low-income consumers, such as unplanned overage charges. NTIA data reveal that, as of 2013, mobile phone use by persons in households with incomes below $25,000 (31 percent) lagged use in households earning at least $100,000 per year (62 percent) and lagged use by Americans as a whole (46 percent) by 15 percentage points. *Data Explorer* (Metrics selected: "Uses a Mobile Phone" by "Family Income"). The adverse consequences of overage charges could impact a growing number of poor families as more subscribe to mobile data plans. NTIA urges the Commission to consider seriously that low-income consumers may be more likely to incur fees that they cannot afford, which could harm credit ratings or cause other detrimental effects.

[48] Comments of The Navajo Nation Telecomms. Regulatory Comm'n at 3.

[49] In remote rural areas currently lacking broadband or the prospects for any such near-term investment, we recommend that the Commission permit a voice-only Lifeline subsidy until such time as affordable broadband service becomes available there.

[50] *2d FNPRM* at ¶ 121.

that low-income consumers receive adequate broadband service.[51] Although the Administration wants to avoid relegating Lifeline subscribers to inferior service, we have concerns about an outright dismissal of providers' strong objection to such standards. Significantly, these wireline and wireless providers contend that minimum service levels for broadband offerings could deter provider participation, contrary to the Commission's goal of increasing competition for Lifeline subscribers.[52] Perhaps most importantly, Lifeline consumers should have the ability to use their subsidy to purchase the broadband services that meet their needs. Rural and other areas with limited service options may fall further beyond the digital divide if providers are unwilling or unable to meet the Commission's minimum service levels. Therefore, the Commission should approach minimum broadband service standards with caution.

Because broadband and voice services are quite different in terms of their availability and maturity, a different approach to voice may be warranted. Minimum service levels for Lifeline voice plans would be appropriate and consistent with the Commission's belief that minimum standards "will extract the maximum value for the program, benefitting both the recipients as

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[51] *See, e.g.*, Comments of Nat'l Ass'n of State Util. Consumer Advocates (NASUCA), WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199283; Comments of Multicultural Media and Telecomms. Council et al. (MMTC), WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199520; Comments of The Greenlining Inst. et al., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199464; Comments of The Nat'l Housing Conference, WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 26, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001098710; Notice of Ex Parte, Public Knowledge et al., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Jan. 20, 2016), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001380481; Comments of the Benton Found. and Rural Broadband Policy Group, WC Docket No. 11-42, at 16-31 (filed Aug. 31, 2015) *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198918; Comments of Members of the Rural Broadband Policy Group, WC Docket No. 11-42, at 16-18 (filed Aug. 31, 2015) *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198937; Missouri Pub. Serv. Comm'n, WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 26, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001098704; Reply Comments of The Commc'ns Workers of Am. and Am. Fed'n of Labor-Cong. of. Indus. Orgs., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Sept. 30, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001300725; and Comments of the Free State Found., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199162.

[52] *See, e.g.*, Notice of Ex Parte, NTCA, WTA, ITTA, and USTA, WC Docket No. 10-90 (filed Jul. 13, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001092870; Comments of CTIA, WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199411; Am. Cable Ass'n., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199478; Comments of Comcast Corp., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199430; Comments of AT&T Servs., Inc., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Sept. 9, 2015), http://apps.fcc.gov/ecfs/comment/view?id=60001299468; Comments of Frontier Commcn's., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199428; Comments of Sprint Corp., WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199223; Comments of The Navajo Nation Telecomm. Regulatory Comm'n, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 28, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001099223; Comments of Comptel, WC Docket Nos. 11-42, 09-197, and 10-90, at i (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198786.

well as the ratepayers who contribute to the USF."[53] Such service levels would ensure that Lifeline subscribers receive satisfactory voice service as Lifeline begins supporting broadband and eliminate incentives for providers to sell Lifeline customers minimal services with lower value than the Lifeline payment itself.[54]

D. Lifeline benefits should be available to subscribers for as long as they qualify.

Since 1985, Lifeline has played an important role in improving the lives of low-income Americans across the country.[55] The subsidy, among other things, has allowed qualifying consumers to respond to employment opportunities, connect with healthcare providers, maintain social and family connections, and receive critical emergency assistance. As the Commission stated in the FNPRM, "[t]he purpose of the Lifeline program is to provide a hand up, not a hand out to those low-income consumers who truly need assistance connecting to and remaining connected to telecommunications and information services."[56]

To that end, the Commission should not restrict eligibility for the subsidy by duration or number of disbursements received over time. It should instead allow low-income consumers to receive the benefit for as long as they qualify. If the Commission finds that an overall budget is required to control costs, it should establish appropriate targets to ensure that all qualified subscribers that seek the benefit can receive it.

The Commission has attributed some of the past growth in Lifeline disbursements to duplicate enrollments and subsidies to ineligible consumers and has already taken important steps to enhance the integrity of the program.[57] While we acknowledge that Lifeline program costs may increase initially as more low-income consumers enroll to receive subsidized broadband service, it is important to emphasize that the Commission's current proposal to create a third-party verifier will also contribute to improving the integrity of the program. These and future program improvements will help to mitigate fraud and abuse in the program.

E. Lifeline benefits should be portable and easy to use.

The Commission invited comment on the processes for a verifier or other federal agency "to transfer Lifeline benefits directly to consumers via a portable benefit."[58] We support this concept as a way of facilitating Lifeline consumers' ability to obtain the telecommunications services they want and need, while helping to reduce waste, fraud, and abuse in the program.

During implementation of the DTV Converter Box Coupon Program, NTIA found that enabling consumers to use their coupons to subsidize the purchase of a converter box helped to

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[53] *2d FNPRM* at ¶ 34.
[54] *Id.*
[55] *Lifeline NPRM* at ¶ 14.
[56] *2d FNPRM* at ¶ 1.
[57] *Id.* at ¶ 55.
[58] *Id.* at ¶ 104.

encourage manufacturers' participation in the program. At the same time, the portable plastic cards with unique identifiers were easy for consumers to use and were compatible with merchandisers' existing payment systems.[59] Although the Administration takes no position on a particular approach to distribute benefits, we urge the Commission to create a system that enables subscribers to switch carriers with ease. Such an approach may incent providers to offer innovative services to retain Lifeline customers.

V. A National Third-Party Verifier Will Minimize Waste, Fraud, and Abuse and Eliminate Providers' Incentive to Accept Non-Qualifying Lifeline Enrollees.

The Administration agrees that establishing a national third-party to verify Lifeline eligibility would help minimize waste, fraud, and abuse by eliminating providers' incentive to accept non-qualifying Lifeline enrollees.[60] Accordingly, we recommend that the Commission establish a centralized, third-party national verifier. While this proposal may add some bureaucratic challenges for consumers, we contend that a properly crafted national verifier could streamline the verification process. By working closely with various programs, databases, and stakeholders to coordinate Lifeline enrollment with other federal and state programs and databases, a third-party national verifier can help to ease the logistical complexity arising from managing these systems. The benefits to consumers from both better outreach and reduced administrative burdens outweigh the proposal's disadvantages.

The Commission should allow states and tribes with robust verification programs to continue them to support their non-federal Lifeline programs, but require them to share information from their state and tribal verification databases with a national third-party verifier. Information exchanges between the national verifier and state and tribal verification databases could facilitate administration of the federal Lifeline program by providing complete data for Lifeline program evaluation at the state, tribal, and federal levels. At the same time, a national verifier could encourage eligible telecommunications carriers (ETCs) designated by state regulators or the Commission to participate in the Lifeline program by establishing nationwide requirements that minimize the impact of state or tribal-specific rules. This could also facilitate local experimentation resulting in national program enhancements.[61] If the Commission allows states and tribes this option, it must do more than standardize the application form; it should impose minimum standards for accountability, data security, and privacy.

One of the primary benefits of the national verifier is the privacy protections derived from minimizing the number of entities handling sensitive consumer data. Allowing Lifeline applicants to seek benefits directly from the verifier increases consumer convenience and lessens

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[59] *See* NTIA, *Outside the Box: The Digital TV Converter Box Coupon Program* (Dec. 2009), *available at* http://www.ntia.doc.gov/files/ntia/publications/dtvreport_outsidethebox.pdf.

[60] *2d FNPRM* at ¶ 63.

[61] *See* Comments of The Nez Perce Tribe, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198852; Comments of the New York Pub. Serv. Comm'n (NYPSC), WC Docket Nos. 11-42, 09-197, and 10-90 (filed Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198699; Comments of ITTA et al., WC Docket No. 10-90 (filed Oct. 2, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001301214.

administrative burdens on providers. For this reason, the Commission should limit the role of providers as much as possible. The Administration also recommends that the Commission respond to concerns of tribal authorities about the potential harm to rural consumers if they are unable to complete the Lifeline application process in a single transaction through the local ETC.[62] Therefore, the Commission should permit limited exemptions that allow providers to collect eligibility documentation and coordinate with the national verifier, but the default process should require direct application between the verifier, authorized low-income assistance program representatives, and the consumer. Finally, to mitigate any possible disincentives to provider participation, the Lifeline program, rather than carrier contributions, should fund the national verifier.

A. Coordinated enrollment and outreach could minimize waste, fraud, and abuse, as well as increase the efficiency and effectiveness of Lifeline and other complementary low-income assistance programs.

The Commission seeks comment on a proposed change to Lifeline that would make it possible for that program to coordinate "with federal agencies and their state counterparts to educate consumers about, or simultaneously allow consumers to enroll themselves in, the Lifeline program."[63] The Commission believes that there will be more efficiency in this arrangement and consequently cost savings to both consumers and the program itself since many consumers already qualify for Lifeline through enrollment in other federal low-income programs. Accordingly, informing consumers about Lifeline when they enroll in another state-administered program maximizes both state and federal resources.[64]

The Commission has not clearly defined what it means by coordinated enrollment. As an initial matter, however, the Commission should not limit itself only to coordinating enrollment with state-administered federal programs. It should also try synchronizing with such programs efforts to *recertify* consumers and *de-enroll* them to help minimize waste, fraud, and abuse in the program. Many states administering federal programs maintain accurate eligibility databases and update them monthly.

The Commission proposes in its Second Further Notice of Proposed Rulemaking to coordinate enrollment through SNAP.[65] We support the Commission's efforts to encourage

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[62] *See* Comments of The Nez Perce Tribe, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001198852; Comments of The Navajo Nation Telecomm. Regulatory Comm'n, WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 28, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001099223; Comments of The Navajo Tribal Util. Auth., WC Docket Nos. 11-42, 09-197, and 10-90 (filed on Aug. 31, 2015), *available at* http://apps.fcc.gov/ecfs/comment/view?id=60001199414.

[63] *See 2d FNPRM* at ¶ 92.

[64] Those programs are Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income, Federal Public Housing Assistance, Low-income Home Energy Assistance Program, Temporary Assistance to Needy Families, and National School Lunch Program. If an individual is a member of a federally recognized tribe, additional qualifying programs include Bureau of Indian Affairs Assistance, Tribally-Administered Temporary Assistance for Needy Families, and Food Distribution Program on Indian Reservations.

[65] *See 2d FNPRM* at ¶¶ 1, 95.

increased coordination of benefits. In light of constraints on existing programs, state administrators must undertake increased coordination on a voluntary basis, ensuring compliance with applicable regulations and guidelines.[66] Each state serves unique populations and the state administrator is in the best position to serve its residents. Nevertheless, the Commission should encourage state administrators, to the extent possible, to coordinate enrollment with Lifeline. Small changes in state programs may yield huge benefits for low-income residents of that state. Educating a consumer about Lifeline eligibility when they apply for or receive SNAP benefits, for example, may go far in improving the lives of low-income individuals in that state.

To assist some states in providing coordinated enrollment, the Commission should consider expanding the National Lifeline Accountability Database (NLAD) to assume additional responsibilities as part of a third-party national verification process. In the past, ETCs verified whether an individual qualified for Lifeline, but under this proposal the NLAD would assume this function. Removing ETCs from this role could decrease the likelihood of fraud and increase efficiency in the Lifeline program. Once again, the Commission should ensure that states and tribes share information with the national verification system. Wisconsin, for example, already has a successful and fully integrated system that allows its residents to enroll in all state-administered programs at one time. But an expanded NLAD should be a part of how the Commission implements coordinated enrollment between federal programs and Lifeline at the state level.

B. The Commission must require any Lifeline eligibility verifier to protect consumer privacy.

The Commission must require that any Lifeline eligibility verifier protect consumer privacy. Recognizing that a verifying entity is reviewing income and other sensitive federal benefit information to determine Lifeline program eligibility, it must protect consumer privacy by complying with the principles articulated in the Administration's Consumer Privacy Bill of Rights.[67] Any verifying entity must adopt and adhere to strong record management and data protection practices, such as those set forth in the NIST cybersecurity framework,[68] and should develop and regularly evaluate a rigorous information security program. In addition, a verifier should provide Lifeline consumers with a clear privacy policy, and should notify consumers of any data breach affecting their sensitive information, at a minimum using the procedures laid out in the Administration's National Data Breach Notification Standard (as well as in accordance with state law).[69]

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[66] For example, as the Commission is aware, there are limitations on using information about SNAP recipients for purposes unrelated to that program. (Letter from Julie A. Veach, Chief, Wireline Competition Bureau, Federal Communications Commission, to Audrey Rowe, Administrator, Food and Nutrition Service, United States Department of Agriculture (June 13, 2014) (on file with the Department of Agriculture, Food and Nutrition Service)).

[67] *See* The White House, Consumer Privacy Bill of Rights (Feb. 2012), *available at* https://www.whitehouse.gov/sites/default/files/privacy-final.pdf.

[68] *See* NIST, Cybersecurity Framework (July 1, 2015), *available at* http://www.nist.gov/cyberframework/.

[69] *See* The White House, The Personal Data Notification & Protection Act (Jan. 2015), *available at* https://www.whitehouse.gov/sites/default/files/omb/legislative/letters/updated-data-breach-notification.pdf.

VI. The Commission Should Collaborate with Community Organizations to Promote the Lifeline Program's Relevance and to Provide Digital Literacy Training that Will Increase the Success of the Program.

NTIA data and experience demonstrate that many consumers do not subscribe to broadband because they do not know how to use it or do not see the value in it. Any program designed to increase broadband adoption should take into account the need to provide tailored digital literacy training to non-adopters.[70] To help non-broadband users determine whether to prioritize the cost of such service above other necessities, BTOP Sustainable Broadband Adoption and Public Computer Center projects empowered low-income and unemployed consumers (and others) through digital literacy, computer skills, and workforce development training. Collectively, these projects produced approximately 670,000 new broadband subscribers and demonstrated that successful digital literacy training must be carefully tailored to the specific needs of the community and individual and delivered by those the trainees know and trust.[71]

Much more work lies ahead to encourage the millions of low-income consumers eligible for Lifeline support to enroll in the program. Therefore, the Administration recommends that, as resources permit, the Commission collaborate with trusted community organizations and states to promote the Lifeline program to make broadband more affordable for low-income consumers. Such public-private partnerships have proven their effectiveness in undertaking this important task.

NTIA's experience administering BTOP and the DTV Converter Box Coupon Program – both of which targeted low-income families, seniors, people with disabilities, racial and ethnic minorities, non-English speakers, and other vulnerable populations – demonstrates the value of relying on trusted third-party intermediaries to engage intended beneficiaries successfully. As the Commission's Lifeline pilot projects showed, consumers enrolled in the pilots were reluctant to participate in such optional training that the ETCs offered.[72] Community organizations are better suited to provide such training.

VII. Conclusion.

The Administration commends the Commission for undertaking this important effort to modernize the Lifeline program by extending it to broadband for low-income consumers. We

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[70] *See* NTIA, Exploring the Digital Nation: Embracing the Mobile Internet at 31 (Oct. 16, 2014), *available at* http://www.ntia.doc.gov/files/ntia/publications/exploring_the_digital_nation_embracing_the_mobile_internet_10162014.pdf.

[71] *See* NTIA Adoption Toolkit (May 2013), *available at* http://www2.ntia.doc.gov/files/NTIA_2013_BroadbandUSA_Adoption_Toolkit.pdf.

[72] *See generally* FCC Wireline Bureau Staff Report, *Low Income Broadband Pilot Program*, WC Docket No. 11-42 (May 22, 2015), *available at* https://apps.fcc.gov/edocs_public/attachmatch/DA-15-624A1.pdf.

trust the Commission will carefully consider the Administration's recommendations as it works to strengthen and expand the scope of the program. By ensuring that broadband is affordable for those who may benefit most from its limitless opportunities, the Commission will contribute significantly to our shared national goal of digital inclusion.

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