



March 17, 2016

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of Ex Parte Presentations
Lifeline and Link Up Reform and Modernization (WC Docket
No. 11-42); Lifeline and Link Up, (WC Docket No. 03-109)*

Dear Ms. Dortch:

CCIA, CTIA®, Competitive Carriers Association (“CCA”), and INCOMPAS (collectively, the “Industry Associations”) submit this letter to express significant concerns with elements of the “Fact Sheet” released by the Federal Communications Commission summarizing a Lifeline Reform Order intended for a vote at the Commission’s March 31 Open Meeting.

The Industry Associations support the Commission’s goal of modernizing the Lifeline program to enable low-income consumers to participate in the many benefits of broadband, including helping to close the Homework Gap. We also support administrative reforms that will eliminate the potential for waste, fraud, and abuse in the Lifeline program. We agree with Chairman Wheeler and Commissioner Clyburn that “Lifeline must evolve” to meet the “critical 21st Century need” of access to broadband for low-income consumers. An “evolution,” however, must be just that.

For the Lifeline program to evolve, the Commission must implement measured changes that provide access to broadband without sacrificing program characteristics that will remain vital for low-income consumers, including affordable access to mobile voice services. Contrary to this approach, the Fact Sheet reveals certain proposals that appear to ignore technological and market characteristics of providing mobile wireless voice and broadband service to low-income consumers. If adopted, these proposals will disrupt successful aspects of the Lifeline program, hinder the ability of mobile wireless providers to offer services, and harm millions of low-income consumers who depend on Lifeline support.



Specifically, the Industry Associations believe the Commission's proposed minimum service standards for mobile wireless Lifeline services will:

Make Critical Mobile Voice Services Unaffordable for Many Low-Income Consumers. By requiring only mobile wireless Lifeline voice plans to offer unlimited voice minutes by December this year, the Commission will substantially increase the prices that eligible low-income consumers must pay to connect with educational, health, occupational and public safety services, including 9-1-1, through mobile wireless voice services. The impact on low-income consumers will be exacerbated by reducing available support for mobile voice services by \$2 per year for the first two years, and the elimination of the subsidy altogether after three years.

Given the lack of record evidence that any mobile wireless provider offers unlimited mobile wireless voice services anywhere near \$9.25 per month, the Commission will effectively reverse a long-standing policy against requiring co-payments and put Lifeline service out of reach from low-income consumers that lack the disposable income or banking capabilities to make a monthly payment. It's clear from this proceeding and economic realities that millions of eligible low-income Lifeline customers cannot afford these or practically make payments.

Moreover, the Commission's proposed minimum service standard for unlimited mobile wireless voice services, coupled with a decreasing amount of support for service providers, raises additional concerns. An unrealistic minimum service standard may result in limited service options in areas where providers are unable to meet the proposed standard absent sufficient support amounts, further placing critical voice services out of reach for low income consumers who are unable to receive the benefits of the Lifeline program. The Commission should instead establish minimum service standards based on record evidence and real-world market and economic conditions.

Implement a Significant Disruption to Millions of Participating Low-Income Consumers on a Flash-Cut Basis. In the Commission's universal service support reforms for rural, schools and libraries and healthcare facilities, the Commission emphasized that universal service reforms should be approached carefully, while attempting to provide transition periods to minimize the impact on affected consumers and constituents. If adopted,



however, the Commission's Lifeline reform approach will impose significant changes on low-income consumers by December of *this year*, with more significant changes each year for three years. Consistent with the reform of other universal service support programs, the Commission should proceed cautiously in implementing new minimum service standards, with particular recognition of the on-going importance of mobile wireless voice services to low-income consumers.

Violate Core Universal Service Policies of Competitive and Technological Neutrality. The Commission's proposal to reduce and ultimately eliminate support for mobile wireless voice services after three years, while proposing no changes in support for fixed wireline voice services, clearly violates the Commission's universal service principle of technological neutrality. The Fact Sheet announcing the Commission's proposal fails to justify, and the record entirely lacks support for, the discriminatory treatment of mobile wireless voice services. To the contrary, the record is replete with diverse parties espousing the importance of mobile wireless voice services, including consumer groups and the Obama Administration.

For these reasons, we implore the Commission to convene a multi-stakeholder process to resolve these concerns. An inclusive process involving the major stakeholders in Lifeline reform could lead to agreement on a path forward to achieve the Commission's goals of robust Lifeline voice minutes and greater adoption of broadband services, on a reasonable timeline that will avoid flash cuts and loss of critical services for millions of low-income consumers.

Sincerely,

/s/ Rebecca Murphy Thompson

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