

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

WASHINGTON HARBOUR, SUITE 400

3050 K STREET, NW

WASHINGTON, DC 20007

(202) 342-8400

FACSIMILE

(202) 342-8451

www.kelleydrye.com

JOHN J. HEITMANN

EMAIL: jheitmann@kelleydrye.com

NEW YORK, NY
LOS ANGELES, CA
CHICAGO, IL
STAMFORD, CT
PARSIPPANY, NJ

BRUSSELS, BELGIUM

AFFILIATE OFFICE
MUMBAI, INDIA

March 17, 2016

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Notice of Lifeline Connects Coalition Oral *Ex Parte* Presentation;
WC Docket Nos. 11-42, 09-197, 10-90**

Dear Ms. Dortch:

On March 15 and 16, 2016, Brian Lisle and Susan Berlin of Telrite Corporation dba Life Wireless; Jeni Kues of i-wireless, LLC dba Access Wireless; David Wareikis and Jaime Palmer of Blue Jay Wireless, LLC; Chuck Campbell of CGM, LLC; and John Heitmann, Joshua Guyan and Jameson Dempsey of Kelley Drye & Warren LLP met on behalf of the Lifeline Connects Coalition (Coalition)¹ with Commission representatives to discuss the Lifeline program and the Second Further Notice of Proposed Rulemaking (FNPRM).² On March 15, we met with: (1) Travis Litman, Legal Advisor to Commissioner Jessica Rosenworcel; (2) Commissioner Mignon Clyburn and her Legal Advisor Rebekah Goodheart; and (3) Amy Bender, Legal Advisor to Commissioner Michael O’Rielly. On March 16, we met with (1) Nick Degani, Legal Advisor to Commissioner Ajit Pai³; (2) Trent Harkrader (by phone), Charles Eberle, Ryan Palmer, Jay Schwarz, and Garnet Hanly of the Wireline Competition Bureau (Bureau) and Eric Feigenbaum of the Office of Media Relations; and (3) Jon Wilkins, Chief of the Wireless Telecommunications Bureau, and Stephanie Weiner and Gigi Sohn (by phone) of the Office of Chairman Tom Wheeler.

¹ The members of the Lifeline Connects Coalition are i-wireless, LLC, Telrite Corporation, Blue Jay Wireless, LLC, and American Broadband & Telecommunications Company.

² See *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, FCC 15-71 (rel. June 22, 2015) (Second FNPRM).

³ This meeting did not include John Heitmann.

Marlene Dortch, Secretary
March 17, 2016
Page Two

During the meetings, we expressed our concerns with several components of the proposals set forth in the fact sheet released on March 8, 2016 describing Chairman Wheeler and Commissioner Clyburn's proposals to modernize the Lifeline program, including their proposals to adopt excessive minimum service standards on impossibly tight timelines and to sunset and step-down support for critical standalone voice services.⁴ Our positions, including some issues not addressed in the body of this letter, are outlined in the presentation attached as Exhibit A.

I. The Proposed Mobile Voice and Mobile Broadband Minimum Service Standards and Implementation Timetables Are Too Much, Too Soon

The draft order's proposed minimum service standards for mobile voice and mobile broadband, and the timetables for implementing them, are too much, too soon. The proposed December 1, 2016 timetable for implementing the mobile voice minimum service standard is impossible for ETCs to meet from an operational standpoint.⁵ Further, if implemented this year, the proposed mobile voice minimum would eliminate the competitive and well-calibrated "free" (i.e., no-cost-to-consumer) plans that serve over 11 million Lifeline subscribers today. The draft order sets the minimum service standard for mobile voice at the maximum—unlimited minutes per month. The competitive wireless marketplace currently prices these services well above the \$9.25 subsidy level (in the best case, more than \$15 above the subsidy level with a requirement to separately purchase a handset). Moreover, Coalition members' costs of providing unlimited voice minutes exceed the current \$9.25 subsidy (not taking into account handset costs), rendering the provision of "free" Lifeline service under the proposed standard uneconomical. In addition, the proposal to double the minimum standard for mobile broadband each year from 500 MB in 2016 to 1 GB in 2017 to 2 GB in 2018 would exceed carrier costs as we do not see wholesale prices per megabyte decreasing rapidly. As a result, Coalition members would be forced either to require a co-pay from low-income consumers or to exit the Lifeline market altogether, reducing competition, affordability and consumer choice within the program and leaving service for millions of Lifeline subscribers in doubt.

⁴ See Chairman Wheeler & Commissioner Clyburn Propose Rules to Modernize Lifeline Program to Provide Affordable Broadband for Low-Income Americans, *available at* http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0314/DOC-338113A1.pdf (last visited Mar. 17, 2016).

⁵ Any timetable for implementing minimum service standards for mobile voice must provide adequate time for ETCs to renegotiate or add wholesale agreements; to develop and implement alternative service delivery technologies (such as Wi-Fi calling or Voice-over-LTE (VoLTE)); to transition customers to new plans and handsets (particularly if the Commission requires Wi-Fi capable, hotspot enabled smartphones); to develop and implement billing and collection systems and processes that have not been necessary in the no-cost-to-consumer market; and to complete state review and approval of revised ETC applications, plans and terms and conditions, as needed to comply with state requirements.

Marlene Dortch, Secretary
March 17, 2016
Page Three

We explained that even if an ETC did not elect to exit the market in the face of minimum service standards that effectively would impose a co-payment requirement on Lifeline subscribers, the vast majority of consumers in the Lifeline program are likely to disconnect rather than make a co-payment for service. One ETC recently conducted a survey of 5,500 customers and found that 75 percent of surveyed customers said they might have to let their Lifeline service lapse because they would be unable to make consistent payments for service, and 83 percent of customers said they would not be able to afford regular phone service without their Lifeline benefit. Further, 77 percent of surveyed customers were unbanked or underbanked, and as such would face significant burdens making required co-payments. The survey also found that for 73 percent of customers their Lifeline phone service was the only phone service for the household. Disconnection and de-enrollment from Lifeline service would leave these households detached from vital communications technologies and from full access to emergency services. We also explained that investors would not likely wait until December 1, 2016 before forcing ETCs to begin exiting the program, potentially leaving millions of consumers without service and without meaningful alternatives.

The alarmingly disruptive and negative consequences of imposing the proposed minimum service standards in 2016 appear to be overlooked or at least underestimated. Effectively eliminating the “free” model through excessive minimum service standards would hit hardest the most economically disadvantaged low-income Americans, including the homeless and severely impoverished. These individuals and families, for whom any co-pay would be too expensive, would be entirely disconnected from voice service, including emergency and public safety communications, as a consequence of the proposed minimum service standards. Even those low-income Americans who could make a modest payment in some months would face challenges. Fluctuations in income or necessary expenses mean that many low-income consumers would not be able to afford the charge every month, which could lead many Lifeline-eligible households into an endless cycle of disconnection and reconnection.⁶

The increased churn caused by overly aggressive minimum service standards also would make it much more difficult for Lifeline providers to make advanced handsets, including Wi-Fi-enabled smartphones, available to Lifeline customers because Lifeline providers require many months to recoup their up-front investment in the device.⁷ Instead of imposing minimum service standards that would increase churn, the Commission should adopt the Coalition’s proposal to

⁶ As the Pew Research Center found in a recent study, approximately 44 percent of smartphone-owning adults with household income less than \$30,000 have canceled or cut off service for a period of time because maintaining their service was a financial burden. *See* Aaron Smith, “Chapter One: A Portrait of Smartphone Ownership,” Pew Research Center (Apr. 1, 2015), available at <http://www.pewinternet.org/2015/04/01/chapter-one-a-portrait-of-smartphone-ownership/>.

⁷ Any program requirements for smartphones should be phased-in with a grandfathering provision for handsets already distributed or purchased by the ETC for distribution.

Marlene Dortch, Secretary
March 17, 2016
Page Four

extend the existing 60-day automatic benefit transfer limit to 12 months, which would reduce churn and allow Lifeline providers to offer consumers better plans and devices. Consumers would retain the ability to switch Lifeline service providers at any time by de-enrolling with their current provider and then enrolling with another.

Rather than impose minimum service standards that could have dire consequences for low-income consumers and ETCs alike, the Commission should extend the implementation of its mobile voice and mobile data minimum service standards by one year, from December 1, 2016 until December 1, 2017, at which point the Commission should allow ETCs to meet the minimum service standards through any technology offered by or through the ETC.⁸ If the Commission is determined to impose minimum service standards on December 1, 2016, it could require ETCs to provide 500 minutes of standalone voice service by that date, which at least some ETCs could provide at no cost to consumers.

Moreover, to preserve the flexibility that the vast majority of consumers in the wireless market expect and enjoy, the Commission should also allow ETCs, by December 1, 2016, to meet the minimum service standards by offering consumer-friendly bundles of 500 units that could be used for some combination of voice, text and data. This 500 unit plan could include an adequate voice minute reserve to protect the ability of consumers to make and receive calls in emergencies and to ensure that the handsets remain relevant even if a consumer has exhausted his or her data (particularly because there is a learning curve for new adopters with respect to how much data online activities use).⁹ By giving providers the flexibility to compete and differentiate their services through 500 unit bundles, the Commission could meaningfully push the Lifeline program forward while preserving no-cost-to-consumer options that have proven critical to adoption in the Lifeline program.

II. The Proposed Step-Down and Sunset of Mobile Voice-Only Service Is at Odds with Low-Income Consumer Needs and Market Realities

The Coalition also urged the Commission to preserve the availability of full support for standalone voice options. We explained that the proposal to sunset mobile voice support by December 1, 2019 is unequitable, not technology neutral (given that the proposal would continue to support landline voice service at \$9.25) and raises significant challenges for ETCs and Lifeline subscribers. Mobile voice service, not landline, is increasingly the first choice for Americans⁷

⁸ In a survey, one ETC found that 91 percent of its customers with smartphones had used free, public Wi-Fi, indicating that these customers are aware of and are able to make use of offload technologies when they are available.

⁹ The Commission could cap the voice minute reserve to ensure that ETCs are offering substantial broadband services through the plan. For example, ETCs could be restricted from setting the voice reserve at more than 250 units.

Marlene Dortch, Secretary
March 17, 2016
Page Five

voice connectivity needs. Voice service remains critical for low-income consumers, particularly the elderly, who are more likely to rely on voice-only service plans. For example, each month, Access Wireless subscribers make approximately 60 million voice calls, including 879,000 calls to social service agencies, 60,000 calls to 911, and 15,000 calls to public transit authorities. Similarly, Life Wireless averages 300 million minutes of voice service each month.

The Commission's proposal to step-down support levels for standalone mobile voice service also raises significant challenges. Specifically, because prices for wholesale minutes are not likely to materially decrease in the next several years, a step-down in support will make it more difficult for providers to meet minimum standards, and will increase the likelihood that wireless ETCs drop voice-only service before an adequate alternative is available for consumers. Importantly, over-the-top voice applications like Google Voice and Skype do not support 911 service and consume significant amounts of data,¹⁰ and Voice-over-LTE is a long way from ubiquitous deployment (particularly for down-market handsets that Lifeline customers generally choose).

For these reasons, instead of stripping support for mobile voice service before consumers and the market are ready to make the transition, the Commission should maintain Lifeline support at \$9.25 until December 1, 2019, and initiate a proceeding by December 1, 2018 to consider whether to modify mobile voice and mobile broadband support levels in light of market changes.

III. The Commission Should Streamline Regulations and Keep Administrative Costs Low Through a Streamlined, Focused and Real-Time Enabled National Verifier and Other Common Sense Program Reforms

During the meetings, the Coalition also explained that the failure to adopt a streamlined and focused National Verifier could threaten the historically low Lifeline program administrative costs (1.3 percent) and exacerbate the already-low program participation rate of between 26 and 33 percent. To ensure that the National Verifier enhances, rather than burdens, the program, the National Verifier must facilitate real-time enrollment and focus on its core mission of eligibility proof verification without engaging in mission creep that could undermine cost-effective program administration or participation. Although consumers should be permitted to sign up for Lifeline by contacting the National Verifier directly, the Commission also must preserve the ability of ETCs to enroll Lifeline customers and interact with the National Verifier to determine eligibility. The Coalition members do this through real-time, in-person enrollment and handset distribution, reaching low-income consumers where they live in a manner that respects their dignity.

¹⁰ One source found that on Google Voice, 500 MB translates into approximately 1,000 voice minutes (30 MB/hr) and on Skype, 500 MB translates into approximately 1,363 voice minutes (22 MB/hr), but Skype requires an additional payment. See Liz Furze, *But really, how much data do my apps use?*, Karma Blog (Apr. 7, 2015), <https://blog.yourkarma.com/how-much-data-do-my-apps-use>.

Marlene Dortch, Secretary
March 17, 2016
Page Six

The Coalition also urged the Commission to streamline regulations and increase regulatory certainty by, among other things, eliminating the 60-day non-usage rule or at a minimum modifying it to include text messages and data as usage (without differentiating among different types of usage); adopting common sense shot clocks for review and action on compliance plans, federal ETC petitions, audits and ETC transactions; streamlining state regulations of the federal Lifeline program; extending the recertification notice period from 30 to 60 days; and simplifying and standardizing Lifeline forms. Further detail on these proposals is included in the attached presentation.

IV. The Commission Should Modify the New Form 497 Snapshot Rule to Allow Reimbursement for Mid-Month De-Enrollments Where the Carrier Provided Service to the Customer

On August 13, 2015, the Wireless ETC Petitioners¹¹ filed a petition for reconsideration¹² regarding the FCC Form 497 “snapshot” rule change in the Lifeline Second Report and Order.¹³ The new rule, which is effective on August 15, 2016, takes a snapshot of an ETC’s Lifeline subscribers as of the first of the month and provides reimbursements for the previous month’s service based on the number of subscribers in the snapshot. The Coalition members do not object to establishing a snapshot; however, the manner in which the order implements the snapshot would harm ETCs by forcing them to incur costs and provide service without reimbursement.

This concern is most pronounced with respect to the annual recertification process because Lifeline providers would not be reimbursed for service in the month of December for all subscribers that fail to recertify their eligibility annually (10 to 50 percent or more depending on the ETC) because the Universal Service Administrative Company requires all such subscribers to be de-enrolled by December 31, rather than within five business days after December 31.

The snapshot rule is not only a problem for December reimbursements; it is a serious concern for Lifeline reimbursements every month and would have a substantial financial impact on Lifeline providers, which is quantified here. Total Call Mobile submitted information into the

¹¹ The Wireless ETC Petitioners are i-wireless LLC, Telrite Corporation, Assist Wireless, LLC, Total Call Mobile, LLC, American Broadband and Telecommunications Company, Telscape Communications, Inc./Sage Telecom Communications, LLC (d/b/a TruConnect) and Easy Telephone Services Company (d/b/a Easy Wireless).

¹² See Wireless ETC Petitioners’ Petition for Reconsideration and Clarification, WC Docket Nos. 11-42, 09-197, 10-90 (filed Aug. 13, 2015).

¹³ See *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, FCC 15-71 (rel. June 22, 2015) (Second Report and Order).

Marlene Dortch, Secretary
March 17, 2016
Page Seven

record showing the number of subscribers for whom it would not have been reimbursed from the Lifeline program for service between January and September 2015, and the revenue that would have been lost. Three of the Wireless ETC Petitioners have collected the same information.

Together with the information from Total Call, the four reporting wireless Lifeline providers would not have been reimbursed for service to 776,326 Lifeline subscribers between January and September 2015, which would have resulted in revenue losses of \$7,181,015.50. Revenue losses of this magnitude hinder ETCs' ability to provide improved equipment and service offerings (e.g., smartphones and data) to Lifeline subscribers.

Some have argued that the loss of reimbursements in some instances would be offset by reimbursements provided for months in which some Lifeline customers are not enrolled for the full month or do not use all of their minutes.¹⁴ Even if that were true, usage costs are only one component of the costs incurred by wireless ETCs to provide Lifeline service to a subscriber. In particular, monthly line costs would not be offset. The same would be true for the substantial fixed costs that ETCs incur to provide wireless services, enroll subscribers and to conduct marketing and outreach. These costs include fees to access state eligibility databases, real-time review queue expenses to confirm eligibility, subscriber seat license fees on billing platforms, expenses associated with collecting and maintaining subscriber records in a secure searchable environment, and federal, state and local taxes (e.g., 911 or E911 fees). Such taxes are often not based on revenues received, but rather service provided during a month. That means ETCs must pay the taxes or fees even if they do not receive reimbursements from the Lifeline program. One of the petitioners estimates that these **fixed costs from January to September 2015, which are not offset in any way by reimbursements for service to subscribers that did not enroll for a full month or use all of their minutes, were \$346,256.** For these reasons, the Commission should modify its 497 snapshot rule to include reimbursement for any qualifying Lifeline customers de-enrolled in the previous month that received Lifeline service.

¹⁴ See Second Report and Order ¶ 241 (“we agree it is possible that subscribers who initiate service may offset those who terminate service mid-month.”).

KELLEY DRYE & WARREN LLP

Marlene Dortch, Secretary
March 17, 2016
Page Eight

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically.

Respectfully submitted,



John J. Heitmann
Joshua T. Guyan
Jameson J. Dempsey
Kelley Drye & Warren LLP
3050 K Street, NW
Suite 400
Washington, DC 20007
(202) 342-8400

Counsel for Lifeline Connects Coalition

Enclosure

cc: the above-listed FCC staff

EXHIBIT A



Meetings on the Lifeline Second FNPRM

March 15-16, 2016



KELLEY
DRYE

Draft Lifeline Modernization Order – Our Core Positions

1. The FCC should extend its timetable for the implementation of mobile voice and mobile broadband minimum standards to provide consumers and ETCs with a reasonable opportunity to transition
2. The FCC should not sunset mobile voice options or step-down support until there is a viable, ubiquitously deployed and adopted IP-enabled voice alternative
3. The FCC should allow eligible subscribers to choose the bundles of minutes and data that best meet their needs
4. The National Verifier should be streamlined, real-time-enabled, and focused on verification to promote consumer dignity and to preserve low Lifeline administrative costs
5. The FCC should streamline regulations and increase regulatory certainty

1. The FCC should extend its timetable for the implementation of minimum standards

- **The proposed implementation timetable for mobile voice and mobile broadband minimum service standards is impossible for ETCs to meet from an operational standpoint.** The proposed timetable does not afford adequate time to:
 - Renegotiate or add wholesale agreements
 - Develop and implement alternative service delivery technologies
 - Transition consumers to new plans and handsets, as needed
 - Develop and implement billing and collection systems and processes
 - Complete state review and approval of revised ETC applications, plans and T+Cs, as needed

1. The FCC should extend its timetable for the implementation of minimum standards (cont.)

- The cost of providing unlimited voice plans exceeds the \$9.25 per month subsidy amount
 - The proposed unlimited mobile voice minimum standard would jeopardize the no-cost-to-consumer plans that over **11 million subscribers** utilize today
 - Requiring an unlimited mobile voice plan would force ETCs to impose a **co-pay** on subscribers, and could leave low-income consumers footing a substantial monthly bill or, more likely, foregoing service altogether
- The cost of providing **500 MB of mobile data per month exceeds the \$9.25 per month subsidy amount**
 - Requiring ETCs to provide 500 MB of mobile data per month would require them to impose a **co-pay** on low-income consumers to meet the standard
 - A data-only plan would leave many consumers with a **service that is unfamiliar** to them and would require extensive digital literacy training

1. The FCC should extend its timetable for the implementation of minimum standards (cont.)

- The FCC underestimates the negative consequences of imposing its proposed minimum standards in 2016
 - Over **11 million** Lifeline subscribers currently subscribe to no-cost-to-consumer mobile voice plans
 - One ETC found that **75%** of surveyed consumers would disconnect service rather than make a co-pay
 - One ETC found that **77%** of its surveyed customers were unbanked or underbanked
 - One ETC found that **73%** of its surveyed customers said their Lifeline phone was the only phone service in their household
- **Without a Lifeline handset, these consumers would not have full access to 911 or the Internet**
 - The increase in costs based on the proposed standards would make it uneconomical for ETCs to provide a free handset of any kind (smartphone or feature phone) to consumers
- **Minimum charges for unbanked consumers would require cash transactions at enrollment**, raising significant safety concerns for consumers and enrollment agents, particularly in high-crime areas
- **Investors will not wait until December 1, 2016** to pull support for and shut down ETCs in the program, potentially resulting in the disconnection of substantial numbers of subscribers well in advance of that date

1. The FCC should extend its timetable for the implementation of minimum standards (cont.)

- The FCC should extend the timetable for implementation of the unlimited mobile voice minimum service standard until December 1, 2017
 - Unlimited voice may be supported through **any technology** offered by or through the Lifeline provider, including mobile wireless and offload technologies such as Wi-Fi, but subject to disclosed usage limits on mobile wireless networks (i.e., no less than 500 cellular minutes per month)
- The FCC should extend the timetable for implementation of the mobile broadband 500 MB minimum standard until December 1, 2017
 - Lifeline broadband offerings must be provided over 3G or higher mobile broadband networks, but may also be supported through **any technology** offered by or through the Lifeline provider, including mobile wireless and offload technologies such as Wi-Fi

2. The FCC should not sunset or step-down supported for mobile voice options until there is a ubiquitously adopted alternative

- The FCC’s proposal to sunset mobile voice support by December 1, 2019 raises significant challenges for low-income consumers
 - Many low-income consumers, particularly elderly consumers, rely heavily on voice-only plans
 - The proposal could lead to widespread loss of access to emergency services for Lifeline consumers
- **The FCC should not step-down support for mobile voice services while preserving support for fixed/landline voice**
 - The FCC’s proposal is neither technology neutral nor pro-consumer
 - Mobile voice service is the preferred choice of low-income America
 - Mobile voice service provides economic and social mobility
 - There is no record evidence that unlimited mobile voice costs less than the very limited local-only landline voice options available to consumers today

2. The FCC should not sunset or step-down support for mobile voice options ... (cont.)

- Rather than sunset or step-down mobile voice support, the FCC should:
 - **Maintain Lifeline support at \$9.25 until December 2019**
 - **Initiate a proceeding by December 1, 2018** to consider whether:
 - Current or modified level of support amount should be applied to both mobile and fixed voice services after December 2019
 - The support level for mobile broadband should be modified

3. The FCC should allow eligible subscribers to choose the bundles that best meet their needs

- **Consumer choice matters:** most consumers of mobile service across the country today choose bundles of mobile voice, text and data
- The FCC’s proposal for 500 MB of data would leave no room for voice service within the confines of the \$9.25 subsidy, leaving consumers with the choice of paying out of pocket for voice service they cannot afford or foregoing voice service (and potentially emergency services) altogether
- Rather than apply its proposed mobile voice or mobile broadband minimum service standards to bundles, the FCC should allow ETCs to provide to consumer friendly bundles of **500 units** that can be used for voice, text or data
 - Gives the providers **flexibility to compete** and differentiate their services, offering greater value to their consumers
 - Lets **low-income consumers choose** the services that work best for them (voice/text/data or mix)

4. The National Verifier Should Be Streamlined, Real-Time-Enabled, and Focused on Verification

- Failure to adopt a streamlined and focused National Verifier could threaten the historically low Lifeline program administration costs (1.3%) and exacerbate the already low program participation rate (26-33%)
- A database-centric National Verifier solution should:
 - ✓ Leverage existing state eligibility databases
 - ✓ Encourage more state databases through the adoption of baseline eligibility database standards
 - ✓ Preserve real-time enrollment
 - ✓ Permit, but not require, consumers to directly enroll through the verifier
- The National Verifier should focus on its core purpose of eligibility proof verification, without engaging in mission creep that could undermine cost-effective program administration or participation
 - Mandating recertification through the National Verifier could result in disconnecting a substantial proportion of wireless Lifeline customers each year
 - Poor performance could alter business plans and make it difficult to invest in services for consumers
- The FCC must preserve real-time, in-person enrollment and handset distribution in order to reach consumers where they are, treat them with the dignity they deserve and preserve or improve participation rates

5. The FCC should streamline regulations and increase regulatory certainty

- Incentivize the distribution of smartphones by expanding the freeze on automatic NLAD porting from 60 days to 12 months while preserving the portability of the Lifeline benefit for consumers
- Eliminate the discriminatory 60-day non-usage rule
 - It is not technology-neutral (discriminates against wireless)
 - It disrespects consumer dignity and privacy by displacing consumer choice with regulator choice (low-income Americans can decide for themselves how and when they communicate – and without FCC-mandated tracking)
 - Alternatively, expand the definition of usage to include text and data
- Adopt a 90-day shot clock for review and action on compliance plans, federal ETC petitions, audits and ETC transactions
- Streamline state regulation of the federal Lifeline program

5. The FCC should streamline regulations and increase regulatory certainty (cont.)

- ✓ Modify the new snapshot rule to include reimbursement for any qualifying consumers de-enrolled in the previous month that received Lifeline service
- ✓ Permit, but not require, collection of photo ID
- ✓ End USAC's unlawful funding hold practices
- ✓ Limit electronic signature requirements to those set forth in E-SIGN – no additional hoops for low-income consumers
- ✓ Improve the NLAD's current functioning before expanding it to additional roles and responsibilities
- ✓ Adopt OMB-approved Lifeline forms through a collaborative process that respects the dignity of low-income consumers and avoids adding unnecessary costs
- ✓ Reject officer training certification requirements
- ✓ Not impose burdensome customer care and de-enrollment requirements
- ✓ Extend the recertification notice period to 60 days