



N A R U C
National Association of Regulatory Utility Commissioners

NOTICE VIA ELECTRONIC FILING

March 23, 2016

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RE: Notice of Written Ex Parte filed: *In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket 11-42, Telecommunications Carriers Eligible for Universal Service Support, WC Docket 09-197, Connect America Fund, WC Docket 10-90.*

Secretary Dortch:

On March 23, 2016, the undersigned¹ spoke by phone with David Grossman, Chief of Staff for Commissioner Clyburn.

During the conversation, I covered in detail the arguments raise in the attached **Bipartisan Letter filed by 96 Commissioners from 37 NARUC Member Jurisdictions**, indicating, among other things:

- my sincere belief that if the unavoidable damaging impact of the “optional” ETC designation procedure on (i) the quality of service provided and (ii) level of subsidy available to lifeline subscribers (via State matching programs in 23 states) were explained in sufficient detail to Commissioner Clyburn, she would never vote for or support it;
- if a carrier is providing or advertising poor service quality or service not up to federal standards, the State will not have the enforcement option of pulling the ETC designation to enforce compliance;
- the optional ETC designation procedure allows the CARRIER to choose both the level of service quality oversight of its services, and in the 23 states with matching lifeline subsidies – the level of subsidy available to the end-user, assuming carriers find it makes any financial sense to enter

¹ NARUC is opposing the creation of a new “optional” ETC designation procedure. We agree strongly with argument that that “option” is illegal and will undermine State matching programs, will result in more fraud and abuse, permits carriers to choose the level of oversight and decide on the level of subsidy provided (at least in States with matching programs), will increase customer confusion, and limit options for Lifeline subscribers to successfully complain about poor service quality. Moreover, it seems unlikely to have any real impact on drawing providers that are not currently certified as Lifeline providers into the Lifeline business.

markets where certificated carriers already receive the State subsidy via the State ETC designation procedure;

- that the reasons advanced for proposing it are invalid – it is very unlikely to have the impact suggested by proponents as:
 - large carriers have just recently though USTelecom petitioned for removal of the obligation to provide lifeline service via a forbearance petition (which the FCC denied;
 - it is illogical for large carriers that already have State designation to lobby in support of bypassing those designations *for their largest competitors* if they really saw lifeline as a revenue opportunity;
 - it is illogical to assume that carriers that already can comply with merger conditions by providing a low cost (and low margin) service, would want to incur the additional paper work (and oversight and conditions) associated with a lifeline program just to get money for services from the FCC instead of the end user;
 - the optional proposal can hardly promotes competitive “lifeline” entry, at least in the 23 states with matching programs – and the currently ETC designated carriers in those jurisdiction will have access to additional revenue in the range of \$2.50 – \$13.20 or more in State matching fund;

- Undermining the role and authority of perhaps the strongest supporters of the Lifeline program and the expansion of it to broadband can only seriously undermine the program integrity and allied State efforts long term – for a proponent of the lifeline program, it makes no sense.

Questions about this filing should be directed to the undersigned at jramsay@naruc.org or 202.898.2207.

Sincerely,

James Bradford Ramsay
NARUC General Counsel

- cc **Gigi B. Sohn, Counselor to the Chairman**
Jon Wilkins, FCC Managing Director and Chief Operating Officer
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Rebekah Goodheart, Legal Advisor to Commissioner Clyburn on Wireline
Travis Litman, Senior Legal Advisor to Commissioner Rosenworcel
Nicholas Degani, Legal Advisor to Commissioner Pia on Wireline
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