

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of  
Lifeline and Link-Up

WC Docket No. 03-109

**REPLY COMMENTS OF BELLSOUTH CORPORATION**

BellSouth Corporation, on behalf of itself and its wholly owned subsidiaries (“BellSouth”), hereby submits its replies to comments filed in response to the *Further Notice of Proposed Rulemaking*<sup>1</sup> (“FNPRM”) in the above-captioned proceeding.

As discussed more fully herein, BellSouth supports those commenters urging the Commission not to raise the income-based criterion from 135% to 150% of the federal poverty guidelines.<sup>2</sup> In addition, BellSouth opposes the adoption of federally mandated outreach and advertising requirements.

**I. IT IS PREMATURE TO INCREASE THE INCOME-BASED ELIGIBILITY CRITERION TO 150% OF THE FEDERAL POVERTY GUIDELINES.**

BellSouth agrees with parties such as the Florida Public Service Commission, Sprint, and Verizon that it is premature to raise the income-based eligibility standard from 135% to 150% of

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<sup>1</sup> *Lifeline and Link-Up*, WC Docket No. 03-109, *Report and Order and Further Notice of Proposed Rulemaking*, 19 FCC Rcd 8302 (2004) (“FNPRM”).

<sup>2</sup> *See, e.g.*, Florida Public Service Commission (“FL PSC”) Comments at 2-3; Sprint Comments at 2-4; Verizon Comments at 1-3.

the federal poverty guidelines.<sup>3</sup> As these commenters correctly point out, this criterion has only recently been adopted and has not even been implemented across the states yet.<sup>4</sup> Accordingly, as Sprint concludes, “it would be more appropriate and more useful to allow the initial action (setting the eligibility at 135%) to take effect and—after a sufficient amount of time—to monitor the impact of this initial expansion of eligibility.”<sup>5</sup>

If the Commission’s goal truly is to increase telephone penetration or subscribership across the nation, BellSouth submits that the Commission should consider alternatives other than increasing the income-based eligibility standard. The Commission recognizes that “[o]nly one-third of households currently eligible for Lifeline/Link-Up assistance actually subscribe to this program.”<sup>6</sup> Moreover, the Commission has found that “broadening the income-based criterion to 150% of the FPG may only have a minimal impact on national telephone penetration rates, but could add many new Lifeline subscribers[,] potentially resulting in an additional \$200 million increase in Lifeline expenditures over the levels predicted for implementation of a 135% standard.”<sup>7</sup> Thus, an increase in the number of Lifeline subscribers does not automatically translate into an increase in telephone penetration across the nation. As Sprint notes, “[i]f the Commission were to expand eligibility to 150% of the federal poverty guidelines[,] it is entirely possible that only one-third of the now larger group of eligible customers would actually subscribe to the program.”<sup>8</sup>

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<sup>3</sup> See, e.g., FL PSC Comments at 2; Sprint Comments at 2-4; Verizon Comments at 1-3.

<sup>4</sup> See FL PSC Comments at 2; Sprint Comments at 2; Verizon Comments at 2-3.

<sup>5</sup> Sprint Comments at 2.

<sup>6</sup> *FNPRM*, 19 FCC Rcd at 8305, ¶ 1.

<sup>7</sup> *Id.* at 8332-33, ¶ 57.

<sup>8</sup> Sprint Comments at 4.

A more effective means of expanding telephone subscribership is through outreach and awareness, especially in those states with lower telephone penetration rates. The voluntary outreach guidelines established by the Commission provide a roadmap for educating the public about the low-income support programs. BellSouth agrees with Sprint that “it would also be prudent for the Commission to wait and monitor the effect that its outreach guidelines may have on Lifeline subscription.”<sup>9</sup> Further, like the Florida Public Service Commission (“FL PSC”), many state commissions have in the past and continue today to work with eligible telecommunications carriers and various state and federal agencies and organizations to disseminate information about the Lifeline/Link-Up programs. Indeed, the FL PSC is working jointly with its partners to develop and implement new and additional procedures to increase awareness of Lifeline/Link-Up.<sup>10</sup> Assisting states, carriers, government agencies and community organizations with their outreach efforts and allowing these entities time to gain more experience with adopting, refining, or expanding their programs is more likely to yield increased penetration rates than raising the eligibility criterion to 150% of the federal poverty guidelines. Accordingly, the Commission should retain the 135% income-based criterion at this time.

**II. THE COMMISSION SHOULD NOT ESTABLISH FEDERALLY MANDATED OUTREACH AND ADVERTISING REQUIREMENTS.**

The majority of commenters urge the Commission not to impose specific outreach and advertising requirements on eligible telecommunications carriers,<sup>11</sup> and BellSouth supports this

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<sup>9</sup> Sprint Comments at 6.

<sup>10</sup> FL PSC Comments at 4-6.

<sup>11</sup> *See, e.g.*, Maine Public Utilities Commission (“Maine PUC”) Comments at 2; National Telecommunications Cooperative Association (“NTCA”) Comments at 1-6; Sprint Comments at 6-7; Verizon Comments at 6-7.

position. Section 214(e)(1)(B) already requires ETCs to advertise the availability of their services, including the Lifeline/Link-Up programs, through media of general distribution.<sup>12</sup> Moreover, there is no evidence to suggest that the distribution of posters, flyers, or other print media to state, federal, and tribal assistance agencies is an effective mechanism for increasing awareness about the Lifeline/Link-Up programs. As the National Telecommunications Cooperative Association points out, “[w]hat is appropriate in one community may not be appropriate in another. In some communities, a poster hanging at the public assistance agency may make sense,” but in another area, “a verbal announcement at the telco’s annual meeting” may be more effective.<sup>13</sup> Clearly, carriers working cooperatively with their states commissions and various government agencies are in the best position to determine how to get the Lifeline/Link-Up message to their constituents. Accordingly, these entities should retain the flexibility and autonomy to tailor their outreach efforts to best fit their particular circumstances.

Moreover, states and carriers should be given an opportunity to apply the new outreach guidelines and monitor their effectiveness. As Verizon points out, “[h]aving just a few months ago adopted voluntary outreach guidelines and encouraged states, state agencies, and carriers to work together to adopt appropriate outreach that could be targeted to the specific needs of particular communities, it is premature for the Commission to scrap this model and mandate particular forms of outreach.”<sup>14</sup> Indeed, rather than establish unproven advertising requirements, the Commission should encourage, support, and assist, where necessary, states and carriers as

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<sup>12</sup> 47 U.S.C. § 214(e)(1)(B).

<sup>13</sup> NTCA Comments at 2-3.

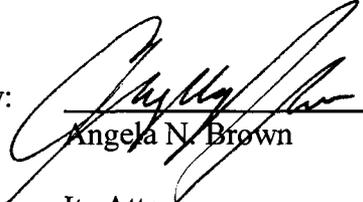
<sup>14</sup> Verizon Comments at 6-7.

they develop, refine, or expand their outreach programs based on the newly established guidelines.

Respectfully submitted,

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October 5, 2004

**CERTIFICATE OF SERVICE**

I do hereby certify that I have this 5<sup>th</sup> day of October 2004 served the following parties to this action with a copy of the foregoing **REPLY COMMENTS** by electronic filing and/or by placing a copy of the same in the United States Mail, addressed to the parties listed on the attached service list.

  
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