

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

<b>In the Matter of</b>	)	
	)	
<b>Federal-State Joint Board on Universal Service</b>	)	<b>CC Docket No. 96-45</b>
	)	
<b>Lifeline and Link Up</b>	)	<b>WC Docket No. 03-109</b>
	)	

**COMMENTS**

The Public Service Commission of the District of Columbia (“DCPSC”) hereby submits these Comments in response to the Federal-State Joint Board on Universal Service (“Joint Board”) Public Notice seeking comment on eligibility, verification and outreach rules for the universal service low income programs.<sup>1</sup> The Joint Board Public Notice was occasioned by a May 4, 2010 Order of the Federal Communications Commission (“FCC” or “Commission”) referring these issues to the Joint Board (“*Referral Order*”).<sup>2</sup> The *Referral Order* asked the Joint Board to recommend any changes to the Lifeline and Link Up programs’ rules that may be necessary given the technological and marketplace changes that have taken place since the rules were adopted. The FCC specifically asked the Joint Board to consider: (1) the combination of federal and state rules that govern which customers are eligible to receive discounts through the Lifeline and Link Up programs; (2) best practices among states for effective and efficient verification of customer eligibility, both at initial customer sign-up and thereafter; (3) appropriateness of various outreach and enrollment programs; and (4) the potential expansion of

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<sup>1</sup> *Public Notice, Federal-State Joint Board Seeks Comment On Lifeline and Link Up Eligibility, Verification And Outreach Issues Referred to Joint Board, FCC 10J-2 (rel. June 15, 2010).*

<sup>2</sup> *See Federal-State Joint Board on Universal Service, Lifeline and Link Up, CC Docket No. 96-45, WC Docket No. 03-109, Order, FCC 10-72 (rel. May 4, 2010) (Referral Order).*

the low income program to broadband, as recommended by the National Broadband Plan.<sup>3</sup> To assist in its deliberations, the Joint Board has asked for comment. The DCPSC is pleased to respond.

## INTRODUCTION

### A. The District of Columbia Universal Service Trust Fund

Pursuant to the District of Columbia Telecommunications Competition Act of 1996 (“TCA”), the DCPSC has established a Universal Service Trust Fund (“DCUSTF”) to support D.C.’s universal service program.<sup>4</sup> Specifically, the DCUSTF is used to reimburse eligible telecommunications carriers (“ETCs”) for the reasonable investments and expenses not recovered from the federal universal service low income fund, to a limit of not more than \$6.50 for each eligible subscriber.<sup>5</sup> Because the TCA exempts wireless services from inclusion within the DC Universal Service Trust Fund, there are no wireless carriers certificated by the DCPSC as eligible to receive reimbursement from the DCUSTF.<sup>6</sup> However, there are two DCPSC-designated wireline ETCs: Verizon Washington, D.C. Inc and NationsLine District of Columbia, Inc. In addition, TracFone Wireless, Inc. has been certified by the FCC to provide wireless service in the District of Columbia as an ETC and receive disbursements from the federal Universal Service Fund. Indeed, in 2009, TracFone d/b/a/ SafeLink Wireless surpassed Verizon as the ETC with the largest federal Lifeline subscribership in D.C.<sup>7</sup>

Because the District has established its own universal service program, it is not a federal default state and has its own eligibility and verification requirements. In order to qualify for Lifeline service in the District, a customer must meet the requirements of the FCC rules, Sections 54.400 through 54.415, and must show that they fall below 150% of the federal poverty income

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<sup>3</sup> See Connecting America: The National Broadband Plan (rel. March 16, 2010).

<sup>4</sup> See D.C. Code § 34-2003 (2009). D.C. does not participate in the federal universal service high cost program.

<sup>5</sup> See 15 DCMR § 2803.1 (2009). Reimbursement for those ETCs that have a universal service program for low income senior citizens is not more than \$8.50.

<sup>6</sup> See D.C. Code § 34-2006 (2009). See also 15 DCMR § 2801.2 (2009).

<sup>7</sup> See Universal Service Administrative Company Low Income Disbursement Data at [www.usac.org/li/tools/disbursements/results.aspx](http://www.usac.org/li/tools/disbursements/results.aspx).

guidelines.<sup>8</sup> Once eligible, a customer must recertify each year to continue receiving Lifeline service. In the last few years, the DCPSC has become concerned about apparent declines in Lifeline subscribership and has requested comment from interested parties on issues relating to eligibility, verification processes and outreach.<sup>9</sup> Comments in the latest round of this investigation will be available in late summer and we expect to address these issues shortly thereafter. Until that time, the DCPSC will withhold comment on specific questions relating to these issues and will instead address eligibility, verification and outreach only generally.

## COMMENT

### **A. DCPSC Supports the Inclusion of Broadband in the Low Income Program.**

It is clear that there is growing support for inclusion of broadband service in the low income programs. We join in that support. There is an increasing need for connectivity to the Internet in society, in order to access educational, employment and cultural opportunities. The least affluent may have the greatest need. Today's universal connectivity via broadband is comparable to the voice connectivity that formed the original concept of "universal service." It is our responsibility to be sure that everyone has an opportunity to be connected to the Internet.

Such connectivity is likely to have multifold benefits. For example, in the District of Columbia, a large portion of the low income population is unbanked or underbanked, that is, without access to mainstream banks or credit unions or with occasional access only.<sup>10</sup> About 37,000 D.C. households are "unbanked" and another 72,000 "underbanked".<sup>11</sup> These citizens must rely upon usurious check cashing outlets or pawn shops for their financial needs. In response to this problem, Mayor Adrian Fenty has established the "Bank on D.C." program to encourage easier access to financial institutions. Connection with the Internet not only allows online banking but also increases familiarity with financial institutions and their requirements.

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<sup>8</sup> See 15 DCMR § 2820.2 (2009).

<sup>9</sup> See *Formal Case No. 988, In the Matter of Development of Universal Service Standards and the Universal Service Trust Fund for the District of Columbia*, Order No. 15868, June 29, 2010.

<sup>10</sup> See "Bank on D.C. Opens for Lower Income Populations," *Washington Business Journal*, April 28, 2010, available at [www.washington.bizjournals.com/washington/stories/2010/04/26/daily37.html](http://www.washington.bizjournals.com/washington/stories/2010/04/26/daily37.html).

<sup>11</sup> *Id.*

Access to the Internet can mean that loan and account applications can be filled out online, in private and without embarrassment. On many levels Internet connection can bring benefits.

It is for these reasons that the DCPSC has supported various broadband efforts. For example, we have supported the Commission's proposal to establish a pilot program for Lifeline and Link Up customers.<sup>12</sup> That pilot program, first proposed in 2008, would support up to 50 percent of the costs of broadband installation and would increase the support available to Lifeline Internet customers.<sup>13</sup> There has been recent discussion of the design of Lifeline/Link Up pilot programs by representatives of the Wireline Competition Bureau and others.<sup>14</sup> We continue to support the pilot programs, but caution that the activities of the Wireline Competition Bureau and the Joint Board on Universal Service should be coordinated so as to assure that one does not frustrate the other. There should be no delays in bringing broadband connectivity to those most in need.<sup>15</sup>

With regard to the issue of universal service support for equipment, we view the need for computers as essential as the need for connectivity. In the District, we have launched a digital literacy program, using National Telecommunications and Information Administration ("NTIA") Broadband Technology Opportunity Program ("BTOP") grant funds to improve public computing facilities.<sup>16</sup> This program, a public/private partnership involving DC government agencies, non-profits and DC-based businesses, will focus on economically vulnerable populations where broadband adoption rates are low.<sup>17</sup> The DC Community Computing Resources project will provide computer skills, job search, and Internet use training, while

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<sup>12</sup> Reply Comments of the Public Service Commission of the District of Columbia, WC Docket No. 05-337, et al., December 2, 2008.

<sup>13</sup> See *High Cost Universal Service Support*, WC Docket No. 05-337, Order on Remand and Report and Order and Further Notice of Proposed Rulemaking, 73 Fed. Reg. 66821 (November 12, 2008).

<sup>14</sup> See *Wireline Competition Bureau Announces June 23, 2010 Roundtable Discussion to Explore Broadband Pilot Programs for Low-Income Consumers*, WC Docket 03-109, Public Notice (June 8, 2010).

<sup>15</sup> In that regard, we suggest that the Joint Board be tasked with reviewing the pilot program operations so as to make whatever revisions may be necessary to its recommendations, based on the pilot program experience. We do not suggest that Joint Board recommendations be delayed until after the pilot programs have been evaluated, but that the two activities be coordinated.

<sup>16</sup> See DC Community Computing Resources Project at [www.ntia.doc.gov/broadband](http://www.ntia.doc.gov/broadband).

<sup>17</sup> Among the partners in this project are: District of Columbia Public Schools, District of Columbia Department of Parks and Recreation, District of Columbia Office of the Chief Technology Officer, University of the District of Columbia, Allied Telecom and Custom Integrated Solutions.

upgrading equipment and improving connectivity. We believe that projects of this type can help with equipment availability problems.

Indeed, we urge the Joint Board to think creatively about the equipment issue. There are successful equipment support programs in the United States and elsewhere. For example, many states, including the District of Columbia, have a rebate or subsidy program for energy efficient appliances that is supported by the ENERGY STAR program of the U.S. Department of Energy and the Environmental Protection Agency.<sup>18</sup> A program for computer equipment could work on the same principles: administration by the states after applying for funds from the federal universal service program. Another approach might be inspired by the set-top box converter coupon discount program successfully administered by NTIA prior to the conversion to digital television. A set top box coupon program had been used in other countries prior to their transition to digital television. We suggest that the Joint Board look widely for examples of successful equipment programs that can help to supply our citizens with the tools needed to survive in the Internet Age.

#### **B. Eligibility and Verification Requirements Should Be Strengthened.**

Inclusion of broadband within the federal low income programs makes it essential that adequate protections against fraud, waste and abuse are in place. Major problems already exist. For example, it is difficult to know whether a subscriber to federal wireline Lifeline service is also a subscriber to federal wireless Lifeline service. The most effective protection against such “double dipping” may be an effective audit program, such as the program used by the Universal Service Administrative Company (“USAC”). USAC uses computer modeling to compare the federal subscriber lists of ETCs in a given jurisdiction to identify subscribers that are duplicated on two (or more) lists. Clearly, the auditor must be a neutral third party, like USAC, since it would be inappropriate for service providers to have access to each others’ subscriber lists. It may be appropriate to require that USAC audit federal subscriber lists in each state on a regular basis and share the results of those audits with state public utility commissions. This would be very helpful in identifying those who are eligible for recertification and to prevent fraudulent enrollments. On a state level, it would be appropriate for the state commission, or the

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<sup>18</sup> See Secretary Chu Announces Nearly \$300 Million Rebate Program to Encourage Purchases of Energy Efficient Appliances, DOE Press Releases July 14, 2009, available at [www.energy.gov/news2009/7634.htm](http://www.energy.gov/news2009/7634.htm)

administrator of the state Lifeline program to undertake this task.<sup>19</sup> Naturally, the task would be made easier if all Lifeline subscribers had a unique identifier, like a Social Security Number, that would easily serve to identify them for purposes of verifying eligibility for Lifeline discounts.<sup>20</sup>

Once “double dippers” are identified, however, there are no rules to determine how to rectify the situation. Which ETC has the right to Lifeline support for the double dipper? Who has the responsibility for a refund into the program when a subscriber improperly obtained more than one Lifeline discount? These are issues presently before the Commission and should be resolved before problems of fraud, waste and abuse exacerbate.<sup>21</sup>

It is also possible that consumers are not aware of the Lifeline provisions limiting a discount to either a wireline or a wireless subscription. Or, if aware, they may not be concerned about improperly subscribing to two Lifeline service accounts because there is no effective sanction against double dipping. The Joint Board should make it clear that no person is entitled to two Lifeline service accounts, even if the technology used is different. Perhaps this could be accomplished by requiring ETCs to include this information in their already-required advertising. Such notice would be more effective, however, if the ETC could also identify a Commission-imposed sanction for willful violation of the rule, such as a bar from receiving future wireless and wireline Lifeline service discounts.

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<sup>19</sup> In those states, like the District of Columbia, where wireless ETC’s do not participate in the state program, there is no actual “double dipping”, at least as between wireless and wireline. However, it is theoretically possible for a subscriber improperly to obtain two wireline accounts.

<sup>20</sup> We expect to introduce a “unique identifier” system in the District very soon. We shall keep the Commission informed of our progress and whether this system is helpful in maintaining accurate eligibility records.

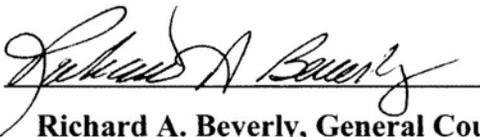
<sup>21</sup> See Request for Review by Verizon/Alltel Management Trust of Decision of Universal Service Administrator; CC Docket No. 96-45; WC Docket No. 03-109, October 5, 2009.

**CONCLUSION**

The DCPSC believes that broadband services should be included within Lifeline and Link Up programs and that it will be necessary to strengthen eligibility and verification requirements. We request that the Joint Board consider these views.

**Respectfully Submitted,**

**Public Service Commission of the District of Columbia**

By:   
**Richard A. Beverly, General Counsel**

**July 15, 2010**