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

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

COMMENTS OF VERIZON AND VERIZON WIRELESS

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I. Introduction And Summary.

With a record high telephone subscribership rate at about 96 percent, virtually everyone who wants phone service—regardless of income—is now connected. For many of those consumers who need a subsidy to make that connection possible, the federal Universal Service Fund (USF or "fund") Lifeline program has provided that support. In this proceeding, the Commission asks the Joint Board to consider ways in which Lifeline can work better, be more efficient, and potentially incorporate a broadband subsidy.[2] The Joint Board should support targeted changes to the Lifeline program that enhance its ability to serve individuals in need without a substantial increase in cost to consumers, who pay for the fund. In particular, the Board should recommend that the Commission centralize Lifeline enrollment, certification, and verification with a national administrator. The Joint Board should not recommend changes to Lifeline that are unnecessary or that would merely make the program more complicated or expensive, such as expanded eligibility and provider obligations. Finally, it is premature to address a Lifeline broadband subsidy.

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1 In addition to Verizon Wireless, the Verizon companies participating in this filing ("Verizon") are the regulated, wholly owned subsidiaries of Verizon Communications Inc.

2 *Federal-State Joint Board on Universal Service, Lifeline and Link Up*, Order, 25 FCC Rcd 5079 (2010) ("*Referral Order*").

II. The Joint Board Should Recommend That The Commission Streamline Lifeline Enrollment, Certification, And Verification Procedures On A National Level With A Central Administrator.

Since the inception of the program, Lifeline has been a cooperative federal-state effort. The Commission oversees federal Lifeline funding, but most states have their own Lifeline programs that set criteria for both federal and state low income subsidies and that distribute funds. *Referral Order* ¶¶ 3-4. There is a growing need to streamline Lifeline enrollment, certification, and verification procedures on a national level as the program grows in size, new providers begin offering Lifeline services, and other providers consolidate Lifeline functions. A national Lifeline administrator could operate a centralized database and coordinate with the 40 different state programs, which would make the program more workable for everyone, improve efficiency, and help curb abuses in the system. *Referral Order* ¶ 4.

The Lifeline program is growing, and becoming more of a nationwide initiative, following a series of Commission decisions approving applications from national and regional wireless resellers to participate in the universal service program as "Lifeline only" eligible telecommunications carriers (ETCs).[3] These new ETCs have been very effective in marketing Lifeline service. As a result, Lifeline subscribership rolls increased significantly to

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[3] *See, e.g., Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i),* Order, 20 FCC Rcd 15095 (2005); *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Tennessee,* Order, 24 FCC Rcd 3381 (2009); *i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A),* Order, CC Docket No. 96-45, WC Docket No. 09-197, FCC 10-117 (June 22, 2010); Petition for Forbearance by Consumer Cellular, Inc. Pursuant to 47 U.S.C. § 160(c), *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45 (June 30, 2009).

approximately 8.5 million households at the end of last year.[4] And overall Lifeline support grew from approximately $800-$900 million per year[5] to a projected $1.4 billion in 2010.[6] The popularity of wireless Lifeline service is consistent with industry trends. Wireless services are very popular in general—and especially among the low income population. More than one in every five American households (approximately 23 percent) now subscribes only to a wireless voice service, and 33 percent of "poor" and 26.5 percent of "near poor" households are "wireless-only."[7] On the wireline side, competition continues to drive industry consolidation, and incumbent local exchange carriers are also increasingly centralizing functions such as Lifeline with national finance and other staffs that administer the government programs in which these carriers participate across state boundaries.[8]

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[4] *Compare* Universal Service Administrative Company, About USAC, Third Quarter Appendices – 2010, *Lifeline Subscribership by State or Jurisdiction*, http://www.usac.org/about/governance/fcc-filings/2010/quarter-3.aspx (showing 8.5 million Lifeline subscribers at the end of 2009); *with* Universal Service Administrative Company, About USAC, Third Quarter Appendices – 2006, *Lifeline Subscribership by State or Jurisdiction*, http://www.usac.org/about/governance/fcc-filings/2006/quarter3/default.aspx (showing 7.1 million Lifeline subscribers at the end of 2005).

[5] Universal Service Administrative Company, About USAC, Third Quarter Appendices – 2010, *Low Income Support Distributed by State - 2007 through 4Q2009*, http://www.usac.org/about/governance/fcc-filings/2010/quarter-3.aspx.

[6] Universal Service Administrative Company, About USAC, Federal Universal Service Support Mechanisms Fund Size Projections for Third Quarter 2010, at 16 (2010) (USAC, 3Q 2010 Fund Size Projections), http://www.universalservice.org/about/governance/fcc-filings/2010/.

[7] *See Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, January – June 2009*, CDC, National Center for Health Statistics, Division of Health Interview Statistics, http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201005.pdf (Dec. 16, 2009).

[8] *See, e.g., Qwest Communications International Inc., Transferor, and CenturyTel, Inc. d/b/a CenturyLink, Transferee, Application for Consent to Transfer of Control Under Section 214 of the Communications Act, as Amended*, Application, WC Docket No. 10-110 (May 10, 2010); *Applications Filed by Frontier Communications Corporation and Verizon*

The National Broadband Plan (NBP)[9] recommends that the Commission "consider whether a centralized database for online certification and verification is a cost-effective way to minimize waste, fraud, and abuse." NBP 173. The Commission, in turn, asks the Joint Board to evaluate this and other ways to streamline the Lifeline program on a national level. *Referral Order* ¶ 16. A national program administrator that, among other things, maintains a central database for Lifeline program enrollment, certification, and verification would indeed be a step in the right direction.

With the recent expansion of the low income program to include new Lifeline only wireless ETCs, the Universal Service Administrative Company (USAC) and the Commission have struggled with effectively preventing more than one Lifeline subsidy per household in violation of the Commission's "one-per-household" requirement.[10] Verizon is aware of one instance where USAC and its auditors identified a small number of former Alltel wireless Lifeline customers that also received a duplicative wireline Lifeline discount from another provider, which prompted USAC to propose that the various carriers collaborate to determine which provider should "claim" the Lifeline beneficiaries.[11] Whatever the problems with limiting the Lifeline discount to one per household may be, a process of carrier collaboration to divide up

(Continued . . .)
Communications Inc. for Assignment or Transfer of Control, Memorandum Opinion and Order, 25 FCC Rcd 5972 (2010).

9 FCC, Omnibus Broadband Initiative, *Connecting America: The National Broadband Plan*, http://www.broadband.gov/plan, at 172 (March 16, 2010) ("NBP").

10 *See Lifeline and Link-Up*, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, ¶ 4 (2004); *see also Federal-State Joint Board for Universal Service*, Report and Order, 12 FCC Rcd 8776, ¶ 341 (1997).

11 *See* Letter from Tamara Preiss, Verizon Wireless, to Pamela Gallant, USAC (Sept. 2, 2009).

Lifeline customers is not a workable solution. A Lifeline provider has no way of knowing if a beneficiary is inappropriately receiving subsidized service from another provider. More important, Lifeline providers cannot be expected to exchange customer information and make a judgment as to which provider should extend Lifeline benefits to an eligible program participant. Such collaboration by providers that compete directly with each other in a particular market raises many concerns including, but not limited to, potential antitrust problems and potential tension with the customer proprietary network information privacy requirements. *See* 47 U.S.C. § 222(c). Moreover, choosing a provider is solely the right and responsibility of the Lifeline beneficiary. This problem and other abuses could be largely avoided by creating a national database and a system to process enrollment, certification, and verification in real time.[12]

Verizon agrees with the National Association of Regulatory Utility Commissioners (NARUC) and AT&T that, if nothing else, a national Lifeline database maintained by a central administrator could dramatically improve the efficiency of the program. *Referral Order* ¶ 20 (citing AT&T and NARUC proposals). The type of database system envisioned by AT&T makes sense. The Commission could develop a system where USAC, on a national level, would interface with state social service agencies and other organizations to pre-qualify individuals for

[12] The *Referral Order* also discusses a potential self-certification requirement as a way to prevent duplicate claims for Lifeline service. *Referral Order* ¶ 22. With this requirement, the Lifeline applicant or beneficiary would certify to a provider that he or she is not receiving a discount from another carrier. *Id.* Such a certification is not objectionable. If the Commission adopts this requirement, however, the Commission must make clear that carriers can actually rely on the certifications and are not obligated to further investigate the beneficiaries' representations. Otherwise, obtaining the certifications would be pointless. *See, e.g.,* Petition of AT&T, SureWest, CenturyLink, and Verizon for Clarification or in the Alternative for Partial Reconsideration, *Request for Review of a Decision of the Universal Service Administrator and Emergency Petition for Stay by U.S. TelePacific d/b/a TelePacific Communications*, CC Docket No. 06-122 (June 1, 2010) (addressing carrier reliance on analogous universal service reseller certifications obtained by wholesale carriers). As discussed below, ETCs are not enforcement agents of the Commission and do not (and should not) have a role to play "in ensuring the validity of a consumer's self-certification." *Referral Order* ¶ 22.

Lifeline based on all the various state and national eligibility criteria. USAC could then provide qualified individuals with a personal identification number (a "PIN") through the database. The database could be designed as a dynamic system such that it would maintain a listing of eligible Lifeline subscribers by state. When approached by a customer seeking a Lifeline discount a provider would then verify the customer's eligibility through a secure, web-based interface with the USAC database, using the PIN. If the customer later became ineligible for Lifeline, the database could also be set up automatically to generate a notice to both the customer and the provider. This would enable real-time enrollment in, and certification of eligibility for, Lifeline. It would also entirely automate the annual Lifeline verification process (used to determine continued eligibility for those already enrolled in the program), the requirements for which vary widely by state and are today haphazard—at best. In addition, such a dynamic, centralized database administered on the national level would streamline the USAC-provider reimbursement process for Lifeline discounts.

Many states already rely on a central Lifeline administrator and have seen the benefits of such a system. Two of the largest states—Texas and California—have state-contracted centralized Lifeline administrators to process Lifeline applications, maintain a database of customers, verify continued eligibility of beneficiaries, and conduct program outreach. In Verizon's experience with many different state Lifeline administration models, programs in these and other states with a central administrator work best for both beneficiaries and providers. Central administrators generally have targeted expertise that results in a better connection to the needs of program beneficiaries. Extending the centralized provider model to the national level would recognize the overall movement in the communications industry away from a localized marketplace. Given that the largest providers of Lifeline services all operate in multiple states, a system under which ETCs could interface with a single a national administrator would be more efficient than a system that requires ETCs to interface with multiple, incompatible state systems.[13]

In addition, a more fundamental change to the program—but a significant potential improvement—would be to move away from the provider-based Lifeline model altogether. Similar to the DTV converter box coupon system, the Commission could explore a Lifeline model where the Commission, though USAC, provides discount vouchers to qualified beneficiaries to spend, at their election, on specified services or equipment offered by registered providers. Such a system would give Lifeline beneficiaries greater flexibility to purchase communications services that best suit their particular needs. Since this would be a new approach, and a fundamental shift in the program, it might be most appropriate for the Joint Board to recommend that the Commission proceed with a pilot program if there is interest in a coupon/voucher-based system.

Finally, whatever administrative changes the Commission ultimately makes to the Lifeline program will require the Commission and providers to incur up-front costs. Such costs will likely exceed carriers' expected investment of resources to administer the provider end of the Lifeline program. In transitioning to a centralized Lifeline administrator in California, the state funded necessary one-time expenses as program administration costs and reimbursed providers for these expenses. The Joint Board should recommend that the Commission follow that model and allow providers to recover reasonable, one-time conversion expenses through normal program reimbursement requests submitted to USAC.

[13] A "second best" central administrator option would be for each state to contract with a single administrator.

III. The Joint Board Should Not Recommend Changes To Lifeline That Are Unnecessary Or Would Merely Make The Program More Complicated Or Expensive.

Expanded eligibility for Lifeline. It does not make sense for the Joint Board to recommend expanding the pool of individuals eligible for Lifeline service based on income or some other criteria. *Referral Order* ¶¶ 14-15. Lifeline is designed to ensure that income is not an impediment to phone service.[14] The best measure of whether the program is satisfying that objective based on existing eligibility criteria is the telephone subscribership rate, which, overall, is now at an all-time high of 95.7 percent.[15] Even among low income households with earnings of less than $15,000 per year, telephone subscribership is now at 94 percent. *Id*.

Moreover, expanding Lifeline eligibility criteria will increase the size of the fund, which in turn would constrain the Commission's ability to fund USF broadband priorities—through, for example, the high cost and E-rate programs—in light of the NBP commitment to protect consumers by keeping the overall USF no larger than its current size. NBP at 149-50 (discussing the need to "manage the total size of the USF to remain close to its current size (in 2010 dollars)"). As noted above, Lifeline subsidies have already increased significantly in recent years, growing from a consistent fund size of approximately $800-$900 million per year to a projected $1.4 billion in 2010. If the Joint Board is inclined to make any recommendations about expanding Lifeline eligibility—which it should not do—the Board should recommend that the Commission undertake a study of households that do not have phone service today. Such a study could help the Commission understand why these individuals do not subscribe, which could

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[14] Universal Service Administrative Company, Low Income Program, Overview of the Program, http://www.usac.org/li/about/default.aspx.

[15] *See Telephone Subscribership in the United States (data through November 2009)*, FCC, Wireline Competition Bureau, Industry Analysis and Technology Division, http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296121A1.pdf, at 1 (Feb. 2010),.

inform narrowly tailored adjustments to Lifeline or other programs to address identified barriers.

Additional eligibility documentation. The *Referral Order* asks the Joint Board to consider whether Lifeline applicants and beneficiaries should have to present additional documentation to demonstrate program eligibility. *Referral Order* ¶ 15. To establish income-based eligibility Lifeline applicants must already produce various tax and other materials. 47 C.F.R. § 54.410. Alternatively, individuals may establish Lifeline eligibility through enrollment in one or more other federal low income assistance programs. 47 C.F.R. § 54.409(b). It is not clear what additional documentation might be available for applicants to present. In any event, it is difficult to see a need to force Lifeline participants to generate more paperwork. This approach would likely discourage some qualified individuals from applying. And under most state requirements, ETCs are only required to maintain certain eligibility materials for income-based (not program enrollment-based) beneficiaries. A change to this requirement would add administrative costs to the program for no appreciable benefit.

Eligibility verification obligations of ETCs. The Commission asks a number of questions regarding eligibility verification procedures. *Referral Order* ¶¶ 27-28. This inquiry appears to be focused on additional requirements that may be imposed on ETCs to verify program eligibility of Lifeline beneficiaries. Currently, the federal default rules rely on ETCs to test eligibility of a statistical sample of Lifeline beneficiaries each year. *Id*. State rules vary, but many states also require ETCs to take the lead with Lifeline verification based on a sample. As discussed above, this haphazard approach does not make sense. It would be far more effective and efficient for the Commission to establish a central Lifeline administrator and national database to interface with all ETCs and all states and determine beneficiary eligibility on a scheduled or even real-time basis. Verification processes work best in those states such as

California and Texas that have a central administrator for this function.[16] The administrator can, for example, interface with state social service agencies to help verify beneficiary eligibility in ways that ETCs (which are *not* government contractors for Lifeline purposes) cannot.

The Commission and the Joint Board should also recognize that ETCs are not enforcement agents of the Commission for purposes of verifying Lifeline eligibility of program participants, and it is bad policy to hold carriers liable for misrepresentations by participants at the time of enrollment or verification. Such a practice creates a situation where carriers must essentially underwrite all Lifeline funding, which discourages carriers from participating in the program and extending Lifeline benefits to low income individuals. In instances where program participants are determined to be ineligible during a verification process, seeking funding recovery from Lifeline providers in all instances (even though they may not be the party responsible for the rule violation) further exacerbates fraud and abuse within the program. This approach signals to wrong-doers that the consequences of misrepresentations regarding program eligibility will extend only to providers.

The same dilemma is what prompted the Commission to change its practice with the E-rate program. Previously, in situations where the Commission identified a violation of an E-rate rule, the Commission sought recovery of program funding from the E-rate service provider in every circumstance—even when the provider was not responsible for the violation.[17] In its *E-rate Reconsideration Order* the Commission specifically held that the party responsible for the

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[16] If the Joint Board does recommend that the Commission impose additional verification or outreach (see below) obligations on ETCs, the Board should also recommend that the Commission reimburse carriers for these added costs. Depending on what the new requirements may be, associated costs could be significant.

[17] *See Federal-State Joint Board on Universal Service*, Order on Reconsideration and Fourth Report and Order, 19 FCC Rcd 15252, ¶ 10 (2004) ("*E-rate Reconsideration Order*").

rule violation, whether the provider or the program beneficiary, must repay the USF. *Id*. ¶ 15. The Commission changed course because:

> [I]n many situations the service provider simply is not in a position to ensure that all applicable statutory and regulatory requirements have been met. Indeed, in many instances, a service provider may well be totally unaware of any violation. In such cases, we are now convinced that it is both unrealistic and inequitable to seek recovery solely from the service provider.

Id. ¶ 12. The Commission expressed concern that if "beneficiaries [did] not directly bear the consequence of any failure to comply with [Commission] rules," such a lack of accountability would encourage fraud and abuse by program beneficiaries. *Id.* ¶ 13.[18] The same is true for the Lifeline program. If carriers cannot rely on representations made by program beneficiaries and instead must underwrite Lifeline distributions in all circumstances, then there is no incentive for beneficiaries to comply.

Outreach obligations of ETCs. Similarly, the Commission asks a number of questions regarding effective outreach (newspaper and radio advertisements, etc.) to low income individuals regarding the availability of Lifeline discounts. *Referral Order* ¶¶ 31-35. This inquiry is also focused on additional, and potentially more specific, requirements that may be imposed on ETCs to advertise Lifeline discounts. *Id*. This is, likewise, the wrong approach. The Commission and the Joint Board have toiled over Lifeline outreach requirements for many years. And in that time telephone subscribership rates continued to climb and have now reached a record high.[19] Thus, there is a strong case to be made that no changes to the Commission's

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[18] In April of last year Verizon also sought clarification from the Wireline Competition Bureau that the same rule requiring USAC to seek universal service funding recovery from the party responsible for the violation applies to the Rural Healthcare program. *See* Request for Review by Verizon of Decision of Universal Service Administrator, WC Docket No. 02-60; CC Docket No. 96-45 (April 10, 2009). Verizon's request remains pending.

[19] *See Telephone Subscribership in the United States (data through November 2009)*, FCC,

Lifeline outreach requirements are necessary at all. Nonetheless, if the Joint Board is inclined to recommend modifications to the Commission's rules in this area, the Board should focus on targeted ways to reach those low income individuals that want phone service but do not have it.

Lifeline outreach is most effective when conducted by public agencies and social service organizations that already have close contacts with low income individuals and households. The NBP recognizes this reality:

> Requiring providers to conduct outreach and verify eligibility may add to existing disincentives to serving historically underserved, low-income populations. This, in turn, affects consumer awareness of and participation in these programs. . . .State social service agencies should take a more active role in consumer outreach and in qualifying eligible end-users. Agencies should make Lifeline and Link-Up applications routinely available and should discuss Lifeline and Link-Up when they discuss other assistance programs. The FCC should continue to develop and provide educational and outreach materials for use in these efforts.

NBP at 172-73. For example, in California (which has, by far, the most Lifeline subscribers of any state),[20] the state contracts with an entity to conduct Lifeline outreach. Outreach for the state program is coordinated on a centralized basis across provider segments through the California Lifeline Telephone Program website (http://californialifeline.com/-source/MainPage.aspx) and other venues (*see, e.g.*, http://www.cpuc.ca.gov/PUC/Telco-/Public+Programs/Spring+09+LifeLine+Ad+Campaign.htm). State agencies and social service organizations are able to order California-specific marketing materials—including brochures in 11 different languages—from a web-based interface (http://www.californialifelinematerials-order.com/).

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Wireline Competition Bureau, Industry Analysis and Technology Division, http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296121A1.pdf , at 1 (Feb. 2010),.

[20] Universal Service Administrative Company, About USAC, Third Quarter Appendices – 2010, *Lifeline Subscribership by State or Jurisdiction*, http://www.usac.org/about/governance/fcc-filings/2010/quarter-3.aspx.

Moreover, this section of the *Referral Order* seems to imply that Lifeline is undersubscribed and underfunded due to a lack of awareness regarding potential program discounts. Such a presumption is difficult to square with the facts. As discussed above, a record 96 percent of all households and 94 percent of households making less than $15,000 per year have phone service.[21] At the end of 2009, there were approximately 8.5 million participants in the federal Lifeline program.[22] That is a 1.4 million increase over the approximately 7.1 million Lifeline subscribers at end of 2005.[23] In addition, as discussed above, Lifeline funding is projected to soar to approximately $1.4 billion in 2010 (largely due to growth in prepaid wireless Lifeline subscribers).

IV. It Is Too Soon To Address How, If At All, Broadband Should Be Incorporated Into The Low Income Program.

In a short discussion (two sentences), the Commission asks the Joint Board to consider how including broadband in the Lifeline program might affect the Board's recommendations in this proceeding. *Referral Order* ¶ 24. The Commission does not ask the Board to recommend how to structure a broadband subsidy that could be incorporated into the Lifeline program. The Board should be careful not to overreach here. It is too soon to address how, if at all, Lifeline should be changed to include broadband.

The National Broadband Plan envisions multiple pilot programs, still in the development

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21 *See Telephone Subscribership in the United States (data through November 2009)*, FCC, Wireline Competition Bureau, Industry Analysis and Technology Division, at 1 (rel. Feb. 2010), http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296121A1.pdf.

22 Universal Service Administrative Company, About USAC, Third Quarter Appendices – 2010, *Lifeline Subscribership by State or Jurisdiction*, http://www.usac.org/about/governance/fcc-filings/2010/quarter-3.aspx.

23 Universal Service Administrative Company, About USAC, Third Quarter Appendices – 2006, *Lifeline Subscribership by State or Jurisdiction*, http://www.usac.org/about/governance/fcc-filings/2006/quarter3/default.aspx.

stage, to figure out the best way to make broadband affordable for low income households and to encourage adoption. NBP 173-85. These and other programs will significantly inform the Commission's analysis of broadband adoption. And, as the NBP recognizes, the cost of broadband service is just one reason some individuals do not subscribe. NBP at 168. Digital literacy, an understanding of the relevance of broadband, affordability of a computer, security concerns, and other factors contribute to adoption decisions. *Id.* The right approach to increasing broadband adoption among the low income population may not be tied to Lifeline at all. Not all individuals eligible for Lifeline under the existing system may want or need a monthly subsidy for broadband service in order to subscribe. A more targeted program modeled after the DTV converter box coupon/voucher system, for example, may prove to be a more efficient and effective way to bring the benefits of broadband to this demographic. Regardless, there is insufficient data to understand the best way to proceed, which is why the NBP recommends that the Commission begin with one or more pilot programs to get a handle on what initiatives may work.

Moreover, as discussed above, the existing Lifeline program (which does not include a broadband component) is already growing to unprecedented levels. Even a modest broadband subsidy of, for example, $10-$20 per household per month—if layered onto the existing program—could result in a $1-2 billion increase in the fund, if not more.[24] Such a significant increase in Lifeline support would constrain the Commission's ability to fund other USF broadband priorities—for example, through the high cost and E-rate programs—in light of the NBP commitment to protect consumers by keeping the overall USF no larger than its current

[24] Universal Service Administrative Company, About USAC, Third Quarter Appendices – 2010, *Lifeline Subscribership by State or Jurisdiction*, http://www.usac.org/about/governance/fcc-filings/2010/quarter-3.aspx.

size. NBP at 149-50.

Nonetheless, if the Joint Board is inclined to make any broadband recommendations (which it should not do), the importance of moving to a national Lifeline model with a centralized administrator is even more pressing. It is difficult to imagine a Lifeline fund with a broadband component that would ever be smaller than the current program. Given that reality, it is critical to ensure that the program is as streamlined, efficient, and cost effective as possible—all of which is achievable only on a national scale.

V. Conclusion.

The Joint Board should recommend that the Commission move forward with the changes to Lifeline discussed herein and avoid unnecessary modifications to Lifeline that would merely make the program more complicated or expensive.

Respectfully submitted,

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