**Before the**
**Federal Communications Commission**
**Washington, DC 20554**

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| In the Matter of | ) | |
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| Lifeline and Link Up Reform and Modernization | ) | WC Docket No. 11-42 |
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| | ) | |
| 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.

For more than 25 years, Lifeline and Link Up have helped ensure that basic communications services are available to all Americans, including low-income consumers, at affordable rates. Over the years, Lifeline has contributed to increasing telephone penetration rates – which stand today at historically high levels among all socioeconomic groups. But patchwork administration of the program has not kept pace with the evolution of the market and consumer preferences. Many of the Commission's proposals in the Notice of Proposed Rulemaking[2] reflect the stark reality that, against record-high telephone subscribership rates for low-income Americans, consumers now have myriad affordable wireless and wireline service options available to them. Moreover, as the range of providers and available services has

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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] *Lifeline and Link Up Reform and Modernization*; *Federal-State Joint Board on Universal Service*; *Lifeline and Link Up*, Notice of Proposed Rulemaking, 26 FCC Rcd 2770 (2011) ("NPRM").

expanded, the fund has grown: a previously consistent fund size of approximately $800-$900 million per year has now grown into a fund size projected to reach $1.5 billion in 2011.[3] And consumers, who pay for the fund through charges on their bills, bear the burden of these increases.

Lifeline modernization is long overdue, and this proceeding presents a good opportunity to put Lifeline on the right path for the future. Restructuring the low-income fund to better reflect dramatic changes in the communications marketplace will help make the program more efficient, and at the same time more responsive to the needs of beneficiaries.

The Commission could significantly improve the program by discarding the provider-based Lifeline model altogether and instead provide discount vouchers to qualified beneficiaries to spend at their election on specified services offered by their preferred provider. With beneficiaries empowered to make service selections using a voucher with a pre-set value that can only be used once, claim duplication – a substantial focus of fraud and abuse today – would be largely avoided. In addition, consistent with the recommendations contained in the *National Broadband Plan*,[4] a database designed to centralize Lifeline enrollment, certification, and verification procedures is imperative – as is a national administrator charged with managing the database system. A centralized structure accessible in real time would make it easier for beneficiaries to enroll in the program and certify their continued eligibility, and would help streamline all Lifeline processes to reduce costs and curb waste, fraud and abuse. Combined, these changes will also help contain the unchecked growth of the low-income fund.

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[3] NPRM, ¶ 143.

[4] *Connecting America: The National Broadband Plan*, http://download.broadband.gov/plan/national-broadband-plan.pdf, at 172 (2010) ("*National Broadband Plan*").

## II. THE COMMISSION SHOULD ADOPT A CENTRALLY ADMINISTERED LIFELINE VOUCHER SYSTEM TO IMPROVE PROGRAM ADMINISTRATION AND REDUCE WASTE, FRAUD AND ABUSE IN THE PROGRAM.

### A. Vouchers Would Provide Meaningful Customer Choice, Help Eliminate Claim Duplication, and Aid the Transition to Broadband.

A fundamental and significant improvement that the Commission could implement for the Lifeline and Link Up program would be to move away from the provider-based Lifeline model altogether. Similar to the DTV converter box coupon system, the Commission could transform the fund into a program that empowers consumers and gives beneficiaries an expanded opportunity to spend Lifeline support on the communications services of their choosing. Under this approach, the Commission could adopt a Lifeline model where the Commission, through USAC, provides discount vouchers to qualified beneficiaries to spend at their election on qualified services – whether wireless, wireline, broadband, or multi-carrier – offered by registered providers. Such a system would give Lifeline beneficiaries greater flexibility to purchase communications services that best suit their particular needs, and would move carriers out of the role of making those decisions for beneficiaries.

In addition, with beneficiaries empowered to make service selections using all or part of a voucher with a pre-set value that can only be used once, claim duplication (a significant driver of waste, fraud, and abuse concerns) would be largely avoided, resulting in fund preservation.

Vouchers could also be a way to create a pilot program to evaluate broadband support. It is unclear to what degree cost is the driver for those who have not yet adopted broadband where available.[5] Moreover, customers do have new low-cost options available for broadband. For

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[5] *See, e.g.,* John Horrigan, Pew Internet & American Life Project, *Home Broadband Adoption 2009*, http://www.pewinternet.org/~/media//Files/Reports/2009/Home-Broadband-Adoption-2009.pdf (June 2009)

example, customers can purchase Verizon's basic high-speed internet bundle with unlimited local and toll voice service plus three calling features for $34.99 per month, with no contracts or early termination fees.[6] Customers who already have a Verizon landline voice plan can order basic DSL service online for $14.99 or enhanced DSL service for $29.99.[7] Additional data on the impact of various drivers of broadband adoption could be developed through a pilot program to encourage adoption. A voucher pilot program would enable the Commission to gather this needed data while avoiding the administrative overlay associated with full-scale implementation.

### B. A Centrally Administered Database System Will Reduce Waste and Improve Efficiencies in Lifeline Enrollment, Certification, and Verification Procedures.

Meaningful change in administration of the Lifeline program cannot occur absent streamlined enrollment, certification, and verification procedures on a *national* level. Consistent with the recommendations contained in the *National Broadband Plan*,[8] a database designed to centralize the enrollment, certification, and verification procedures is imperative – as is a national Lifeline administrator charged with operating the centralized database. This improvement alone will make significant progress toward curbing waste, fraud and abuse and will substantially improve efficiencies.

A national database and a system for processing enrollment, certification, and verification in real time would help curb the duplicate claim abuses the Commission has described as a

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[6] *See* News Release, "From Simple Needs to the Sublime, Verizon's New High Speed Internet Bundles Pack on the Value," http://newscenter.verizon.com/press-releases/verizon/2011/from-simple-needs-to-the.html (Apr. 18, 2011).

[7] *See* "Verizon ends termination fees for DSL, simplifies plans," http://news.cnet.com/8301-30686_3-20055025-266.html (Apr. 18, 2011).

[8] *National Broadband Plan* at 172.

significant problem and a drain on scare USF resources.[9] Under the current system, a Lifeline provider has no way of knowing if a beneficiary is inappropriately receiving subsidized service from another provider. This problem and other abuses could be largely avoided by creating a national database and a real time-capable processing system.

As discussed above, a voucher system to distribute Lifeline support would be a significant improvement. Alternatively, the type of personal identification number ("PIN") system envisioned by AT&T makes sense.[10] 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 Lifeline based on all the various state and national eligibility criteria. USAC could then provide qualified individuals with 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 to automatically 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. In addition, such a

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[9] NPRM ¶¶ 103-05.

[10] *See* Letter from Jaime Tan, AT&T, to Marlene Dortch, FCC, *Lifeline and Link-up*, WC Docket No. 03-109; *International Comparison and Consumer Data Requirements in the Broadband Data Improvement Act*, GN Docket Nos. 09-47; *A National Broadband Plan for Our Future*, GN Docket Nos. 09-51; *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, GN Docket No. 09-137 (Dec. 22, 2009).

dynamic, centralized database administered on the national level would streamline the USAC-provided 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 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 national administrator would be more efficient than a system that requires ETCs to interface with multiple, incompatible state systems.

### C. Changes to Eligibility, Certification, Enrollment and Verification Procedures Must Not Unduly Increase the Size of the Eligibility Pool or Shift to ETCs Functions They are not Well Equipped to Administer.

The Commission's proposal to amend the rules to require that state eligibility criteria mirror the program criteria currently utilized by federal default states makes sense.[11] To the extent states are permitted to maintain existing state-specific eligibility criteria that supplement federal criteria, the federal criteria should serve as baseline criteria. For the reasons discussed in Section III, however, in no case should changes in eligibility criteria result in unwarranted increases in the size of the eligibility pool.

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[11] *See* NPRM ¶ 154.

Some of the Commission's proposals to modify certification and annual verification procedures are impractical. While the Commission is correct that self-certification provides inadequate assurance that support is being provided only to qualifying customers,[12] the Commission should focus on the creation of a centralized administrator. Imposing additional obligations on ETCs to review and verify eligibility documents, for instance, is the wrong approach. ETCs do not have the expertise needed to execute these functions – which are fundamentally functions better suited for social service or government agencies – and assigning responsibility for enrollment decisions to multiple ETCs leads to inconsistent eligibility determinations. Centralized administration solves these problems, is more cost effective, and reduces overall administrative costs. The Commission should avoid adopting rules that add significant administrative costs (which are ultimately paid by consumers) and that undermine the modernization of fund administration.

### D. An Independent National Administrator Is Best Equipped to Enforce One-Per-Residence Rules and Requirements.

The Commission rightly notes that the continued success of Lifeline and Link Up depends in part on ensuring that support does not extend beyond that permitted by a set of fixed and tightly controlled rules.[13] Toward that end, rules that aim to eliminate duplicate claims by restricting Lifeline support to a single line per household make good policy sense – and Verizon supports codification of the "one-per-residence" requirement.[14] However, the recommended

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[12] *See id*. ¶ 170.

[13] *See id*. ¶ 46.

[14] *Id*. ¶¶ 35-40 (announcing proposal to codify the "one-per-residential-address" rule); s*ee also Lifeline and Link-Up*, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, ¶ 4 (2004) ("Lifeline provides low-income consumers with discounts of up to $10.00 off of the monthly cost of telephone service for a *single telephone line in their principal residence*") (emphasis added). Verizon also agrees that the Commission's proposals to eliminate

tools for enforcement of the one-per-residence rule are unworkable. For instance, ETCs are ill-equipped to execute the administrative functions associated with submitting to USAC unique household-identifying information on Forms 497 for every supported household.[15] Nor are ETCs best suited to apply the numerous exceptions to the one-per-residence rule necessary to avoid the unintended consequence of excluding eligible Lifeline subscribers. For example, it is common on tribal lands for eligible Lifeline beneficiaries to live in separate residences that do not have individual street addresses. Multiple Lifeline bills for separately qualified households may indeed reasonably be sent to the same mailing address. ETCs do not track this information. A national administrator is needed to execute these functions, and a national database is essential to implement this goal. A national administrator could also coordinate with group facility managers to ensure that separate and unrelated individuals and families residing at the facility are able to receive Lifeline support.[16]

If an interim solution to duplicate Lifeline claims is necessary before the Commission can get a national database up and running – and even prior to the Commission or USAC contracting with a third-party vendor to administer a new solution process – the Commission could adopt the compromise, streamlined proposal submitted by several companies and associations last week.[17]

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toll reimbursement, redefine customary charges for Link Up, and strengthen de-enrollment mandates are reasonable approaches that will both improve efficiencies and help control the size of the fund. NPRM ¶¶ 68-92.

[15] NPRM ¶ 54.

[16] *Id*. A national database administrator would also be equipped to notify customers receiving duplicate payments that they must select a single ETC to provide Lifeline service, as the Commission proposes. *Id*. ¶ 60.

[17] *See* Letter from United States Telecom Association, CTIA, et al., to Marlene Dortch, FCC, *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link Up*, WC Docket No. 03-

Under the Industry Proposal, USAC would work with carriers to identify individuals with Lifeline service from more than one ETC, allocate a single ETC to serve the customer, and provide notice to the customer of the allocation and program requirements.[18] Upon receipt of a USAC letter, customers could call a toll-free number and reach a vendor to provide additional explanation and to change the ETC allocation if the customer desired to retain Lifeline service through its other ETC provider.[19]

Industry representatives worked with Commission staff to develop this proposal, which would likely be a more effective approach than requiring ETCs serving the same Lifeline customer to each contact the customer by phone and in writing and essentially to determine among themselves who should "claim" the customer for Lifeline reimbursement purposes.[20] As discussed above, 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 potential antitrust problems and tension with the customer proprietary network information privacy requirements. *See* 47 U.S.C. § 222(c). Moreover, choosing a provider is the responsibility of the Lifeline beneficiary. This problem and other abuses could be largely avoided by creating a

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109 (April 15, 2011) ("Duplicate Resolution Proposal Letter," attaching the "Industry Proposal" to resolve duplicate Lifeline claims on interim basis).

[18] *See* Industry Proposal at 2.

[19] *Id*. at 2-3.

[20] *See* NPRM ¶ 48 (referencing Commission direction issued to USAC to implement a new, different duplicate resolution process).

national database and a real time-capable processing system.

### E. Pro-Rata Reporting Will Not Improve Lifeline Counts and is Complicated and Costly to Enforce.

The proposal to require ETCs to report partial or pro-rata reimbursement claims for Lifeline customers who receive service for less than a full month would be costly and is unnecessary.[21] Carriers are not now required to pro-rate their reimbursement claims for Lifeline customers that initiate or discontinue service during the course of the month. Indeed, the Commission previously has considered and *rejected* mandatory pro-rata Lifeline reimbursement claims.[22] That makes sense. Such a requirement would be extremely difficult to implement. The Commission suggests implementation should be easy because carriers have capacity to bill other services on a pro-rata basis. But customer billing systems and systems used to calculate Lifeline reimbursements are entirely different; pro-rating capacity does not exist in many carrier systems used to calculate Lifeline reimbursements.[23] In addition, Lifeline customers are dynamic. To track Lifeline counts on a granular level, carriers would likely have to pull data every day and calculate pro-rated support for each Lifeline customer. For large carriers with millions of Lifeline customers, such a process would be prohibitively expensive. Complex modifications to carrier billing systems (likely costing millions of dollars) would be necessary to capture required data and to adjust reimbursement claims.

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[21] NPRM ¶¶ 65-67.

[22] *See* Public Notice, *Wireline Competition Bureau Announces Effective Date of Revised Form 497 Used to File Low Income Claims with USAC*, 19 FCC Rcd 18574 (2004); and Public Notice, *Wireline Competition Bureau Announces Delayed Effective Date for Revised Form 497 Used for Low-Income Universal Service Support Until Further Notice*, 20 FCC Rcd 4395 (2005) (indefinitely suspending new Lifeline reimbursement form that would have required partial month claims).

[23] *See* NPRM ¶ 67.

Moreover, there is nothing to be gained from mandatory, pro-rata Lifeline reimbursement claims. The current process allows carriers to report Lifeline counts used for reimbursement claims on a fixed day each month. Using this methodology, some partial month Lifeline customers are included in the count while other partial month customers are excluded. In other words, Lifeline additions and drops during the course of a month off-set each other. There is no reason to believe that, over time, reporting on this basis substantially overstates or understates a carrier's monthly count of eligible Lifeline customers. This method is more efficient and less complicated to administer, and easier to audit, than a pro-rata approach.

### F. Service Non-Usage Rules Should Not Penalize Customers Who Maintain Current Account Balances.

The Commission correctly notes that measures must be taken to minimize payments from the USF for enrolled Lifeline customers who are no longer using the service.[24] Carefully crafted measures that prevent reimbursement for customers who have abandoned their service can control, and potentially reduce, the size of the fund. However, "non-usage" requirements should not be applied to ordinary wireline local exchange service or other services that assess a monthly fee. Not only may carriers have no ability to monitor usage, but the fact that customers remain current on their accounts demonstrates that the service continues to have value. Customers should not be penalized based on an overly broad definition of non-use when they are maintaining current account balances with their providers.

[24] NPRM ¶¶ 80-92.

## III. LIFELINE PROGRAM GOALS SHOULD AIM TO CURTAIL THE GROWTH IN, AND WHERE POSSIBLE REDUCE THE SIZE OF, THE FUND.

The Commission's three program objectives – to ensure availability, access, and sufficiency in Lifeline and Link Up support – are the right public policy goals.[25]

The Commission could go a long way toward achieving the third of its three program goals – ensuring that Universal Service Fund (USF) policies provide support that is sufficient but not excessive – by adopting its proposal to set a reasonable budget for the low-income fund. Unrestrained growth of the overall USF "jeopardize[s] universal service by increasing the contribution burden on American consumers and businesses, thereby discouraging adoption and use of communications services."[26]

That the recent growth in the low-income fund has been perilous is undisputed: the low-income portion of the overall USF grew from roughly $667 million in 2000 to $1.3 billion in 2010.[27] Poverty rates have not witnessed the same growth,[28] and low-income telephone subscribership has increased over the same time period – demonstrating, among other things, that there is little evidence loosening Lifeline income eligibility criteria to 150% or below (up from 135% today) of the Federal Poverty Guidelines is necessary.[29] Consumers must already pay a

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[25] NPRM ¶¶ 34-37 (proposing three performance goals: (1) "to preserve and advance the availability of voice service for low-income Americans"; (2) "to ensure that low-income consumers can access supported services at just, reasonable, and affordable rates"; and (3) "to ensure that our universal service policies provide Lifeline/Link Up support that is sufficient but not excessive to achieve our goals.").

[26] NPRM ¶ 142 (citing *National Broadband Plan* at 149).

[27] NPRM ¶ 143 (using inflation-adjusted figures from the Bureau of Labor Statistics' Consumer Price Index Inflation Calendar).

[28] Poverty rates climbed 3 percentage points, from 11.3% to 14.3%, over the ten-year period from 2000 through 2009. *See* http://www.census.gov/hhes/www/poverty/data/index.html.

[29] NPRM ¶ 157.

heavy price to meet the fund's existing demands.[30] The federal USF contribution factor has already moved above 15% in recent quarters in part to pay for large increases in low-income support. Moreover, a fund cap will not undermine Lifeline availability and access. Other USF programs that have caps provide substantial services and benefits to communities. For example, the E-rate program, which ensures that American schools and libraries have Internet access and supports educational programs that enhance communities, has been capped since its inception in 1997.[31]

In addition, measuring achievement of the first proposed program objective – preserving and advancing voice service availability – based on whether voice service subscribership for low-income support-eligible households increases slightly to match or exceed subscribership for non-low income households is misguided and potentially costly.[32] With telephone subscribership at approximately 96%, virtually everyone who wants phone service – regardless of income – is now connected. Even telephone subscribership among low-income households with earnings of less than $15,000 per year is at 94%.[33] Nothing in the relevant data suggests that expanding the availability of the Lifeline and Link Up programs will close this already shrinking gap. In fact, data for California – the state with the largest number of Lifeline beneficiaries – show that despite a 40% decrease in Lifeline program participation in that state

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[30] *See* 47 U.S.C. § 254(b)(5).

[31] *See* 47 C.F.R. §54.507(a); *see also Schools and Libraries Universal Service Support Mechanism*; *A National Broadband Plan For Our Future*, Sixth Report and Order, 25 FCC Rcd 18762, ¶ 34 (2010).

[32] NPRM ¶ 34.

[33] NPRM ¶ 26. *See also* Industry Analysis and Technology Division, FCC, *Telephone Subscribership in the United States (data through November 2009)*, http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296121A1.pdf, at 1 (2010).

from 2006 to 2010, overall telephone penetration in California has increased,[34] and this trend is evident at even the lowest household income levels.[35] Nor is there evidence to suggest that the price of voice service is a barrier for those who have not yet subscribed, and that a Lifeline discount will prompt those individuals to subscribe. Blanket expansion of the Lifeline discount could well offer a solution in search of a problem – at expense levels that will thwart advancement of other meaningful programs.

## IV. SOCIAL SERVICE AGENCIES ARE BEST SUITED TO CONDUCT CONSUMER OUTREACH AND MARKETING ACTIVITIES.

At a time when telephone subscribership rates have reached record highs, it makes no sense to impose additional outreach requirements (and their associated costs) on ETCs.[36] Those resources could be better spent on more pressing priorities – such as expanding broadband availability. In any case, ETCs are not best suited to conduct Lifeline outreach efforts. 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. As noted in the *National Broadband Plan*:

> 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

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[34] *See* Industry Analysis and Technology Division, FCC, *Telephone Subscribership In The United States (data through March 2010)*, http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-301241A1.pdf, at 21-24 (2010).

[35] Telephone subscribership in California households with incomes of $9,999 or less (in March 1984 dollars) rose from 91.0 in 2006 to 93.8 in 2009. *See* Industry Analysis and Technology Division, FCC, *Telephone Penetration By Income By State (data through March 2009)*, http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-297986A1.pdf, at 12 (2010).

[36] NPRM ¶¶ 226-38.

> they discuss other assistance programs. The FCC should continue to develop and provide educational and outreach materials for use in these efforts.

*National Broadband Plan* at 172-73.

## V. MANDATING EXPANSION OF LIFELINE BENEFITS TO ALL BUNDLED SERVICE PACKAGES IN ALL STATES DOES NOT MAKE SENSE.

In considering a uniform federal requirement that Lifeline and Link Up discounts may be used on any plan offered by an ETC with a voice component, including bundled service packages combining voice and broadband or on packages containing optional calling features, the Commission correctly notes that there are a number of significant potential costs associated with such a requirement.[37] First, assuming the extension of Lifeline support to bundled services will increase participation in the Lifeline program, this approach will further grow the fund and has the potential to effectively negate other efforts to constrain the size of the fund. Moreover, increase in use of the Lifeline program to purchase bundles may merely be the result of either (i) existing beneficiaries purchasing a bundled service; or (ii) customers who were already purchasing service without support enrolling in the program to purchase bundles. Thus, any increase in subscribership that results from a federal rule allowing the discount to be applied to bundles may well result from customers who otherwise do not need the discount, causing an increase in program costs without gaining the benefit that was intended. Second, extending support to bundled services will increase program administrative costs that are ultimately paid for by customers. Extending support to bundled services could increase the likelihood that Lifeline customers will be unable to satisfy their monthly account balances. Moreover, for carriers that do not offer Lifeline discounts on bundles today, new bundle offerings will have to be developed, systems will have to be re-coded, and customer service representatives will have

[37] NPRM ¶¶ 258-65.

to be retrained. These requirements would disadvantage ETCs competing for market share against competitors who are not subject to equivalent obligations, creating another significant cost associated with such a rule.

Taken together, these costs are significant – especially when compared to the questionable public interest benefits of this approach.[38] As discussed above, telephone subscription rates for low-income consumers already are on par with subscription rates for the general population. In any event, there is no evidence that blanket expansion of the Lifeline participation in the manner proposed would increase subscribership among populations that do not have telephone service today. The potential benefits from extending support – access and affordability – are better achieved through the use of vouchers and establishment of a centralized database system.

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[38] The *National Broadband Plan* recognizes that restrictions on consumers' ability to apply the Lifeline discount to certain types of services represents at most one of several factors driving the wide variance in state Lifeline participation rates. *See National Broadband Plan* at 172; NPRM ¶ 257.

## VI. CONCLUSION.

The Commission should adopt the low-income program reforms discussed above, including a budget for the fund, a voucher-based discount program, and a centralized database managed by a national administrator.

Respectfully submitted,

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