

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

In the Matter of )  
 )  
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. 03-109  
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 )

To: The Federal Communications Commission

**COMMENTS OF CTIA–THE WIRELESS ASSOCIATION®**

Michael F. Altschul  
Senior Vice President & General Counsel

Christopher Guttman-McCabe  
Vice President, Regulatory Affairs

Scott K. Bergmann  
Assistant Vice President, Regulatory Affairs

**CTIA–The Wireless Association®**  
1400 16th Street, NW, Suite 600  
Washington, DC 20036  
(202) 785-0081

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## TABLE OF CONTENTS

SUMMARY .....	iii
I. INTRODUCTION .....	1
II. CREATION OF A NATIONAL CONSUMER ELIGIBILITY DATABASE WOULD STRENGTHEN PROGRAM ADMINISTRATION AND REDUCE BURDENS ON CONSUMERS, PROVIDERS, STATES AND USAC.....	4
III. ANY INTERIM STEPS TO ADDRESS DUPLICATE CLAIMS MUST BE CAREFULLY TAILORED AND SHOULD ONLY BE IN PLACE UNTIL THE DEPLOYMENT OF A NATIONAL DATABASE .....	8
A. The Wireless Bureau’s January 21, 2011 Letter Does Not Provide A Workable Interim Solution For Duplicate Claims.....	8
B. If The Commission Determines It Must Adopt Interim Measures, It Should Adopt The Recent Industry Proposal.....	11
IV. MODIFYING THE CONSUMER ELIGIBILITY RULES RAISES SUBSTANTIVE PUBLIC POLICY QUESTIONS AND MUST BE PROSPECTIVE ONLY .....	11
A. The Proposed “One-Per-Residence” Rule Raises Substantive Policy Issues .....	12
B. Any Rules Addressing Consumer Eligibility Must Be Implemented On A Prospective-Only Basis.....	13
1. The Commission Has Never Adopted A One-Per-Residence Requirement.....	13
2. Retroactive Application Of A One-Per-Residence Rule Would Violate Basic Principles of Law and Policy .....	14
V. RATHER THAN ADOPTING ADDITIONAL MANDATORY REQUIREMENTS, THE BEST WAY TO INCREASE PARTICIPATION IN THE LOW-INCOME PROGRAMS IS TO PROMOTE COMPETITION AMONG ETCS. ....	16
VI. A NATIONAL PROGRAM SHOULD HAVE NATIONAL RULES.....	18
A. The Commission Should Adopt A Uniform National Eligibility Criteria.....	18
B. The Support Amount Should Be Uniform And Rationalized.....	19
C. The Commission Should Adopt A Uniform National Annual Sampling Methodology .....	20
VII. THE COMMISSION SHOULD REJECT PROPOSALS THAT ARE OVERLY BURDENSOME AND UNNECESSARY AT THIS TIME .....	21
A. The Commission Should Continue To Allow Self-Certification Of Eligibility .....	21
B. There Is No Reason To Require Pro-Rata Reporting Of Lifeline Customer Counts.....	22
C. There Is No Reason To Impose Mandatory Minimum Charges On Consumers .....	23
D. The Commission Should Not Impose A Cap On The Overall Lifeline Program .....	24

VIII. TIME-LIMITED PILOT PROGRAMS CAN INFORM THE FCC’S EFFORTS  
TO MODERNIZE THE LOW-INCOME PROGRAM’S SUPPORT OF  
BROADBAND ADOPTION.....25

IX. CONCLUSION .....30

## SUMMARY

CTIA–The Wireless Association® (“CTIA”) submits these comments in response to the Commission’s request for comment on proposed rules for reforming Lifeline and Link Up (together, “Lifeline/Link Up” or “the programs”) universal service low-income programs and applauds the Commission’s initiative to reform the Lifeline/Link Up programs. CTIA offers, in these comments, specific solutions for improving program administration and modernizing the program to better meet consumer demand and marketplace changes.

In these comments, CTIA urges the Commission to:

- Expediently establish a national database, administered by government or a third party, to verify consumer eligibility, perform periodic verification, and check for duplicate recipients to improve accountability in the programs;
- Implement, if it determines that interim rules are necessary to address “duplicate claims,” the recent voluntary joint industry proposal filed by CTIA, numerous Lifeline providers, and other associations;
- Decline, in any event, to adopt the approach set out in the Wireline Competition Bureau’s January 21, 2011 Letter;
- Carefully consider issues concerning multiple Lifeline subscriptions at the same residential address, and to apply any new rules on a prospective basis only;
- Continue to rely on competition as the most effective strategy to enhance outreach in the Lifeline/Link Up programs;
- Adopt uniform national eligibility criteria;
- Adopt a uniform, rationalized Lifeline discount amount that is not tied to the incumbent local exchange carrier’s (“LEC”) subscriber line charge (“SLC”);
- Establish a uniform methodology for conducting verification sampling that would apply to all eligible telecommunications carriers (“ETCs”);
- Retain self-certification of eligibility, at least until a database is implemented;
- Decline to impose pro-rata reporting of subscribers for partial months, mandatory minimum charges for Lifeline consumers, or an overall cap on the size of the Lifeline program;
- Experiment with competitively- and technologically-neutral pilot programs to explore how Lifeline/Link Up can support broadband adoption, including adoption of mobile broadband services.

As the Commission has recognized in the NPRM, the market for communications services has changed dramatically since the last comprehensive effort to reform the low-income program, and the needs of low-income consumers have changed along with it. The programs, too, must change. Wireless services have become a key part of all consumers’ lives, including low-income consumers. As the Commission has recognized, “consumers have increasingly turned to wireless service, and Lifeline/Link Up now provides many participants discounts on wireless phone services.” Many of these changes have benefited low-income consumers greatly; for example, the Commission notes that “[t]he emergence of competing carriers and multiple services has enhanced consumer choice, and led to an increase in the average number of monthly minutes included in a Lifeline wireless plan at no charge to the consumer.” To

continue to fulfill the goals of the programs in this changing environment, the Commission must update the Lifeline and Link Up programs to meet current conditions.

CTIA also recognizes the Commission's commitment to addressing near-term questions regarding the scope of the program's benefits and, in particular, to providing clarity regarding the issue of "duplicate claims" for Lifeline support. CTIA urges the Commission to bear in mind that distinct and very different policy issues are raised by multiple claims for Lifeline service from the same individual at one address, on the one hand, and multiple claims from different individuals at one address, on the other. CTIA also reminds the Commission that, under the current system, carriers have no way of determining if a new applicant already receives subsidized service from a competing carrier. In this regard, and consistent with the recent joint industry proposal to which CTIA was a party, CTIA urges the Commission to recognize that a central customer eligibility database is the only effective long-term solution to addressing duplicate claims. If the Commission determines that interim action is required prior to the adoption of a national database, CTIA believes that the voluntary joint industry proposal provides a workable approach that is endorsed by significant segment of the industry, and that is targeted to meeting the Commission's goals.

As demonstrated in the joint industry proposal and in these comments, CTIA's members, as providers of Lifeline/Link Up benefits to millions of consumers, share the Commission's desire to adapt the programs to meet changing consumer needs in as cost-effective a manner as possible.

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**I. INTRODUCTION**

CTIA–The Wireless Association® (“CTIA”) submits these comments in response to the Commission’s request for comment on proposed rules for reforming Lifeline and Link Up (together, “Lifeline/Link Up” or “the programs”) universal service low-income programs and applauds the Commission’s initiative to reform the Lifeline/Link Up programs.<sup>1</sup> CTIA offers, in these comments, specific solutions for improving program administration and modernizing the program to better meet consumer demand and marketplace changes. In these comments, CTIA urges the Commission to:

- Expediently establish a national database, administered by government or a third party, to conduct consumer eligibility certification and verification functions;

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<sup>1</sup> *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. 03-109, Notice of Proposed Rulemaking, FCC 11-32 (rel. Mar. 4, 2011)(“NPRM”).

- Implement, if it determines that interim rules are necessary to address “duplicate claims,” the recent voluntary joint industry proposal filed by CTIA, numerous Lifeline providers, and other associations;
- Decline, in any event, to adopt the approach set out in the Wireline Competition Bureau’s January 21, 2011 Letter;
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- Establish a uniform methodology for conducting verification sampling that would apply to all eligible telecommunications carriers (“ETCs”);
- Retain self-certification of eligibility, at least until a database is implemented;
- Decline to impose pro-rata reporting of subscribers for partial months, mandatory minimum charges for Lifeline consumers, or an overall cap on the size of the Lifeline program;
- Experiment with competitively- and technologically-neutral pilot programs to explore how Lifeline/Link Up can support broadband adoption, including adoption of mobile broadband services.

As the Commission has recognized in the NPRM, the market for communications services has changed dramatically since the last comprehensive effort to reform the low-income

program, and the needs of low-income consumers have changed along with it. The programs, too, must change. Wireless services have become a key part of all consumers' lives, including low-income consumers. Indeed, according to the latest National Health Statistics Report, released yesterday, as of the first half of 2010, 26.6% of the population had cut the cord, meaning more than one in four Americans had only wireless telephones.<sup>2</sup>

As the Commission has recognized, “consumers have increasingly turned to wireless service, and Lifeline/Link Up now provides many participants discounts on wireless phone services.”<sup>3</sup> Many of these changes have benefited low-income consumers greatly; for example, the Commission notes that “[t]he emergence of competing carriers and multiple services has enhanced consumer choice, and led to an increase in the average number of monthly minutes included in a Lifeline wireless plan at no charge to the consumer.”<sup>4</sup> To continue to fulfill the goals of the programs in this changing environment, the Commission must update the Lifeline and Link Up programs to meet current conditions.

CTIA also recognizes the Commission's commitment to addressing near-term questions regarding the scope of the program's benefits and, in particular, to providing clarity regarding the issue of “duplicate claims” for Lifeline support. CTIA urges the Commission to bear in mind that distinct and very different policy issues are raised by multiple claims for Lifeline service from the *same individual* at one address, on the one hand, and multiple claims from *different individuals* at one address, on the other. CTIA also reminds the Commission that, under the

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<sup>2</sup> National Health Statistics Reports, (Apr. 20, 2011) *available at* <http://www.cdc.gov/nchs/data/nhsr/nhsr039.pdf>.

<sup>3</sup> NPRM ¶ 3.

<sup>4</sup> NPRM ¶ 104.

current system, carriers have *no way* of determining if a new applicant already receives subsidized service from a competing carrier. In this regard, and consistent with the recent joint industry proposal to which CTIA was a party,<sup>5</sup> CTIA urges the Commission to recognize that a central customer eligibility database is the only solution to addressing duplicate claims. If the Commission determines that interim action is required prior to the adoption of a national database, CTIA believes that the voluntary joint industry proposal provides a workable approach that is endorsed by significant segment of the industry, and that is targeted to meeting the Commission's goals.

As demonstrated in the joint industry proposal and in these comments, CTIA's members, as providers of Lifeline/Link Up benefits to millions of consumers, share the Commission's desire to adapt the programs to meet changing consumer needs in as cost-effective a manner as possible.

## **II. CREATION OF A NATIONAL CONSUMER ELIGIBILITY DATABASE WOULD STRENGTHEN PROGRAM ADMINISTRATION AND REDUCE BURDENS ON CONSUMERS, PROVIDERS, STATES AND USAC**

The Commission proposes to create a national database to verify consumer eligibility, track verification, and check for duplicate recipients to improve accountability in the programs.<sup>6</sup> CTIA strongly supports this proposal, and believes that a national database is the best way to confirm and verify consumer eligibility and, indeed, that there can be no effective resolution of

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<sup>5</sup> Letter from CTIA–The Wireless Association®, United States Telecom Association, AT&T, CenturyLink, Cox Communications, Inc., General Communication, Inc., Nexus Communications, Inc., Sprint Nextel Corp., Tracfone Wireless, Inc., Verizon Communications, Inc., to Marlene H. Dortch, FCC, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45 at 2 (filed April 15, 2011) (“April 15, 2011 Industry Duplicates Letter”).

<sup>6</sup> NPRM ¶ 207.

“duplicate Lifeline claims”<sup>7</sup> without a database. The creation of a national consumer eligibility database is among the most effective ways to improve administration of the Lifeline/Link Up programs because it would assign program functions to parties who are best able to perform them, allow carriers to focus on their areas of competency, and better protect consumer privacy.

A national database to verify consumer eligibility would address the major weaknesses of the current system. Under the current rules, every eligible telecommunications carrier (“ETC”) is required to act as an independent verification agency. The current system requires ETCs to take on responsibilities that are fundamentally different from their core functions as telecommunications carriers. The rules require carriers to ascertain the eligibility rules for each state in which they operate and train their customer-facing personnel in to apply the rules in particular situations.<sup>8</sup> Carriers’ sales staffs must interpret and apply the rules for each new Lifeline/Link Up applicant. All of these activities are well outside the normal purview of telecommunications carrier personnel, who are otherwise focused on networks, devices, customer care, and coverage areas. And the significant human element in this process raises the risk that different ETCs may interpret or apply the eligibility rules differently in specific instances. The burden is exacerbated for carriers that operate in multiple states, as most carriers do. Ultimately, customer eligibility is an important task, one that should be performed by government entities (or appropriate third party) with detailed knowledge of – and mission focus on addressing – the specific requirements of relevant government subsidy programs. This in turn

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<sup>7</sup> As CTIA explains *infra* at Sections III and IV, the Commission must recognize that the question of “duplicate claims” in fact raises two related but distinct issues: (1) single individuals receiving multiple Lifeline subscriptions, and (2) multiple individuals at the same residential location receiving multiple Lifeline subscriptions. These situations raise distinct and different policy considerations. A central eligibility verification database, however, is the best way to address both issues.

<sup>8</sup> See, e.g., 47 C.F.R. §§ 54.410(a), (b)(1), (c)(1).

would free service providers to focus on their core competencies, including providing innovative and competitive services to consumers.

Indeed, the current system requires private companies to handle Lifeline/Link Up applicants' sensitive financial information, such as tax forms, pay stubs, Social Security benefits statements, or divorce decrees.<sup>9</sup> While wireless carriers are equipped to handle confidential information pertaining to the provision of communications service,<sup>10</sup> the information required to establish Lifeline/Link Up eligibility is different in character. Such private financial information is commonly handled by social welfare agencies, not telecommunications carriers. Thus, the current approach is awkward under the best of circumstances, but is often complicated by the fact that wireless carriers operate in retail environments (*e.g.*, mall kiosks) that are convenient for consumers but less than conducive to the exchange of sensitive, confidential financial information. The requirement that customers disclose this sensitive information to carrier personnel also likely deters prospective Lifeline-eligible customers, undermining the program's potential for success.

The current carrier-focused verification system also cannot effectively identify consumers who may be receiving multiple services from different ETCs. Carriers have no way of determining if a new applicant already receives subsidized service from a competing carrier. In fact, sharing that information between carriers could raise significant issues, including running afoul of the Commission's customer proprietary network information rules.<sup>11</sup>

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<sup>9</sup> *See, e.g.*, 47 C.F.R. §§ 54.410(a)(2), 54.410(c)(2). Many states' rules impose similar verification requirements.

<sup>10</sup> *See, e.g.*, 47 U.S.C. § 222.

<sup>11</sup> *See* 47 U.S.C. § 222(c).

There is broad consensus that it no longer makes sense to perpetuate this inefficient and ineffective system.<sup>12</sup> In its place, the Commission should implement a validation system based on a centralized national database. Such a database should be managed by USAC or another independent third party with express expertise in the applicable laws, rules, and standards. A third party would be best suited to handle private information and to make consistent determinations of eligibility. A centralized national database could identify duplicate applicants without requiring carriers to share information because all the necessary information would reside with a single independent party. Thus, it would better identify duplicate claims, allow carriers to focus on their areas of competency, and better protect consumer privacy.

For these reasons, CTIA agrees with the Commission that such a database could “substantially reduce burdens on consumers, ETCs, states, and USAC; eliminate the need to certify eligibility on a state-by-state basis; and help identify program violations.”<sup>13</sup> Indeed, a national database is “the only effective method for protecting the program against waste, fraud, and abuse,”<sup>14</sup> and therefore CTIA fully supports the establishment of such a database.

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<sup>12</sup> *See, e.g.*, Comments of AT&T, CC Docket No. 96-45, WC Docket No. 03-109, at 14-16 (filed July 15, 2010); Comments of PR Wireless, CC Docket No. 96-45, WC Docket No. 03-109, at 9-11 (filed July 15, 2010); Comments of Smith Bagley, CC Docket No. 96-45, WC Docket No. 03-109, at 9-11 (filed July 15, 2010); Comments of TracFone, CC Docket No. 96-45, WC Docket No. 03-109, at 8-10 (filed July 15, 2010); Comments of USTelecom, CC Docket No. 96-45, WC Docket No. 03-109, at 5-7 (filed July 15, 2010); Comments of Verizon and Verizon Wireless, CC Docket No. 96-45, WC Docket No. 03-109, at 2-7 (filed July 15, 2010).

<sup>13</sup> NPRM ¶ 205.

<sup>14</sup> NPRM ¶ 205.

**III. ANY INTERIM STEPS TO ADDRESS DUPLICATE CLAIMS MUST BE CAREFULLY TAILORED AND SHOULD ONLY BE IN PLACE UNTIL THE DEPLOYMENT OF A NATIONAL DATABASE**

CTIA and its member companies appreciate the Commission's desire to address issues concerning "duplicate" Lifeline subscriptions. As discussed above, CTIA believes a national database is the best method to address eligibility issues and to identify any waste, fraud, and abuse in the Lifeline program. CTIA believe this database could be deployed in a timely manner, and that the Commission's efforts should be focused on achieving this complete solution in the near term. Yet, if the Commission determines that it should adopt more immediate measures to address duplicate claims, such measures must be both carefully tailored and limited in duration. If the Commission determines it is necessary to adopt interim measures, CTIA encourages the Commission to implement the industry's alternative proposal to address duplicate claims, filed on April 15, 2011.<sup>15</sup> That proposal, which seeks voluntary participation by a substantial percentage of ETCs in a state, provides a workable approach that is endorsed by a significant segment of the industry.

In any event, the Commission should not adopt the process set forth in the Wireline Bureau's January 21, 2011 letter,<sup>16</sup> which is not a workable solution and, as described below, would not accomplish the goals it seeks to achieve.

**A. The Wireless Bureau's January 21, 2011 Letter Does Not Provide A Workable Interim Solution For Duplicate Claims**

On January 21, 2011, the Wireline Competition Bureau ("Bureau") sent a letter to the Universal Service Administrative Company ("USAC") directing it to use a specific process when

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<sup>15</sup> See April 15, 2011 Industry Duplicates Letter.

<sup>16</sup> Letter from Sharon E. Gillett, FCC, to Richard A. Belden, USAC (dated Jan. 21, 2011) ("Bureau Letter").

it determines that a consumer is receiving Lifeline benefits from multiple providers.<sup>17</sup> The NPRM proposes to codify the letter’s direction.<sup>18</sup> As CTIA has previously stated, the Commission should, at minimum, suspend the Bureau process pending completion of this rulemaking.<sup>19</sup> As explained below, the Commission should not adopt this proposal, as the process set forth in the Bureau Letter and the NPRM will not only impose substantial burdens on providers and low-income consumers, but will also fail to prevent the recurrence of duplicate Lifeline subscriptions.

The Bureau Letter states that when duplicate claims from different ETCs arise, both ETCs must contact the consumer by phone and by mail, with each ETC informing the consumer that they have 30 days to select one provider and submit a new Lifeline self-certification form to the chosen provider.<sup>20</sup> The ETC that receives the customer’s self-certification form is then supposed to notify the other ETC and USAC of that fact, and ETCs are supposed to rely on the information they receive from each other to de-enroll customers.<sup>21</sup>

This process would impose significant burdens and expenses on Lifeline providers and low-income consumers. Lifeline providers will need additional staff and equipment to

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<sup>17</sup> *See Id.*

<sup>18</sup> NPRM ¶ 58.

<sup>19</sup> Letter from CTIA–The Wireless Association®, United States Telecom Association, AT&T, Independent Telephone and Telecommunications Alliance, National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, Rural Cellular Association, Western Telecommunications Alliance, CenturyLink, Qwest, Tracfone Wireless, Inc., Windstream Communications, Inc. Verizon Communications, Inc., to Marlene H. Dortch, FCC, WC Docket No. 03-109 (filed Feb. 22, 2011) (“Feb. 22, 2011 Industry Letter”).

<sup>20</sup> NPRM ¶ 58; Bureau Letter at 3.

<sup>21</sup> NPRM ¶ 58; Bureau Letter at 3.

coordinate communications with subscribers and with other ETCs. Contacting consumers by telephone is frequently difficult and can require multiple attempts per customer. Moreover, the NPRM also proposes to require USAC to seek recovery of support for duplicate subscribers that were enrolled by ETCs, even though the ETCs had no way of knowing of the duplication and fully complied with Commission rules.<sup>22</sup> Providers also face loss of reimbursement for properly eligible low-income consumers who simply fail to respond to an inquiry and would thus be dropped under the Bureau's process.

The proposed process would burden consumers as well. Eligible consumers that simply fail to respond to a notification will lose their Lifeline service. As the Commission is aware, customer response rates to requests for verification have historically been low, even under the threat of disconnection of service, and that likely will continue to be the case in this situation. Consumers will receive inconsistent messages, likely at different times, from at least two (and sometimes more) ETCs. Many consumers likely will be confused enough that they simply fail to respond to requests from either provider. Under the proposed process, non-responsive low-income consumers will have their Lifeline services discontinued, and would therefore either incur higher charges for telephone service or lose service altogether.

Despite these burdens on providers and consumers, the process will not prevent the recurrence of duplicate Lifeline subscriptions. Nothing prevents contacted consumers from responding affirmatively to more than one ETC. Also, because a low-income consumer can initiate a new subscription with any Lifeline provider at any time, duplicates will inevitably begin recurring as soon as they are eliminated. Without a national database in place, ETCs simply cannot prevent the registration of duplicates. The Bureau's process would not alleviate

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<sup>22</sup> NPRM ¶ 62.

this fundamental flaw, and yet would impose significant burdens on providers and low-income Lifeline recipients.

**B. If The Commission Determines It Must Adopt Interim Measures, It Should Implement The Recent Industry Proposal**

Pursuant to a Commission request, ETCs, working with Commission staff, have developed an alternative set of interim measures to address “duplicate claims.”<sup>23</sup> The industry proposal would more efficiently and accurately reduce the number of single individuals with multiple Lifeline/Link Up subscriptions, while still providing low-income consumers with the opportunity to choose their service provider. It would also collect data to inform the Commission’s decisions addressing the more challenging situation of multiple Lifeline subscribers at a single residence. In each respect, the industry proposal would be far superior to the process set forth in the Bureau Letter and proposed in the NPRM. For these reasons, if the Commission adopts interim measures, it should base those measures on the joint industry proposal.

**IV. MODIFYING THE CONSUMER ELIGIBILITY RULES RAISES SUBSTANTIVE PUBLIC POLICY QUESTIONS AND MUST BE PROSPECTIVE ONLY**

The NPRM seeks comment on whether to adopt an explicit one-per-residential address requirement in the Commission’s rules.<sup>24</sup> The NPRM also states that it may be necessary for the Commission to take action on an interim basis while this proceeding is pending to address concerns with USAC reimbursing ETCs for duplicate claims.<sup>25</sup> CTIA urges the Commission to not take any such interim action, as the “one-per-residence” proposal raises substantive policy

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<sup>23</sup> See April 15, 2011 Industry Duplicates Letter.

<sup>24</sup> NPRM ¶ 106; Appendix A at 47 C.F.R. § 54.408 (proposed).

<sup>25</sup> NPRM ¶ 107.

issues that require the full notice-and-comment process to properly address. Additionally, any new consumer eligibility rules should avoid burdening providers and consumers, and must be prospective-only in effect.

**A. The Proposed “One-Per-Residence” Rule Raises Substantive Policy Issues**

The proposed “one-per-residence” rule raises serious substantive policy issues that the Commission has not yet fully considered. The Commission seeks comment on many of these issues in the NPRM. For example, the NPRM notes that the Commission has not defined “household,” and seeks comment on how to define a “residential address.”<sup>26</sup> The NPRM also identifies potential complications and unintended consequences from applying the rule to “residents of commercially zoned buildings, those living on Tribal lands, and group living facilities.”<sup>27</sup> Other important factors the Commission must consider before adopting new rules include how the new rule would affect public safety and consumer access to emergency services; what effect the rule could have on migrant or seasonal workers; how the rule might disrupt current service to subscribers; how cord-cutting trends<sup>28</sup> would interact with the rule and how to account for the more “personal” nature of mobile services; and what timeframe would be appropriate for implementation of the new rule. In order to successfully reform the programs and ensure a rational eligibility policy, the Commission should fully consider all the issues based on a complete record before acting. Taking action without having the answers to these important questions would be procedurally inappropriate and is likely to harm consumers.

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<sup>26</sup> NPRM ¶¶ 106; *see also id.* ¶¶ 109, 111-16.

<sup>27</sup> NPRM ¶¶ 108; *see also id.* 117-125.

<sup>28</sup> As noted above, according to the latest National Health Statistics Report, as of the first half of 2010, 26.6% of the population had cut the cord, meaning more than one in four Americans had only wireless telephones. National Health Statistics Reports, (Apr. 20, 2011) *available at* <http://www.cdc.gov/nchs/data/nhsr/nhsr039.pdf>.

**B. Any Rules Addressing Consumer Eligibility Must Be Implemented On A Prospective-Only Basis**

The “one-per-residence” requirement would establish a new limit on Lifeline eligibility. For both legal and policy reasons, the Commission may only apply any such new rules on a prospective basis.

**1. The Commission Has Never Adopted A One-Per-Residence Requirement**

The NPRM states that “[t]he Lifeline/Link Up program provides support for ‘a single telephone line in a Lifeline subscriber’s principle residence’”<sup>29</sup> and further declares that the proposed rule “is consistent with our existing single-line per residence requirement.”<sup>30</sup> Yet the Commission has never adopted a rule establishing such a requirement for Lifeline; if it had, it would not be proposing to adopt such a rule now. Neither 47 C.F.R. § 54.409 (consumer qualification for Lifeline) nor any other section of 47 C.F.R. Subpart E limits Lifeline to one individual in a household. Furthermore, the Commission has never adopted a generally applicable one-per-residence eligibility rule for Lifeline in any decisional portion of a Commission order.

The NPRM cites a background discussion in the *Lifeline and Link Up Report and Order* for the proposition that there is a “one-per-household” rule,<sup>31</sup> but that Order did not actually adopt such a requirement. In that Order, the Commission cited to Paragraph 341 of the 1997 Universal Service Order in which the Commission stated with respect to the pre-1996 Act Lifeline program that

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<sup>29</sup> NPRM ¶ 50 (citing *Lifeline and Link Up*, WC Docket No. 03-109, *Report and Order and Further Notice of Proposed Rulemaking*, 19 FCC Rcd 8302, 8306 ¶4 (rel. Apr. 29, 2004) (“2004 Lifeline Order”); 47 C.F.R. § 54.411(a)(1)).

<sup>30</sup> NPRM ¶ 107 (citing *2004 Lifeline Order*, 19 FCC Rcd at 8306 ¶ 4; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776, 8957 ¶ 341 (1997) (“1997 Universal Service Order”).

<sup>31</sup> *2004 Lifeline Order*, 19 FCC Rcd at 8306 ¶4.

“qualifying subscribers may receive [Lifeline] assistance for a single telephone line in their principal residence.”<sup>32</sup>

This language in the 1997 Universal Service Order did not establish a one-per-residence rule. First, the plain language of Paragraph 341’s statement that a qualifying subscriber “may receive assistance for a single telephone in their principal residence” does not exclude the possibility that a residence can contain more than one qualifying subscriber, and thus does not preclude multiple qualifying subscribers from receiving Lifeline support even if they live at the same address. Moreover, Paragraph 341 itself is merely a background section of the 1997 Universal Service Order, and is not a section that adopts requirements for the Commission’s new post-1996 Act Lifeline program. Further, the rule cited by the 1997 Universal Service Order as establishing the limitation to a single telephone line in the subscriber’s principal residence was specifically sunset by that Order when the new post-1996 Act Lifeline program took effect.<sup>33</sup>

The NPRM cites no additional support for the current existence of a one-per-residence requirement. Given that the evidence it does cite consists of background discussions, and the only arguably supportive statement in any actual rule has sunset, it is inescapable that adoption of a “one-per-residence” rule would create a new substantive requirement.

## **2. Retroactive Application Of A One-Per-Residence Rule Would Violate Basic Principles Of Law And Policy**

Given that no one-per-residence requirement exists today, it would be inappropriate to penalize ETCs in any manner for past practices that fully complied with the Commission’s rules. The Administrative Procedure Act requires that the Commission adopt new legislative rules, such as the proposed one-per-residence requirement, through a notice and comment

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<sup>32</sup> *1997 Universal Service Order*, 12 FCC Rcd at 8957 ¶ 341.

<sup>33</sup> *Id.* at 12 FCC Rcd 9539 (amending 47 C.F.R. § 69.104(k) to cease to be effective as of December 31, 1997).

rulemaking.<sup>34</sup> Furthermore, any such newly adopted rule may only apply on a prospective basis and the Commission may not penalize past actions taken in full compliance with then-existing laws.<sup>35</sup>

Retroactive application of a one-per-residence rule also would be bad policy. It would be inappropriate to penalize by denying reimbursements to ETCs who have acted in compliance with the existing rules. The Commission should recognize that under the existing rules, ETCs *must* enroll a consumer in a Lifeline service when presented with proof of eligibility.<sup>36</sup> It would be unjust to penalize ETCs by not permitting them to recoup the already-sunk cost of serving individuals who were enrolled in full compliance with the existing rules.

For this reason, if the Commission does adopt a new “one-per-residence” eligibility requirement, that requirement should only apply prospectively to new Lifeline subscribers. In particular, the Commission should not deny a reimbursement for a discount, or require refund of reimbursements received, simply because the consumer signed up for Lifeline services from multiple ETCs concurrently.

For the same reasons, the Commission and USAC should immediately suspend any pending investigations, audits, and PQAs (or portions thereof) involving duplicates issues. Any funds

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<sup>34</sup> See CTIA–The Wireless Association® *et al.*, Petition for Reconsideration of the Wireline Competition Bureau’s January 21, 2011 Letter to the Universal Service Administrative Company, CC Docket No. 96-45, WC Docket No. 03-109, at 6-9 (filed Feb. 22, 2011); *see also Sprint Corp. v. FCC*, 315 F.3d 369, 374 (D.C. Cir. 2003) (“[N]ew rules that work substantive changes in prior regulations are subject to the APA’s procedures.”); 5 U.S.C. § 553 (2011)(setting out the rulemaking requirements of the APA).

<sup>35</sup> See *Celtronix Telemetry, Inc. v. FCC*, 272 F.3d 585, 588 (D.C. Cir. 2001) (“a retroactive rule forbidden by the APA is one which ‘alters the past legal consequences of past actions’ ”)(*quoting Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 219 (1988) (Scalia, J., concurring)); *id.* (*citing Bergerco Canada v. U.S. Treasury Dep’t*, 129 F.3d 189, 192-93 (D.C. Cir. 1997)(treating Justice Scalia’s concurring opinion as “substantially authoritative”)).

<sup>36</sup> See 47 C.F.R. § 54.405(a) (“All eligible telecommunications carriers shall: (a) Make available Lifeline service, as defined in Sec. 54.401, to qualifying low-income consumers....”).

“reclaimed” in association with such proceedings should be returned to the beneficiary ETC.

Continuing to enforce a requirement which the Commission has never adopted is both legally suspect and bad policy.

**V. RATHER THAN ADOPTING ADDITIONAL MANDATORY REQUIREMENTS, THE BEST WAY TO INCREASE PARTICIPATION IN THE LOW-INCOME PROGRAMS IS TO PROMOTE COMPETITION AMONG ETCs.**

The NPRM seeks comment on whether to impose specific outreach requirements on ETCs, as recommended by the Joint Board.<sup>37</sup> The proposals discussed include requiring mandatory outreach efforts and requiring uniform language regarding Lifeline requirements in all marketing materials. However, because competition has led to widespread adoption and consumer satisfaction with wireless services generally, CTIA urges the Commission to continue to rely on competition as the primary strategy to improving outreach in the Lifeline/Link Up programs.

The best way to promote awareness of the low-income programs and participation by eligible consumers is to lower the barriers to service provider participation. Carriers in a competitive market are more likely to be motivated to advertise the availability of a product. Competition among eligible service providers also will drive providers to expand their marketing and outreach, and innovate in their service offerings, which will make low-income services more desirable to consumers. This competitive dynamic reduces the need for regulation and oversight.

As the Commission has recognized, competition in the wireless industry has led to steady increases in telephone service availability and subscribership.<sup>38</sup> Given this enormous success,

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<sup>37</sup> NPRM ¶ 235 *et seq.*

<sup>38</sup> According to the Commission’s Fourteenth Report on mobile wireless competition, 95.8% of Americans have a choice of three or more facilities-based wireless carriers, 90.9% of Americans have a choice of four or more facilities-based wireless carriers, while 73.8% have a choice of five or more – with each offering a different combination of services and features.

there is every reason to believe that competition in the Lifeline marketplace will lead to similar consumer awareness of services and similar consumer benefits. As a result, the Commission should reduce barriers to carrier participation in the low-income programs. Indeed, as more Lifeline providers enter the market, it will become less likely that consumers will purchase service from a given provider unless that provider's Lifeline offering is truly valuable to the consumer. And, as the Commission has recognized, there is no reason to believe additional Lifeline competition will have a negative impact on the size of the fund, because the size of the fund is limited by the number of consumers in a given geographic area.<sup>39</sup>

Rather than adopting prescriptive outreach requirements, ETCs should be allowed to market in innovative ways in order to most effectively reach low-income consumers and best foster competition for Lifeline subscribers. Detailed outreach rules may dissuade new ETC entry and stifle competition, resulting in less desirable service offerings for low-income consumers.<sup>40</sup>

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*Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, WT Docket No. 09-66, Fourteenth Report, 25 FCC Rcd 11407, 1447-48, tbl. 4 (rel. May 20, 2010) (“Fourteenth Report”). This does not even count the presence of mobile virtual network provider (“MVNO”) competition in markets large and small.

<sup>39</sup> *Federal-State Joint Board on Universal Service Telecommunications Carriers Eligible for Universal Service Support, i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 94-45, WC Docket No. 09-197, Order, 25 FCC Rcd 8784, 8791 ¶ 19 (rel. June 25, 2010); *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095, 15103-04 ¶ 17 (rel. Sept. 8, 2005).

<sup>40</sup> Perhaps the best example of a counterproductive outreach rule is USAC's current requirement, applied in Lifeline audits, that ETCs list each Lifeline supported service – such as “dual-tone multifrequency signaling or its functional equivalent” – separately in its advertisements. See Letter from Richard A. Belden, USAC, to Julie Veach, FCC, WC Docket No. 05-337 (filed Aug. 24, 2009); *Comment Sought on Request for Universal Service Fund Policy Guidance Requested by the Universal Service Administrative Company*, WC Docket Nos. 05-337, 06-122, CC Docket No. 96-45, Public Notice, 24 FCC Rcd 12093 (2009).

This is particularly true given that, under the current rules, ETCs are not allowed to recover their Lifeline marketing costs.<sup>41</sup>

Consumers also would benefit if state social service agencies that deal directly with low-income consumers increased their participation in outreach efforts. As the National Broadband Plan concluded, “[s]tate social service agencies should take a more active role in consumer outreach....”<sup>42</sup> Such agencies already evaluate eligibility for the programs that determine Lifeline eligibility, such as LIHEAP and TANF; thus, they have regular access to large pools of potential Lifeline customers. The Commission would miss an enormous opportunity for efficient and effective outreach if it did not urge greater participation by state social service agencies.

## **VI. A NATIONAL PROGRAM SHOULD HAVE NATIONAL RULES**

### **A. The Commission Should Adopt A Uniform National Eligibility Criteria**

CTIA agrees with the Commission that “uniform eligibility requirements could potentially lead to more streamlined and effective enrollment of eligible consumers while lessening regulatory burdens on providers.”<sup>43</sup> The current regulatory patchwork of eligibility requirements imposes significant compliance burden and process inefficiencies on providers, which ultimately harms consumers. In contrast, a uniform set of national eligibility criteria would benefit low-income consumers. First, it would greatly facilitate outreach efforts by enabling national advertising campaigns. Additionally, uniform national criteria would simplify the creation and maintenance of a national eligibility database, since one set of criteria would

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<sup>41</sup> The Lifeline and Link Up programs reimburse ETCs only for direct discounts provided to consumers. 47 C.F.R. §§ 54.407, 54.413.

<sup>42</sup> *Connecting America: The National Broadband Plan* at 172, Rec. 9.1. See also, e.g., Advocates for Basic Legal Equality *et al.* comments at 33.

<sup>43</sup> NPRM ¶ 155.

apply to all participants. Finally, uniform national criteria would facilitate consumer education efforts and reduce consumer confusion, as low-income individuals would be eligible under the same criteria no matter where they reside.<sup>44</sup> The Commission should therefore adopt uniform national eligibility criteria for Lifeline and Link Up.

**B. The Support Amount Should Be Uniform And Rationalized**

Similarly, the NPRM is correct that the current “tiered” Lifeline support structure makes little sense in the current environment.<sup>45</sup> The baseline support amount is tied to the level of the ILEC subscriber line charge (“SLC”) in the area where the customer resides, even though the customer may receive Lifeline service from a wireless carrier rather than the ILEC. Indeed, it is not always straightforward for a wireless carrier to determine with certainty the level of each ILEC’s SLC or the precise boundaries of each ILEC’s service territory. The additional tiers of support create a structure that is difficult for consumers (and others) to understand, complicating comparison of Lifeline plans. As a result, the current structure is not the best way to ensure that service is “affordable” for low-income consumers.

CTIA therefore supports a uniform, rationalized Lifeline discount amount that is not tied to the ILEC SLC.<sup>46</sup> This will simplify the process for carriers and consumers, and facilitate national advertising of Lifeline service packages. Less complex discount rules also will streamline low-income audits, increasing the integrity of the program.

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<sup>44</sup> As the Commission has noted, low-income consumers “may be more transient in residence than the general population,” and would therefore benefit from a single nationwide standard. NPRM ¶ 165.

<sup>45</sup> NPRM ¶¶ 245-247.

<sup>46</sup> See NPRM ¶ 249.

### C. The Commission Should Adopt A Uniform National Annual Sampling Methodology

The Commission proposes to establish a “uniform methodology for conducting verification sampling that would apply to all ETCs....”<sup>47</sup> The current rules require ETCs to verify annually that a statistically-valid random sample of that ETC’s Lifeline subscribers are eligible for the service. As the Commission notes, there are several issues with the existing sampling methodology.<sup>48</sup> CTIA supports the adoption of a single nationwide standard, which will ease compliance burdens and reduce provider costs.

The uniform national sampling methodology should not require ETCs to gather certifications from *all* of their subscribers on an annual basis.<sup>49</sup> Such a requirement would unduly burden providers and consumers for many of the same reasons that the NPRM’s proposed duplicate elimination process would be burdensome.<sup>50</sup> In fact, the proposed annual certification would be even more burdensome than the duplicates “solution,” because the certification requirement would apply to *every* subscriber. Providers would be required to add significant amount of staff and equipment to contact subscribers. As noted above, response rates for Lifeline subscribers are very low, adding to the provider burden in acquiring the required certification. Furthermore, none of these expenses would be reimbursable by the Lifeline fund. Consumers would also suffer the repeated burden of responding to inquiries, and the risk that a non-response could result in termination of services, even for those who are clearly eligible. The

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<sup>47</sup> NPRM ¶ 177.

<sup>48</sup> NPRM ¶¶ 179-81.

<sup>49</sup> See NPRM ¶ 167 (“We propose to amend ... our rules to require that all ETCs obtain a certification from every subscriber verified during the annual verifications process....”); n.302 (citing forbearance conditions imposed on prepaid wireless Lifeline ETCs).

<sup>50</sup> See *supra* Section III.

burdens of annual certification would far outweigh any potential benefits, and the Commission should not adopt such a requirement.

## **VII. THE COMMISSION SHOULD REJECT PROPOSALS THAT ARE OVERLY BURDENSOME AND UNNECESSARY AT THIS TIME**

The NPRM contains a number of other proposals that would be overly burdensome and are unnecessary to meet the Commission's goals, including eliminating the self-certification option, requiring pro rata reporting of customer counts, establishing mandatory minimum charges on consumers, and imposing an overall cap on Lifeline support. As described below, CTIA urges the Commission to reject such proposals and instead focus its efforts on proposals that will bring the most benefit to Lifeline subscribers while minimizing the burdens on providers.

### **A. The Commission Should Continue To Allow Self-Certification Of Eligibility**

The Commission proposes to eliminate the self-certification option and instead require all consumers in all states to present documentation of eligibility for the Lifeline/Link Up programs.<sup>51</sup> But disallowing self-certification would be burdensome on ETCs, invasive for consumers, and inconsistent with the proposal to adopt a national database to govern consumer eligibility and verification.

Forcing ETCs to collect and verify detailed information regarding all of their subscribers' income qualifications would require a significant amount of additional manpower and expense. As described above in Section II, rather than requiring ETCs to collect such personal information, which goes beyond traditional carrier-customer relationships, the Commission should focus its efforts on the development of a nationwide database to confirm and verify consumer eligibility. These burdens associated with eliminating the self-certification option now

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<sup>51</sup> NPRM ¶ 170.

are particularly difficult to justify given that this substantial and costly change in the ETC-Lifeline consumer relationship would only be relevant for a brief time, until deployment of the national eligibility database, which would eliminate any need for ETCs to collect and evaluate such information.<sup>52</sup>

**B. There Is No Reason to Require Pro-Rata Reporting of Lifeline Customer Counts**

The NPRM proposes requiring all ETCs to report pro-rata dollars when claiming reimbursement for Lifeline customers who received services for less than a full month.<sup>53</sup> This requirement is completely unnecessary and burdensome. CTIA urges the Commission to reject it.

Pro-rata reporting would impose prohibitive expenses on providers that could require costly daily data analysis.<sup>54</sup> The NPRM states that because ETCs routinely bill customers for partial months, they must therefore be able to calculate partial month Lifeline enrollment counts.<sup>55</sup> This is not true, however, for prepaid wireless service, which is billed up front in monthly increments.

Even if the costs of a pro-rata calculation are lower for ETCs with the ability to bill partial months, the NPRM offers no evidence to demonstrate that a pro-rata requirement would eliminate waste, fraud, or abuse. Under the existing system, which allows subscriber counts to be calculated on a fixed day of the month, there is no reason to believe that the number of new

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<sup>52</sup> See *supra* Sections II – IV.

<sup>53</sup> NPRM ¶ 67.

<sup>54</sup> See Comments of Verizon and Verizon Wireless, WC Docket No. 03-109, at 2-3 (filed Apr. 9, 2010).

<sup>55</sup> NPRM ¶ 67.

customers and departing customers in each month does not wash out, statistically.<sup>56</sup> Thus there is no indication of waste, fraud, or abuse in the current methodology that a pro-rata reporting requirement would eliminate. Given that there is no demonstrated benefit for the burden imposed, whatever its size, the Commission should reject a pro-rata reporting requirement.

**C. There Is No Reason To Impose Mandatory Minimum Charges On Consumers**

The NPRM seeks comment on whether ETCs should be required to collect some minimum charge from Lifeline subscribers to prevent waste, fraud, and abuse.<sup>57</sup> CTIA is concerned, however, that these proposals would be overly burdensome, ineffective, and ultimately would discourage customers from enrolling in the programs, reducing the value of competitive Lifeline offerings for consumers.

Imposing mandatory charges on consumers would be administratively burdensome for consumers and carriers, particularly for prepaid offerings where many customers are not currently billed on a monthly basis. Billing and collecting from consumers of limited means would impose costs on ETCs and on consumers that would likely outweigh any savings. This is especially true given that it is not clear that these proposals would do anything to curtail fraud, waste and abuse. Finally, mandatory minimum charges would be a form of rate and service regulation which the Commission should not impose in a competitive marketplace.

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<sup>56</sup> See Comments of Verizon and Verizon Wireless, WC Docket No. 03-109, at 2-3 (filed Apr. 9, 2010).

<sup>57</sup> NPRM ¶ 86.

**D. The Commission Should Not Impose A Cap On The Overall Lifeline Program**

While the Commission must always be conscious of the contribution burden on consumers, a cap on the Lifeline program<sup>58</sup> is unnecessary at this time. The Commission has proposed a number of reforms in this NPRM that would strengthen program administration and ensure that Lifeline support funds are used effectively. As the NPRM observes, these reforms “could reduce expenditures and the size of the program.”<sup>59</sup>

Moreover, since the Lifeline program is focused on delivering benefits to end user consumers (rather than, for example, carriers participating in the high cost support mechanisms), the proposal to cap Lifeline support raises difficult questions about the impact on low income consumers. For example, the Commission has cited data showing that less than 33% of eligible consumers actually obtain benefits – less than 20% not factoring in California and Texas.<sup>60</sup> Thus, there are still significant portions of the eligible low income community that do not participate in the Lifeline program. Exactly how these low income consumers would be affected by a cap would raise a range of thorny policy and administrative questions for the Commission, states, carriers and low income consumers. Would all low income consumers receive pro rata support, or would new applicants be denied support? Because support under the low income program is directed at the consumer, the impact of a cap would be felt directly by low income Americans.

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<sup>58</sup> NPRM ¶ 145.

<sup>59</sup> NPRM ¶ 144.

<sup>60</sup> NPRM ¶ 25 & Chart 2 (*citing* 2009 Lifeline participation rates).

In light of the other reforms proposed in the NPRM that are likely to improve the efficiency of the program, and the serious problems posed by implementation of a cap, the Commission should not pursue a cap at this time.

#### **VIII. TIME-LIMITED PILOT PROGRAMS CAN INFORM THE FCC'S EFFORTS TO MODERNIZE THE LOW-INCOME PROGRAM'S SUPPORT OF BROADBAND ADOPTION**

CTIA has consistently supported the Commission's proposals to modernize the low income support mechanisms to address the adoption of broadband services by low income consumers. At the same time, expanding the scope of the program raises issues regarding accommodating technological and marketplace changes and increasing the size of the fund (and the contribution burden on consumers). To address these concerns, the Commission should proceed judiciously by creating competitively- and technologically-neutral pilot programs to explore, in a limited setting, how Lifeline/Link Up can support broadband adoption.

The Commission proposes to establish a broadband pilot program and seeks comment on the duration and scope of the program, among other issues.<sup>61</sup> CTIA supports a broadband pilot program with an established time-limit. A time-limited pilot would avoid creating a permanent funding obligation while still enabling the Commission to gather information on how to proceed.

CTIA urges the Commission to design the broadband pilot to be competitively and technologically neutral, and to empower consumers to choose the broadband service that best suits their needs. Thus, any pilot programs in which Lifeline would be used to support broadband services should be open to mobile wireless providers. Inclusion of mobile broadband services in Commission pilot programs would be consistent with consumer demand, the

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<sup>61</sup> NPRM ¶ 279.

Communications Act of 1934, as amended (the “Act”), the National Broadband Plan, and President Obama’s Wireless Initiative.

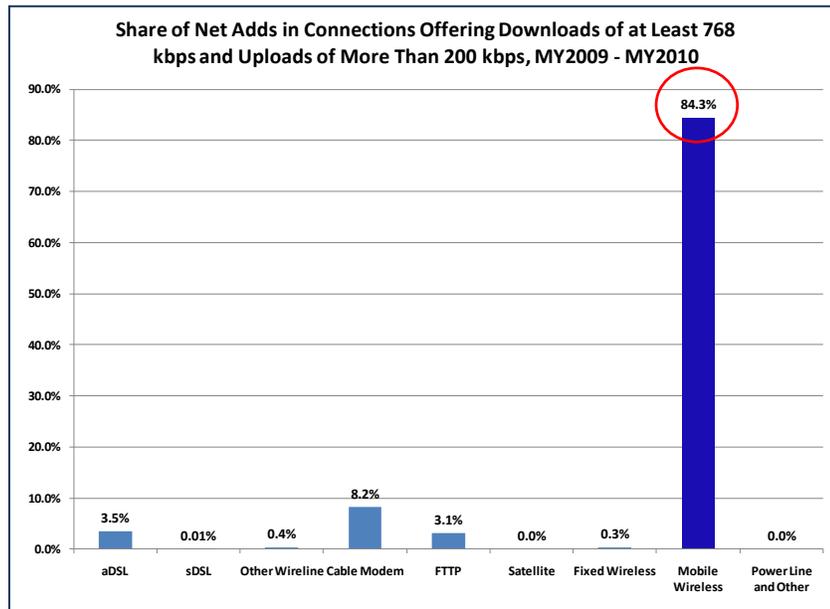
Consumers place enormous and ever-increasing value on the flexibility of using data and voice services wherever they are, and are embracing mobile broadband faster than any other broadband platform. Indeed, Commission reports show that, over the twelve-month period from June 2009 to June 2010, the number of mobile wireless connections with download speeds of at least 768 kbps *increased by over 150%*, and accounted for *almost 85% of all new connections* in that speed range.<sup>62</sup>

This explosive growth in consumer demand for mobile broadband services is shown in the following chart:

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<sup>62</sup> Compare Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division, *Internet Access Services: Status as of June 2009*, at 13, tbl. 6 (Sept. 2010) (approximately 16 million mobile wireless connections and 86.6 total connections with download speeds of 768 kbps or greater and upload speeds over 200 kbps) with Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division, *Internet Access Services: Status as of June 30, 2010*, at 30, tbl. 12 (March 2011) (approximately 40.3 million mobile wireless connections and 115.4 million overall connections with download speeds of 768 kbps or greater and upload speeds over 200 kbps). Both reports available at <http://www.fcc.gov/wcb/iatd/comp.html>.

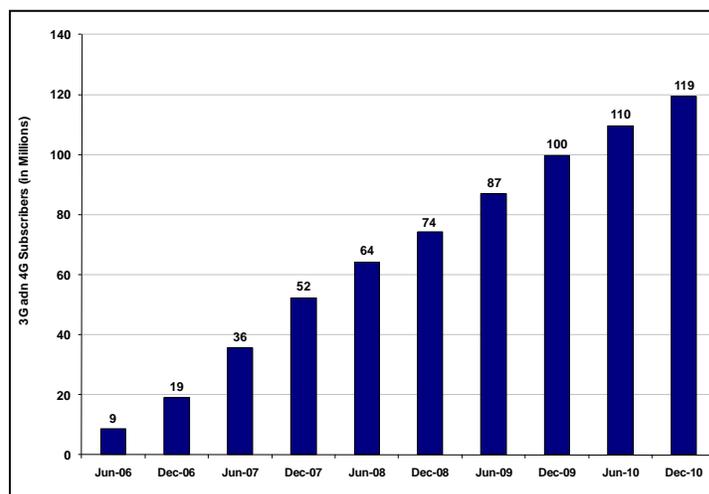
## Growth In Broadband Connections With Download Speeds Of At Least 768 Kbps



Source: FCC Internet Access Services Report, March 2011

Other sources confirm the dramatic growth in unique mobile broadband subscribership, as the following chart demonstrates:

## Unique High-Speed Wireless Subscribership Is Growing



Sources: comScore MobiLens

Mobile broadband is singularly beneficial for low-income and minority consumers.

According to a report from the Pew Internet and American Life Project, *low-income groups in*

*the U.S. are now the fastest growing group of wireless Internet adopters, up to 46 percent from 35 percent in April 2009.*<sup>63</sup> Additionally, 54 percent of African-Americans and 53 percent of English-speaking Hispanics access the Internet over their mobile phones, compared to 35 percent of Caucasians.<sup>64</sup> And 17 percent of those who earn less than \$30,000 per year, 20 percent of those who have not graduated from high school, and 15 percent of those who have graduated from high school but have not attended college, connect to the Internet solely through a mobile wireless connection.<sup>65</sup> Additionally, African-Americans and English-speaking Latinos continue to be among the most active users of the mobile web.<sup>66</sup> Cell phone ownership is higher among African-Americans and Hispanics than among Caucasians (87 percent vs. 80 percent), and minority cell phone owners use a much greater range of their phones' features compared with Caucasian mobile phone users.<sup>67</sup> Mobile devices, with their ever-increasing capabilities, are bringing broadband Internet access to individuals in novel and expanding ways. In this way, the mobile platform is delivering broadband availability to those that otherwise might not have it.

As Chairman Genachowski observed recently, “[m]obile broadband is being adopted faster than any computing platform in history – creating a uniquely powerful platform for

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<sup>63</sup> AARON SMITH, PEW INTERNET & AMERICAN LIFE PROJECT, MOBILE ACCESS 2010 at 9 (July 7, 2010) (“Pew Mobile Access 2010 Report”), *available at* <http://www.pewinternet.org/Reports/2010/Mobile-Access-2010.aspx>; *see also* Matt Hamblan, *Pew study finds rapid increase in mobile Internet use by low-income Americans*, NETWORK WORLD, July 9, 2010, *available at*: <http://www.networkworld.com/news/2010/070910-pew-study-finds-rapid-increase.html?hpg1=bn>.

<sup>64</sup> Pew Mobile Access 2010 Report at 10. The survey did not cover Spanish-speaking Hispanics.

<sup>65</sup> *Id.*

<sup>66</sup> *Id.* at 15.

<sup>67</sup> *Id.* at 16.

innovation.”<sup>68</sup> The National Broadband Plan similarly recognized that “[m]obile broadband represents the convergence of the last two great disruptive technologies—Internet computing and mobile communications—and may be more transformative than either of these previous breakthroughs.”<sup>69</sup> Thus, CTIA urges the Commission to design any pilot programs for Lifeline-supported broadband services to be open to mobile broadband services.

Taking these steps will enable the Commission to maximize the benefit of the pilot program as a learning experience to guide a future transition.

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<sup>68</sup> Julius Genachowski, Chairman, FCC, Prepared Remarks on Spectrum, The White House (Apr. 6, 2011), available at [http://www.fcc.gov/Daily\\_Releases/Daily\\_Business/2011/db0406/DOC-305593A1.pdf](http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0406/DOC-305593A1.pdf). See also *supra* note 4.

<sup>69</sup> *Connect America: The National Broadband Plan* (2009) (“NBP”) at 75.

## IX. CONCLUSION

CTIA strongly agrees with the Commission that “[t]he emergence of competing carriers and multiple services has enhanced consumer choice, and led to an increase in the average number of monthly minutes included in a Lifeline wireless plan at no charge to the consumer.”<sup>70</sup> As described in these comments, CTIA supports the Commission’s efforts to modernize its rules so that program integrity can be maintained as the program evolves along with technological and marketplace changes.

Respectfully submitted,

CTIA–THE WIRELESS ASSOCIATION®

/s/ Scott K. Bergmann  
Scott K. Bergmann  
Assistant Vice President, Regulatory Affairs

Michael F. Altschul  
Senior Vice President & General Counsel

Christopher Guttman-McCabe  
Vice President, Regulatory Affairs

**CTIA–The Wireless Association®**  
1400 16th Street, NW, Suite 600  
Washington, DC 20036  
(202) 785-0081

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<sup>70</sup> NPRM ¶ 104.