

**Before the
Federal Communications Commission
Washington, D.C. 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
)	
)	WC Docket No. 03-109
Lifeline and Link Up)	

**REPLY COMMENTS OF THE NATIONAL ASSOCIATION OF STATE
UTILITY CONSUMER ADVOCATES ON SELECTED SECTIONS OF
NOTICE OF PROPOSED RULEMAKING**

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I. INTRODUCTION

On March 4, 2011, the Federal Communications Commission (“Commission” or “FCC”) issued a NPRM in these dockets. As described by the FCC, the reforms set forth in the NPRM

will significantly bolster protections against waste, fraud, and abuse; control the size of the program; strengthen program administration and accountability; improve enrollment and outreach efforts; and support pilot projects that would assist the Commission in assessing strategies to increase broadband adoption, while not increasing overall program size.²

The National Association of State Utility Consumer Advocates (“NASUCA”) filed comments on the NPRM, as did other consumer advocates, state regulators, and many industry entities. Per the direction in the NPRM, NASUCA responds here to comments

¹ Pursuant to the Notice of Proposed Rulemaking (“NPRM”), these reply comments address Sections IV (¶¶ 46-102), V (Subsection A) (¶¶ 103-125), and VII (Subsections B and D) (¶¶ 158-198 and 205-222, respectively) of the NPRM. Also per the NPRM, reply comments on the remaining portions of the NPRM are to be filed on May 25, 2011.

² FCC 11-32 (rel. March 4, 2011), ¶ 1.

on certain portions of the NPRM.³

There appears to be consensus only on two lofty principles: that low-income persons should be assisted in their need for telecommunications services, and that measures to limit waste, fraud and abuse in an assistance program are important. Beyond, those general principles, there is little agreement among the industry or among regulators as to how the principles should be implemented. And, unfortunately, there is far too much of a typical theme that runs through the industry comments: “Help me... and whether or not you help me, please don’t help my competitors!”⁴

II. IMMEDIATE REFORMS⁵

In this section of the NPRM, the Commission addressed seven different areas where it proposed immediate “reforms” for the Lifeline program. NASUCA provided initial comments on six of the seven areas, unlike a number of the other commenters.

³ Comments responded to here include those by Advocates for Basic Legal Equality, et al. (“ABLE, et al.”); Alaska Telephone Association (“ATA”); Amvensys Telecom Holdings, LLC (“Amvensys”); AT&T; Benton Foundation, et al. (“Benton, et al.”); Budget PrePay,® Inc., GreatCall, Inc., and PR Wireless, Inc. d/b/a Open Mobile (“Budget, et al.”); CenturyLink; CGM, LLC (“CGM”); Cincinnati Bell, Inc. (“Cincinnati Bell”); COMPTEL; Conexions LLC dba Conexion Wireless (“Conexions”); the Connecticut Department of Public Utility Control “CTDPUC”); Consumer Cellular, Inc. “Consumer Cellular”); Cox Communications, Inc. (“Cox”); CTIA – The Wireless Association® (“CTIA”); Emerios; the Indiana Utility Regulatory Commission (“IURC”); Keep USF Fair Coalition (“KUSFF”); Leap Wireless International, Inc. and Cricket Communications, Inc. (“Cricket”); the Massachusetts Department of Telecommunications and Cable (“MDTC”); the Mississippi Public Service Commission (“MPSC”); National ALEC Association/Prepaid Communications Association (“NALA/PCA”); National Telecommunications Cooperative Association (“NTCA”); the Nebraska Public Service Commission “NPSC”); the New York Public Service Commission (“NY PSC”); Nexus Communications, Inc. (“Nexus”); One Economy Corporation (“One Economy”); Open Access Connections, et al. (“open Access, et al.”); the Public Service Commission of the District of Columbia (“DC PSC”); Reunion Communications, Inc. (“Reunion”); Second Harvest Foodbanks (“Second Harvest”); Smith Bagley, Inc. (“SBI”); Sprint Nextel Corporation (“Sprint”); Solix, Inc. (“Solix”); the Staff of the Public Utilities Commission of Ohio (“PUCO Staff”); TracFone Wireless, Inc. (“TracFone”); United States Telecom Association (“USTelecom”); YourTel America, Inc. (“YourTel”)

⁴ See USTelecom Comments at 10-11.

⁵ NPRM, Section IV. In this part, the subheads match those in the NPRM.

A. DUPLICATE CLAIMS

In its comments, NASUCA

share[d] the Commission’s concern about duplicate support and support[ed] adoption of a rule that would require all ETCs receiving federal Lifeline/Linkup support to provide formatted data to USAC to enable USAC to identify duplicate support at the same residential address. The data should be sufficient to identify duplicate support provided to the same household or to the same person where Lifeline/Linkup support is provided to individuals residing in group homes.⁶

NASUCA stated, however, “that ETCs or their Lifeline customers should [not] be penalized when duplicate support is being investigated” and proposed that “a 30-day grace period following the date of notification to the ETC should be allowed.”⁷

But it should be clear that the discussion on this issue is not helped by arguments such as NTCA’s, which counts as “evidence that multiple ETCs are seeking reimbursement for Lifeline service provided to the same residence and/or the same individual...”⁸ the fact “that the Commission’s 2010 Telephone Trends Report indicates nearly 60% of households have both a landline and wireless telephone.”⁹ This is a misuse of the Commission’s statistic, which the Commission cited only for the proposition that “most low-income households have a choice of voice service from one or more wireline providers and potentially multiple mobile wireless providers.”¹⁰ Only slightly more compelling, however, is the Commission’s brief mention of a USAC audit “that found a significant duplication rate between ETCs in two states.”¹¹

⁶ NASUCA Comments at 9 (footnotes omitted).

⁷ Id. at 10.

⁸ NTCA Comments at 3

⁹ Id., n.6, citing NPRM note 86.

¹⁰ NPRM, ¶ 50

¹¹ Id., ¶ 48.

It seems that the only actual data that has been added to the record here is this, from the MPUC:

The Mississippi Public Utilities Staff (Staff) recently observed troubling violations of this policy by numerous Lifeline customers of Mississippi's three designated prepaid wireless Eligible Telecommunications Carriers (ETCs). Using a scientific sampling approach, the Staff compared customer name and address information provided by each of the prepaid wireless ETCs, effective December 31, 2010. Consequently, the Staff noted that hundreds of customers were claiming Lifeline subscriptions from as many as all three ETCs. Following the Staff's consultation with each ETC, this data was transmitted by each respective ETC to the Universal Service Administrative Company (USAC) for further review and analysis. It is the MPSC's belief that the perpetration of such customer fraud contributes to waste and inefficiency in the low-income program and must be eliminated.¹²

Without further detail, however, even this description is not entirely helpful.

NASUCA agrees with COMPTTEL that “[t]he lack of clarity in the existing rules could not help but have contributed to the generation of duplicate claims.”¹³ Budget states clearly the issue here:

The Commission's concerns about duplicate claims in the Low Income program present a classic dilemma. At the heart of the dilemma is the fact that program compliance ultimately rests on the thousands of eligibility certifications being provided by individual low income subscribers. With respect to the Commission's proposed one-per-residence rule, there will be many situations where Lifeline participants either fail to respond to inquiries about apparent duplicate post office addresses, or will maintain they are eligible notwithstanding. The Commission's proposed approach will resolve any uncertainty in such cases against the carrier and ultimately the subscriber – *i.e.*, when a carrier, with or without the cooperation of the subscriber, cannot prove the subscriber is eligible, the subscriber will be terminated from the program. ...

Carriers can obtain certifications and verify documentary evidence supporting those certifications during the customer intake process and however often is required thereafter; but there is little else carriers can do. If the Commission adopts a rule that makes carriers liable in cases of

¹² MPUC Comments at 2-3.

¹³ COMPTTEL Comments at 3. (Those rules are discussed in Section III., below.)

uncertain eligibility status, it will cause wide-spread terminations of current participants from Low Income program. Such terminations will inevitably include many participants who are, in fact, eligible. The Companies urge the Commission to proceed carefully.¹⁴

NASUCA agrees that the Commission should proceed carefully in this area. This care should include the fact that “[p]ursuant to the Commission’s proposal, both ETCs would be required to cease seeking Lifeline reimbursement as soon as the duplicate claims are discovered, meaning that carriers would be forced to subsidize the customer’s service pending resolution or start billing the customer for the non-discounted rate of the service in order to be made whole.”¹⁵ This will undoubtedly have unintended negative consequences for both the ETCs and their Lifeline customers.¹⁶

B. PRO RATA REPORTING

The FCC proposed adoption of a clarifying rule to require ETCs to seek Lifeline support from USAC that compensates the ETC only for the actual number of days in a month that the Lifeline service was provided (pro-rata billing).¹⁷ NASUCA supported such a rule,¹⁸ as do other commenters.¹⁹

AT&T asserts that the Commission has no such current rule, and that if a rule is adopted, it can only be prospective in application.²⁰ More importantly, AT&T argues that partial month reporting will not be necessary once the national database is established.²¹

¹⁴ Budget Comments at 12.

¹⁵ COMPTEL Comments at 4.

¹⁶ See also Consumer Cellular Comments at 9.

¹⁷ NPRM, ¶¶ 65-67.

¹⁸ NASUCA Comments at 11.

¹⁹ PUCO Staff Comments at 8.

²⁰ AT& Comments at 2426.

²¹ Id. at 24.

NASUCA agrees, but given the problems identified with establishing such a database, as discussed in Section IV., below, the Commission would be well-advised to adopt a rule now. Just as Amvensys correctly notes that it is important to have rapid approval of the addition of a new customer,²² it is also important for the Low-Income Program not to pay for the periods before a customer is enrolled in Lifeline (or after a customer leaves or is removed from the program). Of course, the cost of such a rule must also be considered.²³

C. TOLL LIMITATION

The FCC proposed to eliminate reimbursement for the cost of Toll Limitation Service, noting the significant variation in the “costs” that ETCs are currently receiving from USAC, ranging from \$0 to \$36 monthly.²⁴ NASUCA agreed with the FCC’s proposal.²⁵

As with many other issues, this is a wireline vs. wireless issue – wireless carriers do not typically charge extra for long-distance calling, so there is no need for toll restriction on their service. More specifically, this is a wireline reseller issue – they incur costs for toll limitation services. Thus those that oppose removing reimbursements on toll limitation service are wireline resellers.²⁶

Others argue that if the Commission eliminates toll restriction reimbursements, it must also eliminate the requirement to provide free toll restriction service to Lifeline

²² Amvensys Comments at 8.

²³ See AT&T Comments at 27; Consumer Cellular Comments at 11-12; CTIA Comments at 22-23.

²⁴ NPRM, ¶¶ 68-70.

²⁵ NASUCA Comments at 11.

²⁶ See NALA/PCA Comments at 5; Amvesys Comments at 5-6. Both commenters include both a wireless and wireline Lifeline providers. See also Reunion Comments at 3-4. In contrast, Sprint supports removing toll limitation reimbursement. Sprint Comments at 9.

customers.²⁷ Despite the minimal cost to most carriers of toll limitation service, the easiest and most effective compromise may be to establish an “aggressive” cap on toll restriction reimbursements – AT&T proposes \$1 a month.²⁸ But NASUCA proposes that the reimbursement should be available only to ETCs that do not self-provision the toll limitation service.

D. CUSTOMER CHARGES ELIGIBLE FOR LINK UP

The FCC asked for input on the compensation provided to ETCs under the Link Up program for the customary charges for commencing telecommunications service.²⁹ NASUCA agreed with the Commission’s proposed changes, including (a) defining “customary charge for commencing telecommunications service’ as the ordinary initiation charge that an ETC routinely imposes on all customers within a state” and (b) making clear “that activation charges that are waived, reduced, or eliminated ... are not customary charges eligible for universal service support.”³⁰ Numerous commenters support this approach.³¹

Nexus provides the most detailed argument against this proposal.³² In the end, however, its arguments are unavailing, representing the pleading of a carrier that relies on this particular revenue source. Amensys argues, on the other hand, that the USF should provide reimbursement, not just for the actual cost of connecting Lifeline customers, but

²⁷ AT&T Comments at 3; CenturyLink Comments at 8; USTelecom Comments at 16-17.

²⁸ AT&T Comments at 3; see also COMPTTEL Comments at 12-13; Reunion Comments at 16-17.

²⁹ NPRM, ¶¶ 71-79.

³⁰ NASUCA Comments at 13 (footnotes omitted).

³¹ ABLE, et al. Comments at 26-28; AT&T Comments at 29; COMPTTEL Comments at 13; Cricket Comments at 6; IURC Comments at 4-5; MPUC Comments at 4; Sprint Comments at 9-10; TracFone Comments at 42-44; USTelecom Comments at 17. See also Connexions Comments at 5.

³² Nexus Comments at 13-20; see also NALA/PCA Comments at 3-4.

for customer acquisition costs.³³ This is inappropriate, as ABLE, et al. and AT&T argue.³⁴

Budget asserts that what is “customary” should be defined separately for each state.³⁵ Given carriers’ preferences for national programs and pricing, however, it is not clear why such differences would exist.

E. CUSTOMER USAGE OF LIFELINE-SUPPORTED SERVICE/MINIMUM CHARGES FOR LIFELINE SERVICE

The FCC proposed to eliminate Lifeline support for inactive customers.³⁶

NASUCA’s comments agreed

with adoption of a rule that would require elimination of support for any prepaid wireless Lifeline customer who fails to use the service for a 60 or 90 day period of time. Indeed, it would make sense to remove any period of non-usage beyond the first thirty days from the prepaid wireless carrier’s USAC reimbursement.³⁷

Sprint proposes a reasonable list of activities that would signify the customer’s intention to continue to use the service.³⁸ And NASUCA agrees with ABLE, et al. that “sufficient pre- and post-discontinuation notice” to the customer is necessary.³⁹

NASUCA pointed out, however, that “the FCC proposal to extend the rule to postpaid customers is directed toward a problem that does not exist.”⁴⁰ Various wireline providers agree.⁴¹

³³ Amensys Comments at 3.

³⁴ ABLE, et al. Comments at 31-32; AT&T Comments at 30.

³⁵ Budget Comments at 7-8.

³⁶ NPRM, ¶¶ 80-84.

³⁷ NASUCA Comments at 14.

³⁸ Sprint Comments at 10-11.

³⁹ ABLE, et al. Comments at 33.

⁴⁰ Sprint Comments at 14-15.

⁴¹ CenturyLink Comments at 9.

The FCC also requested comment on whether “to adopt a rule requiring all ETCs in all states to collect some minimum monthly amount from participating households.”⁴²

NASUCA’s comments stated,

Although the notion of requiring all Lifeline customers to “have some skin in the game” may have some superficial attractiveness, that superficiality is far outweighed by the very real fact that the recent substantial growth in Lifeline subscription has been almost entirely the result of the availability of prepaid wireless service that is provided at no up-front cost to the Lifeline customer. For the Commission to assume that such payments are needed “to ensure that Lifeline consumers genuinely want phone service” is an unreasonably paternalistic attitude; as if a customer would obtain this vital means of communication frivolously and merely because it is free. Likewise the assumption that such payments are required to ensure “that low-income households have the incentive to make appropriate use of their Lifeline-supported services....”⁴³

A number of commenters agree with NASUCA.⁴⁴

It seems clear that those who do support the idea of a minimum payment have not done more than a superficial analysis. In particular, many such commenters oppose “free” service simply because they do not offer such a service, as if those who have subscribed to the “free” service would return to paid service if they could.⁴⁵ And, as stated by NASUCA, the idea that requiring a minimum payment would discourage frivolous or duplicative subscription is speculation that ignores the value of the service to those who subscribe.⁴⁶

The IURC states, “It is axiomatic in economics that as the price of a commodity

⁴² NPRM, ¶ 86.

⁴³ NASUCA Comments at 15-16 (footnotes omitted).

⁴⁴ ABLE, et al. Comments at 11-13; Amvensys Comments at 4; CTIA Comments at 23; Keep USF Fair Comments at [2]; Open Access, et al. Comments at [5]; Second Harvest Comments at 1; USTelecom Comments at 18; TracFone Comments at 19-24. NASUCA understands that TracFone supports “free” service because that is its business model.

⁴⁵ See, e.g., CenturyLink Comments at 9; Cincinnati Bell Comments at 5-6; Consumer Cellular Comments at 14; SBI Comments at 16-17.

⁴⁶ Cincinnati Bell Comments at 9; see also NPSC Comments at 8.

approaches zero, demand approaches infinity.”⁴⁷ Unfortunately, given that demand for “free” Lifeline service is hardly infinite, this is just another area where economic theory must give way to reality. On the other hand, the IURC correctly

recognizes that many states, including Indiana, have designated prepaid wireless Lifeline providers conditioned upon offering Lifeline plans that provide a free phone and a certain number of free minutes per month. This indicates that prepaid wireless ETCs can make such offerings at a reasonable profit.⁴⁸

The IURC’s solution is that “[i]f the FCC were to impose a minimum contribution by the Lifeline customer, those customers should in turn get additional usage or other benefit.”⁴⁹ NASUCA agrees that **if** the FCC adopts a minimum contribution – which it should not – the customers of these “free” services must receive a commensurate benefit.

Obviously, the higher the required monthly minimum fee, the more lowest-income customers will be unable to obtain service, going against the fundamental goal of § 254. Thus a \$5 monthly minimum⁵⁰ would represent a substantial barrier.

F. DE-ENROLLMENT

In this area, the FCC had proposed “requiring ETCs to de-enroll their Lifeline customers or households from the program under certain circumstances.”⁵¹ NASUCA did not comment in this area, other than on the non-usage issue.

G. AUDITS

The FCC discussed the need for increased audit activities to ensure that the USF provides support to recipients “to confirm that the right recipient is receiving the right

⁴⁷ IURC Comments at 6.

⁴⁸ Id.

⁴⁹ Id.

⁵⁰ Consumer Cellular Comments at 15.

⁵¹ NPRM, ¶ 93.

payment for the right reason at the right time.”⁵² NASUCA stated,

Failure to protect the fund from fraud, waste and abuse results in increased costs for the consumers who support the fund. NASUCA applauds the Commission’s desire to extend and expand its surveillance over expenditures for this critical support.⁵³

CenturyLink asserts that “new ETCs” should be audited after their first year of providing Lifeline service.⁵⁴ NASUCA agrees that such ETCs may need greater scrutiny,⁵⁵ but this should not absolve “old” ETCs from the need to have their Lifeline operations audited. But in this as in other areas, the Commission must compare the cost of auditing to the value of the misuses or abuses that an audit can catch.⁵⁶

III. CLARIFYING CONSUMER ELIGIBILITY RULES/ONE LIFELINE SERVICE PER RESIDENCE⁵⁷

The FCC sought comment on the existing principle that limits Lifeline support to a single primary residential location.⁵⁸ NASUCA’s comments stated that “[f]rom a practical standpoint, a single Lifeline credit should be administered on a ‘One Per Residence’ basis....”⁵⁹ But NASUCA also pointed out,

[a]s to the issue of the definition of a residence, ... the greatest challenge for the states and the FCC is to develop an adequate system to encourage the provision of mobility services for a homeless population that lacks a

⁵² Id., ¶¶ 95-99.

⁵³ NASUCA Comments at 17.

⁵⁴ CenturyLink Comments at 12.

⁵⁵ NASUCA disagrees with Consumer Cellular’s proposal that only ETCs that have reached a benefit threshold in any state (Consumer Cellular proposes \$1 million annually) should be audited. Consumer Cellular Comments at 16.

⁵⁶ See id.; see also Open Access, et al. Comments at [4].

⁵⁷ NPRM, Section V.A. Obviously, in this section of these reply comments, the subheads do not match those in the NPRM.

⁵⁸ Id., ¶¶ 103-125.

⁵⁹ NASUCA Comments at 18.

primary residence. There are other “non-traditional” living arrangements that also may run afoul of the one-per-residence rule and deny eligible Lifeline customers access to telecommunications services.⁶⁰

In addition, NASUCA stated that “it seems clear that the issue is one where [one] or more individuals represent a single ‘household’ with more than one such ‘households’ residing at the same address.”⁶¹

Some commenters oppose a “one-per-household” rule. But they do not do so based on any consideration of the need to limit the fund in any sense; their views are mostly based on the idea that any adult should be able to obtain separate service with Lifeline support.⁶² But despite the benefits of mobility,⁶³ the fact that the Commission must base its policies on considering that low-income customers “should” have access to telecommunications services that are “reasonably comparable” to those available in urban areas,⁶⁴ does not mean that the Commission can ask other customers to support every adult in a household having independent service.⁶⁵

On the other hand, commenters, similarly to NASUCA, oppose the notion that there can be only one “household” per residential address.⁶⁶ CenturyLink addresses some of the instances where there may be more than one household per address.⁶⁷ Other

⁶⁰ Id.

⁶¹ Id., n.58; see also ABLE, et al. Comments at 18-21; Benton, et al. Comments at 4; CTDPU Comments at 6; MDTC Comments at 5-7; Open Access, et al. Comments at [6].

⁶² See AT&T Comments at 15-19; Budget Comments at 9; COMPTEL Comments at 15; NYPS Comments at 4.

⁶³ See AT&T Comments at 15-19; Budget Comments at 9; COMPTEL Comments at 15; NYPS Comments at 4.

⁶⁴ 47 U.S.C. § 254(b).

⁶⁵ See NTCA Comments at 3.

⁶⁶ ATA Comments at 2-3; Consumer Cellular Comments at 17; SBI Comments at 10-14; Sprint Comments at 11-13; YourTel Comments at [].

⁶⁷ CenturyLink Comments at 13

commenters point out the unfairness of charging the consumer with knowledge of the existence of other supported lines at the same address.⁶⁸

Commenters point out the issue of whether there is in fact a “single-line per-residence” rule.⁶⁹ Clearly, this is an issue that the Commission needs to resolve.

IV. IMPROVING PROGRAM ADMINISTRATION⁷⁰

A. CERTIFICATION AND VERIFICATION OF CONSUMER ELIGIBILITY FOR LIFELINE

The FCC proposed modifications to the certification and verification process that would require elimination of self-certification for all Lifeline applicants and implement a uniform national standard for default states and others, including a requirement that customers who are initially certified or subject to annual verification must affirm that only one Lifeline credit is being received per household.⁷¹ NASUCA opposed the elimination of self-certification.⁷² NASUCA does support the requirement to annually affirm that only one Lifeline credit is being received per household, however.

Industry commenters and others generally support uniform national standards for verification.⁷³ On the other hand, like NASUCA, many industry commenters and others

⁶⁸ Amvensys Comments at 4.

⁶⁹ AT&T Comments at 15-16; CenturyLink Comments at 12-13; CTIA Comments at 12-16.

⁷⁰ NPRM, Sections VII.B. and D. Again, in these reply comments, the subheads do not match those in the NPRM.

⁷¹ NPRM, ¶¶ 158-171.

⁷² NASUCA Comments at 23-24.

⁷³ ABLE, et al. Comments at 21-22; Cincinnati Bell Comments at 9; Cricket Comments at 11-13; TracFone Comments at 31-32; USTelecom Comments at 5-6; YourTel Comments at [12].

oppose the elimination of self-certification.⁷⁴ The PUCO Staff

does not believe that imposing a documentation requirement on Lifeline subscribers would work a hardship on those subscribers who should have some form of readily available documentation of qualifying program participation such as a food stamp card, vouchers, award letters, or copies of utility bills indicating HEAP credits. If producing documentation creates a legitimate hardship for a subscriber, the subscriber's situation should be handled on a case-by-case basis with the subscriber being permitted to maintain Lifeline service while he/she works with a case worker or other advocate to collect and provide the necessary documentation.⁷⁵

Requiring such “readily available documentation” – which often, in fact, is not “readily” available – will only delay service, as will the time “working with” an already overburdened “case worker or other advocate.” Others who support elimination of self-certification do not explain their support.⁷⁶

B. NATIONAL DATABASE

The Commission sought comment on its proposal to create a national database to verify consumer eligibility, track verification and check for duplicates to ensure greater program accountability.⁷⁷ NASUCA's comments stated,

[T]he national database being considered by the FCC should be coupled with an obligation for each ETC to manage its own Lifeline program to achieve the requirements of the Act. This expectation includes processing the customer application for service, providing an interface with the customer and coordinating the eligibility verification process to its conclusion.⁷⁸

And NASUCA “emphasize[d] the need to maintain consumer privacy as a high priority

⁷⁴ COMPTTEL Comments at 19-20; CTIA Comments at 21; Keep USF Fair Comments at [2]; Nexus Comments at 21-22; Open Access et al. Comments at [4-5]; Second Harvest Comments at 1; TracFone Comments at 27-31; YourTel Comments at [12-13].

⁷⁵ PUCO Staff Comments at 18-19.

⁷⁶ DC PSC Comments at 5; NYPSC Comments at 7.

⁷⁷ NPRM, ¶¶ 205-222.

⁷⁸ NASUCA Comments at 25.

in the establishment of a national data base.”⁷⁹

Most of the industry commenters supported a national database,⁸⁰ as did regulators and others.⁸¹ Some did not.⁸² But few of the supporters did any analysis of the costs of implementing an effective and efficient database. NASUCA agrees with the characterization in the heading of ABLE, et al.’s discussion of this issue: “The Proposal For a National Database Is a Mammoth Undertaking and Will be Expensive.”⁸³

Three entities that provide database services filed comments: CGM, Emerios, and Solix. It would, of course, be surprising if these entities opposed the adoption of a database. Nonetheless, NASUCA urges the Commission to take these comments into consideration in deciding whether and how to implement a database.

Who should pay for the database is another gnawing question. For example, CenturyLink asserts that

[t]he database should be funded either through government funds appropriated for that purpose or through some other general funding mechanism. It should not be funded through fees on ETCs for database usage. The Commission should want to encourage, not discourage, use of the database.⁸⁴

The issue is not encouraging or discouraging use of the database; the Commission must **require** such use. And the best source of funding for the database will be the companies

⁷⁹ Id. See also Cincinnati Bell Comments at 10

⁸⁰ Amvensys Comments at 8-9; AT&T Comments at 11; CenturyLink Comments at 20-21; COMPTEL Comments at 20, 22; Cox Comments at 3; Nexus Comments at 22; Sprint Comments at 3; YourTel Comments at [2].

⁸¹ See One Economy Comments at 16; PUCO Staff Comments at 20.

⁸² See, e.g., Cincinnati Bell Comments at 9 (“Cincinnati Bell is concerned that developing a database of Lifeline subscribers to verify eligibility will be expensive, more difficult to compile, and less effective than anticipated.”)

⁸³ ABLE, et al. Comments at 23.

⁸⁴ CenturyLink Comments at 21.

that receive payment from the fund: the ETCs.⁸⁵ NASUCA agrees, however, with Cox that the formation of a working group to address the creation of a database would be advisable.⁸⁶

V. CONCLUSION

NASUCA appreciates the opportunity to provide these reply comments on these crucial issues for the Lifeline and Link Up programs. NASUCA commends to the Commission's attention the views set forth here and in NASUCA's initial comments.⁸⁷

Respectfully submitted,

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⁸⁵ As a second-best option, "[t]he cost of designing, implementing, and maintaining the database should be included in USAC's management expenses, since the database would be a key tool to administer the Lifeline program and to help ensure compliance with applicable rules." Sprint Comments at 4.

⁸⁶ Cox Comments at 6.

⁸⁷ As noted above, NASUCA will be filing reply comments on the remaining portions of the NPRM on May 25, 2011.