

**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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**REPLY COMMENTS OF AT&T**

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Cathy Carpino  
Christopher Heimann  
Gary L. Phillips  
Paul K. Mancini

AT&T Services, Inc.  
1120 20<sup>th</sup> Street, N.W.  
Suite 1000  
Washington, D.C. 20036  
(202) 457-3046 - telephone  
(202) 457-3073 - facsimile

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Its Attorneys

## Table of Contents

I.	INTRODUCTION.....	1
II.	DISCUSSION.....	1
A.	Mandated Coordinated Enrollment Is Pro-Consumer And, Coupled With A National Lifeline Consumer Database, Is An Essential Component to Meaningful Lifeline Reform.....	1
B.	The Commission Should Adopt AT&T’s Lifeline Provider Proposal, Which Is Pro-Consumer. ....	5
C.	The Commission Should Proceed With Its Proposal To Test Various Broadband Pilot Projects To Determine Which Approach Is The Most Successful In Improving Broadband Adoption Rates Among Low-Income Consumers.....	8
D.	Miscellaneous Issues.....	10
III.	CONCLUSION.....	13

Attachment

## I. INTRODUCTION

In these reply comments, AT&T Inc., on behalf of its operating company affiliates, addresses a few of the issues not previously discussed in our May 10 reply comments.<sup>1</sup> We submit these reply comments in response to the Commission's proposed comprehensive reform of its low-income program.<sup>2</sup> Such reform is long overdue and, as we noted in our comments, this Commission should be commended for committing to overhaul its antiquated and deficient rules that have facilitated widespread waste, fraud, and abuse. Briefly, these reply comments explain why the Commission should mandate coordinated enrollment, adopt AT&T's Lifeline Provider proposal, and trial various broadband pilot projects. We also discuss the Commission's proposals to mandate service provider outreach requirements, require service providers to make available all service offerings with a voice component to Lifeline subscribers, and eliminate tiered Lifeline discounts in favor of a flat, fixed-dollar discount.

## II. DISCUSSION

### A. **Mandated Coordinated Enrollment Is Pro-Consumer And, Coupled With A National Lifeline Consumer Database, Is An Essential Component to Meaningful Lifeline Reform.**

The Commission sought comment on a variety of issues related to what it terms "coordinated enrollment."<sup>3</sup> The Commission describes coordinated enrollment as a process "that allows consumers to enroll in the Lifeline and Link Up programs at the same time they enroll in

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<sup>1</sup> See Reply Comments of AT&T, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45 (filed May 10, 2011).

<sup>2</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. March 4, 2011) (*NPRM*).

<sup>3</sup> *Id.* at ¶¶ 201-04.

a qualifying public assistance program.”<sup>4</sup> We support the Commission requiring states to implement coordinated enrollment, a process that we see as logically linked to a national Lifeline consumer database.<sup>5</sup>

Coordinated enrollment involves two steps. First, the Commission should mandate coordinated eligibility determinations. That is, at the same time that a state determines that an individual is eligible for a qualifying public assistance program (and is, thus, deemed eligible to participate in Lifeline), the Commission should require the state to ask the individual whether she wants to participate in the Lifeline program. Second, if the consumer states that, yes, she does want to participate in Lifeline, the state would provide a minimal amount of information about that consumer (e.g., full name, last four digits of the consumer’s social security number but *not* information like the consumer’s household income or the underlying public assistance program in which she participates) to the national Lifeline database administrator. The consumer would not select her Lifeline provider at the time the state determines that she is eligible for a qualifying public assistance program (and thus eligible to participate in Lifeline). Rather, the consumer would select her Lifeline provider at a time when it was convenient for her (perhaps, after discussing the various Lifeline provider options – wireline, wireless, postpaid, prepaid – and their associated pros and cons with her family and friends).

Mandatory coordinated enrollment solves at least two problems that have generated the most consternation among policymakers – ensuring that only eligible consumers participate in

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<sup>4</sup> *Id.* at ¶ 199.

<sup>5</sup> A national Lifeline consumer database would enable Lifeline providers to validate whether a consumer has been deemed eligible for Lifeline-supported service and whether that consumer is receiving such service from some other provider.

Lifeline and increasing consumer awareness of the program.<sup>6</sup> There can be no more effective way to address either issue, and the process described above accomplishes both in one fell swoop. And it does so in a way that is more respectful of consumer privacy.<sup>7</sup>

While at least one commenter, representing a coalition of twelve organizations that promote civil and human rights, agrees that the Commission should mandate coordinated enrollment,<sup>8</sup> a few commenters express concern about the administrative and financial burdens that mandated coordinated enrollment could impose on the states.<sup>9</sup> Their concerns are premised on the notion that coordinated enrollment would require state agencies to “upgrade and redesign” existing computer systems, and train staff and contractors, the costs of which would be “significant.”<sup>10</sup> But, under AT&T’s proposal, states would not be required to overhaul existing computer systems or expend significant dollars to train their employees. As we explained above, consumers deemed eligible to participate in Lifeline would not, for example, have to select their Lifeline provider while sitting in the office of some state social service agency, thus eliminating

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<sup>6</sup> As we have discussed in our comments and May 10 reply comments, a national Lifeline consumer database will prevent individuals from receiving duplicate Lifeline-supported services, which is the other significant problem with today’s Lifeline program. See AT&T Comments at 11-15; AT&T May 10 Reply Comments at 2-9.

<sup>7</sup> See, e.g., TCA Comments at 2-3 (explaining that coordinated enrollment will “promote greater efficiency and accountability in the Lifeline and Link Up Programs,” and noting that in a number of states, Lifeline providers must obtain “customer information [that is] extremely sensitive”; consequently, “[s]ome customers object to releasing this information to carriers and are far more comfortable with providing the necessary information to government agencies”).

<sup>8</sup> The Leadership Conference on Civil and Human Rights Comments at 8 (“we support a mandatory timetable to move all states toward joint enrollment in Lifeline with other federal benefit programs. This single change will do more to improve participation rates than just about any other change the Commission could make.”).

<sup>9</sup> See Indiana Family and Social Services Administration Comments; Missouri Commission Comments at 17.

<sup>10</sup> Indiana Family and Social Services Administration Comments at 2.

the need for the state employee to be knowledgeable about all of the different Lifeline providers offering service in the consumer's geographic area.<sup>11</sup>

Additionally, after a state determines that a consumer is eligible for a qualifying program (and, thus, eligible for Lifeline), and the consumer indicates that she wants to receive Lifeline-supported service, state personnel would provide basic information (and not a completed Lifeline application form)<sup>12</sup> about that consumer to the national database administrator. While this particular process could happen as the consumer sits in a social service agency's office,<sup>13</sup> it does not have to. Instead, state agencies could provide their aggregated Lifeline eligible consumer information to an entity designated by the state for this purpose, which would, in turn, provide this information to the national database administrator on some periodic basis.<sup>14</sup> States should be afforded the flexibility to determine which model will be the most efficient and cost-effective for them.

There are several ways that the Commission could implement mandatory coordinated enrollment. The Commission could condition future federal low-income support distributions in a state on that state's agreement to implement coordinated enrollment by a certain date. The federal government has broad authority to condition the extension of federal support on a state's

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<sup>11</sup> See Cincinnati Bell Comments at 12-13 (opposing coordinated enrollment based solely on its belief that a consumer would have to select her Lifeline provider at the same time as she enrolls in the qualifying public assistance program). We agree that it would be too burdensome to the state social service agencies to require them to explain the multitude of providers and plans available to the consumer.

<sup>12</sup> See Missouri Commission Comments at 17 (stating that the "FCC should not expect or require any government agency to collect and forward to ETCs completed Lifeline application forms").

<sup>13</sup> For example, if the state social service agency's employee has a computer with Internet access, the employee could access the national database via a secure web interface to input the minimal amount of consumer information in real time.

<sup>14</sup> This process could be as simple as passing a few data fields to the database administrator via a flat file.

adherence to the terms of a federal program.<sup>15</sup> And this principle applies to the Commission's relationship with the states under section 254.<sup>16</sup> On the other hand, as an inducement to state action, the Commission also could defray, in part, the costs of states taking on the role of Lifeline eligibility determinations as part of the national database process.<sup>17</sup> In the absence of any cost data, it is difficult to answer the Commission's question about what portion of the states' implementation costs the federal universal service fund should cover.<sup>18</sup> In our May 10 reply comments, we suggested that a working group comprised of representatives of states, consumer groups, industry, and database experts be formed to discuss specific database implementation details. This issue is a perfect one for the working group's consideration.

**B. The Commission Should Adopt AT&T's Lifeline Provider Proposal, Which Is Pro-Consumer.**

Over the past several years, AT&T has urged the Commission to permit non-eligible telecommunications carriers (ETCs) to participate in the Lifeline program.<sup>19</sup> The Commission

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<sup>15</sup> See generally *South Dakota v. Dole*, 483 U.S. 203 (1987).

<sup>16</sup> See *Qwest Corp. v. FCC*, 258 F.3d 1191, 1203-04 (10th Cir. 2001) (holding that the FCC has not just the authority, but the *obligation*, to give the states "carrot and stick" inducements to ensure their compliance with federal universal service goals); *Tex. Office of Pub. Util. Counsel v. FCC*, 183 F.3d 393, 443-44 (5th Cir. 1999) (holding that the Commission may place conditions on the states' receipt of federal universal service funding).

<sup>17</sup> See *NPRM* at ¶ 204; AT&T May 10 Reply Comments at 5. See also The Leadership Conference Comments at 5-7 (proposing that the Commission issue competitively awarded grants to states to implement coordinated enrollment).

<sup>18</sup> *NPRM* at ¶ 204.

<sup>19</sup> See, e.g., Comments of AT&T Inc., *High-Cost Universal Service Support; Federal-State Joint Board on Universal Services*, WC Docket 05-337, CC Docket No. 96-45, at 25-27 (filed Apr. 17, 2008); Comments of AT&T Inc., *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service; Lifeline and Link Up; Universal Service Contribution Methodology; Numbering Resource Optimization; Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Developing a Unified Intercarrier Compensation Regime; Intercarrier Compensation for ISP-Bound Traffic; IP-Enabled Services*, WC Docket No. 05-337, 03-109, 06-122, CC Docket No. 96-45, 99-200, 96-98, 01-92, 99-68, 04-36, at 53-54 (filed Nov. 26, 2008); Comments of AT&T, Inc., *A National*

sought comment on our proposal in its *NPRM*.<sup>20</sup> Among other things, the Commission asked commenters to address whether “current ETCs should be able to opt out of providing Lifeline services” and “whether it should be mandatory or optional for ETCs to participate in the Lifeline program.”<sup>21</sup> Given these questions, it is not surprising that several state commissions expressed concerns.<sup>22</sup> If the Commission adopts AT&T’s Lifeline Provider proposal, however, service providers could not opt out of providing Lifeline services.

As we made clear in our comments,<sup>23</sup> the purpose of our proposal is *not* to enable carriers that are currently ETCs to stop participating in the Lifeline program. Rather, it is to enable consumers to obtain Lifeline-supported service from *any* provider they desire, ETC or not.<sup>24</sup> If the Commission adopts our proposal and a consumer requests Lifeline-supported service from a particular provider, that provider must oblige. If the provider does not already have a USAC-issued service provider identification number (SPIN), it would be required to obtain one and file a certification stating that it will comply with all applicable requirements governing the Lifeline

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*Broadband Plan for Our Future, NBP Public Notice #19*, GN Docket Nos. 09-51, 09-47, 09-137, at 29-30 (filed Dec. 7, 2009) (AT&T NBP # 19 Comments); Letter from Jamie M. Tan, AT&T, to Marlene Dortch, FCC, WC Docket No. 03-109, GN Docket Nos. 09-51, 09-47, 09-137 (filed Dec. 22, 2009).

<sup>20</sup> *NPRM* at ¶¶ 310-12.

<sup>21</sup> *Id.* at ¶312.

<sup>22</sup> See Indiana Commission Comments at 14-15 (stating that, if adopted, carriers could “relinquish their obligation to provide Lifeline and Link Up services to low income consumers”); Michigan Commission Comments at 12 (“current ETCs should not be able to opt out of providing Lifeline services, it should be mandatory for ETCs to participate in the Lifeline program”).

<sup>23</sup> AT&T Comments at 6-11.

<sup>24</sup> See CTIA Comments at 16 (“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.”).

and Link-Up programs.<sup>25</sup> If the Commission ever intends to broaden the existing program to include discounts for broadband service, it is essential that it delink Lifeline participation from the section 214(e) ETC designation process because there are areas of the country where only non-ETCs provide broadband service. By unnecessarily tying Lifeline participation to an ETC designation, the Commission will deprive eligible low-income consumers who happen to live in those non-ETC broadband-served areas from receiving Lifeline-discounted broadband service.<sup>26</sup> For this reason, AT&T first recommended that the Commission permit non-ETCs to participate in Lifeline back in April 2008.

A few other state commissions indicated concern about the potential loss of supervision over Lifeline providers that are not also ETCs.<sup>27</sup> Rather than playing a more limited role, under our proposal, states would continue to have a prominent (and indeed expanded) role in the Lifeline program. Namely, states would be responsible for determining whether a particular consumer is eligible (and continues to be eligible) for Lifeline benefits. After placing this responsibility with the states, coupled with a national Lifeline consumer database that would obviate the need for Lifeline providers to submit line count filings, Lifeline providers would have one main obligation under our proposal: provide consumers identified in the database as

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<sup>25</sup> AT&T Comments at 9. *See also* Consumer Cellular Comments at 22 (supporting the proposal to allow any carrier that agrees to comply with the Commission’s standard requirements to simply register to become a Lifeline provider).

<sup>26</sup> *See also* AT&T Comments at 20-21.

<sup>27</sup> District of Columbia Commission Comments at 8 (“any provider would be able to offer Lifeline service and, in the case of wireline providers, receive assistance from the DC [Universal Service Trust Fund], without any DC PSC oversight”); Indiana Commission Comments at 14-15 (the Commission should delegate to the states the authority to designate Lifeline-only providers to implement the low-income program); Nebraska Commission Comments at 1 (urging the Commission not to adopt AT&T’s proposal because it “would remove carriers’ accountability to the states and crucial state oversight over the Lifeline products and services that are offered to consumers”).

Lifeline-eligible with the Lifeline and Link-Up discounted service. Thus, the fact of the matter is all regulators (state and federal alike) would have fewer Lifeline provider requirements to audit and enforce. Simplified Lifeline provider audits means that more of them could be performed, if desired. Moreover, AT&T has no objection to a Lifeline Provider being required to submit a certification to the relevant state commission at the same time that it submits a certification to USAC, thus ensuring that states are aware of which providers are offering Lifeline-supported services to their residents.

**C. The Commission Should Proceed With Its Proposal To Test Various Broadband Pilot Projects To Determine Which Approach Is The Most Successful In Improving Broadband Adoption Rates Among Low-Income Consumers.**

There is broad support in the record for the Commission's proposal to test various Lifeline broadband pilot projects in order to obtain data regarding which approach or approaches will increase broadband adoption rates among consumers with low-incomes in an effective and cost-efficient manner.<sup>28</sup> After the Commission and interested parties review the results of these pilots, all parties will be better equipped to discuss how the Commission should refocus the Lifeline program to encourage adoption of broadband services.<sup>29</sup> Based on the comments, the Commission should establish a few key broadband pilot project ground rules. First, provider

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<sup>28</sup> CenturyLink Comments at 24; Comcast Comments at 3; Cox Comments at 10; Cricket Comments at 17; CTIA Comments at 25; Michigan Commission Comments at 11; NCTA Comments at 4-5; New Jersey Division of Rate Counsel Comments at 27; New York Commission Comments at 5-6; One Economy Comments at 22; TracFone Comments at 44; USTelecom Comments at 22.

<sup>29</sup> AT&T already addressed why the Commission cannot simply make broadband a supported service under today's rules, *see* AT&T Comments at 21-22, and we do not repeat those arguments here in response to commenters that support such a Commission action. Benton Foundation Comments at 11; Massachusetts Commission Comments at 11; Michigan Commission Comments at 11; New Jersey Division of Rate Counsel Comments at 27.

participation in the pilots must be voluntary.<sup>30</sup> This is particularly necessary for those pilots in which the participants will be required to provide non-reimbursable, discounted hardware to low-income consumers.<sup>31</sup> Second, the Commission should consider the adoption results from non-official broadband pilot programs that a number of service providers and others are participating in today.<sup>32</sup> For example, CenturyLink, Comcast, and AT&T have invested, or soon will invest, significant resources in broadband programs designed to increase broadband adoption rates among low-income consumers.<sup>33</sup> Attached to these reply comments is a summary of one such program, AccessAll, that AT&T and One Economy have provided since 2006.<sup>34</sup> These programs should inform any Commission broadband pilot project proposal.<sup>35</sup>

Third, as AT&T, Comcast, and USTelecom noted in their comments, broadband adoption efforts must be multifaceted, considering other options or combinations of options that do not involve universal service support, to be successful since increasing the broadband adoption rate

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<sup>30</sup> See, e.g., CenturyLink Comments at 24.

<sup>31</sup> *NPRM* at ¶ 283 (“We propose to require at least some pilot participants to either offer hardware directly or partner with other entities to provide the necessary devices as a condition of participating in the pilot program.”).

<sup>32</sup> See, e.g., New Jersey Division of Rate Counsel Comments at 29 (recommending that the Commission seek “best practices” information from CenturyLink and Comcast on their programs so that states, the Commission, and others can benefit from their experiences).

<sup>33</sup> CenturyLink Comments at 24-25; Comcast Comments at 6-7.

<sup>34</sup> See Attachment (Power of Broadband to Change Lives).

<sup>35</sup> We also see merit in the Commission seeking comment on specific Lifeline broadband pilot project proposals. The Commission failed to do this before it launched its Rural Health Care Pilot Program and it is fair to say that the program has suffered as a result.

of low-income consumers is not as simple as merely providing discounted broadband service.<sup>36</sup>

As Comcast explains, affordable equipment and training are essential because “[c]onsumers must have access to the equipment necessary to access the Internet, and they must have both an understanding of why Internet resources are relevant to their lives and the skills to use Web-based resources.”<sup>37</sup> For this reason, AT&T agrees with USTelecom that the Commission should consider partnering in some manner with other governmental authorities so that those other federal or state entities could provide matching funding to defray a low-income consumer’s hardware costs.<sup>38</sup>

#### **D. Miscellaneous Issues.**

*Mandatory ETC Consumer Outreach.* Most commenters that addressed the topic, state commissions included, panned the Commission’s proposal to impose specific outreach requirements on ETCs.<sup>39</sup> As we explained in our comments, not only are such requirements

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<sup>36</sup> AT&T Comments at 23-24; Comcast Comments at 3-5 (citing a Commission report demonstrating that price is a primary factor for only 15% of consumers who choose not to purchase broadband); USTelecom Comments at 24-25. *See also* One Economy Comments at 26-31.

<sup>37</sup> Comcast Comments at 4.

<sup>38</sup> USTelecom Comments at 25 (suggesting that the Commission explore a matching or tiering arrangement where the Commission will provide extra support to a state where a governmental entity, NTIA or the state provides support for purchase of an end user device). As we explained previously, we do not believe that the Commission has the authority under section 254 of the Communications Act of 1934, as amended, to support broadband devices through its universal service programs. While the Commission could use its Title I authority to create a new program that supports devices for eligible consumers, it would have to create a new non-universal service fund to do so. Creating an entirely new fund for this purpose raises a number of challenges, including which entities should be required to contribute and what would be the appropriate contribution methodology? For these reasons, AT&T continues to recommend that the Commission partner with other state and federal agencies to develop a program, outside of the universal service fund, to support broadband devices. *See* AT&T NBP # 19 Comments at 25.

<sup>39</sup> *NPRM* at ¶¶ 234-35. Florida Commission Comments at 27; Michigan Commission Comments at 10; Sprint Comments at 17; TracFone Comments at 42; Verizon Comments at 15; USTelecom Comments at 9-10.

inappropriate, they also are unnecessary if the Commission mandates coordinated enrollment.<sup>40</sup>

There can be no more effective outreach program than having social service agencies mention Lifeline each time they determine that an individual is eligible to participate in a qualifying public assistance program.<sup>41</sup>

*Voice Service Issues.* The Commission sought comment on a number of voice service-related issues, including whether it should: consolidate the current nine functionalities set forth in section 54.101(a) of its rules to the following term, “voice telephony service”; permit Lifeline consumers to apply the Lifeline discount to any service offering that contains Lifeline-supported service as a component; and eliminate its tiered discount structure in favor of a flat, fixed dollar discount.

Other than NASUCA, most commenters were seemingly not concerned that service providers might begin providing Lifeline customers with party line service or rotary dialing if the Commission merely requires Lifeline providers to offer “voice telephony service” to Lifeline consumers.<sup>42</sup> Instead, most commenters recognized that, as far as consumers are concerned,

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<sup>40</sup> AT&T Comments at 10. *See also* CenturyLink Comments at 22 (“State agency outreach combined with coordinated enrollment is optimally targeted to consumers eligible for the Lifeline program.”).

<sup>41</sup> *See* The Leadership Conference Comments at 6 (explaining how “joining enrollment and education about Lifeline with other programs that serve low-income people will increase knowledge and participation in the program”). *See also* CenturyLink Comments at 22 (“outreach through state agencies that are administering the underlying qualifying programs is a highly efficient and cost-effective way to inform those who are eligible for Lifeline service about the program and enhance their enrollment in the program.”); Cincinnati Bell Comments at 15 (“the most effective method to promote the Lifeline program is via state and local social service organizations”); Verizon Comments at 15 (“Lifeline outreach is most effective when conducted by public agencies and social service organizations that already have close contacts with low-income individuals and households.”).

<sup>42</sup> *See* 47 C.F.R. §54.101(a)(3) (requiring ETCs to offer “dual tone multi-frequency signaling or its functional equivalent”), (4) (requiring ETCs to offer “single-party service or its functional equivalent”); NASUCA Comments at 26-27 (asserting that eliminating the “functionalities from the definition of supported services is a mistake and ‘voice telephony service’ is a term without meaning that will lead to future confusion in the administration of the universal service program.”).

“voice telephony service” is what they want and need, and more detail just risks creating the same situation we have today where the list of supported features and functionalities has not kept pace with technology and the services that subscribers use.

Similarly, most commenters agreed that permitting – not requiring – service providers to make available to Lifeline consumers packages or bundles of services that include the Lifeline-supported service as a component is pro-consumer and the Commission should adopt a rule giving Lifeline providers this option.<sup>43</sup> Finally, a number of commenters agreed with AT&T that the Commission’s tiered discount system has outlived its usefulness and that, in a competitive market, tying a consumer’s Lifeline discount to an ILEC’s subscriber line charge (SLC) is confusing to consumers and challenging for competitive carriers that provide service on a nationwide basis to implement.<sup>44</sup> Instead, these commenters and AT&T urge the Commission to scrap its tiers in favor of flat, fixed dollar discount.<sup>45</sup>

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<sup>43</sup> NASUCA Comments at 29; New York Commission Comments at 6. Verizon and Sprint each explained how *requiring* Lifeline providers to offer discounts off of all of their service offerings would require them to re-code billing systems and re-train customer service representatives. Verizon Comments at 16-17; Sprint Comments at 18 & n.35. For these reasons, we support giving Lifeline providers the discretion to make available to their Lifeline customers any offering that contains the Lifeline-supported service as a component.

<sup>44</sup> CTIA Comments at 19 (explaining how adopting a uniform Lifeline discount amount that is not tied to the ILEC SLC will “simplify the process for carriers and consumers, and facilitate national advertising of Lifeline service packages”); COMPTTEL Comments at 24-25 (urging the Commission to adopt a uniform reimbursement amount for all providers); YourTel Comments at 15 (“It makes no sense that a competitive carrier should have its rates determined by another carrier in any market and that competitive carriers must continue to monitor and adjust [their] rates and revenues because of an arcane system of legacy rules.”).

<sup>45</sup> *See, e.g.*, COMPTTEL Comments at 24-25; Consumer Cellular Comments 21; CTIA Comments at 19.

### III. CONCLUSION

For the reasons provided above, AT&T respectfully urges the Commission to adopt rules that mandate coordinated enrollment; implement AT&T's Lifeline Provider proposal; eliminate the current tiered Lifeline discount system in favor of a flat, fixed-dollar discount; and permit – but not require – providers to offer Lifeline subscribers any service plan that has the Lifeline-supported service as a component. Finally, the Commission should reject its proposal to impose specific outreach requirements on Lifeline providers.

Respectfully Submitted,

/s/ Cathy Carpino

Cathy Carpino  
Christopher Heimann  
Gary Phillips  
Paul K. Mancini

AT&T Services, Inc.  
1120 20<sup>th</sup> Street NW  
Suite 1000  
Washington, D.C. 20036  
(202) 457-3046 – phone  
(202) 457-3073 – facsimile

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Its Attorneys

# **ATTACHMENT**



## Power of Broadband to Change Lives

The Internet has the ability to transform our society, our economy and our way of life. The power of broadband makes that possible – it is the path to job creation and economic recovery. In fact, a recent study by the Public Policy Institute of California found that the presence of a broadband provider resulted in increased employment growth.<sup>i</sup> Additionally, access to broadband leads to improved education, better health care delivery and other societal advances.

To realize its full potential, however, the Internet must be universal, in that it must be available and affordable to consumers everywhere. According to the Federal Communications Commission’s “Broadband Adoption and Use in America,” 93 million Americans are disconnected from broadband opportunities. Notably, low-income minorities have lower adoption rates than other demographic groups. The research found:

- African-Americans and Hispanics trail the average adoption rate of broadband access.
- Some 40 percent of low-income Americans (with annual household incomes at \$20,000 or less) have broadband, compared with 91 percent among those living in homes with annual incomes of more than \$75,000.
- Low-income broadband users are more likely than higher-income broadband users to look for or apply for a job online – by a 77 percent to 60 percent margin<sup>ii</sup>.

AT&T and One Economy are working together to make broadband access a reality for low-income communities across the country.

### Making Broadband a Reality

With so many clear benefits, it is no surprise that the public, lawmakers, policy makers and the news media have focused more attention than ever on the need to deliver affordable broadband access to underserved American families.

But it is not a new subject for One Economy and AT&T. The two organizations have been on the forefront of providing access to low-income communities – closing the “digital divide” and introducing more opportunities for education, jobs and health services.

Through a history of joint initiatives, the One Economy and AT&T partnership has enabled low-income families across the nation to receive free and affordable broadband access, plus the associated skills and training that enable them to improve their lives.



In the last five years, AT&T has pledged more than \$37 million in contributions to One Economy to help bring broadband to thousands of low-income communities.

That commitment continues in 2010 as AT&T supports One Economy's newest initiative – the use of a \$51.5 million Broadband Technology Opportunities Program (BTOP) federal stimulus grant to bring broadband to thousands of low-income households.

Supplemented by funding from AT&T and other valuable partners, One Economy and the Broadband Opportunity Coalition (BBOC) will use the BTOP grant to install and provide two years of free broadband to approximately 27,000 households, while providing localized content, digital literacy training and a public awareness and education campaign on the enormous benefits of broadband. BBOC members include the National Urban League, NAACP, the National Council of La Raza, Asian American Justice Center and the League of United Latin American Citizens.

### AccessAll, the “Signature” Initiative

The new BTOP-funded initiative builds on the successful model that for years has been at the heart of the One Economy and AT&T partnership – AccessAll.

AccessAll, AT&T's signature initiative with One Economy, has provided a comprehensive set of technology solutions to low-income households across the nation since 2006. The goal of AccessAll is not only to provide broadband services to low-income communities, but also to spur a culture of use where individuals and communities leverage technology to improve socioeconomic outcomes.

## The Mills Family Dallas

Timmons and Yolanda Mills work hard, he as a forklift operator, she as a low-income housing case worker. But they struggle to make ends meet. Three years ago they moved into a Habitat for Humanity-provided house near downtown Dallas. They have few luxuries, yet the couple is committed to providing their three sons – now 17, 14 and 12 – a good head start in life, and education is the path.

The Mills believe the broadband access provided by One Economy and AT&T has been an invaluable tool in helping them be good parents and helping their sons be honor students.



***“It would be crazy to imagine being the parent of three boys and not being able to provide them access to the Internet,” Yolanda says. “And I can go on-line and see their grades and test scores – sometimes before they have seen them!”***



AccessAll targets 50,000 low-income households across the U.S. with broadband access in the home, localized content and digital literacy training. Working directly with One Economy and shared partners (including Habitat for Humanity, Dell, Siemens, Intel and the AmeriCorps VISTA program), AccessAll is based on the delivery of three core services: 1) access to broadband, 2) localized, life-enhancing content and 3) digital literacy and technology training.

### In-Home Broadband Access – With Results

Working in partnership with One Economy, AT&T provided funding to deliver up to three years of free broadband access to the 50,000 low-income households. Through this program, 5,000 Habitat for Humanity households received free DSL, in addition to a technology package that included a computer, printer, desktop software and One Economy’s technical and digital literacy training services.

This shared access strategy proved to be an effective and efficient mechanism to provide broadband access to a large number of households in a densely populated area.

To distribute broadband to the additional 45,000 households, One Economy targeted multifamily properties using a “shared access” strategy. Under this model, One Economy purchased T-1 lines or business DSL service from AT&T to provide the initial broadband connection to the multifamily housing unit. One Economy then worked with the local housing organizations to build a wireless mesh network that distributes a Wi-Fi broadband connection to each of the individual housing units on the property. The wireless mesh networks distribute enough bandwidth to each unit to reach upstream and downstream speeds of 1 Mbps. This shared access strategy proved to be an effective and efficient mechanism to provide broadband access to a large number of households in a densely populated area.

In each housing community, One Economy also implemented a comprehensive adoption strategy to ensure residents embraced and fully utilized the power of the new broadband connections. By providing training on the equipment, “digital literacy” sessions, and on-going support through the Digital Connectors program, One Economy brought best practices and expertise to help solve problems associated with broadband access and adoption.

One Economy also employed a comprehensive community engagement strategy, including face-to-face meetings and focus groups that enabled residents and stakeholders to assess local needs and build content with local concerns and issues in mind. This on-the-ground participation has resulted in a technology adoption plan that is locally grown and driven.

Over the past decade, One Economy’s access strategy has been successful in facilitating digital adoption for underserved communities. The programs have shown that through this approach, the majority of households adopt



home broadband use within two years, and also continue to subscribe to broadband even after the subsidized service period ends.

A yet-to-be-published study of AccessAll by SRI International's Center for Technology in Learning interviewed participating families at the conclusion of their free broadband service and found that 13 out of 15 families had either begun to pay for Internet or planned to do so.<sup>iii</sup>

The AccessAll program in Missouri offers a good example of the program's success. In 2008, One Economy provided free broadband and a computer to 115 households in two different Missouri housing communities. After one year of the program, participants reported a 21 percent increase in working income.<sup>iv</sup> Additionally, 56 percent of respondents said that computers helped them develop work skills, and 72 percent said computers helped them apply for a job.<sup>v</sup>

After one year of the program, participants reported a **21 percent** increase in working income.

April Penn  
Atlanta

April Penn remembers the day she saw a flyer that One Economy and AT&T would be offering free broadband services in The Seven Courts low-income housing development. It was an answer to her prayers. Today, the access helps the single parent pursue a college degree in counseling and human services, and it enables her third-grade son to keep up with homework and studies. She says there is no doubt they would both fall behind in their goals if not for the convenient and affordable service.



*"I live on a very low income, and wasn't able to afford it," April says. "It has been a tremendous aid to me, financially and education wise."*



After one year, the housing communities reported that **20 percent** of the participating residents had completed higher education coursework, **90 percent** of which were single mothers.

75 percent of children from the Missouri housing communities increased their grades or maintained them after one year, and 50 percent of children participated in extracurricular education activities. Furthermore, after one year, the housing communities reported that 20 percent of the participating residents had completed higher education coursework, 90 percent of which were single mothers.<sup>vi</sup> The SRI International survey revealed similar results. Seventy-five percent of respondents reported that computers and broadband had helped their children with homework completion and 71 percent said that it helped them keep in contact with their children’s school and teachers.<sup>vii</sup>

One of the two housing communities in Missouri is a property for seniors. After the first year of the program, 75 percent of participating seniors reported a better quality of life, including gaining more knowledge of prescription medication and medical issues.<sup>viii</sup> In the households surveyed through the SRI International study, 79 percent of respondents felt that the computer and Internet provided help to their family when trying to learn about health and wellness.<sup>ix</sup>

#### Localized Content

In addition to broadband access, AccessAll offers housing communities access to hyper-localized content through a splash page customized to their specific location. These localized web portals feature relevant content that helps residents navigate local issues and provides a means for communication between the housing developments and residents.

Residents also gained access to One Economy’s national and regional web resources, such as the Beehive ([www.thebeehive.org](http://www.thebeehive.org)), a multilingual web portal that provides individuals web-based tools and information about financial services, education, jobs, health care and family. They also can access One Economy’s PiC.tv – the Public Internet Channel – a robust video site that provides tools and videos focused on topics such as how to manage money, live a healthy lifestyle, work through family issues and more.

In all, One Economy’s public-purpose on-line media sites have been visited by more than 18 million people. By delivering content that is language and literacy-level appropriate, in addition to being targeted to the needs of the local population, One Economy stimulates usage and raises the value proposition for broadband adoption. The results from the SRI International survey found that over the initial two-year span of the program, daily use of computers and Internet doubled among adults who were main household users. Furthermore, the study showed that the Internet became the main



source for adults to find information related to jobs and careers, news, finance and money and health.<sup>x</sup>

### Digital Literacy Training

Select communities in AccessAll were also served by a Digital Connectors program, One Economy's program that engages talented young leaders to serve both as early adopters of technology and as teachers in the home and in the community.

Digital Connectors participants (typically teens from 14-17 years of age) are trained to act as technology ambassadors, providing front-line technical support for families living in the housing developments and ensuring broadband is adopted by showing residents the tools and resources available through the Internet.

Digital Connectors achieve the dual goal of leveraging youth to provide service in their own communities, while also giving them vital skill sets to prepare them for the workforce or higher education. To date, One Economy has trained more than 3,000 Digital Connectors who have provided more than 58,000 hours of community service. One Economy's work has shown that Digital Connectors programs have significant positive impacts in the communities they serve. Based on One Economy's analysis of its California access projects, housing communities that also had a Digital Connectors program experienced network usage rates more than three times higher than communities without a Digital Connectors program.

Daniel Carter  
Los Angeles

Daniel Carter is an optimist, so he sometimes looks past the poverty and crime and sees hope and opportunity. The 19-year-old strives to help his neighbors who live in the 800-plus Sunnydale housing units realize their dreams. In his part-time job as a One Economy "Digital Connector," he works with his neighbors to set up their broadband access services and discover how it can help them study and explore, search for jobs, and improve their lives. And he's got a dream of his own – earning an automotive degree from a local community college.



*"I'm helping the community that I grew up in, and I'm putting a lot of smiles on people's faces," Daniel says.*



## More Information

More information on One Economy is available at [www.one-economy.com](http://www.one-economy.com).

## Sources

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