

**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

COMMENTS OF AT&T TO *FURTHER INQUIRY*

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August 26, 2011

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COMMENTS OF AT&T

On behalf of its wholly owned operating affiliates, AT&T Inc. (AT&T) hereby submits these comments in response to the Commission's request for further comment on four Lifeline and Link-Up related reform proposals.

I. The Commission Should Retain Its Recently Adopted One-Per-Qualifying-Consumer Rule In Lieu Of Adopting An Unworkable One-Per-Residence Or One-Per-Household Rule.

In its *NPRM*, the Commission proposed to limit the availability of Lifeline support to one Lifeline-supported service per billing residential address.¹ In its *Further Inquiry*, the Commission seeks comment on whether, in the alternative, it should adopt a one-per-household or one-per-family rule as an administratively simpler approach.² AT&T is pleased that the Commission appears to be distancing itself from its earlier one-per-residence proposal, which, as AT&T and others have explained previously, is unworkable and would have the effect of denying Lifeline-supported service to some number of otherwise eligible consumers.³ But,

¹ *Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up*, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45, Notice of Proposed Rulemaking, 26 FCC Rcd 2770, App. A at § 54.408 (2011) (*NPRM*).

² *Further Inquiry into Four Issues in the Universal Service Lifeline/Link Up Reform and Modernization Proceeding*, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45, DA 11-1346, at 4 (rel. Aug. 5, 2011) (*Further Inquiry*).

³ See, e.g., AT&T Comments at 15-19, GCI Comments at 40-44, AT&T May 10 Reply Comments at 25-27. The Commission also asks in its *Further Inquiry* about whether it should require Lifeline providers to accept room and bed numbers, not recognized by the U.S. Postal Service, as unique address identifiers for purposes of determining whether an applicant is Lifeline-eligible under a one-per-residence rule. *Further Inquiry* at 5. To implement such a requirement, either the consumer would have to self-certify that the room or bed number is accurate (and legitimate) or some employee of the group living facility would have to certify that the information provided by the applicant is accurate. Both options are problematic and, absent a site visit by a USAC auditor (which is completely unrealistic), both are unenforceable. In addition, it is not clear whether residents of care facilities or transient housing can be expected to be assigned to the same bed or room for an extended period of time. First, in its *NPRM*, the Commission proposes to eliminate self-certifications because they do little to ensure compliance with the Lifeline eligibility requirements. Relying on self-certifications in this circumstance thus would be counter to the

rather than adopting a one Lifeline-supported service per household rule, AT&T recommends that the Commission simply retain its recently adopted one-per-qualifying-consumer rule.⁴

Pursuant to this Commission rule, each individual who meets the Lifeline eligibility criteria may receive one Lifeline-supported service.⁵

In most cases, the one-per-qualifying-consumer rule would have the same effect as a one-per-household rule. This is because most of the underlying public assistance programs on which consumers rely to meet the Lifeline eligibility criteria are based on the “household” or “family” unit⁶ and, based on AT&T’s experience as one of the largest Lifeline providers in the country, the majority of consumers qualify for the Lifeline benefit based on their participation in one of those programs rather than on a showing of their household income.⁷

The newly adopted one-per-qualifying-consumer rule is unlikely to cause a spike in Lifeline participation rates (or in Lifeline provider reimbursement requests) because it essentially

Commission’s earlier findings, with which AT&T and many others agree. *See NPRM* at ¶ 170. Second, the Commission cannot compel group living facility managers to perform certifications on behalf of their residents, which may cause otherwise eligible consumers to be deemed ineligible. Even if such a facility manager was willing to provide a certification of occupancy on behalf of an applicant, Lifeline providers would have to accept these documents at face value since they would have no basis to question the legitimacy of these certifications. Such a requirement thus would do little, if anything to prevent Lifeline fraud. Moreover, to the extent that Lifeline providers would have to create an additional field in their billing systems to capture a bed number, for example, the time and expense of modifying their billing systems to add this information could be significant.

⁴ *Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up*, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45, Report and Order, 26 FCC Rcd 9022 (2011).

⁵ *Id.*, App. A at §§ 54.401(a)(1), .405(a).

⁶ *See Further Inquiry* at n.22.

⁷ Letter from Jamie M. Tan, AT&T, to Marlene Dortch, FCC, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45 (filed Aug. 15, 2011). In those states where AT&T tracks this statistic because of state regulatory requirements, fewer than 3 percent of Lifeline consumers qualify for the Lifeline benefit based on a showing of their household income.

codified the status quo. Notwithstanding the Commission's assertions to the contrary,⁸ post-implementation of the Telecommunications Act of 1996 (1996 Act), the Commission did not have a one-per-residence Lifeline rule.⁹ To the contrary, the Commission's post-1996 Act rules required service providers to provide Lifeline service to any consumer that met the eligibility criteria regardless of where or with whom such a consumer lived.¹⁰ As a consequence, since 1997, when the Commission amended its pre-1996 Act Lifeline rules, most Lifeline providers have provided Lifeline-supported service to eligible consumers regardless of whether they resided in a group living environment.¹¹ Retaining the new rule without any further modification thus is unlikely to cause an increase in the number of Lifeline subscribers. If anything, the Commission is likely to see a dip in Lifeline provider reimbursement requests as a result of the Commission extending its Lifeline duplication resolution process to all states.¹²

There are sound public policy, administrative, and practical reasons why the Commission should not codify a one-per-household or one-per-family rule. Requiring Lifeline providers to ascertain whether a consumer is part of the same household as another consumer who already receives Lifeline-supported service inappropriately would intrude on these consumers' privacy and would be unnecessarily burdensome.

⁸ *Further Inquiry* at n.19.

⁹ *See, e.g.*, AT&T Comments at 15-16; GCI Comments at 35-37.

¹⁰ *See* 47 C.F.R. §§ 54.405(a) (requiring carriers to make available Lifeline-supported service to qualifying low-income consumers), .400(a) (defining a qualifying low-income consumer as a consumer meeting the qualifications for Lifeline as specified in § 54.409), .409(b) (describing the household income-based eligibility criterion and the public assistance program-based eligibility criterion).

¹¹ As the Commission knows, it has only recently required a few Lifeline providers (specifically, certain prepaid wireless Lifeline-only providers) to apply a different standard.

¹² Letter from Sharon Gillett, FCC, to Scott Barash, USAC, DA 11-1082, at 3 (dated June 21, 2011) (explaining that, initially, the FCC's anti-duplication efforts will be targeted to certain states).

As we have mentioned before, we can think of no other public assistance program, which Lifeline plainly is, that requires for-profit entities to review an individual's personally sensitive documentation to decide whether that consumer is eligible for a public assistance benefit. No one would dream of requiring grocery stores, for example, to be in charge of determining whether consumers are eligible to receive Supplemental Nutrition Assistance Program (SNAP) benefits. Moreover, it seems that the only effective way to police compliance with a one-per-household rule is to require consumers to demonstrate to providers who their dependents are (and/or whether such consumers are dependents of anyone else receiving a Lifeline benefit), and to require providers to determine whether any such dependent already is receiving Lifeline-supported service.

One obvious document that consumers *might* use to demonstrate whether someone is part of a particular household is their federal tax returns, which list an individual's dependents along with their social security numbers.¹³ Alternatively, to the extent that applications for qualifying public assistance programs also require an individual to list members of his/her household and social security numbers, consumers could produce copies of such applications (assuming they even have copies of such documents). In either case, such a requirement would result in the disclosure of sensitive, personal information of not only Lifeline applicants but also of their dependents. AT&T believes that asking commercial entities to collect this level of detail about their customers is an unacceptable intrusion on personal privacy that is unwarranted given the

¹³ We emphasize "might" because, frankly, we can think of no independently verifiable way to determine whether certain individuals are members of a "household." For example, the definition of "household" for SNAP, is "Everyone who lives together and purchases and prepares meals together is grouped together as one household." See http://www.fns.usda.gov/snap/applicant_recipients/eligibility.htm. While a tax form will list an applicant's dependents, if that applicant is cohabitating with another adult, in addition to his/her dependents, and that adult also is receiving Lifeline-supported service, the Lifeline provider will have no way of disputing, and should not even be put in the position of disputing, the applicant's assertion that his/her household consists only of the applicant and the listed dependents.

growing risk of identity theft. The only other alternative would be to rely on a consumer's self-certification that the consumer is the sole recipient of Lifeline-supported service in his/her household.¹⁴ But doing so would be inconsistent with the Commission's proposal to eliminate self-certifications in an effort to reduce waste, fraud, and abuse in the Lifeline program.¹⁵

Clearly, the better public policy would be to permit Lifeline providers to rely on a state agency's prior determination that an individual qualifies for some other, non-Lifeline public assistance program. If Jane Doe can produce a SNAP document with her name on it, a provider should be able to provide her Lifeline-supported service without having to independently evaluate and determine whether Jane Doe will be the sole Lifeline recipient in her household or at her address. To be clear, however, we do not believe that providers should have to review any corroborating documentation. Instead, as we explain below, using a national Lifeline consumer database, a provider would simply confirm that a consumer is listed as eligible in the database and is not already receiving Lifeline-supported service from some other provider.

In addition to requiring disclosure of sensitive personal information, a one-per-household rule would impose onerous and costly administrative burdens on Lifeline providers.

Specifically, it would require Lifeline providers to comb through a Lifeline applicant's tax form

¹⁴ In its June 1, 2011 *ex parte*, TracFone states that it permits applicants to provide documentation demonstrating that the persons residing at that address are part of separate households and, in its *Further Notice*, the Commission seeks comment on whether it should require all Lifeline providers to use similar procedures. Letter from Mitchell Brecher, Counsel to TracFone, to Marlene Dortch, FCC, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45, at 2 (filed June 1, 2011); *Further Inquiry* at 5. Other than a tax return or, possibly, a copy of a state-accepted public assistance application that lists dependents, AT&T is unsure about what official documentation the applicant could produce to demonstrate that he/she is not part of the same household as a provider's existing Lifeline subscriber. Would the Commission find sufficient a handwritten note that purports to be from the lodger across the hall stating that he does not cohabitate with the applicant?

¹⁵ *NPRM* at ¶ 170 (explaining that self-certification forms offer "minimal protection against those intentionally seeking to defraud the program and fail[] to exclude customers that are not eligible to participate but simply misunderstand the eligibility requirements").

(or other documentation) in order to identify the applicant's dependents (i.e., the applicant's "household" members), and then investigate whether those individuals are existing Lifeline subscribers, unless the Commission would be willing to rely on a consumer's self-certification, with all the risks of waste, fraud, and abuse that would entail. Performing such a painstaking investigation inevitably would increase significantly a Lifeline provider's costs. Many Lifeline providers (including AT&T's operating affiliates) already provide Lifeline-supported service at or below the cost of providing this service under the *current* rules. Adopting even more burdensome requirements would be sure to drive up an existing Lifeline provider's costs, and thus discourage prospective Lifeline providers from participating in the program, which ultimately would lead to fewer choices for low-income consumers.¹⁶

In any event, adopting a one-per-household requirement would be ineffective in preventing multiple members of the same household who are determined to obtain multiple Lifeline benefits and who individually satisfy the Lifeline criteria (e.g., each person participates in a qualifying public assistance program) from obtaining multiple Lifeline-supported services. After the Commission adopts its national Lifeline consumer database, Lifeline providers will be able to determine whether a particular individual is already receiving Lifeline-supported service from another provider. However, AT&T is unaware that any database exists to verify the composition of households and thus providers would have no basis to deny an otherwise eligible adult who, claims to be a separate household, Lifeline-supported service.

If the Commission were to retain its current one-per-qualifying-consumer rule in lieu of codifying a one-per-household rule, which it should, it would not be the first time that the

¹⁶ Such costs would be prohibitively high if the Commission requires Lifeline providers to perform this review of their existing Lifeline customer base, as opposed to directing providers to implement such a requirement only on a prospective basis.

Commission has rejected a one-per-household limitation because of the very concerns we describe here. In a 1999 order, the Commission defined the term, “primary residential line” for purposes of identifying which subscriber line charge (SLC) amount price cap local exchange carriers should charge their residential customers.¹⁷ Among the definitional options that the Commission considered, one was to define this term as “the primary line of a household.” The Commission rejected a one-per-household-based definition because “a household-based definition would present carriers, consumers, and the Commission with the ambiguous and administratively burdensome task of determining which subscribers are part of which households.”¹⁸ Instead, the Commission selected a location-based definition, which is “administratively simple and less invasive of subscribers’ privacy because it does not require the gathering of information regarding subscriber living arrangements that would be needed to identify households.”¹⁹ These findings are just as relevant in 2011 in the Lifeline context (if not more so) as they were in 1999 in the SLC context.

For all these reasons, the Commission should retain its one-per-qualifying-consumer rule and allow Lifeline providers to rely on eligibility determinations, which are most likely premised on the household unit, that already have been made by state entities. As we previously have pointed out, states – not for-profit service providers – are the only appropriate entities to review

¹⁷ *Defining Primary Lines*, CC Docket No. 97-181, 14 FCC Rcd 4205 (1999).

¹⁸ *Id.* at ¶ 14.

¹⁹ *Id.* at ¶ 15 (further citations omitted). We note, of course, that this definition has relevance only in the wireline context. Thus, it was not unreasonable for the Commission to respond to concerns that a location-based definition allows only one primary line per multi-subscriber residence by finding that “[g]enerally, . . . only a single residential connection is necessary to permit all residents at a particular service location complete access to telecommunications and information services, including access to emergency services.” *Id.* at 16. Removed from the wireline-only SLC context, the Commission could not apply this same finding today given the ever-growing percentage of consumers who have “cut the cord” and subscribe solely to a wireless provider.

personally sensitive documents to determine whether a consumer is eligible for a qualifying public assistance program and thus eligible for Lifeline. Accordingly, on a going forward basis, the Commission should require states to ask consumers, whom they have determined to be eligible for some other, non-Lifeline public assistance program, whether they are interested in obtaining Lifeline-supported service and, if so, states should be empowered to immediately deem those consumers eligible for Lifeline.

If the consumer states that, yes, she does want to participate in the Lifeline program, the state would provide that consumer with a Lifeline personal identification number (PIN). The state also would provide a minimal amount of information about that consumer (along with the consumer's PIN) to the national Lifeline consumer 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. Once the consumer selects her Lifeline provider, she would share her PIN with that provider and, using that PIN, the provider would, in turn, confirm that the consumer is eligible for Lifeline and is not already receiving Lifeline from some other provider.

II. Instead Of Modifying The Link-Up Rules To Limit Their Applicability To Physical Installation Of Facilities At The Consumer's Residence, The Commission Should Either Eliminate The Link-Up Program Or Retain And Enforce Its Current Rules; And If The Commission Modifies Or Eliminates Its Link-Up Rules, It Must Make Corresponding Changes To Lifeline Providers' Obligation To Offer Link-Up Discounts.

The Commission requests comment on whether to limit Link-Up reimbursement to only those instances involving physical installation of facilities by the provider at the consumer's residence (i.e., a so-called "truck roll") or whether to eliminate Link-Up reimbursement

altogether.²⁰ As an initial matter, if the Commission chooses to eliminate Link-Up reimbursement, or limit the circumstances in which a provider may seek Link-Up reimbursement, it must correspondingly eliminate or limit a provider's obligation to provide Link-Up discounts to eligible low-income consumers.²¹

There are a number of reasons why we have concluded that eliminating the Link-Up program would be preferable to limiting its availability only to those service initiations that entail a truck roll. First, such a restriction seems difficult to police. If an unscrupulous Lifeline provider wanted to increase its Link-Up reimbursements, it would be simple enough for the provider to create a paper trail of phantom truck rolls. Should a provider do this, AT&T is unsure how USAC auditors could discover that the alleged truck rolls were fictional, particularly if the provider was not overzealous in its claims. Second, without modifications to ordering and billing systems, it likely would be difficult for legitimate Lifeline providers to distinguish between truck rolls involving Lifeline consumers and truck rolls involving non-Lifeline residential consumers or, for that matter, small business consumers. At least for some AT&T operating affiliates, we anticipate that such modifications, which could be costly and time-consuming, would be necessary before we could comply with any such Link-Up requirement.

Third, a provider may not know at the time that a Lifeline consumer requests service whether it will have to deploy a technician to the customer's residence in order to initiate service. Thus, at the time a Lifeline customer places his service order, the provider could not guarantee to

²⁰ *Further Inquiry* at 6-7.

²¹ *See* AT&T Comments at 31 (explaining that federal low-income support would not be "sufficient," as required by section 254(b)(5), if the Commission compelled providers to waive certain charges for eligible customers but then denied the providers reimbursement for having complied with the Commission's rules). *See also* AT&T Connect America Fund Comments, WC Docket No. 10-90, *et al.*, at 125-28 (filed April 18, 2011) (explaining how compelling providers to offer a service without just compensation constitutes a takings).

the consumer that he is eligible for the Link-Up discount and, consequently would have to charge the customer the full service initiation charge. If a customer is unable to pay that charge and, as a result, declines service, the order would not be placed and thus additional information about whether a truck roll was needed would never be generated. There is another side to this Catch-22, however, because if the consumer requests service without knowing whether he will receive a Link-Up discount, it seems fair to question whether this benefit is truly necessary. For these reasons, AT&T recommends that the Commission either eliminate the Link-Up program or be more aggressive in enforcing its current rules to curb current Link-Up abuses.

III. If Adopted, The Commission's Proposed Verification Sampling Methodologies Would Be Burdensome To All Lifeline Providers, Not Just Small Carriers.

In its *Further Inquiry*, the Commission requests additional comment on its proposed revisions to its current annual verification rules. Today, the Commission requires Lifeline providers operating in so-called federal default states to verify annually the continued eligibility of randomly selected Lifeline subscribers, with the number of selected subscribers being based on a statistically valid sample size.²² In its *NPRM*, the Commission proposes to increase the number of existing Lifeline subscribers who would be subject to the verification process and, under one option, require the Lifeline provider to subject *all* of their Lifeline subscribers to this process if the ineligibility rate of the sample exceeds a certain threshold (i.e., the “sample and census” option).²³ In response to complaints from smaller Lifeline providers and their trade associations that the verification sampling methodologies proposed in the *NPRM* were too burdensome, the Commission seeks further comment on whether smaller Lifeline providers

²² See 47 C.F.R. § 54.410(c)(2).

²³ *NPRM* at ¶ 182.

should follow a different methodology.²⁴ If adopted, the Commission’s proposed “sample-and-census” verification methodology would be burdensome to *all* Lifeline providers.

If AT&T had to verify the eligibility of all of its Lifeline subscribers each year, it would incur significant costs associated with the following work steps: (a) creating or modifying internal processes to track initial customer enrollment dates to trigger the annual request for eligibility verification; (b) creating an automated process across all states to send customers the annual verification packages; (c) creating an automated process across all states to track daily outgoing mailings so that non-responders are de-enrolled;²⁵ (d) creating a process to support returned mail;²⁶ (e) creating an automated process across all states to de-enroll non-responding and ineligible consumers; and (f) implementing across-the-board mechanization to support the volumes AT&T would be required to handle. Combined, all of these steps would have a significant and adverse effect on AT&T’s resources. AT&T’s materials costs alone (e.g., postage, letters, and envelopes) would dramatically increase if it had to comply with such a requirement.

Requiring providers to review corroborating documentation from all of their Lifeline subscribers each year would require them to develop state-specific methods and procedures and train service representatives on acceptable documentation for every state-specific qualifying

²⁴ *Further Inquiry* at 7-8.

²⁵ To be clear, AT&T currently de-enrolls non-responders to its annual verification letters but it does so on a manual basis in many states and, thus, it would be required to automate this process in these states.

²⁶ Among other steps, for returned mail, a Lifeline provider would have to stop the non-responder de-enrollment clock and then restart this clock after it resends the annual verification package to the new address, if one is available.

program.²⁷ At a minimum, if the Commission adopts this requirement, it should arrange for all federal and state agencies to provide comprehensive examples of acceptable documentation for all qualifying federal and state public assistance programs, and establish a process to ensure that these examples are kept current and made available to Lifeline providers. For example, the Commission could require USAC (or the future Lifeline database administrator) to collect the necessary documentation examples by state and post them on a website where all providers could reference them. Among other benefits, having a single resource to validate documentation would help ensure fair and consistent treatment of consumers by all Lifeline providers. However, the Commission should not lose sight of the fact that requiring Lifeline providers to review documentation will pose certain burdens on consumers who must obtain copies of documents, submit them to service providers, and then await a decision, all before being able to take advantage of the Lifeline benefit.

The burdensome processes and procedures outlined above, all associated with providing service providers with information already resident in state agencies, highlight why AT&T so strongly advocates moving the responsibility for determining and verifying Lifeline eligibility to the states themselves.

In neither AT&T's comments nor its replies did we discuss with any specificity the Commission's proposed revisions to its annual verification sampling methodology. It was and continues to be our view that these rules, as they apply to Lifeline providers, should be eliminated. Instead of requiring Lifeline providers to verify a Lifeline subscriber's continued eligibility for the Lifeline benefit, the Commission should direct states, which already have to

²⁷ As with other aspects of the Lifeline program, verification practices that differ by state only add to a provider's administrative burdens and make a provider's compliance with those state-specific requirements that much more challenging. For that reason, AT&T has urged the Commission to make eligibility and verification requirements uniform across the states.

make the Lifeline eligibility determination for most Lifeline customers today,²⁸ to inform the national Lifeline consumer database administrator when a particular consumer is no longer eligible for Lifeline. We discussed this issue at length in our prior filings²⁹ and, thus, we do not repeat those arguments here. Suffice it to say that having states inform the national database administrator of changes in their residents' eligibility status will be far more accurate, timely, and less burdensome to consumers (and their providers) than requiring Lifeline providers to verify annually the continued eligibility of all of their Lifeline subscribers.

IV. The Broadband Pilot Program Should Test A Variety Of Approaches To Determine Which Approach Most Efficiently Increases Broadband Adoption By Low-Income Consumers.

Among other broadband pilot-related issues, the Commission requested comment on whether and how it could implement the National Association of Regulatory Utility Commissioners' (NARUC) recommendation that the Commission not require consumers to "change local telephone service providers, purchase bundled broadband and voice services or otherwise [be] penalized in order to obtain Lifeline and Link-Up broadband services and enabling access devices."³⁰

²⁸ By that, we mean that most consumers become eligible for the Lifeline program based on their participation in another public assistance program. And states are the entities that make the determination about whether the consumer qualifies for that underlying public assistance program based on their review of pertinent consumer-supplied documentation. Thus, it is logical to have states deem a consumer eligible for Lifeline at the same time that they determine the consumer is eligible for the other public assistance program. To be sure, some small number of consumers will seek to demonstrate eligibility for the Lifeline program based on their household income. Given their experience reviewing income documentation, the states are better situated to review this personally sensitive information than private sector communications providers.

²⁹ AT&T Comments at 11-15; AT&T May 10 Reply Comments at 2-6; AT&T May 25 Reply Comments at 1-5.

³⁰ See Policy Resolutions Passed by the Board of Directors of the National Association of Regulatory Utility Commissioners, Resolution Supporting a Low-Income Broadband Service Adoption Program (July 20, 2011), available at <http://summer.narucmeetings.org/2011SummerFinalResolutions.pdf>. In pertinent part, this resolution states:

It is not entirely clear to AT&T what perceived concern NARUC intended to address when it urged the Commission *not* to require broadband pilot participants to “change local service providers.” Unless the Commission is seeking to test broadband adoption rates when consumers obtain bundles (which the Commission should consider testing in the spirit of determining what works best), AT&T does not understand why any consumer would have to change local service providers if that consumer participates in a Lifeline broadband pilot.³¹ Moreover, pilot program participation would be voluntary. If, by this resolution, NARUC intended that the Commission require an existing Lifeline consumer’s local service provider to participate in the broadband pilot, AT&T must object. First, the Commission lacks the authority to compel providers to offer an information service, even on an interim basis. Second, it is possible that the consumer’s Lifeline provider simply lacks the necessary infrastructure in the consumer’s neighborhood to offer broadband, which is an issue the Commission is addressing in its Connect America Fund proceeding.

Whether a broadband pilot program participant is required to purchase bundled broadband and voice services would depend on the variables the Commission wishes to test to

WHEREAS, The Lifeline/Link-Up Broadband Service Pilot Program participants may incur additional costs or otherwise be penalized if required to obtain local telephone service from the Pilot Program-eligible broadband service providers; *and*

. . . **RESOLVED**, That the FCC should require that Lifeline/Link-Up Broadband Service Pilot Program participants are not required to change local telephone service providers, purchase bundled broadband and voice services or otherwise are penalized in order to obtain Lifeline and Link-Up broadband services and enabling access devices[.]

³¹ As an aside, there is no reason to limit broadband pilot participation to existing Lifeline customers. So long as the consumer meets whatever eligibility criteria the Commission sets for the broadband pilot program or for a particular broadband pilot (*e.g.*, the Commission may decide to limit participation in a discrete broadband pilot to residents of a particular public housing complex), the consumer should be allowed to participate without regard to whether she currently obtains Lifeline-supported service (*i.e.*, voice).

determine how best to increase broadband adoption among low-income consumers. In this regard, AT&T has recommended that the Commission test a series of projects that use different approaches.³² Each pilot project should be structured so that each individual pilot tests a single variable – such as price of the service, length of the offer, *etc.* – to determine the variable’s effect on broadband adoption among low-income households. If the Commission wishes to evaluate whether a bundled broadband and voice offering is effective in increasing adoption among low-income consumers, subscription to a bundled offering would be a necessary prerequisite.

* * * *

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August 26, 2011

³² AT&T Comments at 22.