

households.²¹ More than two in three adults living only with unrelated adult roommates (69.4 percent) live in residences with only wireless telephones, as do almost half of all renters (47.1 percent).²²

This change in reality is not trivial. People of course tend carry their wireless phones with them, even when away from home. A one-per-residence or one-per-household rule thus would necessarily mean that other Lifeline-eligible consumers who share a roof with a Lifeline subscriber will not have *any* access to supported phone service when they are not with the subscriber – and could have no phone service at all. A one-per-qualifying-adult rule by contrast would ensure that eligible adult consumers have all-important access to communications whenever and wherever they need it.

Nowhere would this be more important than for public safety. A residence without a phone lacks the ability to call 911 in an emergency – as would be the case if the one Lifeline phone in a residence or household walked out the door to go to work. Moreover, emergencies don't just happen at home or work, when one might be close to a wireline phone. Reflecting this fact, nationally 70% of all 911 calls are now placed from wireless phones.²³ In rural areas like Alaska, the ability to communicate from remote areas is particularly important. Imagine having your snow machine break down miles from the nearest village: without a wireless phone to summon assistance, you could be in grave danger.

²¹ Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics, National Center for Health Statistics, *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey*, January – June 2010, at 3, 9 (2011), available at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201012.pdf>.

²² *Id.* at 3, 9.

²³ See FCC Consumer Facts: Wireless 911 services, *available at* <http://www2.fcc.gov/cgb/consumerfacts/wireless911srvc.pdf>.



It is difficult to estimate the number of individuals who would lose telephone service for at least part of the day if the Commission were to adopt a one-per-residence requirement, as GCI does not track the number of adults living in its Lifeline customers' households or whether they have other telephone service. Based on a compliance review that GCI conducted of all its Lifeline subscribers earlier this year, GCI estimates that approximately ****BEGIN CONFIDENTIAL**** **[REDACTED]** ****END CONFIDENTIAL**** GCI Lifeline subscribers would be at risk of losing their GCI Lifeline service under a "one-per-residence" rule because another person who is not a member of their nuclear family (spouse or minor child) lives at the same address. The Commission should not adopt a rule that could mean that ****BEGIN CONFIDENTIAL**** **[REDACTED]** ****END CONFIDENTIAL**** Alaskans will be unable to call 911 or otherwise summon help when they most need it, to receive a call from a doctor or child's schoolteacher, or seek employment.

Furthermore, a one-per-qualifying-adult rule would be much simpler to administer than a one-per-household rule. With a one-per-household limitation, numerous exceptions would be required to take into account the non-traditional situations in which low-income consumers live. ETCs would bear the burden of determining when an exception applies and monitoring subscribers to determine whether their living situations have changed. With a one-per-qualifying-adult limitation, the Commission would have a bright line rule that would be easy to apply, and ETCs would not be put in the position of delving into the personal living situations of low-income individuals to ascertain their eligibility under a one-per-household limitation or the myriad exceptions that would be required to take into account the countless atypical living situations they would encounter.

2. Other Programs' Definitions of "Household" Have Flaws that Should Lead the Commission to Reject Them

The Commission seeks comment on whether the definition of "household" used by other federal programs could be used to define who is eligible for Lifeline/Link Up support.²⁴ In particular, the Commission suggests the definition used for the Low Income Home Energy Assistance Program ("LIHEAP") or the definition used by the U.S. Census Bureau for surveying purposes.²⁵ Each of those definitions has flaws that should lead the Commission to reject them.

²⁴ Public Notice at 4.

²⁵ LIHEAP defines "household" as "any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent." 42 U.S.C. § 8622(5). The Census Bureau defines "household" to include "all the persons who occupy a housing unit as their usual place of residence. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall." See U.S. Census Bureau, State & County QuickFacts, Households, Persons Per Household, and Households with Individuals Under 18 Years, *available at* http://quickfacts.census.gov/qfd/meta/long_HSD310209.htm.

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First, no matter how the FCC defines “household,” a household-based limitation would deprive otherwise-eligible low-income individuals of telephone service, in direct contravention of Section 254. As discussed above, the statute makes no reference to “households,” only to “consumers.” A household-based limitation would thus be inconsistent with the statutory mandates.

Moreover, the definitions of “household” found in other federal programs fail to take into account the myriad living situations that do not fit neatly into the traditional concept of a household because doing so is not necessary to accomplish that program’s mission. To take but one example, under the Census Bureau definition, unrelated adults living as roommates in an apartment would qualify as a “household” because they “occupy a housing unit as their usual place of residence.”²⁶ Thus, under a one-per-household limitation based on the Census definition, only one roommate could qualify for Lifeline. But denying an otherwise eligible individual Lifeline service simply because his or her roommate happened to sign up first contravenes the purposes of the Lifeline program. If he or she cannot otherwise afford telephone service, the individual might often be entirely without the means to communicate, especially if the only other telephone in the household is a wireless telephone.

Under any definition, a one-per-household limitation would require the FCC and USAC to develop a constantly changing set of exceptions and alternative procedures that apply to non-

²⁶ See U.S. Census Bureau, State & County QuickFacts, Households, Persons Per Household, and Households with Individuals Under 18 Years, http://quickfacts.census.gov/qfd/meta/long_HSD310209.htm. The Census Bureau also counts as a “family” any household with at least two related person, no matter how many unrelated persons may also live in that dwelling unit. See United States Census Bureau, Current Population Survey (CPS), Definitions and Explanations, *available at* <http://www.census.gov/population/www/cps/cpsdef.html> (defining “family household” as “a household maintained by a householder who is in a family . . . , and includes any unrelated people (unrelated subfamily members and/or secondary individuals) who may be residing there”).

traditional living arrangements. In addition, ETCs would have to intrude into consumers' private affairs – including delicate matters such as intimate relationships and related financial arrangements – to determine whether individuals constitute a “household” or fit within a variety of changing exceptions.

From 2007 to 2010, the number of homeless people in Alaska increased by 13.46 percent.²⁷ The majority of homeless Alaskans were sheltered, meaning that they were staying in an emergency shelter or transitional housing program for homeless persons,²⁸ but many homeless shelters have policies limiting the length of stay,²⁹ which makes it impossible to maintain an address for Lifeline purposes. Under a household-based limitation, homeless persons would be ineligible for Lifeline.

Moreover, Census data demonstrates that a one-per-household or -address limitation would make a large number of Alaskans ineligible for Lifeline telephone service due to their living arrangements alone, *even if their poverty and substantive need would otherwise make them eligible*. Across all income groups, the 2010 Census indicates that over 26,352 Alaskans live in group quarters rather than individual residences, and of those in group quarters only 6,458 are in institutions.³⁰ Over 87,000 Alaskan households – 33.8% of the total -- are nonfamily households, defined as “people living alone and households which do not have any members

²⁷ U.S. Department of Housing and Urban Development, Office of Community Planning and Development, *The 2010 Annual Homeless Assessment Report to Congress*, at C-10, available at <http://www.hudhre.info/documents/2010HomelessAssessmentReport.pdf>.

²⁸ *Id.* at 3.

²⁹ For example, Anchorage Rescue Mission and Brother Francis Shelter in Alaska, and Central Union Mission in the District of Columbia, limit the length of stay to 30 days.

³⁰ See “QT-P12 – Alaska: Households and families: 2010,” available at http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_SF1_QTP12&prodType=table. This data is not yet available by income.

related to the householder.”³¹ 8.2% of these are multiple-person households composed of people not fitting the Census Bureau’s definition of “families” (*i.e.*, no one in the dwelling is related to the householder).³² Nearly 49,000 Alaskans, 6.9% of the population, live with nonrelatives. Even if the threatened limitation were carved back to some variation of one-per-family, the non-relative roommates in such residences would be made ineligible.³³ Of course, the cruder the residence-based limitation, the more extreme the impact. There are over 522,000 people in Alaska age 18 and older, but only 258,000 households.³⁴ A crude one-per-address limitation would thus clearly eliminate the vast majority of Alaskans, again regardless of substantive eligibility, and the majority of these would be not minor dependants but other adults. The one thing that the Census 2010 data should make clear is that the problems with a “one-per-residence” or “one-per-household” definition cannot be cured simply by excluding known transitory sites such as homeless shelters and trailer parks and institutional settings such as colleges, the military or nursing homes. A one-per-household limitation could deprive many of those individuals of Lifeline if another individual in the household signed up for Lifeline first.

An address-based rule would be particularly difficult to administer in remote areas. The U.S. Postal service does not create street addresses for mail recipients but instead relies on local municipal governments to do so. But in Alaska, this often simply does not happen, and many

³¹ See “QT-P11 – Alaska: Households and families: 2010,” available at http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_SF1_QTP11&prodType=table.

³² See *id.* (of the 33.8% of households that are “nonfamily,” 14.6% are males living alone and 11% are females living alone, leaving 8.2%.) The “householder” is the person listed in Box 1 of the Census form.

³³ See “DP-1 – Alaska: Profile of General Population and Housing Characteristics: 2010 Demographic Profile Data,” http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1&prodType=table.

³⁴ *Id.*

Alaskan communities lack traditional postal addresses, making a one-per-residential-address limitation virtually impossible to administer. Life in rural Alaskan villages, particularly native villages, is simply not organized in a way that makes street names and house numbers useful or necessary. In tiny villages, where the entire population is known to one another, and where abodes and even the village itself are sometimes mobile, the space on which cars drive is often not named as a street, and the houses have no need for numbers. Abodes are sometimes described by physical characteristics rather than addresses, *e.g.*, “the red house across the river.” Similarly, Master Street Address Guide (“MSAG”) data, which is used for 911 service, is available for only 79 cities and boroughs in Alaska. For the remaining 303 cities and boroughs, no MSAG data is available from any source.³⁵

B. If the FCC Nevertheless Adopts a Household Definition, It Should Adopt a “One-Per-Nuclear Family” Limitation.

If the Commission declines to adopt a one-per-qualifying-adult limitation, it should adopt a one-per-nuclear-family limitation. While imperfect because other members of the household may still lack critical access to the telephone when the Lifeline phone leaves the home, it at least does not require individuals outside of a nuclear family to coordinate phone availability. If the Commission adopts such a policy, it should define “nuclear family” as the subscriber, the subscriber’s spouse, and their minor children. This definition would treat otherwise-qualifying individual adults outside of the nuclear family as eligible for Lifeline, reflecting the fact that simply sharing an address says nothing about whether individuals live as a unit, economic or otherwise. Low-income adults living as roommates and individuals living in homeless shelters, group homes, and the like – people who have no claim on one another’s personal property, such as a mobile phone – would remain eligible for Lifeline. This definition would also treat

³⁵ Only six Alaska boroughs have implemented Phase II wireless E911.

multigenerational families living in the same home as separate nuclear families. Like a one-per-qualifying adult limitation, such a definition would be more consistent with the statute, would better promote public safety, and would be simpler to administer than a one-per-household limitation.

The Commission has adopted a similar definition of “household” in other circumstances. For example, after Hurricane Katrina, the Commission adopted temporary Lifeline subsidies to aid victims of the hurricane. In its Order, the Commission defined “household” as “one adult and his/her dependents, living together in the same residence.”³⁶ The Commission later adopted the same definition of “household” in establishing the Lifeline and Link Up broadband Internet pilot program.³⁷ Thus, there is regulatory precedent for a family-based definition that attempts to capture the economic reality of at least some common living arrangements.

There would still, of course, be administrative challenges. Under a one-per-nuclear-family limitation, ETCs would have to rely on self-certifications from subscribers that they are not part of the same nuclear family as any other Lifeline subscriber. Private corporations are simply not equipped as government welfare caseworkers to investigate whether Lifeline subscribers are or are not part of the same nuclear family as another Lifeline subscriber. Even if

³⁶ *Federal-State Joint Board on Universal Service, Schools and Libraries Universal Service Support Mechanism, Rural Health Care Support Mechanism, Lifeline and Link-up*, CC Docket Nos. 96-45, 02-6 and WC Docket Nos. 02-60, 03-109, Order, 20 FCC Rcd 16883, 16890, ¶12 (2005).

³⁷ *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 Nos. 05-337, 03-109, 06-122, 04-36, CC Docket Nos. 96-45, 99-200, 96-98, 01-92, 99-68, Order on Remand and Report and Order and Further Notice of Proposed Rulemaking, 24 FCC Rcd 6475, 6532, ¶ 80 (2008).

they had the institutional expertise, such an inquiry by private-sector corporations would be far too intrusive on the personal privacy of low-income Americans.

C. If the FCC Adopts a “One-Per-Household” or “One-Per-Nuclear-Family” Limitation, It Should Exempt Tribal Lands.

If the Commission declines to adopt a general one-per-qualifying-adult limitation and instead applies a household or nuclear-family limit, it should nevertheless apply a special one-per-qualifying-adult limitation in Tribal lands. Tribal lands should be exempt from a one-per-household rule because residents of Tribal lands are more likely to move for seasonal work, to live in a nontraditional (*e.g.*, multiple- or extended-family) housing arrangement, to lack a traditional street address, and to rely on shared P.O. boxes for mail delivery. In addition, as the Commission has recognized, telephone penetration remains lower in Tribal lands,³⁸ and a one-per-qualifying-adult limitation would promote the adoption of telephone service in those areas.

Furthermore, the public safety benefits of a one-per-qualifying-adult rule are particularly pronounced in remote Tribal lands like Alaska. The harsh terrain and vast distances between Alaskan cities and towns make the ability to communicate from wherever one is all the more important. A one-per-qualifying-adult limitation on Tribal lands would ensure that low-income individuals on Tribal lands would be able to contact, for example, emergency services from a remote location.

³⁸ See, *e.g.*, *Improving Communications Services for Native Nations by Promoting Greater Utilization of Spectrum over Tribal Lands*, Notice of Proposed Rulemaking, WT Docket No. 11-40, 26 FCC Rcd 2623, 2625, ¶ 4 (2011) (“Telephone penetration rates are significantly lower than the nationwide rate, as is access to fixed terrestrial broadband services. ... [A]lthough the national rate of wireline and wireless telephone subscribership was 97.6%, only 67.9% of Native American households on Tribal lands had telephone service. Some Tribal areas had significantly lower subscribership rates than the national rate of 67.9%.”).

The Commission also seeks comment on Smith Bagley's proposal to provide enhanced Lifeline service to a second adult per household on Tribal lands.³⁹ The proposal is creative but unworkable from an administrative perspective. Smith Bagley proposes a special second Tier 4 program for low-income residents on Tribal lands and suggests that, for those Tribal residents who can demonstrate income at or below the federal poverty guidelines, the Lifeline program should provide one Tier 4 credit per adult.⁴⁰ Tribal residents who qualify based on income up to 135 percent of the poverty line (the existing income limit) would be subject to a one-per-household rule.⁴¹

Smith Bagley's proposal would require ETCs to apply *two* sets of criteria to determine income-based eligibility, further complicating the already difficult process of verifying income information. Consumers and carriers alike already struggle to apply an income-level criterion that varies with household size, puzzling over how to interpret the myriad documents consumers present as employer-provided evidence of income, and how such documentation applies in the endless variety of living arrangements low-income consumers present. Establishing yet another, differing set of income levels will compound the difficulty in administering what is already the most administratively challenging aspect of the Lifeline program.

IV. THE COMMISSION SHOULD NOT REQUIRE AN ANNUAL CENSUS OF LIFELINE SUBSCRIBERS, BUT IF IT DOES, THE TRIGGER SHOULD BE BASED ON AN INELIGIBLE SUBSCRIBER RATE

In the Lifeline/Link Up NPRM, the Commission proposed to require ETCs to conduct a full annual Lifeline subscriber census to verify compliance with a one-per-residence rule and/or

³⁹ Public Notice at 6.

⁴⁰ Comments of Smith Bagley, Inc. at 8, WC Docket Nos. 11-42, 03-109, CC Docket Nol. 96-45 (filed Apr. 21, 2011).

⁴¹ *Id.* at 9.

to test eligibility.⁴² The Commission should not require an annual census of all Lifeline subscribers. Conditioning continued Lifeline service on a survey response would only result in thousands of otherwise qualified subscribers losing their access to communications, since, under the Commission's proposal, subscribers who did not respond to an eligibility survey would lose their Lifeline discount.⁴³ Response rates to eligibility surveys historically have been quite low,⁴⁴ so it is foreseeable that a high percentage of consumers would lose their Lifeline service not because they are ineligible but because surveys of all types are decreasingly effective, particularly for the vulnerable population that Lifeline is designed to serve. A full census would also be extremely expensive and complicated for ETCs to administer.

Instead of a census, ETCs could leverage contacts they already have with customers to verify compliance with program limitations or continuing eligibility. For instance, ETCs could require customers to confirm compliance and verify eligibility when they obtain a new handset, when they remedy a delinquency, or when they renew their contracts. This approach would minimize the problem of non-responses to eligibility surveys. The administrative burden of such an approach would also be reduced because ETCs could leverage subscriber contacts that occur for other reasons. In sum, it would accomplish periodic recertification of a majority of customers as an adjunct to ongoing customer contacts.

If the Commission nevertheless decides to implement a sample-and-census approach, the trigger for a full census should be a certain percentage of sampled subscribers proving to be ineligible, not merely nonresponsive subscribers. Moreover, the trigger for a full census should

⁴² Lifeline NPRM ¶ 167.

⁴³ Lifeline NPRM ¶ 169.

⁴⁴ USAC data acquired via a Freedom of Information Act request reveals that in 2007, ETCs in federal default states reported that 17.31 percent of Lifeline customers did not respond to the annual verification survey. *See* GCI Comments at 49.

be higher than the average ineligible rate nationwide because a normal ineligible rate cannot rationally be taken as indicating a failure of eligibility procedures so as to require a full census. USAC data acquired via a Freedom of Information Act request reveal that in 2008, the ineligible rate in federal default states was 29.09 percent. Therefore no census should be triggered if the annual survey returns an ineligible rate lower of 30 percent or lower.

V. CONCLUSION

For the reasons presented above, GCI encourages the Commission to adopt a flexible approach to the broadband pilot program that reflects differing geographic and technological limitations, offers a uniform flat-fee discount, permits bundling, and focuses only on service (not equipment). GCI also urges the FCC to adopt a one-per-qualifying-adult limit or, in the event it adopts a household or family-based rule, to exempt residents of Tribal lands. Finally, GCI believes that the FCC should avoid any census-based verification requirement but – in the event the Commission adopts one – that the trigger should be based on the ineligibility rate (not the non-response rate) among sampled subscribers.

Respectfully submitted,

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