

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Further Inquiry into Four Issues in the)	WC Docket Nos: 11-42, 03-109
Universal Service Lifeline/Link Up Reform)	CC Docket No. 96-45
and Modernization Proceeding)	

**REPLY COMMENTS OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (“NTCA”) hereby submits these reply comments in response to the above captioned Further Notice of Inquiry (“Further Notice”).¹ NTCA is a national association representing more than 570 rural telecommunications providers, all of which are rural incumbent local exchange carriers. Most NTCA members provide their rural communities with a broad array of telecommunications services, including mobile wireless service. All are small businesses as that term is defined by the Small Business Administration, and, as Eligible Telecommunications Carriers, have a vested interest in the sustainability and effective operation of the Lifeline and Link Up Programs. NTCA supports reasonable measures to constrain growth in the Lifeline and Link Up Programs, but cautions the Federal Communications Commission (“Commission”) against adopting overly burdensome and expensive audit and record keeping mechanisms.

¹ *Acceleration of Broadband Deployment: Expanding the Reach and Reducing the Cost of Broadband Deployment by Improving Policies Regarding Public Rights of Way and Wireless Facilities Siting*, WC Docket No. 11-59, FCC 11-51, Notice of Inquiry (rel., Apr. 7, 2011).

I. NTCA SUPPORTS REASONABLE MEASURES TO CONSTRAIN GROWTH IN THE LIFELINE AND LINK UP PROGRAMS

The Lifeline and Link Up program has evolved from being a limited resource for low income consumers to one that is a source of revenues for some ETCs, particularly in the wireless space. Rather than providing a true “lifeline” of communication for low income consumers who would otherwise go without service, the program has been taken far beyond its initial purpose and is being used to provide consumers with multiple sources of communication.

Given the overall universal service funding constraints, NTCA supports measures to ensure that the Lifeline/Link UP program is accountable and fiscally responsible, with support disbursed only to those who need it. Limiting support to “one-per-residence” is common sense reform. The Lifeline/Linkup program was designed to offer a critical line of communications for low income customers.² Lifeline support was never intended to enable every individual over the age of 18 to have multiple lines of communications or for support to be provided to multiple wired and wireless phones in a single household.

NTCA recognizes that there may be situations where a one-per-residence requirement may be inappropriate. Adults in a group living facility such as a nursing home, homeless shelter, or assisted living residences may require support consistent with the goals of the Lifeline/Link Up program. In those situations, NTCA supports waiving the one-per-residence requirement through the use of a procedure such as that used by

² The Commission should reject as wasteful calls to expand the Lifeline/Link Up program to “one per qualifying adult” or “one per qualifying consumer.” See Comments of COMPTEL; Atlantic Tele-Network, Inc, Allied Wireless Communications Corporation, Comment of Nevada, LLC, Choice Communications, LLC, AT&T.

NTIA to determine those who would qualify for a discount on digital-to-analog converter boxes.

Recognizing that the lifeline of communications comes with a cost of initializing service, NTCA does not support Sprint's proposal that Link Up support be eliminated. Wireless providers may have minimal costs when initiating a customer, but wireline providers incur costs that may include the physical installation of service at a consumer's residence, making the line available to the customer, provisioning service and processing the service order and/or opening the account. The complete elimination of Link Up support would sharply increase the upfront cost of wireline service for low-income consumers, effectively discouraging them from obtaining the most reliable form of voice communication. Abuses in the Link Up program must be eradicated and providers should receive support only to the extent they incur costs, but low income consumers will pay a hefty price if Link Up is eliminated in its entirety.

II. THE COMMISSIONS ELIGIBILITY VERIFICATION PROPOSALS ARE OVERLY BURDENSOME

NTCA reiterates its assertion that annual sample-and-census verification procedures would be excessively burdensome.³ NTCA supports measures to ensure that subscribers do not receive duplicative support, but the Commission's proposed remedy is unworkable. The process will confuse consumers and be ineffective at resolving duplicative complaints, no matter how many consumers are sampled.

The Commission questions whether carriers with a small number of Lifeline subscribers should be required to sample fewer consumers than ETCs with a larger

³ Comments of the National Telecommunications Cooperative Association, 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 (filed April 21, 2011).

number of Lifeline subscribers.⁴ However, there is no magic number that makes the process feasible. To pick a number means that the Commission must draw a line somewhere – carriers with more than X Lifeline subscribers must sample Y consumers and carriers with less than X Lifeline subscribers must sample an arbitrary number of Z consumers. There will be small providers for which Z is still a very large and unworkable number.

If the Commission insists on moving forward with its proposed sample and census verification procedures, the only way to spread the burden evenly across all size companies is to require all carriers to sample a specified percentage of their customer base.

⁴ Further Inquiry, ¶ 4(b).

III. CONCLUSION

NTCA fully supports the Commission's efforts to curb any waste, fraud or abuse in the Lifeline/Link Up program. To curb continued growth, support should be restricted to "one-per-residence" with limited exceptions. However, the Commission must be cautious in its approach and not adopt measures that defeat the purpose of support, such as the complete elimination of Link Up support, or that impose substantial new costs on the carriers who must implement the programs.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I, Rita H. Bolden, certify that a copy of the foregoing Reply Comments of the National Telecommunications Cooperative Association in WC Docket Nos. 11-42, 03-109, and CC Docket No. 96-45, DA 11-1346 was served on this 2nd day of September 2011 by first-class, United States mail, postage prepaid, or via electronic mail to the following persons:

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