

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
	)	

To: The Commission

**REPLY COMMENTS OF  
CTIA–THE WIRELESS ASSOCIATION®**

**I. INTRODUCTION & SUMMARY**

CTIA–The Wireless Association® (“CTIA”) submits these reply comments in response to the Commission’s public notice seeking further comment on four issues in the proceeding to modernize the Lifeline and Link Up low-income support mechanisms.<sup>1</sup> As discussed in more detail below, the record developed in the initial round of comments demonstrates that the Commission’s Lifeline broadband pilot programs should be competitively neutral and time-limited, supporting the mobile services that consumers increasingly demand. Commenters also raise significant questions about whether a “one-per-household” or “one-per-residence” rule is practical or advisable, and CTIA agrees with these commenters that the Commission should retain its one-per-qualifying-individual rule while it develops a national eligibility database. Finally, commenters also urge the Commission not to adopt overly burdensome annual verification requirements. As CTIA explains in these comments, the Commission should instead

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<sup>1</sup> *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, Public Notice, DA 11-1346 (rel. Aug 5, 2011) (“Public Notice”).

focus on the rapid development of a national eligibility database, which will address verification issues going forward and provide the Commission with better tools for administering the program.

## **II. BROADBAND PILOT PROGRAMS SHOULD BE COMPETITIVELY NEUTRAL AND TIME-LIMITED**

As CTIA has previously explained, pilot programs can inform the FCC's transition of the universal service low-income programs to the broadband age.<sup>2</sup> CTIA consistently has supported the FCC's proposals to modernize the universal service program to address the adoption of broadband services by low-income consumers, and the initial comments in this proceeding show broad support for this position.<sup>3</sup> At the same time, the FCC should proceed cautiously in expanding the scope of the program to make sure that it addresses technological and marketplace changes, and that it is sensitive to potential increases in the size of the fund. Thus, CTIA supports the creation of time-limited pilot programs to explore bringing broadband into the Lifeline Program, and there is considerable support for such an approach.<sup>4</sup>

The record also demonstrates that any broadband pilot program must be competitively and technologically neutral, and should empower consumers to choose the broadband service that best suits their needs.<sup>5</sup> As CTIA has demonstrated extensively in this and other universal service dockets, consumers are overwhelmingly demonstrating that mobile services best meet

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<sup>2</sup> See Comments of CTIA-The Wireless Association®, WC Docket No. 11-42, at 25, filed on April 21, 2011 (“CTIA NPRM Comments”).

<sup>3</sup> See, e.g., Atlantic Tele-Network *et al.* Comments at 3 (“ATN Comments”); AT&T Comments at 15; Cox Comments at 3; Leap Comments at 2; Sprint Comments at 3. Unless otherwise noted, citations herein to parties’ “Comments” refer to their initial comments in response to the Public Notice filed in the above-captioned dockets on or about August 26, 2011.

<sup>4</sup> *Id.*

<sup>5</sup> See, e.g., Advocates for Basic Legal Equality *et al.* Comments at 7.

their voice and broadband needs.<sup>6</sup> In particular, the record shows that low-income and minority consumers are more likely to use mobile devices to access the Internet and email.<sup>7</sup>

Moreover, the record includes substantial evidence that mobile wireless providers are ready and willing to participate in broadband pilot programs.<sup>8</sup> Thus, the Commission should ensure that mobile wireless providers play a prominent role in its Lifeline broadband pilot programs. To this end, any broadband speed requirements adopted in connection with the pilot programs should not arbitrarily exclude providers using spectrum-based technology, and should specifically include services that provide the functionality available from 3G and 4G wireless broadband networks.

Finally, the record also shows broad support for the use of the same eligibility criteria in the pilot programs that are used for Lifeline. This will allow the Commission to leverage the familiarity of both consumers and eligible telecommunications carriers (“ETCs”) with the criteria.<sup>9</sup>

### **III. COMMENTERS CONTINUE TO RAISE SIGNIFICANT QUESTIONS ABOUT A PROPOSED ONE-PER-HOUSEHOLD RULE**

A “one-per-household” or “one-per-family” rule, as suggested in the Public Notice,<sup>10</sup> would not be administratively feasible nor would it advance the goals of the low-income

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<sup>6</sup> See, e.g., CTIA Comments, WC Docket Nos. 10-90 *et al.* (filed Aug. 24, 2011) at 15.

<sup>7</sup> See, e.g., Comments of Media Access Grassroots Network, WC Docket No. 11-42 (filed April 21, 2011) at 9 (“[L]ow-income individuals, including members of communities of color, disproportionately rely on mobile connections to fulfill their communications needs.”).

<sup>8</sup> See, e.g., ATN Comments at 7; Smith Bagley Comments at 1-2; Sprint Comments at 3-5; Tracfone Comments at 1.

<sup>9</sup> See, e.g., ATN Comments at 3; Cox Comments at 9; Leap Comments at 2; Smith Bagley Comments at 9-10; Sprint Comments at 1-2.

<sup>10</sup> See Public Notice at 4.

universal service support programs. Rather than adopting new eligibility rules that will be confusing for consumers and overly burdensome for Lifeline providers, the Commission should retain its recently-adopted one-per-qualifying-individual rule and should focus on the development of a national eligibility database, which will give the Commission greater tools to manage and monitor the program.

Retaining a one-per-qualifying-individual rule makes sense given that commenters continue to raise valid administrative and feasibility concerns with a one-per-household rule or one-per-residence rule. The record makes clear the difficulty in crafting such a rule, which would need to take into account all relevant factors affecting such individuals' eligibility. A one-per-household rule would have to address the wide variety of potential living arrangements involving different individuals at the same location, including particularly: Native American communities, migrant or seasonal workers, homeless shelters, and housing for senior citizens. Most significantly, however, commenters have explained the practical difficulties with implementing rules that require ETCs to make sensitive distinctions between multiple individuals living at the same location.<sup>11</sup>

The practical difficulties in implementing such a new rule appear significant. Any restrictions affecting multiple individuals living at the same location would force telephone and broadband service providers to gather and verify sensitive household information and to identify and distinguish among different and complex types of living arrangements. These are roles that fall outside the core competency as well as the core business focus of ETCs. Indeed, determining relationships between individuals at the same address may require the collection and

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<sup>11</sup> *See, e.g.*, ATN Comments at 3-6; AT&T Comments at 3-4; COMPTEL Comments at 4-5; Leap Comments at 3; NASUCA Comments at 7-8; Sprint Comments at 6-7; TracFone Comments at 4-5.

analysis of sensitive personal information that consumers are not accustomed to sharing with commercial enterprises. This is a significant practical hurdle for any one-per-household restriction.

Given these concerns, the Commission was correct to adopt a one-per-qualifying-individual approach in its June 2011 order.<sup>12</sup> Moreover, as AT&T has explained in its comments:

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” unit . . . .<sup>13</sup>

Retaining the one-per-qualifying-individual role would better align program functions with core competencies.

As CTIA and others have noted, creation of a national eligibility database would enable state agencies to make eligibility determinations. Government agencies that administer low income programs routinely handle sensitive family and income information, and thus are better positioned to analyze the relevant information and identify eligible low-income individuals. Thus, CTIA encourages the Commission to retain the one-per-qualifying-individual rule and to focus its efforts on the establishment of the national eligibility database.

Finally, as it works diligently to implement the national eligibility database, the Commission will have the opportunity to evaluate the data obtained through the Industry Dispute

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<sup>12</sup> *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42 *et al.*, Report and Order, 26 FCC Rcd 9022, 9026-27 ¶ 8 (2011) (“*Lifeline Interim Order*”).

<sup>13</sup> AT&T Comments at 2.

Resolution Process (“IDRP”),<sup>14</sup> which should inform its analysis of scenarios involving more than one qualifying individual at the same residential address (“Track 2”).<sup>15</sup>

#### **IV. THE COMMISSION SHOULD MOVE QUICKLY TO DEVELOP A NATIONAL ELIGIBILITY DATABASE RATHER THAN ADOPTING OVERLY BURDENSOME ANNUAL VERIFICATION REQUIREMENTS**

Several commenters describe the overlapping and inconsistent federal and state processes for annual verification of Lifeline customer eligibility.<sup>16</sup> As these commenters explain, this web of conflicting requirements is burdensome for ETCs and confusing for consumers. Addressing this problem should be one of the Commission’s focuses in this proceeding.

While one solution would be to adopt uniform annual verification standards, ultimately the implementation of a national eligibility database will moot the need to do so. As noted above, an eligibility database can be designed to be populated by state agencies, which are well-positioned to review the sensitive data necessary to make low-income eligibility determinations. Once implemented, the database will obviate the need for carrier verification of consumer eligibility by providing a source of up-to-date information about consumer eligibility. This is another reason why the Commission should focus its resources on implementing the national eligibility database as quickly as possible.

Finally, as the Commission considers changes to the annual eligibility verification process, CTIA reiterates its request that the Commission also address the disparities in eligibility requirements that apply when an ETC initially signs up a Lifeline subscriber. As CTIA has argued, a national program should have national eligibility standards, which would encourage

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<sup>14</sup> *Lifeline Interim Order*, 26 FCC Rcd at 9026 ¶ 7 & n.26.

<sup>15</sup> *See generally* Ex parte letter from CTIA, USTelecom, *et al.*, WC Docket Nos. 11-42 *et al.* (filed April 15, 2011).

<sup>16</sup> *See, e.g.*, Sprint Comments at 7-9.

participation by low-income consumers and ETCs, and facilitate implementation of a national eligibility database.<sup>17</sup>

## V. CONCLUSION

CTIA urges the Commission to reform the Lifeline and Link Up programs consistent with this filing and CTIA's prior filings in this proceeding. In particular, CTIA urges the Commission to take the steps necessary to implement a national eligibility database, populated by state agencies, as soon as possible.

Respectfully submitted,

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September 2, 2011

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<sup>17</sup> CTIA NPRM Comments at 18.