



**Minority Media &  
Telecom Council**

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October 20, 2011

Marlene Dortch, Esq., Secretary  
Federal Communications Commission  
445 12th Street S.W.  
Washington, D.C. 20554

Re: Universal Service Reform (Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; LifeLine and Link Up Reform and Modernization, WC Docket No. 11-42; LifeLine and Link-Up, WC Docket No. 03-109) (Ex Parte)

Dear Ms. Dortch:

This letter reports on an October 19 phone call with Kimberly Scardino, Deputy Division Chief, Telecommunications Access Policy, and Lisa Hone, both of the Wireless Competition Bureau. Also participating on the call were Ken Eisner, Managing Director of OE Ventures at One Economy Corp.; Joycelyn James, MMTC Cathy Hughes Fellow, Jacqueline Clary, MMTC John W. Jones Fellow, and DeVan Hankerson, MMTC Research Director.

The call was convened to discuss certain matters pending on dockets involving Lifeline/Link Up reform, specifically ways the Commission could structure broadband pilot programs. Mr. Eisner gave brief mention of the \$100 Million “Race to the Top” proposal submitted on the docket by Mr. Blair Levin of the Aspen Institute.<sup>1</sup> This proposal highlights “the heightened priority of [broadband] adoption” and notes NTIA’s programs to encourage broadband adoption are good models for the Commission to

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<sup>1</sup>See Ex Parte Letter to Secretary Marlene H. Dortch from Blair Levin, Fellow, Communications and Society Program, The Aspen Institute, Federal-State Joint Board on Universal Service, CC Docket No. 96-45 et al. (filed Oct. 19, 2011) (“Levin Lifeline Ex Parte Letter”).

consider in this proceeding.<sup>2</sup> Ms. Clary stressed that adoption is a much greater problem than deployment.<sup>3</sup>

We understand that the Commission is still working through a number of issues regarding broadband pilot programs. Mr. Eisner inquired about the size of the fund for adoption and the potential funding sources, specifically for programs connecting multi-dwelling units (“MDUs”) and how funds might be applied to model adoption programs with which One Economy experienced some success.<sup>4</sup> As the conversation turned to funding sources for broadband pilot programs, Ms. Clary restated MMTC’s opposition to minimum subscriber fees.<sup>5</sup>

Following a brief discussion on the legal authority to apply program funds beyond voice service and Commission’s efforts to target duplicate payments in the Lifeline/Link-Up program, Ms. James inquired as to whether the Commission was considering applying program funds to broadband service, devices, and training.<sup>6</sup> The Commission staff responded by reemphasizing the limits of the Commission’s legal authority and the lack of flexibility in the statute and that it is approaching issues narrowly as stated in the Further Notice on Lifeline/Link-Up Reform.<sup>7</sup>

While the Commission staff indicated that Lifeline funds have not been used for hardware in the past and believe there are restrictions on the authority to apply these funds, we stressed that such expansion is necessary to overcome the broadband adoption gaps in low-income households.<sup>8</sup> Further, the Commission has sufficient authority to

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<sup>2</sup> Id.

<sup>3</sup> See Letter to Chairman Genachowski, Commissioners Copps, McDowell, and Clyburn, From David Honig, MMTC, WC Docket No. 10-90, et al (filed Oct. 14, 2011) at 3-5 (“MMTC USF Reform Letter”).

<sup>4</sup> See, e.g. Comments of One Economy Corporation, Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, (Apr. 19, 2011) at 9, 24-25 (“...Through the partnership with AT&T, OE is in the final stages of connecting 50,000 low-income households across the country to broadband Internet, primarily by setting up WiFi networks in multi-dwelling units in addition to DSL connections in Habitat for Humanity homes...”).

<sup>5</sup> See Comments of the Minority Media and Telecommunications Council, Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42 (Apr. 21, 2011) at 1-2 (“MMTC Lifeline/Link Up Further Comments”).

<sup>6</sup> See Comments of the Minority Media and Telecommunications Council, Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42 (Aug. 26, 2011) at 2,4,6 (“MMTC Lifeline/Link Up Further Comments”).

<sup>7</sup> See Further Inquiry Into Four Issues In The Universal Service Lifeline/Link Up Reform and Modernization Proceeding, 26 FCC Rcd 11098 (rel. Aug. 5, 2011) (“Lifeline/Link Up Further Inquiry”).

<sup>8</sup> See MMTC USF Reform Letter at 3-5; see also MMTC Lifeline/Link Up Further Comments at 5.

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reform Lifeline/Link-Up to address broadband adoption.<sup>9</sup> As Mr. Eisner stated, training and support efforts are underway such as the “Connect to Compete” initiative announced by the Chairman last week.<sup>10</sup> However, as Blair Levin mentioned in his “Race to the Top” filing, we cannot rely entirely on the private sector’s efforts, since such efforts would be “subject to a changes in the market that could undercut their effectiveness.”<sup>11</sup>

Respectfully submitted,

*David Honig*

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<sup>9</sup> See MMTC Lifeline/Link Up Further Comments at 1-4 (discussing authority under Sections 254 and 706 of the Act).

<sup>10</sup> Chairman Julius Genachowski, Remarks on Adoption (delivered Oct. 12, 2011) at 2, available at [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2011/db1012/DOC-310350A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db1012/DOC-310350A1.pdf) (last visited Oct. 14, 2011).

<sup>11</sup> See Levin Lifeline Ex Parte Letter at 1, 15-16.