WILTSHIRE & GRANNIS LLP

December 1, 2011

Ex Parte Notice – Via ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *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*

Dear Ms. Dortch:

Megan Delany and Christopher Nierman of General Communication, Inc. ("GCI"), together with undersigned, from Wiltshire & Grannis LLP, met on Tuesday, November 29, 2011, with Angela Kronenburg, Wireline Legal Advisor to Commissioner Mignon Clyburn. We later met with Lisa Hone, Wireline Advisor to Commissioner Michael Copps.

In each meeting, we presented all of the points of the material that were in our confidential filing dated November 23, 2011, a copy of which was provided to Ms. Kronenburg and Ms. Hone. The redacted version of that letter is attached below, and incorporated by reference in this notice. We also stated that GCI does not support a cap on the low income support fund, and does not see how such a cap could work with respect to low income services.

Sincerely,

John T. Nakahata
Counsel to General Communication, Inc.

Attachments

cc (by email): Angela Kronenburg
Lisa Hone

WILTSHIRE & GRANNIS LLP

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November 23, 2011

Ex Parte Notice – Via ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *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*

Dear Ms. Dortch:

Megan Delany of General Communication, Inc. ("GCI"), together with Chad Breckinridge and the undersigned, both from Wiltshire & Grannis LLP, met on November 21, 2011, with Sharon Gillett (Bureau Chief, Wireline Competition Bureau ("WCB")), Carol Mattey (Deputy Bureau Chief, WCB), Trent Harkrader (Division Chief, Telecommunications Access Policy Division, WCB), Kim Scardino (Deputy Division Chief, Telecommunications Access Policy Division, WCB), and Jamie Susskind (Attorney Advisor, Telecommunications Access Policy Division, WCB) to discuss the low-income program rulemaking proceeding in the dockets identified above.

We began the meeting by discussing the demographics of Alaska, Lifeline penetration in Alaska, and the growth of Lifeline subscribership nationally in comparison to the growth in Alaska. We distributed copies of the attached graph, which shows telephone service penetration rates in Alaska for various income levels before and after the introduction of Lifeline service in the state. This data, which is from the FCC's report *Telephone Penetration By Income By State (Data Through March 2009)*, shows that Lifeline has resulted in a substantial increase in telephone subscribership among the lowest two income groups tracked by the FCC. During this period, Alaska's telephone subscribership in those two lowest income groups moved from being substantially below the U.S. as a whole to being more in line with the U.S. as a whole. Lifeline has worked.

We also distributed and discussed the attached Low Income (including Lifeline, Linkup and TLS) disbursement data, drawn from the website of the Universal Service Administrative Company, which shows that Low Income support disbursements in Alaska have largely leveled off, while continuing to grow in the rest of the country. Data from the 2010 American

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Community Survey suggests that Alaska's slowing of Low Income disbursements is not a transitory phenomenon. Census data shows that the total number of Alaskans – both adults and children – living on incomes equal to or less than 150 percent of the poverty level is 127,874. Considering that approximately 30 percent of those people are children,[1] the number of adults in the category is probably about 90,000. Considering that the USAC data show that nearly 68,000 Alaskans already subscribe to Lifeline, the Census data indicates that there simply are not that many eligible Alaskans who would like service but don't yet have it, even if the Commission were to make clear that Lifeline can be extended to every eligible adult, especially because it is highly unlikely that every eligible adult will enroll.[2]

We next discussed whether and how the Commission should limit Lifeline eligibility to a single eligible consumer per household. We explained that GCI currently employs a "nuclear family" approach to a one-per-household limitation under which a consumer is not eligible for service if either (a) anyone else residing at the consumer's physical address has Lifeline-supported wireline service, or (b) anyone in the consumer's nuclear family (defined as spouse and minor children) has Lifeline-supported wireless service. These conditions are reflected in questions 3 and 4 on GCI's Lifeline certification and application form, which is attached to this letter. GCI estimates that were the Commission to apply a strict limitation of one per postal address (or alternatively residential living unit), approximately ****BEGIN CONFIDENTIAL**** [redacted] ****END CONFIDENTIAL**** of its approximately ****BEGIN CONFIDENTIAL**** [redacted] ****END CONFIDENTIAL**** Lifeline subscribers would become ineligible. In GCI's experience, these ****BEGIN CONFIDENTIAL**** [redacted] ****END CONFIDENTIAL**** are largely comprised of roommates and intergenerational or extended family situations. We also emphasized that there is no way to administer a "nuclear family" or any other sub-residential unit eligibility standard other than through subscriber self-certification. Nonetheless, with national statistics showing that two-thirds of unrelated adults living together have "cut the cord" and subscribe only to wireless service, it also does not make sense to design Lifeline as if all these roommates shared a common telephone.[3]

In keeping with the position GCI has taken in its comments in this rulemaking, we reiterated GCI's view that Lifeline-supported wireless service should be available to every eligible adult, at least in tribal areas. We explained that a one-per-eligible-adult rule reflects

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[1] Published Census data does not give a precise estimate for the number of children. However, the same surveys show that children constitute approximately 34% of Alaskans living below the Federal Poverty Guidelines, while children constitute approximately 26% of the population as a whole. US Census Bureau, Poverty Status in the Past 12 Months, *available at* http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_S1701&prodType=table (last accessed Nov. 23, 2011).

[2] We noted that using the Census poverty data is only broadly illustrative, as it does not reflect the actual income threshold in Alaska, and it does not account for people who are eligible based on program participation even if their incomes exceed the levels assessed in the Census.

[3] 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.

sound public policy in tribal areas. Due to the poverty, relatively harsh climate, and enormous and sparsely populated spaces in tribal areas, tribal residents face public safety emergencies far from any phone and, absent Lifeline, they are unlikely to have any phone nearby – including from a passer-by – from which they can place a call to summon emergency assistance. For example, GCI has received reports of consumers whose lives were saved because they were able to use their cell phones to summon emergency assistance when their snow machines broke down far outside of the nearest village. In rural Alaska, as many other rural areas, the emergency response infrastructure is extremely thin. Villages frequently lack full-time public safety officers or patrols, and this is particularly true on the trails between villages. Thus, while from a public policy perspective GCI believes that it is important to ensure that all low-income adults have the ability to place emergency assistance calls when they need to do so – and thus one-per-eligible-adult is the preferable rule – there is an even stronger need for a one-per-eligible-adult rule in remote rural areas.

In response to staff concerns as to what mechanisms could be used to limit the scope of a "one-per-eligible-adult" rule, including to rural areas, GCI observed that one way that the FCC could do this would be permit "one-per-eligible-adult" in lieu of "one-per-household" on tribal lands, as very few tribal lands encompass major metropolitan cities. Within tribal lands, however, Metropolitan Statistical Area boundaries, however, should not be used to exclude areas from a "one-per-eligible-adult" rule as these boundaries follow county or borough lines, and thus can include areas that are significantly rural and low density: in Alaska, for example, the Anchorage and Fairbanks MSAs include rural communities that are hundreds of miles from the core cities. For this reason, if the Commission were to exclude portions of tribal lands from a rural-focused "one-per-eligible-adult" rule, it should exclude only the core city within the MSA, and not the entirety of the MSA. Such an approach would be administratively simpler than adopting a population density test.

We then discussed the proposed development of a national database, and we reiterated GCI's view that—in order to ascertain whether two individuals actually receive service at the same address and to be able to communicate with those individuals—the database would need fields containing both the service address (for determining whether there is duplicative service) and billing address (for communications with the consumer). If the database were solely for duplicate matching, and the Administrator was not going to communicate directly with the consumer, then only the service address would be needed.[4] We also expressed general support for Emerios's proposed database if applied on a going forward basis for new subscribers, but noted that requiring providers to obtain the requisite data for all existing subscribers would pose an extremely onerous burden that would result in lost service for many subscribers.

We discussed the need for periodic recertification of subscribers. We noted that an annual recertification requirement would be extremely burdensome under any scenario, and would likely be highly disruptive to consumers. In GCI's experience, approximately half of consumers do not respond to requests for recertification until their telephone service has been suspended. This is especially true if the subscriber has to call in to the provider, and would

[4] We emphasize, however, that many services addresses, particularly in rural Alaska, cannot possibly be put into USPS format.

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likely have an even higher percentage if the customer must physically go to a provider's storefront (for example, to sign a recertification form or to provide a copy of eligibility documentation, if that is required). The cost and administrative challenge could be reduced if providers were permitted to obtain a customer's recertification via text message, but that would not permit the provider to view eligibility documentation. We explained that even under a text-message based system, an annual recertification requirement will result in many customers losing service, at least temporarily.

One possible alternative to annual recertification would be to require a provider to recertify all customers every three years, with the requirement to recertify a third each year. In this case, recertifications that providers obtain during the course of ordinary interactions with the subscriber (such as when a subscriber wants to enter into a new contract in order, for example, to obtain a new, provider-subsidized handset) could be counted toward the third to be recertified during that year. This could be combined with allowing recertification by text.

We also discussed documentation requirements for program-based eligibility. In general, GCI agrees with those commenters who have questioned the usefulness of such a requirement, and who have raised concerns about the extent to which such a requirement would create barriers to Lifeline utilization by eligible consumers. If the Commission were to adopt a documentation requirement, as with income eligibility today, providers should not be required to retain such documentation, but merely to view it. Moreover, if the Commission were to adopt a requirement, it would be useful for the Commission and/or USAC to work with state commissions non-exhaustively to catalog samples of the acceptable forms of documentation. Finally, any new requirements should be applied prospectively and as recertifications occur.

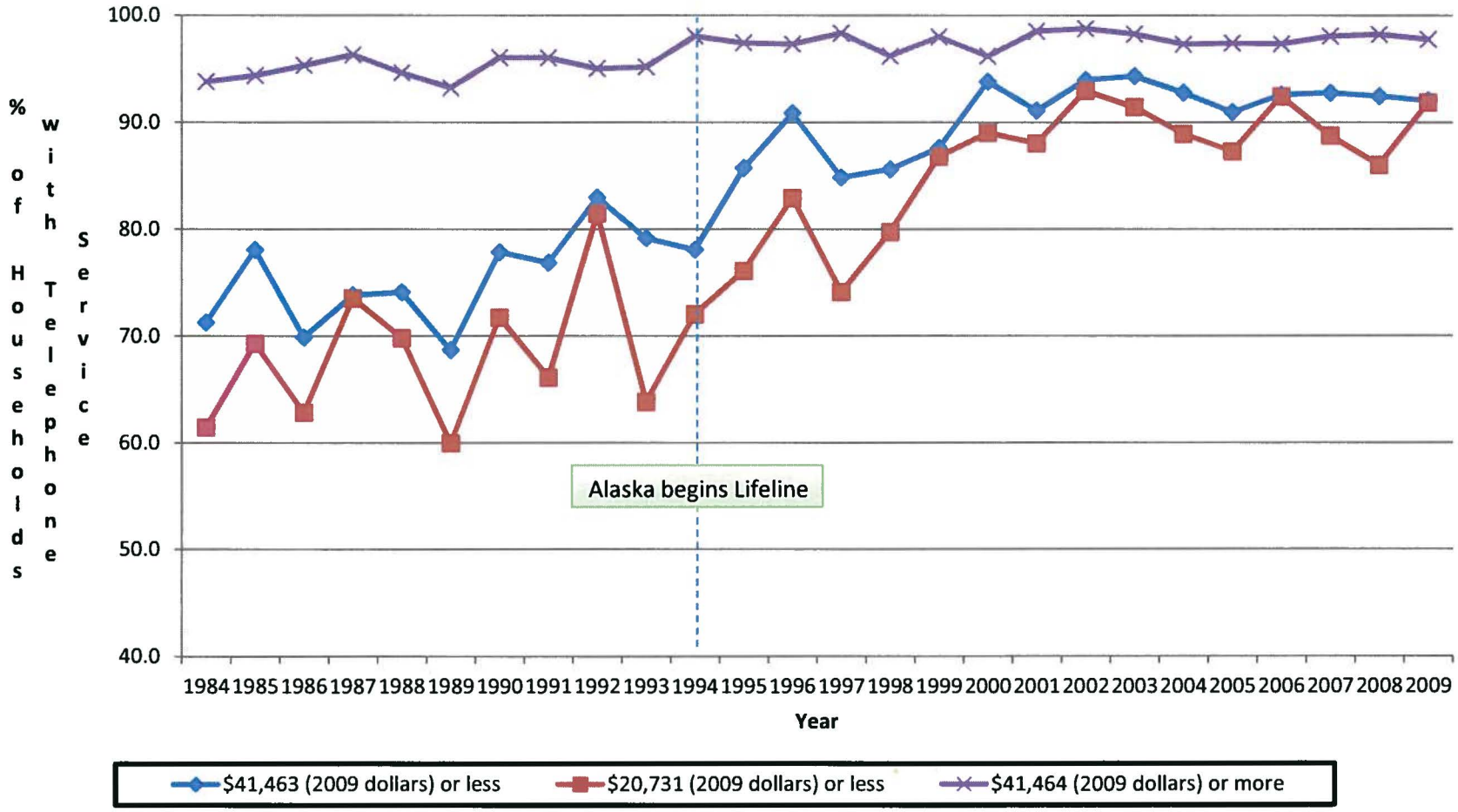
Sincerely,

John T. Nakahata
Counsel to General Communication, Inc.

Attachments

cc (by email): Sharon Gillett
Carol Mattey
Trent Harkrader
Kim Scardino
Jamie Susskind

Alaska Telephone Penetration by Household Income (Constant dollars)



Low Income Support US v. Alaska				
	2011 (Projected)	2010	2009	2008
NATIONWIDE	$ 1,601,029,998	$ 1,321,118,337	$ 1,013,479,689	$ 821,839,236
- Yearly Growth	21.19%	30.35%	23.32%	N/A
- Non-Tribal	$ 1,460,426,382	$ 1,195,849,053	$ 908,946,904	$ 725,704,461
- Tribal	$ 127,928,432	$ 102,740,657	$ 95,573,640	$ 87,500,552
ALASKA	$ 25,818,916	$ 26,669,523	$ 24,928,729	$ 20,968,889
- % of U.S.	1.61%	2.02%	2.46%	2.55%
- Yearly Growth	-3.19%	6.98%	18.88%	N/A
- Non-Tribal	$ 8,240,528	$ 8,651,328	$ 8,212,641	$ 7,068,009
- Tribal	$ 17,523,348	$ 17,957,371	$ 16,644,140	$ 13,825,996
GCI	$ 17,614,440	$ 16,991,926	$ 13,188,957	$ 8,165,078
- GCI % of Alaska	68%	64%	53%	N/A

Lifeline Service and Link-Up Discount
Application & Certification Form For New Customers

Store Location: _____
Name of GCI Employee /Outside Agent: _____
Account Number: _____

To be eligible for the Lifeline & Link-Up Assistance Services, you must return a completed form to a GCI Store, or mail to: GCI, Attn: Quality Assurance – 1551 Lore Rd, Anchorage, AK 99507

Customer Name: _____

Physical Address: _____
(***MUST*** Be Completed) Street Address City State ZIP

Mailing Address: _____
City State ZIP

Contact Phone Number: _____ Alternate Phone Number _____

Alaska Driver's License # Or Other Form of Photo Identification _____

PHOTO IDENTIFICATION MUST BE ATTACHED TO FORM AND REVIEWED BY GCI EMPLOYEE OR OUTSIDE SALES AGENT WHICHEVER IS APPLICABLE

I attest that I have reviewed the photo identification of the Lifeline subscriber identified above to verify personal identification and correct spelling of name.

Attesting Employee/Outside Sales Agent: _____ **Date:** _____
To be completed by GCI Employee or Outside Sales Agent, whichever is applicable.

ELIGIBILITY REQUIREMENTS

1. Are you 18 years of age or older? Yes ☐ No ☐ (Check one)
   A minor is not eligible for Lifeline services unless he or she provides documentation showing legal emancipation.

2. Do you have existing Lifeline telephone service with GCI or any other phone provider?

   Yes ☐ No ☐ (Check one)

   If you answered yes above, you are ***NOT*** eligible for additional Lifeline service unless you cancel your existing Lifeline service. Federal regulations only allow one Lifeline service per customer. Please talk to a GCI agent on how to proceed.

3. Does any person residing at the physical address listed above receive Lifeline assistance for wire line (*i.e.* not cellular) Lifeline service with GCI or another provider?

   Yes ☐ No ☐ (Check one)

   If you answered yes above, you are ***NOT*** eligible for additional Lifeline assistance.

4. Does anyone else in your nuclear family (spouse or minor child) currently living at the physical address listed above receive Lifeline telephone assistance for wireless service from GCI or another provider?

   Yes ☐ No ☐ (Check one)

   If you answered yes above, you are ***NOT*** eligible for additional Lifeline assistance.

I am eligible for Lifeline service and Link-Up discounts because I participate in one or more of the following programs listed below:

Please check program(s):

☐	Supplemental Security Income (SSI)	☐	Alaska Adult Public Assistance Program	☐	Alaska Temporary Assistance Program
☐	Food Stamps	☐	BIA (Bureau of Indian Affairs) General Assistance	☐	Child Care Assistance Program, Pass I, II and III
☐	Medicaid	☐	Temporary Assistance for Needy Families (TANF)	☐	Veterans Administration (VA) Disability Pension
☐	Federal Public Housing Assistance	☐	Pioneer Home Payment Assistance	☐	Senior Citizen Housing Development Fund
☐	Head Start Program—qualifying under low income criteria	☐	National School Lunch Program's Free Lunch Program	☐	State of Alaska Senior Benefits Program
☐	Denali Kid Care	☐	State of Alaska Heating Assistance Program	☐	Women, Infants and Children's Program (WIC)
☐	Low-Income Home Energy Assistance Program	☐	Alaska State Housing Corporation Program ☐ Public Housing ☐ Home Investment Partnership ☐ Interest Rate Reduction for Low Income Borrowers ☐ Low Incumbent Housing Tax Credit Program		

** If you are eligible by virtue of your participation in one of the programs listed in section 4, you do ***NOT*** have to complete section 5 below.

5. I am eligible because my *"household"* * annual income is at or below 135% of the Federal Poverty Guidelines as reflected in the chart below: _____ Yes _____No (Check one)

How many individuals are living at your household? _____

Please state your annual "household" income, including any Alaska PFD payments to your household: _____

* For this question, "household" means all persons who occupy a housing unit, regardless of whether they are related to each other.

Size of Household	**Lifeline Eligibility Level ($)**
1	18,360
2	24,813
3	31,266
4	37,719
5	44,172
6	50,625
7	57,078
8	63,531
For each additional person, add	6,453

Documentation of "household" income must be provided in one of the following forms, box must be checked indicating income validation used:

- ☐ Last year's state or federal tax return
- ☐ A current income statement from an employer or paycheck stub
- ☐ A statement of benefits from the U.S. Social Security Admin.
- ☐ A statement of benefits from the U.S. Dept. of Veterans Affairs
- ☐ A retirement or pension statement of benefits.
- ☐ An unemployment or worker's compensation statement of benefits
- ☐ A federal or tribal notice of letter of participation in general assistance
- ☐ A divorce decree or child support document
- ☐ Other official document issued by a provider of income to document that income.

If the documentation presented above does not cover a full year, the documentation must cover at least three consecutive months in the current calendar year.

Do not mail in original documentation. Documentation will not be returned.

I attest that I have reviewed the proof of income identified above and that it equates to an annual household income at or below the Lifeline Eligibility Level for a household of the specified size.

Attesting Employee: _____ Date: _____

To be completed by GCI employee only

CERTIFICATION

- **I HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE INFORMATION CONTAINED ON THIS APPLICATION IS TRUE AND CORRECT.**

- **I FURTHER CERTIFY THAT NO PERSON LIVING AT MY PHYSICAL RESIDENCE IS RECEIVING LIFELINE ASSISTANCE FOR WIRE LINE LOCAL SERVICE FROM GCI OR ANOTHER PROVIDER, AND THAT NO MEMBER OF MY NUCLEAR FAMILY (SPOUSE OR CHILD) LIVING AT MY PHYSICAL RESIDENCE IS RECEIVING LIFELINE ASSISTANCE FOR WIRELESS SERVICE FROM GCI OR ANOTHER PROVIDER.**

- **I ALSO AGREE THAT I WILL NOTIFY GCI WITHIN FIVE (5) CALENDAR DAYS IF CONDITIONS CHANGE THAT WOULD RENDER ME INELIGIBLE FOR LIFELINE ASSISTANCE PER THE ELIGIBILITY REQUIREMENTS ABOVE, INCLUDING: CHANGES IN MARITAL STATUS, RESIDENCE, INCOME, AND PARTICIPATION IN ONE OF THE APPROVED PROGRAMS.**

- **I ALSO ACKNOWLEDGE THAT THE LIFELINE SERVICE RECEIVED BY THIS APPLICATION IS PERSONAL TO ME, AND THAT I WILL NOT GIVE OR CONVEY MY LIFELINE SERVICE TO ANOTHER PERSON FOR USE.**

BY SIGNING BELOW, CUSTOMER MAKES ALL OF THE FOREGOING CERTIFICATIONS UNDER PENALTY OF PERJURY. IF IT IS DISCOVERED THAT THE CUSTOMER DOES HAVE MULTIPLE LIFELINE SERVICES, SERVICE WILL BE TERMINATED WITHIN 48 HOURS AND THE CUSTOMER COULD BE SUBJECT TO LEGAL ACTION BY THE FEDERAL GOVERNMENT.

_____ _____

SIGNATURE OF APPLICANT **DATE**

Lifeline Office Use Only *Form LL 8/23/11*	*Account number* _____	Employee Initials_____
Date Received_____	ID Validated ☐	Program Validated ☐