January 24, 2012

Chairman Julius Genachowski
Federal Communications Commission
445 12th Street, SW
Washington DC, 20554

Re: **WC Docket No. 11-42 - Lifeline and Link Up Reform and Modernization**
CC Docket No. 96-45 - Federal-State Joint Board on Universal Service
WC Docket No. 03-109 - Lifeline and Link Up

Dear Chairman Genachowski,

As you know, earlier this year the Federal-State Joint Board on Universal Service Lifeline and Link Up provided recommendations to the FCC, which you will take into account during your rulemaking session on January 31st. We applaud the FCC's efforts to enhance and modernize Lifeline and Link Up. As our country continues to recover from the worst economic recession since the *Great Depression,* Lifeline service is vital to low-income families' ability to access emergency services, seek gainful employment, and stay connected with their families. The services provided through these programs enable the people in our communities to continue serving a key role in strengthening America's resiliency.

We agree wholeheartedly that the Lifeline program needs to be reformed to eliminate waste, fraud and abuse and to make it available to the greatest number of qualified applicants. There are clearly steps that can be taken to eliminate duplicate enrollment in the program and to ensure that only those who qualify are receiving them. At the same time, some of the recent recommendations of the Board are troubling and could potentially handicap this important program at a time when its services are needed most.

There has been discussion of placing a "cap" on the Lifeline fund, as well as placing a minimum monthly fee upon users of wireless Lifeline programs (which Eligible Telecommunications Carriers – ETCs - have been able to provide largely for free). While neither of these ideas are without merit, either would have a major impact on the accessibility of the program by qualified applicants, and we believe the FCC should adopt a more measured approach, similar to what we have suggested, before taking such drastic steps to change the program.

We would like to offer some suggestions to the FCC of how best to proceed with your upcoming rulemaking to strengthen the Lifeline program while eliminating the potential for fraud within it:

First, the FCC should promptly order the establishment and implementation of a central database to enable ETCs offering Lifeline services to determine, on a real time basis, whether applicants are enrolled in other providers' Lifeline programs. Such a database could be implemented in a relatively short term (we understand that the FCC already has already been presented with proposals by independent vendors to develop and manage a database) and would enable providers to avoid duplicate enrollment situations by not enrolling customers already receiving Lifeline benefits from another provider.

Secondly, the FCC should adopt a 60-day non-usage policy for ETCs offering prepaid Lifeline services and a 60 day non-payment policy for ETCs offering post-paid or billed Lifeline

services. Under the 60-day non-usage policy, customers enrolled in non-billed (prepaid/free) Lifeline programs who do not use their service for 60 consecutive days would face de-enrollment and the ETC would no longer receive support from the Universal Service Fund for de-enrolled customers. Under the 60-day non-payment policy, customers enrolled in post-paid or billed services who do not pay their bills (containing Lifeline discounts) for 60 days would be de-enrolled from Lifeline and the service provider would no longer receive Universal Service Fund support for such de-enrolled customers.

We believe that the FCC should implement these two changes during its November rulemaking session and analyze the impact of the entire set of proposed reforms for at least one year before making drastic changes that would risk the future of the Lifeline program. It is our belief that these reforms will considerably reduce instances of duplication, waste, fraud, and abuse within the Lifeline program without making a deleterious impact on our lowest income residents, who rely on these services for subsistence and economic well-being.

The Lifeline program has helped our most economically disadvantaged residents since it was first established. With our nation still climbing out of the most devastating economic recession since the *Great Depression*, unfortunately, more and more of our residents are qualifying for this service. We ask that the FCC take every action possible to ensure that Lifeline remains available and accessible to these residents.

This is not a partisan issue. We strongly believe that this program is of great importance to our states and want the FCC to understand our concerns and what we believe is a creative, constructive approach to reforming Lifeline.

Finally, we want to make clear that we are also supportive of the FCC's efforts to expand broadband access to underserved communities. Broadband deployment and a robust, efficient and accessible Lifeline program need not be mutually exclusive goals.

Thank you for considering our concerns and suggestions. We look forward to seeing how the FCC moves forward with its upcoming rulemaking.

Sincerely,

Governor Martin O'Malley
Maryland

Governor Pat Quinn
Illinois

Governor Peter Shumlin
Vermont

Governor John deJongh, Jr.
Virgin Islands