

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

|  |   |                      |
|--|---|----------------------|
| Lifeline and Link Up Reform and Modernization                      | ) | WC Docket No. 11-42  |
|  | ) |                      |
| Lifeline and Link Up   | ) | WC Docket No. 03-109 |
|  | ) |                      |
| Federal-State Joint Board on Universal Service                     | ) | CC Docket No. 96-45  |
|  | ) |                      |
| Advancing Broadband Availability Through Digital Literacy Training | ) | WC Docket No. 12-23  |
|  | ) |                      |

To: The Commission

**COMMENTS OF T-MOBILE USA, INC.**

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**COMMENTS OF T-MOBILE USA, INC.**

T-Mobile USA, Inc. (“T-Mobile”) submits these comments in response to the Further Notice of Proposed Rulemaking attached to the Lifeline Reform Order.<sup>1</sup>

**I. INTRODUCTION AND SUMMARY**

T-Mobile strongly supports the Commission’s efforts to reform the Lifeline program to curb waste, fraud, and abuse and impose reasonable fiscal discipline on disbursements from the Lifeline fund. A number of proposals in the FNPRM can help advance these goals. First, T-Mobile supports the Commission’s commitment to adopt an automated, centralized database that eligible telecommunications carriers (“ETCs”) can easily access to determine customers’ eligibility for Lifeline.

Second, the adoption of a uniform Lifeline support amount is a positive step, but it is probably too early to determine whether the interim \$9.25 support amount is sufficient or should be modified. Third, to ensure Lifeline subscribers receive the benefits of mobile services

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<sup>1</sup> *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“Lifeline Reform Order,” or “Order” or “FNPRM,” as applicable).

“reasonably comparable” to the services purchased by non-Lifeline customers, the Commission should provide a reduced amount of support, at a level such as 50 percent of the baseline amount, for a spouse of the head of household and any dependent children age 13 and older.

Fourth, consistent with providing additional support for additional wireless connections in eligible households, the Commission should allow residents of Tribal Lands to apply their enhanced Lifeline discounts to multiple connections, but only from the same ETC, to avoid unmanageable administrative problems. The Tribal Link Up program appears to exist now solely to create incentives for infrastructure deployment and should be transitioned into the Connect America Fund (“CAF”), which supports such deployment in a more targeted way.

Fifth, the Commission should not require ETCs to allow Lifeline customers to apply the discount to any bundled package of their choosing. The Commission’s new rules prohibiting ETCs from disconnecting Lifeline customers’ voice service for non-payment of charges for other services within the bundle and requiring the application of partial payments first to voice services leave ETCs exposed to significant risks of non-payment, with no meaningful recourse if Lifeline customers decide to apply the discount to expensive packages. Finally, while T-Mobile agrees with the Commission’s initial use of the three most common eligibility programs—Supplemental Nutrition Assistance Program, Medicaid, and Supplemental Security Income—as the basis for determining Lifeline eligibility and that it may be helpful to add other programs to the list at some point in the future, the Commission should not do so now. Instead, the Commission should assess the effectiveness of the new national eligibility rules before considering whether additional eligibility criteria are needed.

## II. THE COMMISSION SHOULD ESTABLISH A CENTRALIZED ELIGIBILITY DATABASE

T-Mobile strongly supports the Order's conclusion that there should be an automated process by the end of 2013 for ETCs to determine Lifeline eligibility for those consumers who are participants in the three most common eligibility programs.<sup>2</sup> The Commission is correct that an automated system would improve the accuracy of eligibility determinations and reduce the burdens on consumers as well as ETCs.<sup>3</sup> In addition, while most ETCs routinely review prospective customers' eligibility documentation, there may be others more interested in increasing their own subscriber counts and receipt of support revenue than in making accurate eligibility determinations. A centrally administered eligibility database will remove any room for carrier error or misunderstanding about a consumer's eligibility.

For these same reasons, the Commission should not restrict the database to the three most common eligibility programs. T-Mobile urges the Commission to automate eligibility determinations for *all* Lifeline eligibility programs. There should be a single, centralized database of eligibility data<sup>4</sup> because this would be the most efficient means for ETCs to accurately determine eligibility. Most eligibility data is currently in the hands of various state-level welfare agencies,<sup>5</sup> and multiple ETCs operate in a number of these states. Requiring these agencies to interface with each ETC individually would exacerbate the administrative and financial burdens already plaguing them. In addition, the burden on carriers to interface individually with multiple agencies in a state would be almost insurmountable. Therefore, at a

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<sup>2</sup> FNPRM at ¶ 403.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at ¶ 408.

<sup>5</sup> *See id.* at ¶ 404.

minimum, the Commission should direct that eligibility data from all agencies within a state be centralized into a single database for that state and that each state maintain such a database.<sup>6</sup> Ideally, however, there should be a single, national eligibility database.

The Commission should use a combination of approaches to facilitate the transfer of eligibility data from social service agencies to the centralized database. In addition, T-Mobile does not oppose the use of a reasonable amount of universal service funding to assist states in transferring state eligibility data to the national database.<sup>7</sup> There is no question that the Commission has the authority to use universal service support for the administration of the universal service program, and the creation of a centralized Lifeline eligibility database is integral to the administration of the Lifeline program.<sup>8</sup> At the same time, states also benefit from the availability of federal Lifeline benefits to their citizens, and it is reasonable for states to shoulder some of the burden of the creation of a centralized eligibility database. Beyond a reasonable amount of logistical, technical, and financial assistance, however, the Commission should ensure that states do their part. For example, after a reasonable transition period, the Commission could condition the availability of Lifeline benefits on state commitments to provide eligibility data to the centralized database.<sup>9</sup>

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<sup>6</sup> *See id.* at ¶ 409.

<sup>7</sup> *Id.* at ¶ 405.

<sup>8</sup> *See id.*

<sup>9</sup> *Id.* at ¶ 406.

Ultimately, the Commission's goal should be to combine the national eligibility database with the national duplicates database required by the Lifeline Reform Order<sup>10</sup> to provide a single source for information for ETCs seeking to enroll subscribers.<sup>11</sup>

### **III. A UNIFORM NATIONWIDE SUPPORT AMOUNT IS A SIGNIFICANT IMPROVEMENT**

T-Mobile supports the decision to move to a uniform nationwide Lifeline support amount.<sup>12</sup> This is a significant improvement over the prior system that required ETCs such as T-Mobile to keep track of support amounts that varied geographically for reasons that had no connection to consumers' needs or costs. The \$9.25 support amount selected in the Lifeline Reform Order represents a reasonable interim solution, and T-Mobile urges the Commission to study its effectiveness before modifying the support amount again. Carriers are still making the billing system changes necessary to implement the new support amount and even asked for an extension of the deadline for moving to this amount,<sup>13</sup> and further changes should not be required until the Commission gains some experience with the impact of support at the current level.

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<sup>10</sup> Lifeline Reform Order at ¶¶ 179-225

<sup>11</sup> FNPRM at ¶ 412.

<sup>12</sup> Lifeline Reform Order at ¶ 53.

<sup>13</sup> Petition for Waiver and Clarification of the United States Telecom Association, the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, the Western Telecommunications Alliance, and the Eastern Rural Telecom Association, WC Docket Nos. 11-42, 03-109, 12-23; CC Docket No. 96-45 (filed Mar. 9, 2012).

#### **IV. THE COMMISSION SHOULD PROVIDE REDUCED SUPPORT FOR ADDITIONAL WIRELESS CONNECTIONS IN ELIGIBLE HOUSEHOLDS**

The Commission should provide additional support for second and subsequent mobile connections in Lifeline-eligible households.<sup>14</sup> As T-Mobile argued in its *ex parte* comments in this proceeding and in its petition for reconsideration of the one-per-household rule concurrently filed with these comments,<sup>15</sup> Lifeline customers have a statutory right to “reasonably comparable” access to mobile wireless services as non-Lifeline households. Fundamental to the utility of mobile service is the way it is personal to the individual. Non-Lifeline households generally subscribe to a wireless connection for each adult and each teenager in the household; Lifeline subscribers should have the same opportunity and access to these critical communications services.

Thus, support should be available in Lifeline-eligible households for the head of household, any spouse, and any dependent children age 13 and above. Taxpayers identify their spouses and any other dependents (*e.g.*, children or parents) on federal income tax forms so it should not be difficult to document these relationships.

This does not mean, however, that the Commission should provide the same amount of support for multiple lines in a household. Non-Lifeline households benefit from wireless family-plan pricing, and the Lifeline subsidy should parallel this structure. Lifeline households should receive one full Lifeline subsidy, and support for additional connections in the household should

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<sup>14</sup> FNPRM at ¶ 471.

<sup>15</sup> See T-Mobile USA, Inc., Petition for Reconsideration, WC Docket Nos. 11-42 *et al.* (filed April 2, 2012).

be at a lower level, such as 50%, with the total subsidy for a household capped at some reasonable level, such as the maximum discount available in Tribal areas (\$25).<sup>16</sup>

**V. ETCS SHOULD NOT BE REQUIRED TO ALLOW CONSUMERS TO APPLY THE LIFELINE DISCOUNT TO ANY BUNDLED SERVICE PACKAGE**

T-Mobile also supports the Commission’s decision to allow ETCs the flexibility to apply the Lifeline discount to any bundled packages that include voice service, along with other services such as Internet access.<sup>17</sup> The Commission should not, however, *require* ETCs to allow consumers to apply the discount to *any* bundle of services the ETC offers.<sup>18</sup>

First, competition in the Lifeline market is already driving a multiplicity of pricing and service options, and the new permissive rule certainly will expand the available options further. If low-income consumers want a Lifeline service package that includes a particular set of services, Lifeline ETCs will have every incentive to offer that package in order to competitively serve those customers.

Second, a prescriptive requirement that ETCs allow customers to apply the Lifeline discount to any package that includes voice service may be technically difficult to implement and will make it hard for ETCs to manage their risk in serving Lifeline customers. ETCs are now required to apply Lifeline customers’ partial payments first to the voice component of the price of a service package, and may not disconnect voice service even if the customer refuses to pay for the non-voice components of a Lifeline service package.<sup>19</sup> Because of these restrictions, ETCs must necessarily maintain control over the degree of risk that they are willing to undertake

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<sup>16</sup> 47 C.F.R. § 54.403(a)(2) (2012).

<sup>17</sup> Lifeline Reform Order at ¶ 316.

<sup>18</sup> FNPRM at ¶ 489.

<sup>19</sup> Lifeline Reform Order at ¶ 320.

in offering bundled packages to Lifeline customers. ETCs have no guarantee that they will be able to recover the cost of the non-voice portion of a Lifeline service package. Thus, ETCs must have the flexibility to determine the scope of bundled packages that they will offer to Lifeline customers.

Alternatively, if the Commission decides to require ETCs to allow Lifeline customers to apply Lifeline discounts to any bundled service package of the customer's choosing, then the Commission should eliminate the new rules prohibiting the disconnection of voice service for non-payment of other charges and requiring carriers to apply payments first to voice service.

## **VI. TRIBAL SUPPORT CAN BE REFORMED FURTHER TO MAKE IT MORE BENEFICIAL AND EFFICIENT**

### **A. Tribal Residents Should Be Allowed to Apply Their Enhanced Lifeline Discounts to Multiple Supported Services From the Same ETC**

Tribal residents should have the flexibility to apply their Tribal Lands discount amount to more than one supported service per household.<sup>20</sup> As discussed above, all Lifeline consumers should have the opportunity to benefit from the particular advantages of mobile service, which is personal to the individual.<sup>21</sup> While T-Mobile believes that the Commission should provide additional, albeit reduced, amounts of support for second and subsequent connections in all Lifeline-eligible households, another way to support a more realistic number of wireless connections, at least in Tribal areas, is to allow Tribal residents to apply their support to multiple connections within the household.

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<sup>20</sup> FNPRM at ¶ 476.

<sup>21</sup> *See supra* Section III.

To avoid an administrative quagmire, however, the Commission should require Tribal Lands residents to apply their entire discount to a single ETC.<sup>22</sup> It would be impossible to administer a scenario under which Tribal Lands residents could divide up their discounts among multiple ETCs, creating potential new opportunities for waste, fraud, and abuse. The Commission and Universal Service Administrative Company (“USAC”) have enough work ahead of them to implement the comprehensive duplicates database and the centralized eligibility database.

**B. There are More Effective Ways to Support Deployment on Tribal Lands Than Through Link Up**

As the Commission observes, a significant element of the rationale for providing enhanced Link Up support on Tribal Lands was to “create incentives for carriers to construct facilities where none existed.”<sup>23</sup> That is why the program remains available only to ETCs that also receive high-cost support on Tribal Lands.<sup>24</sup> The Commission recently has restructured its mechanisms to support the construction of facilities in rural and high-cost areas, including on Tribal Lands.<sup>25</sup> As a result, Link Up may no longer be necessary to support deployment because high-cost support is targeted more explicitly to ensure deployment, and will be more effective for this purpose. The Commission therefore should provide for an orderly transition of Link Up support into the CAF, where it can more directly and explicitly support the deployment of voice and broadband facilities on Tribal Lands.

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<sup>22</sup> See FNPRM at ¶¶ 476-77.

<sup>23</sup> *Id.* at ¶ 482.

<sup>24</sup> Lifeline Reform Order at ¶¶ 246-54.

<sup>25</sup> See FNPRM at ¶ 481.

## **VII. THE COMMISSION SHOULD EXERCISE CAUTION IN ADDING ADDITIONAL PROGRAMS AT THIS TIME**

In the Lifeline Reform Order, the Commission simplified Lifeline administration significantly by establishing a uniform, nationwide list of benefit programs to be used by carriers to establish eligibility for Lifeline.<sup>26</sup> This new rule will require time for USAC and ETCs to implement. Therefore, the Commission should wait before adding to the list of programs that form the basis for Lifeline eligibility. Once the uniform rules have been implemented fully, it will be easier to determine whether it is advisable to add additional programs, such as the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children.<sup>27</sup>

In addition, T-Mobile supports the Commission's goal of ensuring that homeless veterans qualify for Lifeline even if they do not qualify based on participation in other programs.<sup>28</sup> Again, the Commission should study this issue further to determine the extent of this unmet need (including the number of homeless veterans that do not qualify based on the income standard).

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<sup>26</sup> Lifeline Reform Order at ¶ 65.

<sup>27</sup> FNPRM at ¶ 483.

<sup>28</sup> *Id.* at ¶ 486.

## VIII. CONCLUSION

T-Mobile urges the Commission to adopt additional reforms to the Lifeline and Link Up rules consistent with these comments.

Respectfully submitted,

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