Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	
	)	
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

OPPOSITION TO PETITIONS FOR RECONSIDERATION

The National Telecommunications Cooperative Association ("NTCA")[1] submits this Opposition to Petitions for Reconsideration of the Lifeline Reform Order.[2] NTCA opposes the reconsideration of the Commission's decisions to limit lifeline support to one per household and the requirement that receipt of support for wireless service be conditioned on customer activation of a handset. NTCA also uses this opportunity to support requests that the Commission reconsider some of the more costly and burdensome aspects of the Lifeline Reform Order, including the requirement that eligible telecommunications carriers (ETCs) follow up with customers at temporary addresses, and that carriers provide toll limitation despite lack of

[1] NTCA is an industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents nearly 600 rural rate-of-return regulated telecommunications providers. All of NTCA's members are full service local exchange carriers (LECs) and many of its members provide wireless, cable, Internet, satellite, and long distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). NTCA's members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

[2] *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 12-23, 11-42, 03-109; CC Docket No. 96-45, FCC 12-11 (rel. Feb. 6, 2012) (*Lifeline Reform Order*).

funding. The Commission should also clarify that that suspension of payments for alleged non-compliance applies only to Lifeline reimbursement payments, not to high-cost or other universal service payments owed to an ETC.

I. THE COMMISSION SHOULD NOT RECONSIDER THE ONE-PER-HOUSEHOLD RULE

In its Lifeline Reform Order, the Commission determined that a one-per-household rule, limiting Lifeline support to one supported line in an economic unit, is a "reasonable way to ensure that voice and broadband service are available to low-income consumers while minimizing the contribution burden on consumers and businesses."[3] T-Mobile asks the Commission to reconsider this determination, arguing that the one-per-household rule would deny Lifeline consumers the benefits of mobility that are enjoyed by non-Lifeline consumers, thereby violating the universal service principles of reasonable comparability and technological neutrality.[4]

As NTCA explained in earlier comments, the Lifeline/Linkup program was designed to offer a critical line of communications for low income customers.[5] Lifeline support was never intended to enable every individual over the age of 18 to have multiple lines of communications or for support to be provided to multiple wired and wireless phones in a single household. The Commission specifically considered the concerns of T-Mobile and others and struck an appropriate balance between ensuring that support is available for low-income families and that universal service funds are spent in a fiscally prudent way.[6]

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[3] *Lifeline Reform Order*, ¶ 74.
[4] T-Mobile, USA, Inc., Petition for Reconsideration, p. 2.
[5] See, Reply Comments of NTCA in WC Docket Nos: 11-42, 03-109, CC Docket No. 96-45 (filed Sept 2, 2011).
[6] *Lifeline Reform Order*, ¶ 82.

T-Mobile's arguments that the one-per-household rule violates the universal service principles of reasonable comparability and technological neutrality are without merit. T-Mobile offers no new evidence supporting reconsideration. It merely recycles arguments already made and rejected by the Commission. Further, for those families that determine that they must have more than one wireless phone, the rules permit eligible consumers to choose to apply their Lifeline discount to the purchase of family shared calling plans – thereby making supported voice service available to more than one person in a household at any given time.[7] The Lifeline program provides a low-income family the ability to obtain a voice service, whether wired or wireless, reasonably comparable to what is available to all other families. The Commission should reject T-Mobile's petition.

II. THE COMMISSION SHOULD NOT EXPAND ITS DEFINITION OF USAGE AS SUGGESTED BY TRACFONE

NTCA supports the Commission's rules that require customers of prepaid Lifeline services to be de-enrolled from programs if they fail to use the service for 60 consecutive days.[8] Section 54.407(c)(2) defines "usage" to include any of the following:

i. Completion of an outbound call;
ii. Purchase of minutes from the ETC to add to the customer's balance;
iii. Answering an incoming call from anyone other than the ETC;
iv. Responding to direct contact from the ETC and confirming that the customer wants to continue to receive Lifeline service

NTCA opposes Tracfone's requests that the Commission expand the definition of "usage" to include receipt of minutes.[9] Tracfone points out that it sends monthly allotments of minutes to Lifeline customers and in order to receive those minutes, customers must have their wireless handset turned on and the battery charged. Tracfone argues that merely having the

[7] *Lifeline Reform Order*,¶ 83.
[8] 47 C.F.R. § 54.407(c).
[9] Tracfone Petition for Reconsideration and Clarification, pp. 15-19 ("Tracfone Petition").

phone on and charged indicates that the customer intends to remain enrolled in the Lifeline program.[10] Tracfone's revision of the rule would infer intent upon the simple act of receiving a phone and plugging it in. However, lifeline supports service, not devices. The Commission rightly balanced the potential burden to the individual consumer against the cost to the public in finding that the service must be used by the consumer to justify the public support of it.

Similarly, the Commission determined that ETCs offering Lifeline services which do not require collection of monthly fees from consumers ("prepaid" services) may not receive USF support for a subscriber until the subscriber personally activates the service. Tracfone argues the simple act of activating a phone is a burden which should not be imposed on Lifeline customers. It would prefer to receive funding upon sending an already authorized handset to its Lifeline customers. The Commission makes clear that activation may be service initiation or the actual use of the service by a subscriber.[11] Therefore, the only "burden" placed on the backs of the customer is to actually use the service for he or she is receiving public funds.

Explosive growth in the Lifeline program can be traced to unscrupulous practices of a select group of wireless providers. The usage requirements adopted by the Commission are carefully measured steps that curb abuse with minimal consumer burden. The Commission should not reconsider its usage requirements as suggested by Tracfone.

III. THE COMMISSION SHOULD RECONSIDER THE MORE COSTLY AND BURDENSOME ASPECTS OF ITS LIFELINE REFORM ORDER

NTCA supports the reconsideration of certain portions of the Lifeline Reform Order. Although NTCA supports reforming and modernizing the Lifeline program, some of the rules are unnecessary or overly burdensome.

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[10] Tracfone Petition, pp. 15-16.
[11] *Lifeline Reform Order*, ¶ 20.

For example, the Commission requires that carriers ask potential Lifeline subscribers whether the customer's address is temporary and then verify at 90-day intervals whether the customer continues to rely upon that address. The rule is burdensome for all providers, and unnecessary as it applies to wireline ETCs. The temporary address re-verification requirement is targeted at a very small segment of potential violators. It is not needed to determine whether an individual consumer is receiving more than one benefit from two separate addresses. Comparing name, date of birth and last four digits of the Social Security number – information ETCs are required to collect – is a far more reliable method of determining duplicity. Temporary address re-verification has little practical value, but imposes a very costly burden on small providers.

Further, wireline ETC lifeline subscribers cannot move their Lifeline service to a new address without discontinuing service at the first address. Applying the rule to wireline ETCs imposes additional burdens, but does not serve the goal of providing "additional protections" to those ETCs that serve consumers without a permanent address.[12] The temporary address requirement will only confirm at 90-day intervals that the ETC is still providing the subscriber with Lifeline service at the same address.

NTCA supports those parties who ask the Commission to reconsider the temporary address re-verification, especially as the requirement applies to small wireline ETCs.[13]

NTCA also agrees with USTelecom that the Commission should eliminate the requirement that ETCs offer toll limitation service ("TLS").[14] In its Lifeline Reform Order, the Commission concluded that the policy rationale for providing TLS to low-income consumers is no longer valid and determined that ETCs would no longer be compensated for the cost of the

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[12] *Lifeline Reform Order*, ¶ 89.
[13] USTelecom Petition for Reconsideration and Clarification, pp. 2-4 ("USTelecom Petition"), Tracfone Petition, pp. 22-24, Sprint Nextel Petition for Reconsideration, pp. 2-6, General Communicaitno, Inc, Petition for Reconsideration and Clarification, pp. 3-8.
[14] USTelecom Petition, p. 5.

service.[15] But the Commission obligated ETCs to continue to offer the service.[16] ETCs who offer service plans for which ETCs charge a fee for toll calls must be capable of performing toll limitation and blocking across their networks. NTCA agrees, "This requirement now is an unfunded mandate and should now be eliminated."[17]

Though not a matter for reconsideration, NTCA agrees that the Commission should clarify that suspension of payments for alleged non-compliance applies only to Lifeline reimbursement payments, not to high-cost or other universal service payments owed to an ETC. USAC is provided the discretion to suspend payments to a carrier pending USAC's receipt and evaluation of the carrier's response to a notification that the ETC has failed to comply with the low-income rules.[18] NTCA's members typically receive much more high-cost funding than low-income funding and suspending high-cost funding because of alleged noncompliance with low-income rules could be devastating to a small carrier. AS USTelecom put it, it "would create an unnecessary hardship and would unreasonably and unfairly penalize the company out of all proportion to its violation."[19] The programs, their mechanisms, and their purposes are distinct. Compliance with each program is unrelated and any action taken due to alleged non-compliance should be tied only to the program at issue.

IV. CONCLUSION

NTCA requests that the Commission reject calls to reconsider its decision to limit lifeline support to one per household and the requirement that receipt of support for wireless service be conditioned on customer activation of a handset. NTCA supports requests that the Commission reconsider some of the more costly and burdensome aspects of the Lifeline Reform Order,

[15] *Lifeline Reform Order*, ¶ 229.
[16] *Id.*, ¶ 230.
[17] USTelecom Petition, p. 5.
[18] *Lifeline Reform Order*,¶ 298
[19] USTelecom Petition, p. 15.

including the requirement that eligible telecommunications carriers (ETCs) to follow up with customers at temporary addresses, and that carriers provide toll limitation despite lack of funding. The Commission should also clarify that that suspension of payments for alleged non-compliance applies only to Lifeline reimbursement payments, not to high-cost or other universal service payments owed to an ETC.

Respectfully submitted,

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