



**INTERGOVERNMENTAL ADVISORY COMMITTEE  
to the  
FEDERAL COMMUNICATIONS COMMISSION**

**ADVISORY RECOMMENDATION NO: 2015-10**

<b>In the Matter of</b>	)	
	)	
<b>Lifeline and Link Up Reform and Modernization</b>	)	WC Docket No. 11-42
	)	
<b>Telecommunications Carriers Eligible for Universal Service Support</b>	)	WC Docket No. 09-197
	)	
<b>Connect America Fund</b>	)	WC Docket No. 10-90

1. The Intergovernmental Advisory Committee (“IAC”) hereby submits the following recommendations in response to the Notice of Proposed Rulemaking released by the Federal Communications Commission (“Commission”) regarding the reform and expansion of the Lifeline and Link Up programs.<sup>1</sup> The Intergovernmental Advisory Committee supports the Commission’s efforts to modernize the Lifeline telephone program. The IAC recommends the following steps for reform and modernization.
  
2. The IAC agrees with the Commission that broadband is “essential to participate in society.” A key reason people with access choose not to subscribe to broadband is affordability. Thus, the IAC urges the Commission to make broadband service eligible for lifeline support to assist low-income individuals afford broadband services.<sup>2</sup> Part of the purpose of the Notice is to address “how broadband should be incorporated in the Lifeline program.”<sup>3</sup> The IAC agrees with the Commission’s suggestion that providers include broadband as an independent service, or bundled

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<sup>1</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, and Connect America Fund*, WC Docket No. 11-42, WC Docket No. 09-197, and WC Docket No. 10-90, Second Further Notice of Proposed Rulemaking, FCC 15-71 (rel. June 22, 2015) (“Notice”).

<sup>2</sup> *Id.* at ¶ 4.

<sup>3</sup> *Id.* at 4, n. 12.

together with a voice package within the Lifeline program. Eligible subscribers should be able to choose whether they prefer a benefit that is voice only, voice and broadband or broadband only.<sup>4</sup> The IAC recognizes that a blended model will be difficult to administer as the Commission may have to determine the amount of the subsidy to allocate to voice and to broadband, and in addition, should consider how to make Lifeline available to consumers who may pay only an installation fee and no monthly fee for broadband service. We also recognize that if the Commission does adopt a blended model where individuals can use the subsidy for both voice and broadband, there may be circumstances where two different providers are splitting the Lifeline subsidy as an individual's voice provider may not be his/her broadband provider.

3. We understand that with the IP Transition, voice will transition to voice-over-IP and the bundling needs will cease to exist. The efficiencies gained through the modernization and auditing of the Lifeline program may identify funding to accommodate the expansion of the program to broadband.
4. Broadband access for personal communications devices more accurately reflects usage in certain age groups. While understanding that a one service per household policy fits the current model and might have made fiscal sense at the time, the Commission should plan for a rapid shift away from households and to individuals. We acknowledge the risks with expanding the Lifeline program to subsidize service for each eligible individual within a household, such as having several Lifeline subsidized service devices. Therefore, we urge the Commission to provide for flexibility to address wired and wireless broadband and voice solutions and consider employing a shared household Wi-Fi plan where Wi-Fi access is subsidized and multiple devices within the same household can access broadband.
5. In addition, the IAC recommends eliminating the ETC status requirement for Lifeline providers so that providers of broadband service can be eligible to become a Lifeline provider. The Notice makes clear that the Commission intends to streamline the ETC designation process at the state and federal levels in order to "increase market entry into the Lifeline space."<sup>5</sup> The Commission's current set of rules require that a potential service provider first become an ETC before they can receive any Lifeline universal service support.<sup>6</sup> The Commission itself has acknowledged that the ETC requirement potentially poses an impediment to broader participation in the Lifeline program,<sup>7</sup> and has observed that it would reassess its decision to require ETC status if it appeared that Lifeline was not made available nationwide to low-income consumers.<sup>8</sup>

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<sup>4</sup> The IAC acknowledges that the Lifeline subsidy of \$9.25 or \$34.25 for tribal individuals, may not be sufficient to address in any meaningful manner affordability given market rates, particularly if an individual seeks to obtain the Lifeline subsidy for both voice and broadband. Thus, the IAC encourages the Commission to continue actions to increase competition and decrease broadband rates.

<sup>5</sup> Notice at ¶ 122.

<sup>6</sup> *Id.* at ¶ 132.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at ¶ 135.

6. If the Commission does not eliminate the ETC, to provide better access to the Lifeline program, the Commission should continue to review ETC eligibility requirements and the speed at which requests are processed. While the IAC would support eliminating ETC requirements, the IAC believes that the Commission should ensure that providers that participate in Lifeline meet certain broadband performance standards. Thus, the IAC recommends the Commission continue to have performance requirements for Lifeline providers that ensure Lifeline subscribers receive acceptable service from any providers they select.
7. The IAC supports the establishment of minimum service levels for all Lifeline service offerings,<sup>9</sup> and we encourage the Commission to establish a dynamic system of monitoring the relationship between providers' "best" and "lesser" service offerings. We expect the minimum standard for broadband access to grow consistently with offerings in more profitable markets to ensure that low income consumers are not left behind in a modernized digital landscape. The Commission should make every effort to ensure that households in rural and tribal areas have equivalent levels of service available as consumers in competitive or more profitable markets. We should aspire to see the equivalent level of broadband speeds provided to both subsidized and unsubsidized services.
8. We recognize that meeting such national standards by some providers in some rural and tribal areas may be unrealistic in the near-term. If there is reasonable belief these standards cannot be met in the near term, the IAC encourages the Commission to establish a process whereby communities could seek exceptions that may be made to offer Lifeline service at lower speeds. We further recommend that the exceptions be reviewed on a regular basis and that the Commission explore possible incentives to encourage providers to invest in their infrastructure and technologies to eliminate the need for the exceptions.
9. In addition to performance standards, the Commission should adopt appropriate customer service requirements to ensure that Lifeline providers adhere to policies and procedures that support Lifeline consumers. Lifeline consumers should not be deprived of lower rates for other services or even free services that may be offered in bundles or packages with broadband because they subscribe to broadband under a Lifeline subsidy. For example, if a provider offers a bundle for video and broadband that is only a few dollars more per month than broadband separately, Lifeline consumers should be able to obtain that bundled package. Similarly, Lifeline providers' credit and deposit requirements should support low income consumers and not be so onerous that even with a Lifeline subsidy, broadband would still be out of reach for such consumers. Lifeline providers' termination policies should not deprive consumers of Lifeline broadband service if they are late paying for or do not pay for other services not covered under Lifeline. Further, Lifeline providers should not tie non-Lifeline products or services with Lifeline services. For example, providers should not require that Lifeline consumers pay for modems, handsets, other equipment, or installation and activation services to be able to subscribe to Lifeline broadband service. When reviewing whether a service

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<sup>9</sup> *Id.* at ¶ 15.

provider is eligible to be a Lifeline provider, the Commission should obtain information about such providers' customer service policies to ensure that they support the overall goal of Lifeline – to provide a subsidy to assist low income consumers afford broadband service. The Commission should further create a process to handle complaints against providers for alleged violations of such customer service standards.

10. We specifically encourage the Commission to explore partnership possibilities with the U.S. Department of Agriculture's Rural Utility Service grant and loan programs. Because the Lifeline program provides monthly payments to qualifying providers, the funds are used by those companies to meet operational expenses. The IAC encourages the Commission to explore with the RUS using Lifeline subsidies as a guaranteed revenue stream to the provider to qualify for RUS grants and loans. Such a transformation would facilitate infrastructure build-out and technological upgrades to less profitable areas of rural and tribal America. Lifeline broadband providers must continue to update their minimum service levels as the Commission changes the minimum for standard broadband service levels and as the providers increase capabilities for their more competitive markets and/or profitable consumers.
11. The IAC urges the Commission to adopt the proposal to transition control of determining whether a consumer is eligible for the Lifeline program away from service providers and into a more centralized real-time verification process that simplifies the determination of eligibility, while at the same time, does not shift the risk to Lifeline service providers short of engaging in fraudulent activity.
12. The IAC supports streamlining the enrollment and verification process in concert with other federal programs. The Commission has referenced a number of states that have already established "state eligibility databases or other means to verify Lifeline eligibility."<sup>10</sup> States that have established third party eligibility verification systems may serve as models for developing a simple, viable, "customer friendly" national program. It is critical that real-time determination of eligibility is available through this system. Providers need to be able to rely on the timeliness and accuracy of this data prior to providing equipment and services. One way to streamline the enrollment and verification process with other federal programs is to tie in Lifeline eligibility with other low income eligible, federal support programs so long as those other federal programs maintain identical eligibility requirements as the Lifeline program. For example, a consumer eligible for section 8 or any type of low-income housing, Supplemental Nutritional Assistance Program (SNAP) (formerly known as Food Stamps),<sup>11</sup> or even if they qualify for the Earned Income Tax Credit ("EITC") or the Child Tax Credit ("CTC"), could be eligible for enrollment into the Lifeline program, if the Lifeline statutory and regulatory eligibility standards are identical and have been documented for the applicant. We propose that the Commission encourage all federal assistance programs to inform consumers about the Lifeline program and the possibility of signing up for Lifeline while they apply for other

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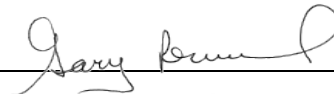
<sup>10</sup> Notice at ¶ 63.

<sup>11</sup> *Id.* at ¶ 95.

programs.<sup>12</sup> Further, the Commission should be amenable to partnering with state and local government programs that offer assistance to low income consumers to help make such consumers aware of the Lifeline program.

13. The IAC believes that expanding efforts to provide Internet access through public venues is vital to ensure that all income levels and ages have access. In addition to affordability, another main reason many residents do not subscribe to broadband is they simply do not know how to use the services or understand the value in their lives. To that end, programs that permit support from federal, state/local/tribal governments, including libraries, community centers and other public connectivity sites need to be encouraged and supported. Further, the Commission should allow government providers of broadband service to be eligible to be Lifeline providers, consistent with the Commission's recognition that municipal broadband providers support consumer choice and competition in broadband services.
14. In summary, the IAC supports the FCC's effort to enhance Lifeline, especially by expanding the subsidy to cover broadband services. We seek to identify ways in which the Commission can incentivize providers to deploy infrastructure and advanced technologies in areas that do not have sufficient broadband access. While there are challenges in responding to increases demand for data, the IAC stands ready to assist the Commission in its endeavors to ensure that essential communications services are available for low-income consumers and to support comprehensive broadband adoption policies. This proposed policy seeks to enhance access to basic voice and broadband services - services that the IAC believes are essential for a good quality of life and required for participation in our society and economy.

Respectfully submitted,



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**Gary Resnick, Chair**  
**INTERGOVERNMENTAL ADVISORY**  
**COMMITTEE**

November 13, 2015

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<sup>12</sup> *Id.* at ¶ 96.