



The voice of mid-size communications companies

November 10, 2015

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

Re: *Ex Parte Notice in In the Matter of Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund, WC Docket Nos. 11-42, 09-197, 10-90*

Dear Ms. Dortch:

On November 6, 2015, Jeb Benedict of CenturyLink, AJ Burton of Frontier, and Genny Morelli and the undersigned of ITTA met jointly with Gigi Sohn in Chairman Wheeler's office, Johnathan Chambers in the Office of Strategic Planning and Policy Analysis, and Nathan Eagan, Chas Eberle, Jodie Griffin, Trent Harkrader, Christian Hoefly, Ryan Palmer, and Jay Schwarz in the Wireline Competition Bureau to discuss the Commission's ongoing efforts to modernize and reform the Lifeline program.¹

We noted the growing pressure on the Universal Service Fund (USF) as the Commission expands the scope of services supported by USF programs. We reiterated ITTA's position that the Commission should undertake USF contribution reform and broaden the base of contributors before, or at least in conjunction with, taking any steps modify the Lifeline program to include support for broadband services.

We expressed our enthusiastic support for the Commission to implement a national, third-party verifier to determine subscriber eligibility for Lifeline services, and observed that there is significant record support for the Commission to do so. A national, third-party verifier would reduce waste, fraud, and abuse in the Lifeline program, create more efficiencies in program administration, and benefit consumers in numerous ways (e.g., by preserving customer privacy, promoting carrier participation, lowering costs, allowing subscribers to seamlessly switch providers, and improving the quality and quantity of services available to consumers).

¹ *In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service support, Connect America Fund, WC Docket Nos. 11-42, 09-197, 10-90, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71 (rel. June 22, 2015) ("FNPRM").*

We pointed out that establishing a national, third-party verifier would diminish and/or obviate the need for the Commission to adopt other changes suggested in the *FNPRM*, such as proposals that would require Lifeline providers to conduct employee training, follow stringent de-enrollment procedures (e.g., a requirement to establish a 24-hour service line for Lifeline de-enrollments), adhere to additional certification requirements, and implement standardized Lifeline forms. We urged the Commission not to adopt these proposals because these further administrative requirements are intrusive, burdensome, and unnecessary.

We discussed the appropriate duties of the national, third-party verifier in reviewing proof of Lifeline subscriber eligibility, managing recertification, and performing other functions through direct interaction with consumers. We suggested that the FCC should encourage states to rely on the national, third-party verifier to the maximum extent possible. Should any state want to retain its role in verifying Lifeline eligibility, we suggested that the Commission follow a similar approach to how it implemented the National Lifeline Accountability Database (NLAD). Specifically, the Commission should allow the state to opt-out of utilizing the national, third-party verifier contingent on the state's having processes in place that are sufficient to fully determine federal eligibility. We also pointed out that the costs of operations of the national, third-party verifier should come out of the Lifeline budget, consistent with how the NLAD is funded.

We recommended that the Commission allow for Lifeline benefits to be transferred directly to consumers via a portable benefit. This approach would achieve numerous benefits, such as promoting consumer choice, streamlining program administration, and facilitating greater competition in the Lifeline program.

We indicated that the FCC should streamline the ETC designation process. There is no statutory impediment that would prevent the Commission from delinking Lifeline participation from ETC status. So long as other suitable controls are in place, there is no reason the Commission cannot move forward with this proposal. We also advocated that the Commission should relieve ILECs of the obligation to provide Lifeline service if they so choose, at least in areas where there is sufficient competition or where the ILEC does not receive high-cost USF support.

We pointed out that establishing minimum service levels that Lifeline providers must offer to Lifeline subscribers raises practical concerns. Imposing minimum service requirements would increase Lifeline providers' costs, thereby undermining participation in the Lifeline program. Establishing minimum service levels also would limit consumers' ability to determine for themselves which Lifeline provider and which service plan makes the most sense for their particular circumstances.²

² For example, the Commission suggests setting the minimum speed for fixed broadband at 10/1 Mbps. However, certain consumers, particularly in rural areas, may not currently have access to 10/1 Mbps speeds and would thus be prevented from utilizing Lifeline for fixed broadband service. Furthermore, even if higher speeds are available, a minimum speed standard may prevent customers from opting for a lower speed that may better meet their budget.

Ms. Marlene H. Dortch
November 10, 2015
Page 3

Finally, we discussed potential concerns with implementation of a one-time broadband connection charge in light of the Commission's experiences with the Link Up program.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,



Micah M. Caldwell
Vice President, Regulatory Affairs

cc: Gigi Sohn
Jonathan Chambers
Nathan Eagan
Chas Eberle
Jodie Griffin
Trent Harkrader
Christian Hoefly
Ryan Palmer
Jay Schwarz