

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

**REPLY COMMENTS OF THE NATIONAL ASSOCIATION OF STATE
UTILITY CONSUMER ADVOCATES ON
NOTICE OF PROPOSED RULEMAKING**

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I. INTRODUCTION

On March 4, 2011, the Federal Communications Commission (“Commission” or “FCC”) issued a Notice of Proposed Rulemaking (“NPRM”) in these dockets.¹ As described by the FCC, the reforms set forth in the NPRM

will significantly bolster protections against waste, fraud, and abuse; control the size of the program; strengthen program administration and accountability; improve enrollment and outreach efforts; and support pilot projects that would assist the Commission in assessing strategies to increase broadband adoption, while not increasing overall program size.²

The National Association of State Utility Consumer Advocates (“NASUCA”) filed comments on the NPRM, as did other consumer advocates, state regulators, and many industry entities. Per the direction in the NPRM, NASUCA filed reply comments on certain portions of the NPRM on May 10, 2011.³ Further pursuant to the NPRM, these

¹ FCC 11-32 (rel. March 4, 2011).

² NPRM, ¶ 1.

³ Those reply comments addressed Sections IV (¶¶ 46-102), V (Subsection A) (¶¶ 103-125), and VII (Subsections B and D) (¶¶ 158-198 and 205-222, respectively) of the NPRM.

reply comments address certain of the remaining sections, being Sections III (§§ 28-45), VI (§§ 126-141), VII (Subsections A, C, and E) (§§ 152-157, 199-204 and 223-225, respectively), VIII (§§226-238) and IX (§§239-312) of the NPRM.⁴ NASUCA’s failure to address any particular party’s position on a particular issue should not be deemed to be acquiescence in that position.⁵

But NASUCA must address here one position taken by a single party: That is USTelecom’s argument that “Lifeline Service Should Be Funded From General Revenues.”⁶ Although superficially attractive as a politico-philosophical argument, Congress has already decided where Lifeline funding should come from. That is the universal service fund, where funding comes from telecommunications carriers and their customers.⁷ USTelecom’s comparison of Lifeline to other low-income support programs misses a crucial point: the network effects of telephone service, where the service is more valuable to each customer the greater the number of other customers who are on the

⁴ As customary, NASUCA does not address the Tribal issues in Section V.B.

⁵ Comments responded to here include those by Advocates for Basic Legal Equality, et al. (“ABLE, et al.”); Amvensys Telecom Holdings, LLC (“Amvensys”); AT&T; Benton Foundation, et al. (“Benton, et al.”); Budget PrePay,® Inc., GreatCall, Inc., and PR Wireless, Inc. d/b/a Open Mobile (“Budget, et al.”); CenturyLink; Cincinnati Bell, Inc. (“Cincinnati Bell”); COMPTEL; Conexions LLC dba Conexion Wireless (“Conexions”); Consumer Cellular, Inc. (“Consumer Cellular”); Cox Communications, Inc. (“Cox”); CTIA – The Wireless Association® (“CTIA”); the Indiana Utility Regulatory Commission (“IURC”); Keep USF Fair Coalition (“KUSFF”); Leap Wireless International, Inc. and Cricket Communications, Inc. (“Cricket”); the Massachusetts Department of Telecommunications and Cable (“MDTC”); the Mississippi Public Service Commission (“MPSC”); National ALEC Association/Prepaid Communications Association (“NALA/PCA”); National Telecommunications Cooperative Association (“NTCA”); the New York Public Service Commission (“NY PSC”); Nexus Communications, Inc. (“Nexus”); One Economy Corporation (“One Economy”); Open Access Connections, et al. (“Open Access, et al.”); the Public Service Commission of the District of Columbia (“DC PSC”); Smith Bagley, Inc. (“SBI”); Sprint Nextel Corporation (“Sprint”); the Staff of the Public Utilities Commission of Ohio (“PUCO Staff”); TracFone Wireless, Inc. (“TracFone”); United States Telecom Association (“USTelecom”); YourTel America, Inc. (“YourTel”).

⁶ US Telecom Comments at 2-2-4.

⁷ 47 U.S.C. § 254.

network.⁸

In that respect, USTelecom’s argument that Lifeline funding “discourage[es] adoption and/or usage of communications services” – including broadband services⁹ – could also be applied to the rest of the universal service fund, including the high-cost fund.¹⁰ Yet there also, the network effects make payments through the current funding mechanism appropriate.

II. PERFORMANCE GOALS

Few commenters had anything to say about performance goals, and some of what was said was quite vague and of little use.¹¹ ABLE, et al., by contrast, provided an analysis¹² that, for instance, correctly calls into question the metric of the Commission’s availability goal.¹³ NASUCA agrees with the MDTC that the goals must be “clearly established.”¹⁴

III. CONSTRAINING THE SIZE OF THE LOW INCOME FUND

The FCC had proposed that the existing Lifeline program be capped at the 2010

⁸ Other than for the general social good, on the other hand, neither food nor heat (see *id.* at 2) are more valuable to a food stamp or LIHEAP recipient as a result of other consumers’ receipt of assistance.

⁹ *Id.* at 3.

¹⁰ One of USTelecom’s proposals for the broadband pilot is “discount elimination – the phasing out of the discount after some period of time.” *Id.* at 24. USTelecom reasons that “low-income consumers may reevaluate the value proposition of having such services and make the decision to retain it even without a Lifeline discount.” *Id.* One wonders what USTelecom’s membership would think of applying such a concept to the high-cost fund.

¹¹ See Consumer Cellular Comments at 5-7; Cricket Comments at 3-4.

¹² ABLE, et al. Comments at 13-16.

¹³ *Id.* at 14-15.

¹⁴ MDTC Comments at 2.

level of disbursements.¹⁵ NASUCA opposed this proposal, stating,

The low-income fund, conversely, is “threatened” because it has finally become successful in providing communications services to low-income Americans that they need and prefer. Instead of congratulating the ETCs – and the states that have authorized them¹⁶ – that are providing an essential public service, we somehow have come to the point where the FCC seeks to put a halt to Lifeline expansion because success is finally being achieved in reaching a long sought goal.¹⁷

There were few commenters who supported a cap. The MPSC apparently does so, with the caveat that there should be a state-specific cap.¹⁸ But the MPSC also “requests that no action be taken on deployment of a cap if low-income persons would be deprived of needed support.”¹⁹ It is not at all clear how a cap could work without depriving qualifying individuals of support.

Most of the commenters, representing a wide spectrum of industry and others, also opposed capping the Lifeline fund with various degrees of strength.²⁰ A cap is not needed, and, as Conexions asserts,

Implementation of a low-income cap also would be entirely impracticable. As the NPRM observes, implementation of a cap would require the Commission to decide, for example, how to allocate capped funding among the states and among existing and new Lifeline customers. Would all customers receive less support on a pro-rata basis, or would there be some system of priority? Who would be given priority – existing customers, that have already received support for some period of time, or

¹⁵ Id., ¶¶ 142-149.

¹⁶ Of course, this Commission has also authorized such ETCs.

¹⁷ NASUCA Comments at 19-20 (footnote omitted).

¹⁸ MPSC Comments at 5; see also IURC Comments at 8.

¹⁹ MPSC Comments at 7.

²⁰ ABLE, et al. Comments at 8-11; Amvensys Comments at 7-8; Benton, et al. Comments at 3; Budget Comments at 3-4; AT&T Comments at 32; Conexions Comments at 9; Consumer Cellular Comments at 18-19; Cox Comments at 8; Cricket Comments at 13-15; CTIA Comments at 24; Keep USF Fair Comments at [2]; NALA/PCA Comments at 6-8; NEXUS Comments at 9-12; NYPSA Comments at 3; Open Access, et al. Comments at [3]; PUCO Staff Comments at 13; Sprint Comments at 13-14; TracFone Comments at 24-27; YourTel Comments at 10-11. USTelecom simply says that the Commission lacks sufficient information to cap the fund at this point. USTelecom Comments at 20-12.

new customers that have not yet had the opportunity to benefit from support? There are no satisfactory answers to any of these questions, and no clear way to justify a cap under the statutory requirement that support be “sufficient” to ensure that services are “affordable” for low-income consumers.²¹

Many of those commenters noted further that the Commission should first adopt other measures proposed in the NPRM, and then consider whether a cap is needed.²² In the belief that it will ultimately be found that a cap is unnecessary, NASUCA would accept this course, instead of a flat-out rejection of a cap at this point.

CenturyLink asserts that “the Commission must not allow the Lifeline program to draw funding away from or otherwise infringe on the other Universal Service Fund programs, such as the high-cost programs that are and will be essential in bringing broadband to all customers.”²³ CenturyLink’s views are understandable but unfortunate: As the only universal service program that provides benefits directly to customers, Lifeline should be even more important than the other programs.²⁴ And the broadband Lifeline pilots discussed below should be of even greater importance in bringing **affordable** broadband to low-income customers.²⁵

IV. IMPROVING PROGRAM ADMINISTRATION

A. UNIFORM ELIGIBILITY STANDARDS

The FCC proposed the adoption of uniform federal eligibility criteria for all states, and seeks comments on whether to allow states to individually adopt more

²¹ Conexions Comments at 9-10; see also NEXUS Comments at 11-12.

²² AT&T Comments at 32; Benton, et al. Comments at 3; CenturyLink Comments at 15-16; COMPTTEL Comments at 17; NTCA Comments at 2-4.

²³ CenturyLink Comments at 15-16.

²⁴ See ABLE, et al. Comments at 9-10; Benton, et al. Comments at 3; Open Access, et al. Comments at 7.

²⁵ See Cox Comments at 8-9.

permissive criteria.²⁶ The NPRM also sought comment on changing the default income eligibility criteria from 135% to 150% of the Federal Poverty Guideline (“FPG”).²⁷

NASUCA commented that:

A federal mandate requiring uniform eligibility standards for all states would be based on the logic that Lifeline is a federal program using federal funds and that it is the FCC’s choice as to whether to implement federal standards or not to do so. NASUCA agrees with this logic²⁸.

NASUCA also supported, as in the past, expanding the eligibility criteria to 150% of the FPG.

Most of the commenters that addressed these issues supported both points.²⁹

These proposals should be adopted.

B. COORDINATED ENROLLMENT

The FCC requested further comment on the process of coordinating enrollment in Lifeline with state and federal agencies that administer programs that qualify customers for Lifeline service.³⁰ NASUCA proposed that the FCC should declare this a “best practice,” but noted the difficulty of “mandate[ing] such activity through state government agencies that are not subject to FCC regulation.”³¹

Here again, most of those that commented in this area supported the FCC.³² One notable exception was Cincinnati Bell, which says that this is “inappropriate” in a

²⁶ Id., ¶¶ 150-157.

²⁷ Id., ¶ 157.

²⁸ NASUCA Comments at 20.

²⁹ E.g., Benton, et al. Comments at 5; Budget Comments at 6-7; COMPTEL Comments at 18-19; Conexions Comments at 8; Cox Comments at 9; DCPSC Comments at 4; PUCO Staff Comments at 15

³⁰ Id., ¶¶ 199-204.

³¹ NASUCA Comments at 24.

³² E.g., CenturyLink Comments at 20; DC PSC Comments at 6-7; NY PSC Comments at 10; TracFone Comments at 35.

competitive environment.³³ But Cincinnati Bell misses a key distinction – between coordinated enrollment in Lifeline (such as is done in Florida), and coordinated Lifeline subscription to a single provider.³⁴ Coordination should be included as a best practice.

V. CONSUMER OUTREACH & MARKETING

The FCC requested comment on the appropriate methods that should be adopted to satisfy the Commission’s requirements for ETCs to advertise the availability of services supported by universal service funds.³⁵ NASUCA endorsed the proposals of the Joint Board that have been recommended to the FCC as an appropriate approach to the requirement that ETCs advertise the availability of Lifeline service throughout the ETC service area.³⁶

ABLE, et al. note that the Commission correctly recognized the distinction between outreach and marketing.³⁷ NASUCA agrees. ABLE, et al. also correctly demonstrate the inadequacies of the current outreach requirements and propose reasonable minimum standards for outreach.³⁸ In addition, ABLE, et al. propose requiring outreach reporting using a standardized form.³⁹ NASUCA agrees.

Conexions and TracFone assert that Lifeline ETCs have ample incentive to engage in effective marketing and outreach, and oppose the establishment of minimum

³³ Cincinnati Bell Comments at 12-13.

³⁴ See TracFone Comment at 35. It appears that New York uses the fundamentally non-competitive former approach. NYPSC Comments at 10.

³⁵ NPRM, ¶¶ 226-238.

³⁶ NASUCA Comments at 26, citing *2010 Recommended Decision*, 25 FCC Rcd at 15619, ¶ 60.

³⁷ ABLE, et al. Comments at 34.

³⁸ Id. at 35-37; see also PUCO Staff Comments at 21. The DC PSC and MDTC report on their own outreach activities. DC PDC Comments at 7; MDTC Comments at 10.

³⁹ ABLE, et al. Comments at 37-38.

standards.⁴⁰ First, this may be true for newer entrants for whom Lifeline is a profit center,⁴¹ but it is not true for incumbent carriers. But in any event, to the extent that minimum standards are adopted, carriers should have the incentive to **exceed** the minimum. Contrary to these wireless providers, USTelecom asserts that “consistent **government** outreach is best and most appropriate.”⁴² This is indeed, as USTelecom acknowledges, consistent with USTelecom’s position that Lifeline should be funded by general tax revenues,⁴³ discussed in the Introduction above, but makes no more sense. Again, each Lifeline provider should do its own outreach, as long as that outreach exceeds the minimum standard.

On a more specific level, CenturyLink opposes the adoption of a minimum standard requiring notice of the “one-per-household” limitation in all marketing and advertising materials.⁴⁴ As argued by NASUCA, the Commission needs first to come up with a reasonable formulation of the limitation.⁴⁵ Then, however, if the limitation is to be truly effective, it needs to be communicated early and often, in all marketing and advertising materials.

On the other hand, CenturyLink agrees with a requirement for carriers to identify their service as a Lifeline-supported product in advertising and outreach.⁴⁶ For carriers that have products offered only to Lifeline customers, this might make sense. But for

⁴⁰ Conexions Comments at 3-4.; TracFone Comments at 42. See also Cox Comments at 7; Sprint Comments at 14, 15-17; YourTel Comments at [14] (apparently opposing only “onerous” rules).

⁴¹ See TracFone Comments at 42; see also YourTel Comments at [14].

⁴² USTelecom Comments at 9-10 (emphasis added); see also AT&T Comments at 10.

⁴³ Id. at 9.

⁴⁴ CenturyLink Comments at 23.

⁴⁵ NASUCA Comments at 17-19.

⁴⁶ CenturyLink Comments at 23.

carriers that apply the Lifeline discount more generally to their services, including bundles,⁴⁷ it would make little sense to identify all their products as potentially Lifeline-supported.

CenturyLink says that the Commission should “encourage” targeted outreach through state agencies,⁴⁸ but apparently would not include this policy in a rule. NASUCA believes that the policy – including a “where feasible” exception – should be included in a “minimum standards for Lifeline programs” rule. Similarly, outreach through state and local social service organizations, where feasible, should be part of a minimum standard.⁴⁹

VI. MODERNIZING THE LOW INCOME PROGRAM

A. VOICE TELEPHONY SERVICE

The FCC proposed adoption of a new definition of Lifeline to include the availability of “voice telephony service” as a replacement for the existing definition that includes the nine functionalities associated with basic service.⁵⁰ NASUCA’s response was

that the elimination of functionalities from the definition of supported services is a mistake and that “voice telephony service” is a term without meaning that will lead to future confusion in the administration of the universal service program. One thing that has been learned in the years following the adoption of the ’96 Act is that vague and undefined statutory

⁴⁷ See Section VI.D. below.

⁴⁸ CenturyLink Comments at 22.

⁴⁹ See ABLE, et al. Comments at 38-41; see also Cincinnati Bell Comments at 15; Cox Comments at 8; Open Access, et al. Comments at [7-8]. NASUCA does recognize the problems identified by the PUCO Staff of exclusive arrangements between Lifeline providers and community-based organizations. PUCO Staff Comments at 22-23.

⁵⁰ Id., ¶ 239-244.

and rule language inevitably leads to unintended consequences.⁵¹

NASUCA cited to its recent comments in WC Docket No. 10-90, filed on April 19, 2011.

Few of the comments addressed the Commission's proposed definition. Cricket did, asserting that the new definition

would reflect fundamental changes in the voice telecommunications market. These include, among other things, the increased bundling of local and long-distance service into a single service offering, and the widespread emergence of wireless services.⁵²

Yet Cricket overlooks that, even under, the Commission's undefined definition, "voice telephony is a "local" service."⁵³

The IURC proposes that if the Commission redefines the definition to include voice over Internet protocol ("VoIP") service, it must "affirm states' authority to designate VoIP providers as ETCs and impose appropriate, competitively neutral conditions on such ETCs."⁵⁴ NASUCA agrees.

B. SUPPORT AMOUNTS FOR VOICE SERVICE

The FCC sought input as to the existing four-tier support mechanism that is embedded in the Lifeline rules.⁵⁵ NASUCA expected "that the various ETCs providing Lifeline service today will provide comments that will be useful in responding to this portion of the NPRM."⁵⁶ NASUCA's expectations were met.

AT&T supports the adoption of "a flat, fixed dollar amount that could be applied to the retail price of a Lifeline-eligible service (that is a service that includes a voice

⁵¹ NASUCA Comments at 26-27.

⁵² Cricket Comments at 15.

⁵³ See NPRM, Appendix A (47 C.F.R. 54.410(a)); see also PUCO Staff Comments at 23-24. .

⁵⁴ IURC Comments at 12.

⁵⁵ NPRM, ¶ 245-251.

⁵⁶ NASUCA Comments at 27.

component.”⁵⁷ This would certainly be simpler, but AT&T’s plan appears to leave out any possibility for a state matching amount, as currently required for Tier Three.⁵⁸ On the other hand, Consumer Cellular’s proposal for a flat \$10 number would appear to require states (and carriers) to provide matching support.⁵⁹ It is not clear whether all states would have the authority to impose such a requirement – or whether all carriers would be willing to comply. Cincinnati Bell’s proposal to at least combine Tiers One and Two makes sense.⁶⁰

AT&T also calls the current discount structure “confusing” for consumers.⁶¹ This is likely far less confusing – since the customer gets a single bill amount from the carrier – than many of the other packaging and marketing shenanigans engaged in by telephone companies.

The PUCO Staff recommends the Commission study “the possibility of providing a uniform Lifeline reimbursement to all providers on a technology-neutral basis that is based on the costs incurred by the least cost provider for a given area.”⁶² This is intriguing, and bears some resemblance to NASUCA’s proposal (contained in the resolution attached to the initial comments) of basing Lifeline rates on the costs – rather than the retail rate – for the service.⁶³ Some practical issues would arise from using the least-cost provider’s costs for the area, specifically the costs of wholesalers vs. resellers and of wireline vs. wireless providers.

⁵⁷ AT&T Comments at 10-11.

⁵⁸ See IURC Comments at 13.

⁵⁹ Consumer Cellular Comments at 21; see also Cricket Comments at 15-16.

⁶⁰ Cincinnati Bell Comments at 13-14; see also COMPTTEL Comments at 24-25

⁶¹ AT&T Comments at 10.

⁶² PUCO Staff Comments at 25-26.

⁶³ See also NASUCA Comments (July 10, 2010) at 7.

C. MINIMUM SERVICE REQUIREMENTS FOR VOICE SERVICE

The FCC sought comment on the need for minimum service standards for prepaid Lifeline service providers.⁶⁴ NASUCA “support[ed]s the need for a minimum standard that would achieve comparable service capability along with comparable support between traditional ILEC and competitive prepaid wireless Lifeline service providers.”⁶⁵ ABLE, et al. agree.⁶⁶

AT&T refers to such minimum standards as “paternalistic.”⁶⁷ AT&T is way off base on this one. This is not as much an issue of whether the Lifeline customer should have the ability to choose as discussed in the next section – but one of ensuring that the customers who are paying into the USF are getting a good value for their dollars paid.⁶⁸ Sprint’s assurance that “[c]ompetitive pressures will be more effective at establishing and increasing service standards than are static and inflexible regulatory mandates”⁶⁹ ignores the need for minimum standards.⁷⁰ And here as in other areas, minimum standards do not prevent the providers from **exceeding** the standards in market-driven, indeed idiosyncratic, ways.

D. SUPPORT FOR BUNDLED SERVICE

The FCC sought comment on amending the Commission’s rules to require that the Commission adopt a uniform federal requirement that Lifeline and Link Up discounts

⁶⁴ NPRM, ¶¶ 252-254.

⁶⁵ NASUCA Comments at 29.

⁶⁶ ABLE, et al. Comments at 41-43.

⁶⁷ AT&T Comments at 11.

⁶⁸ See PUCO Staff Comments at 26.

⁶⁹ Sprint Comments at 17. Sprint’s attribution of the recent changes in the prepaid market to competitive pressure (id.) is only about half right: The substantial regulatory and advocate intervention in the market was another key reason for the improvements in the prepaid programs.

⁷⁰ See Open Access, et al. Comments at [6-7].

may be used on any calling plan offered by an ETC with a voice component, including bundled service packages.⁷¹ NASUCA supported this proposal.⁷² Other commenters also support the proposal.⁷³ ABLE, et al. correctly point out that explicit consumer protections must accompany the offering of bundles to Lifeline customers.⁷⁴

Sprint opposes the proposal,⁷⁵ without mentioning its long-pending request to preempt the Kansas Corporation Commission's ruling that Sprint could not offer only its lowest-priced package to Lifeline customers.⁷⁶ Sprint's current arguments add nothing to its petition.⁷⁷

E. THE TRANSITION TO BROADBAND

The FCC discussed the transition to broadband and proposed that the definition of Lifeline service be revised to include broadband support while also proposing the adoption of a Broadband Lifeline Pilot.⁷⁸ NASUCA "oppose[d] any use of universal service funds for any purpose that is not included in the current definition of supported services as prescribed by the Act."⁷⁹ Most of the comments that supported including broadband in Lifeline programs simply overlooked the fundamental legal question.⁸⁰

⁷¹ NPRM, ¶¶ 255-263.

⁷² NASUCA Comments at 29.

⁷³ AT&T Comments at 10-11; NYPSC Comments at 6; PUCO Staff Comments at 26-27.

⁷⁴ ABLE, et al. Comments at 44-45.

⁷⁵ Sprint Comments at 18.

⁷⁶ 03-109/07-138, Petition (filed July 9, 2007).

⁷⁷ See NASUCA Comments (August 9, 2007).

⁷⁸ NPRM, ¶¶ 266-302.

⁷⁹ NASUCA Comments at 30.

⁸⁰ E.g., Amvensys Comments at 9-10; Open Access, et al. Comments at 7. The legal issues were discussed at length in NASUCA's recent WC Docket No. 10-90 comments. WC Docket 10-90, NASUCA Comments (April 18, 2011) at 27-35.

ABLE, et al. did not.⁸¹

AT&T does not even address this question here. Rather, AT&T asserts that the Commission should no longer require Lifeline providers to be eligible telecommunications carriers (“ETCs”) under 47 U.S.C. § 214(e).⁸² AT&T rests this argument on an extremely slender thread: Congress’s preservation of the Lifeline Assistance Program in § 254(j). Yet AT&T apparently does not recognize that a broadband Lifeline program would have very little in common with the program that Congress sought to preserve in 1996.⁸³

The IURC complains that AT&T’s proposal would permit incumbent carriers to relinquish their obligation to provide Lifeline and Link Up to low-income customers.⁸⁴ NASUCA agrees that the FCC should not allow this to happen. The DC PSC also notes that a proposal like AT&T’s would “eviscerate” the District of Columbia’s oversight of the providers.⁸⁵

Despite this fundamental disagreement, NASUCA does agree with AT&T⁸⁶ and

⁸¹ ABLE, et al. Comments at 43-44.

⁸² AT&T Comments at 6-9, 20-22. See also Consumer Cellular Comments at 22; USTelecom Comments at 23.

⁸³ AT&T also (*id.*, n.12) dismisses the Commission’s limitation of Lifeline service to telecommunications services, arguing that this was inconsistent with allowing non-telecommunications services to be eligible for the E-rate program. Here again, AT&T overlooks the specific statutory allowance for advanced services under the e-rate program. See 47 U.S.C. 254(h)(2).

⁸⁴ IURC Comments at 14.

⁸⁵ DC PSC Comments at 8.

⁸⁶ AT&T Comments at 22.

many other commenters⁸⁷ that pilot programs make the most sense to explore the permutations of providing low-income consumers assistance with broadband. NASUCA supported such pilots years ago.⁸⁸ But, once again, NASUCA would caution the Commission against attempting to use Lifeline funds to pay for equipment.⁸⁹

One Economy's extensive comments focus on the broadband issue. Unfortunately, NASUCA is unable at this time to address those excellent comments in the detail they deserve. A few relatively minor points of disagreement must be noted, including the use of Lifeline funds to pay for equipment⁹⁰ and the extension of the statutory ETC definition to non-carriers.⁹¹

VII. CONCLUSION

NASUCA appreciates the opportunity to comment on these important issues. NASUCA commends the proposals and criticisms contained in the initial comments and in both sets of reply comments to the Commission's attention.

⁸⁷ Benton, et al. Comments at 6-11; CenturyLink Comments at 24; Cox Comments at 10; CTIA Comments at 25; Cricket Comments at 16-17; One Economy Comments at 22-25; IURC Comments at 13-14; MDTC Comments at 11; NYPSA Comments at 5-6; PUCO Staff Comments at 28-29; SBI Comments at 6-7; TracFone Comments at 44; USTelecom Comments at 22-26. NASUCA agrees that CenturyLink's merger-related low-income broadband programs (*id.*) should not be subsumed into the Commission's pilot programs. Nonetheless, lessons learned in the company-specific program should be transferred to the other programs.

⁸⁸ 05-337, NASUCA Comments (May 3, 2007) at 22.

⁸⁹ NASUCA Comments at 32.

⁹⁰ One Economy Comments at 20.

⁹¹ *Id.* at 39.

Respectfully submitted,

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