

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

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

**REPLY COMMENTS OF**

**ADVOCATES FOR BASIC LEGAL EQUALITY, INC.  
COMMUNITY VOICE MAIL NATIONAL  
DISABILITY RIGHTS ADVOCATES  
LOW INCOME UTILITY ADVOCACY PROJECT  
THE NATIONAL CONSUMER LAW CENTER, ON BEHALF OF OUR LOW-INCOME  
CLIENTS  
OHIO POVERTY LAW CENTER  
OPEN ACCESS CONNECTIONS  
PENNSYLVANIA UTILITY LAW PROJECT  
PRO SENIORS, INC.  
TEXAS LEGAL SERVICES CENTER  
VIRGINIA CITIZENS CONSUMER COUNCIL**

**(“CONSUMER GROUPS”)**

**IN RESPONSE TO THE NOTICE OF PROPOSED RULEMAKING ON THE LIFELINE  
AND LINK UP REFORM AND MODERNIZATION**

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May 10, 2011

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**I. Introduction**

The Consumer Groups represent low-income consumer groups and individuals who use the Lifeline and Link Up program.<sup>1</sup> We respectfully submit these reply comments on selected sections<sup>2</sup> of the Commission's March 4, 2011, Notice of Proposed Rulemaking on the Lifeline and Link Up Reform and Modernization ("NPRM").

Access to affordable, quality telecommunications service is essential for finding work, finding affordable housing, accessing health care and emergency services, staying connected to family, community and schools, and being an engaged member of society. In tough economic times, the need for Lifeline grows. We are living through such a period. USAC estimates that in 2010, 29.3 million households qualified for Lifeline support (a 14% increase from 2009).<sup>3</sup> Consumer Groups will focus these reply comments on the One-per-Address proposal and the National Database and will touch lightly on a few other issues.

## **II. One Per Address Is Not A Workable or Appropriate Bright Line for Eligibility (IV. A. Duplicate Claims and V. Clarifying Consumer Eligibility Rules)**

In light of the importance of Lifeline in keeping low-income consumers connected, Consumer Groups were pleased to see that the majority of comments supported finding solutions to getting Lifeline assistance to eligible consumers who do not have a unique residential street address. An array of carriers, consumer advocacy groups and agencies are concerned about the harmful impact of a one-per-unique residential address requirement.<sup>4</sup> Some commenters argue that there is no current rule limiting Lifeline to one-per-address.<sup>5</sup> AT&T states, "Insofar as there is no current rule requiring ETCs to limit Lifeline-supported service to one line per residence, the only question for this proceeding is whether the Commission should implement the rule now? Plainly, the answer to that question is no."<sup>6</sup>

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<sup>1</sup> Consumer Groups listed above filed opening comments on April 21, 2011 and descriptions of our organizations appear on pages 3-5.

<sup>2</sup> The Commission set out two deadlines for reply comments. Replies on Sections IV, V (Subsection A), VII (Subsection B & D) are due on May 10, 2011. The reply comments on the remaining sections are due on May 25, 2011.

<sup>3</sup> See USAC, *Low Income Support Mechanism Beneficiary 2010 Lifeline Participation Rate Study*.

<sup>4</sup> See e.g., NASUCA at 17-19, Benton *et al* at 4, Leadership Conference on Civil and Human Rights at 8, AARP at 6, MAG-Net at 16-19, Open Access Connections *et al* at 6, Alaska Telephone Association at 2-3, Consumer Cellular at 17-18, Smith Bagley, Inc. at 10-14, Sprint Nextel at 11-13, TracFone at 13-14, Leap/Cricket at 8-9, YourTel at 2-3, National Association of Telecommunication Officers and Advisors at 3; AT&T at 15-19; General Communications at 24, 43-44; Cox at 7; COMPTTEL at 15-16.

<sup>5</sup> See AT&T at 15-16, CTIA at 12-16, General Communications Inc at 35-38.

<sup>6</sup> See AT&T at 16.

What is also apparent from the comments is that the attempt to create a bright line rule (one-per-address) will not succeed due to the need for exceptions to the rule necessary to avoid a disparate treatment of eligible consumers due to the circumstances of their housing.<sup>7</sup>

As LEAP/Cricket pointed out in their comments, “While a U.S. Postal address is a good proxy for identifying unique “households” in most cases, it is not perfect.”<sup>8</sup> Cox describes the complex living arrangements of low-income households: “In Cox’s experience, separate families sometimes reside in the same house or even apartment, and it would be unreasonable, and contrary to the goals of Lifeline, to expect them to share a telephone. These situations have become more common in the current economic climate.”<sup>9</sup> General Communications describes additional shortcomings of the one-per-address proposal: “addresses are often unreliable because many low income consumers (particularly in Alaska) are exceptionally migratory, as the locations of work opportunities in the state vary dramatically from season to season. Low income consumers often temporarily share housing with friends or family on a short-term basis when jobs are not available.”<sup>10</sup> In some parts of rural America, consumers live in homes that do not have a traditional US Postal Service address.<sup>11</sup> Thus, an address is one fairly good means for identifying a particular Lifeline customer, but, due to its limitations, should be one of several means of identifying a particular Lifeline household for the sake of checking for duplicate Lifeline assistance.

The Consumer Group’s proposal to start the eligibility analysis by defining “household” and not limit Lifeline to those households with a unique residential street address is the more rational approach. Benton<sup>12</sup> and the Leadership Conference on Civil and Human Rights<sup>13</sup> also propose defining household as “Any individual or group of individuals who are living together as one economic unit.” This definition is consistent with Sprint’s proposal to limit Lifeline to a

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<sup>7</sup> See AT&T at 17 (the proposal ignores complex living arrangements and thus does not create a “bright line”), Leap/Cricket at 8-9 (an overly simplistic bright line will exclude many that should be eligible).

<sup>8</sup> See Leap/Cricket at 9; See also CenturyLink at 11-12 (asks who should be de-enrolled when there are two eligible individuals at the same address under the Commission’s one-per-address proposal).

<sup>9</sup> See Cox at 7

<sup>10</sup> See General Communication, Inc. at 24.

<sup>11</sup> See e.g., Smith Bagley at 15 (sample address, “5 MI NE of Rockwell Store”); Gila River Telecom at 12 (use of geographic information system coordinate systems to label location of residential structures); General Communication, Inc. at 24, 43 (in rural Alaska conventional street addresses don’t exist).

<sup>12</sup> See Benton *et al* at 4.

<sup>13</sup> See Leadership Conference on Civil and Human Rights at 8.

“nuclear family unit that shares a residential address.”<sup>14</sup> AT&T proposes a “one-per-qualifying individual” rule based on whether the individual is the named applicant for a qualifying assistance program (with eligibility usually based on household income)<sup>15</sup>. Smith Bagley proposes that in the case of single-room Navajo hogans, each separate nuclear family residing in the hogan is eligible.<sup>16</sup>

For the purpose of checking for duplicate service, a finding that there are two or more Lifeline accounts at the same address or that the consumer provided a PO Box, should not trigger a rejection of Lifeline benefits. Additional data fields could indicate that the address is a group home, or that the Lifeline applicant/recipient had checked a box on their application form noting that they were doubling up with another household, or using a PO Box because they did not receive postal service at their home.<sup>17</sup> The data field could also note if the address provided was a non-profit serving the homeless.

### **III. National Database**

There was a healthy dose of concern about the cost and time required to create a national database.<sup>18</sup> Two administrators of databases offered some framework on cost. Solix reports that the California and Texas Lifeline databases cost about \$3.00 - \$6.00 per customer per year and that a national database would likely cost less.<sup>19</sup> Emerios estimates the cost to create a national database to check for duplicates could cost around \$7.5 to \$10 million.<sup>20</sup> Emerios proposes that the national database be established and implemented in phases with the first phase designed to check for duplicate benefits. The second phase would address eligibility determinations (certification) and verification of continued eligibility.<sup>21</sup> While not embracing the details and the comments of Emerios, the Consumer Groups sees the attractiveness of separating the development of a database to check for duplicates from the more complex task of administering certification and verification.

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<sup>14</sup> See Sprint at 12.

<sup>15</sup> See AT&T at 19.

<sup>16</sup> See Smith Bagley at 13.

<sup>17</sup> See CenturyLink’s proposal at 12-13 (ability to indicate an exception to a residential address applies on a certification form).

<sup>18</sup> See, e.g., Cincinnati Bell at 4 (a national database is attractive on the surface, but would likely be costly to develop and maintain).

<sup>19</sup> See Solix at 9.

<sup>20</sup> See Emerios at 15.

<sup>21</sup> See Emerios at 6-7.

Another interesting proposal is Cox's recommendation that the Commission establish a working group to work on the design and implementation of a database.<sup>22</sup> If the Commission moves forward with a national database, this is a good idea as the design of the database will affect how quickly Lifeline consumers can get their benefits and whether it is easy or hard for consumers to switch their Lifeline provider and/or service. The database design will determine how portable Lifeline is when an eligible consumer moves and changes carrier. The database design will determine how easy or frustrating it will be for eligible consumers without a unique street address to get Lifeline service. The California Public Utility Commission established a Lifeline working group to focus on the various rollouts of changes to the states Lifeline program. That structure worked well to identify problems and propose tweaks to the implementation of the program to help the program operate more smoothly and efficiently. Consumer Groups strongly urge that any working group or advisory committee include frontline low-income support groups and consumer advocates to ensure database design takes into account the point-of-view of the low-income recipients.

#### **IV. Additional Issue Regarding a Centralized Database: Switching ETCs**

While the focus of the proposal and the comments has been on a database that can catch instances of duplicate Lifeline service to the same individual, a poor database design can serve to discourage Lifeline consumers from shopping for better Lifeline service. AT&T's description of how its database proposal would track instances of duplication raises the need for the Commission to also address rules for switching Lifeline providers:<sup>23</sup> "If a Lifeline provider fails to release a former subscriber's PIN so that the consumer can obtain Lifeline-supported service from another provider, the consumer would quickly discover this (and could take appropriate action) because the consumer would not be able to obtain Lifeline service from the consumer's desired provider." At this point it is not clear what the "appropriate action" entails. The Commission must provide a clear and consumer-friendly process to switch carriers. There should also be deadlines by which a carrier must release a customer who has given notice of intent to change service, with penalties imposed if the carrier holds onto the customer past the deadline. Carriers should also be obliged to promptly coordinate "switch" requests with the database

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<sup>22</sup> See Cox at 6.

<sup>23</sup> See AT&T at 14.

administrator so that the duplicates database does not act to prevent customers from shopping for better Lifeline service.

**X. Conclusion**

These comments reflect the collective experience of our consumer organizations from throughout the country. We look forward to working with the Commission to strengthen and improve the federal Lifeline and Link Up Program.

Respectfully submitted,

on behalf of the Consumer Groups,

/s/

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