

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Federal-State Joint Board on Universal)	
Service)	
)	
Lifeline and Link Up)	WC Docket No. 03-109

REPLY COMMENTS OF

**NATIONAL HISPANIC MEDIA COALITION (“NHMC”)
MEDIA ACTION GRASSROOTS NETWORK (“MAG-NET”)
OFFICE OF COMMUNICATION, UNITED CHURCH OF CHRIST, INC.
BENTON FOUNDATION
ACCESS HUMBOLDT**

The National Hispanic Media Coalition (“NHMC”), the Media Action Grassroots Network (“MAG-Net”),¹ the Office of Communication of the United Church of Christ, Inc., the Benton Foundation, and Access Humboldt (collectively, “Public Interest Commenters”), by their attorneys at NHMC, Media Access Project and Benton Foundation, respectfully submit this reply to comments on the Federal Communications Commission’s (“FCC” or “Commission”) Public Notice seeking input on the universal service low-income programs. Public Interest Commenters continue to urge that reforms to the Lifeline and Link Up programs are necessary to ensure that all eligible individuals – especially among the poor and people of color – can obtain the opportunities that these programs provide.

¹ MAG-Net member organizations signing these comments, in addition to the Media Action Grassroots Network itself, include the Center for Media Justice, Center for Rural Strategies, Esperanza Peace and Justice Center, Main Street Project, Media Alliance, Media Justice League, Media Literacy Project, Media Mobilizing Project, People’s Production House, Prison Legal News/Human Rights Defense Center and Reclaim the Media.

Public Interest Commenters' have already emphasized the importance of broadband in low-wealth communities and communities of color, and have recommended that the low-income programs include broadband subsidies and an update of their current outreach initiatives.² They join in this brief reply to note that many commenters agree with these recommendations. In addition, Public Interest Commenters urge that eligibility and verification processes be made as inclusive as possible and that those processes facilitate – not inadvertently hinder – participation in these programs by those most in need. Finally, Public Interest Commenters reaffirm that current outreach efforts are insufficient and respond to those that suggest otherwise.

I. LIFELINE AND LINK UP PROGRAMS SHOULD BE EXPANDED TO INCLUDE BROADBAND DISCOUNTS

Many commenters support the proposal that the low-income programs should be expanded to include broadband discounts³ and that this expansion should not jeopardize current voice services.⁴ The U.S. Telecom Association states in its comment that “the marginal value of broadband often is even higher to those in low-income households because many low-income consumers have a special need for technologies that lower geographic barriers, connect people to job opportunities and expand channels for communication.”⁵ Cricket also supports expansion of

² See, e.g., *Comments of the National Hispanic Media Coalition*, WC Dkt. No. 03-109, at 1 (Jul. 15, 2010) (“NHMC Comment”); *Comments of Media Action Grassroots Network*, WC Dkt. No. 03-109, at 3-6 (Jul. 15, 2010) (“MAG-Net Comment”); *Comments of Benton et al.*, WC Dkt. No. 03-109, at 3 (Jul. 15, 2010) (“Benton Comment”).

³ See, e.g., *Comments of the US Telecom Association*, WC Dkt. No. 03-109, at 3 (Jul. 15, 2010) (“US Telecom Comment”); *Comments of Leap Wireless International, Inc. and Cricket Communications, Inc.*, WC Dkt. No. 03-109, at 2-3 (Jul. 15, 2010) (“Cricket Comment”); *Comments of the Public Service Commission of the District of Columbia*, WC Dkt. No. 03-109, at 3-4 (Jul. 15, 2010) (“DCPSC Comment”).

⁴ See, e.g., MAG-Net Comment at 12,15,16; US Telecom Comment at 3; NHMC Comment at 6.

⁵ US Telecom Comment at 3.

Lifeline and Link Up to include broadband because “all Americans should share the benefits of broadband, regardless of income.”⁶

No commenter in this proceeding directly opposes expansion of the low-income programs to include broadband discounts. Indeed, those that expressed reservation regarding the expansion to broadband argue only that it is too soon to assess the impact of expansion of the low income programs to broadband and that the FCC should initiate a pilot program to help gather information on the propriety of such expansion.⁷

Public Interest Commenters disagree with the sentiment that it may be too soon to expand these programs to broadband, which rapidly has become the nation’s essential communications platform. Low-wealth individuals’ need for broadband only will continue to increase as demand for data grows and traditional voice services continue to migrate to broadband networks. As the *Referral Order* recognizes, “high-speed broadband service has become an essential mode of communication for many Americans in the last decade.”⁸ The Commission’s National Broadband Plan spelled out even more clearly the value of broadband to low income individuals, explaining that “[b]roadband is a platform for social and economic opportunity. It can lower the geographic barriers and help minimize socioeconomic disparities—connecting people from otherwise disconnected communities to job opportunities, avenues for educational advancement and channels for communication.”⁹ Thus, as the Plan noted,

⁶ Cricket Comment at 2-3.

⁷ *Comments of the California Public Utilities Commission*, WC Dkt. No. 03-109, at 26 (Jul. 15, 2010) (“CPUC Comment”); *Comments of Verizon and Verizon Wireless*, WC Dkt. No. 03-109, at 14 (Jul. 15, 2010) (“Verizon Comment”).

⁸ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, WC Docket No. 03-109, *Order*, FCC 10-72, ¶ 12 (rel. May 4, 2010) (“*Referral Order*”).

⁹ Federal Communications Commission, “Connecting America: The National Broadband Plan,” at 169, Box 9-1 (rel. Mar. 16, 2010) (“National Broadband Plan”).

“[b]roadband is a particularly important platform for historically disadvantaged communities including racial and ethnic minorities, people with disabilities and recent immigrants.”¹⁰

Public Interest Commenters therefore urge the Joint Board to recommend that the FCC swiftly expand the Lifeline and Link Up programs to broadband, upon careful consideration of the robust record developed in this proceeding and after providing an opportunity for additional comment if necessary. As broadband continues to grow into an everyday necessity,¹¹ the Commission should not forestall opportunities to reach unserved and underserved communities. Recent data indicate that a core reason that people do not have broadband at home is because it is too expensive.¹² Given that programs such as Lifeline and Link Up would serve to reduce expensive broadband costs, the Commission should act promptly to carry out its duty to ensure that “[c]onsumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to...advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas.”¹³

In addition, pilot programs should not be a condition precedent to expanding Lifeline and Link Up to broadband. For years the Commission has executed Lifeline and Link Up programs to help increase adoption of plain old telephone service across the U.S. The Commission should rely on that experience and public input to establish policies for expanding Lifeline and Link Up

¹⁰ *Id.*

¹¹ NHMC Comment at 1, 4-6; MAG-Net Comment at 4-5; DCPSC Comment at 3-4; US Telecom Comment at 3.

¹² U.S. Department of Commerce, National Telecommunications and Information Administration, *Digital Nation, 21st Century America's Progress Toward Universal Broadband Internet Access* at 15 (Feb. 2010) (“Affordability . . . rates highest among the major reasons for eschewing broadband at home among those with either no Internet at home or only dial-up service.”); *see also* National Broadband Plan at 168 (“When prompted for the main reason they do not have broadband, 36% of non-adopters cite cost.”).

¹³ 47 U.S.C. § 254(b)(3) (2010).

to broadband. If the Commission has to wait for adoption, implementation, conclusion and evaluation of pilot programs before it can reform the existing low income programs, millions of Americans¹⁴ will be left behind.

II. ENROLLMENT AND VERIFICATION RULES SHOULD BE AS OPEN AND FLEXIBLE AS POSSIBLE

The Commission's efforts to curb fraud, waste and abuse in the Lifeline and Link Up programs are commendable; however, Public Interest Commenters maintain that those efforts must be carefully fashioned so they do not create barriers for deserving individuals in low wealth communities and communities of color. Namely, the Commission should (1) refrain from instituting additional burdens to the verification process, (2) rethink the one per household rule in light of societal developments, (3) give serious consideration to automatic enrollment processes and (4) increase the poverty guidelines to at least 150%.

A diverse variety of commenters in this proceeding agree that additional burdens on the current eligibility and verification processes would be unbeneficial on balance.¹⁵ TracFone comments that “[m]andating that Lifeline applicants produce additional documentation complicates the enrollment process, reduces Lifeline applications and does little if anything to prevent waste, fraud and abuse.”¹⁶ The California Public Utilities Commission opposes

¹⁴ *Sixth Broadband Deployment Report*, GN Docket No. 09-137, GN Docket No. 09-51, *Report*, FCC 10-129, ¶28 (rel. Jul. 20, 2010) (stating that roughly 80 million American adults do not subscribe to broadband at home and approximately 14 to 24 million Americans do not have access to broadband at all); *see also* National Broadband Plan at 167 (finding that although 65% of Americans use broadband at home, the other 35% (roughly 80 million adults) do not).

¹⁵ *See, e.g., Comments of PR Wireless, Inc.*, WC Dkt. No. 03-109, at 8 (Jul. 15, 2010) (“PR Wireless Comment”); *Comments of the TracFone Wireless, Inc.*, WC Dkt. No. 03-109, at 6 (Jul. 15, 2010) (“TracFone Comment”); *Comments of National Consumer Law Center*, WC Dkt. No. 03-109, at 10 (Jul. 15, 2010) (“Consumer Law Comment”); *Comment of Florida Public Service Commission*, WC Dkt. No. 03-109, at 4 (Jul. 15, 2010) (“FPSC Comment”); CPUC Comment at 12; Verizon Comment at 9.

¹⁶ TracFone Comment at 6.

additional documentation for eligibility because the cost of administrative burden outweighs any benefits as a deterrent to abuse of the program.¹⁷ Verizon discourages additional documentation stating, “it is difficult to see a need to force Lifeline participants to generate more paperwork” and that “this approach would likely discourage some qualified individuals from applying.”¹⁸ Verizon also believes that “this requirement would add administrative costs to the program for no appreciable benefit.”¹⁹

Public Interest Commenters urge that enrollment rules be as flexible as necessary to serve needy populations. Some few commenters expressed support for maintaining and enforcing the one-per-household rule.²⁰ Nevertheless, the Public Interest Commenters submit that the Joint Board should give equal or greater weight to comments suggesting closer examination of this rule for the unintended but harmful effects it may have on otherwise eligible participants living in group housing settings.²¹ Likewise, while at least one service provider and one state commission expressed reservations about improved automatic enrollment provisions,²² a larger number of commenters suggested that well-crafted automatic enrollment mechanisms could increase participation and expand the benefits of the low income programs greatly.²³

¹⁷ CPUC Comment at 12.

¹⁸ Verizon Comment at 9.

¹⁹ *Id.*

²⁰ DCPSC Comment at 6; CPUC Comment at 19; Verizon Comment at 4.

²¹ *See, e.g.*, MAG-Net Comment at 11-14; *see also Comments of Smith Bagley, Inc.*, WC Dkt. No. 03-109, at 3 (Jul. 15, 2010) (“SBI Comment”); PR Wireless Comment at 12; Consumer Law Comment at 13 (Jul. 15, 2010).

²² *See Comments of AT&T, Inc.*, WC Dkt. No. 03-109, at 8 (Jul. 15, 2010) (“AT&T Comment”); *Comments of Nebraska Public Service Commission*, WC Dkt. No. 03-109, at 3-4 (Jul. 15, 2010) (“NPSC Comment”).

²³ *See, e.g.*, MAG-Net Comment at 9-11; CPUC Comment at 13-14; US Telecom Comment at 6; *Comments of the Community Voicemail Office*, Dkt. No. 03-109, at 3 (Jul. 15, 2010); SBI Comment at 8; TracFone Comment at 5; *Comments of the National Association of State Utility Consumer Advocates*, WC Dkt. No. 03-109, at 7 (Jul. 15, 2010) (“NASUCA”) (“It is widely

Finally, Public Interest Commenters join the comments of many others to urge the Joint Board to increase the income eligibility requirement from 135 percent of the federal poverty level to at least 150 percent²⁴ to achieve parity with other federal low-income support programs. Several of the states which have created their own guidelines have already raised income eligibility provisions above 135 percent to ease certification, verification and increase enrollment. And although most of the initial comments, including some industry comments,²⁵ urged that an increase in the income eligibility requirement is necessary, a few industry commenters have opposed the increase.²⁶ Nonetheless, Public Interest Commenters urge the Joint Board to increase the income eligibility requirement to achieve efficiencies and to address the effects of the economic downturn.

III. OUTREACH EFFORTS MUST BE IMPROVED

In initial comments, Public Interest Commenters,²⁷ along with a number of others,²⁸ urged the Joint Board to recommend enhanced outreach efforts. Three commenters stated a contrary belief: PR Wireless, TracFone and Smith Bagley Inc.²⁹ However, these three offered no indication as to why they reached this conclusion. The only commenter offering any reason to support the efficacy of current outreach efforts is Verizon, which states that the *Referral Order* is

accepted that processes for automatic enrollment are beneficial, increasing enrollment and decreasing the need for traditional marketing for Lifeline programs.”).

²⁴ See Benton Comment at 5, MAG-Net Comment at 9, Consumer Law Comment at 9, NASUCA Comment at 6, CPUC Comment at 9, *Comments of the Public Utilities Commission of Ohio*, WC Dkt. No. 03-109, at 5 (Jul. 14, 2010) (“Ohio Commission Comment”), DCPSC Comment at 2, SBI Comment at 6, PR Wireless Comment at 3.

²⁵ PR Wireless Comment at 3, Tracfone Comment at 4.

²⁶ Verizon Comment at 8; US Telecom Comment at 5.

²⁷ NHMC Comment at 2-3; MAG-Net Comment at 15-16.

²⁸ See *Comments of the Nebraska Public Service Commission*, Dkt. No. 03-109, at 7 (Jul. 15, 2010) (“NPSC Comment”); AT&T Comment at 6; *Comments of Nexus Communications, Inc.*, WC Dkt. No. 03-109, at 4 (Jul. 15, 2010) (“Nexus Comment”); Community Voice Comment at 4; FPSC Comment at 11; Consumer Law Comment at 28-29; CPUC Comment at 23-24.

²⁹ See PR Wireless Comment at 14; SBI Comment at 11; TracFone Comment at 12.

wrong to suggest that the Lifeline program “is undersubscribed and underfunded due to a lack of awareness regarding potential program discounts.”³⁰ Verizon believes that because there are “a record 96 percent of all households and 94 percent of households making less than \$15,000 per year that have phone service”³¹ that outreach has been effective.

Verizon’s argument is flawed. Not only is it poor policy to leave behind 6% of the neediest population, it goes against the goals set for the universal service programs.³² Moreover, Lifeline participation by eligible households is far below its full capacity.

Universal service has been a national policy goal since enactment of the Communications Act of 1934, in which Congress stated its intention to “make available, so far as possible, to *all* the people of the United States... a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges.”³³ Assuming that outreach is effective because over 90 percent of a population is covered is a disservice to the few that are not covered.

In Public Interest Commenters’ personal experiences with the communities they serve, outreach on Lifeline and Link Up often does not reach its intended targets.³⁴ As MAG-Net noted in its comment “only approximately 7 million of an estimated 24.5 million eligible households (or less than 29%) participated in Lifeline in 2008”³⁵ and “few states have succeeded in enrolling

³⁰ Verizon Comment at 13.

³¹ *Id.*

³² *See* 47 U.S.C. § 254(b)(3) (2010).

³³ National Broadband Plan at 140 (citing 47 U.S.C. § 151) (emphasis added). The Communications Act of 1996 expanded this goal by requiring the Commission to base its universal service policies on the recognition that consumers in all regions, including those with low incomes and those in high cost areas, should have access to advances in telecommunications and information technologies. *See* 47 U.S.C. § 254(b)(3) (2010).

³⁴ NHMC Comment at 3, 5.

³⁵ MAG-Net Comment at 6 (citing *Comments of the National Association of State Utility Consumer Advocates on NBP In the Matter of Federal-State Joint Board on Universal Service*,

more than 50% of their Lifeline eligible consumers.”³⁶ The effectiveness of outreach does not necessarily correlate with household telephone subscriptions. Many of these low-income households could in fact have telephone service that they pay for entirely by themselves, beyond their means and without the assistance of the Lifeline program. If outreach is ineffective in reaching these communities, as other commenters suggest, then such communities should not be left out and the Joint Board should recommend implementation of more effective methods of outreach.

Public Interest Commenters urge the Joint Board to suggest that, as opposed to offering additional outreach guidelines or regulations, current guidelines and regulations be implemented more deliberately to ensure that materials are reaching target communities.³⁷ In addition, Public Interest Commenters support California Public Utilities Commission’s recommendation that culturally relevant advertisements be used to target communities.³⁸ California, a state with one of the highest low-income program participation rates,³⁹ has been more successful than other states in part because it conducts outreach in a number of different languages.⁴⁰ Nebraska Public Service Commission, AT&T and YourTel, along with many others, suggest following the Broadband Plan’s recommendation of working with local social service providers as well as

CC Docket No. 96-45, Public Notice #19, GN Docket Nos. 09-47, 09-51, 09-137, at 30 ¶45 (filed Dec. 7, 2009) (“USAC staff prepares annually a study of the Lifeline participation rates in each state, based on United States Census Bureau data. The 2008 Lifeline Participation Rates by State map compiled by USAC shows just 5 states, Alaska, California, Colorado, Montana and Oklahoma, as having estimated Lifeline participation rates in excess of 50%.”).

³⁶ MAG-Net Comment at 6 (citing National Broadband Plan at 172).

³⁷ NHMC at 2 (stating that despite existing “laws, regulations and guidelines, based on feedback from NHMC’s constituents, the Commission is failing to effectively reach some of the communities the low-income programs are intended to serve, and particularly Latinos.”).

³⁸ CPUC Comment at 22-24.

³⁹ USAC, Low-Income, *2009 Lifeline Participation Rate by States*, available at <http://www.usac.org/li/about/participation-rate-information.aspx> (last visited July 28, 2010).

⁴⁰ CPUC Comment at 23.

other local and state agencies.⁴¹ The Community Voice Mail National Office also recommends working with community organizations as an additional option for outreach expansion.⁴² Public Interest Commenters support both the inclusion of social service providers and community organizations in outreach efforts.

CONCLUSION

Wherefore, Public Interest Commenters respectfully request that the Joint Board accept the recommendations herein.

Respectfully submitted,

/s/ Jessica J. Gonzalez

Jessica J. Gonzalez, Esq.
National Hispanic Media Coalition
55 South Grand Avenue
Pasadena, CA 91105
(626) 792-6462

Law Students:
Monica S. Guzman
Santa Clara University School of Law
Jeremy Rosenberg
Southwestern Law School

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Matthew F. Wood, Esq.
Media Access Project
1625 K Street N.W., Suite 1000
Washington, D.C. 20006
(202) 454-5684

Amina Fazlullah, Esq.
Benton Foundation
1250 Connecticut Ave NW, Suite 200
Washington DC 20036
650-814-8003

⁴¹ See, e.g., NPSC Comment at 7; AT&T Comment at 6; *Comments of YourTel America, WC Dkt. No. 03-109*, at 6 (Jul. 15, 2010).

⁴² Community Voice Comment at 4.