

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

In the Matter of	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Lifeline and Link Up	)	WC Docket No 03-109
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No 96-45
	)	
Advancing Broadband Availability Through Digital Literacy Training	)	WC Docket No 12-23

**COMMENTS OF THE  
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (“NTCA”)<sup>1</sup> submits these comments in the above referenced Further Notice of Proposed Rulemaking (“FNPRM”).<sup>2</sup> In the Order accompanying the FNPRM, the Commission makes significant changes to the Lifeline program and develops a program designed to study broadband adoption programs that target the low-income population. Despite the fact that the changes have not yet been implemented and the adoption program has not yet begun, the Commission seeks to develop a record for the next round of changes. Rather than race to move this proceeding forward, the Commission should consider the impacts of its changes, study the results of its pilot program, and make informed

---

<sup>1</sup> NTCA is an industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents nearly 600 rural rate-of-return regulated telecommunications providers. All of NTCA’s members are full service local exchange carriers (LECs) and many of its members provide wireless, cable, Internet, satellite, and long distance services to their communities. Each member is a “rural telephone company” as defined in the Communications Act of 1934, as amended (Act). NTCA’s members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

<sup>2</sup> *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, *Lifeline and Link Up*, WC Docket No. 03-109, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No 12-23, Report and Order and Further Notice of Proposed Rulemaking (released February 6, 2012) (“Order and FNPRM” or “FNPRM”),

decisions with respect to the need for further changes and additional budgetary constraints based upon such evaluations. With full information, the Commission can then propose rules and seek comment on specific proposals, rather than attempt to develop policy by soliciting answers to open ended questions.

**I. THE COMMISSION SHOULD ANALYZE THE RESULTS OF THE BROADBAND PILOT PROGRAM BEFORE SEEKING COMMENTS ON DIGITAL LITERACY PROGRAMS OR MANDATORY BUNDLING**

The Commission's Order adopts a Broadband Pilot Program to assess how best to modernize the Lifeline program to address affordability of broadband service.<sup>3</sup> The stated goal is to "determine how [the Commission] can best use Lifeline funds to increase broadband adoption and retention by low-income consumers."<sup>4</sup> The Wireline Competition Bureau is directed to select Pilot Program applicants that offer to offer voice services bundled with broadband or standalone broadband service.<sup>5</sup> The Commission also "strongly encourage[s]" applicants for Pilot Program funding to include in their proposals a plan for overcoming digital literacy barriers.<sup>6</sup> Participants in the Pilot Program must commit to participate in workshops discussing the interim and final results of the various projects to share information with policy makers about how best to use limited universal service funds to increase low-income consumers' adoption of broadband services.<sup>7</sup>

Despite the fact that the Pilot Program has not yet begun, the very proceeding that adopts the Pilot Program also seeks comment on the details of using universal service funding for

---

<sup>3</sup> Order and FNPRM, paras. 333 – 354.

<sup>4</sup> *Id.*, para 333.

<sup>5</sup> *Id.* Para 340.

<sup>6</sup> *Id.*, para 353.

<sup>7</sup> *Id.*, para 354.

entities to provide digital literacy training programs<sup>8</sup> and on mandating that ETCs permit Lifeline subscribers to apply their discount on any bundle that includes voice service.<sup>9</sup> The Commission questions whether the requirements would stimulate broadband adoption by low-income individuals – the very things the Pilot Program is designed to study.

The purpose of a pilot is to analyze results to inform further decisions. Rather than racing ahead, the Commission should put the brakes on this line of questioning and let the sound process that it has initiated in the pilot project follow its course. The pilot will provide real, quantifiable data on what *does* work to stimulate low-income adoption of broadband service. It will have a sense of what programs will and will not entice low-income consumers to adopt and keep broadband services and how much it will cost. The Commission should use the data collected at the *conclusion* of the Pilot Program to propose actual, reasonable rules and then seek comment on its proposals.

## **II. IT IS PREMATURE TO CONSIDER FURTHER CHANGES TO THE LIFELINE SUPPORT AMOUNT**

In the Order, the Commission determined that an incumbent company's SLC is no longer the appropriate metric for determining the amount of Lifeline reimbursement.<sup>10</sup> Despite the fact that the Commission admittedly did not "have a basis in the record . . . to determine the appropriate total level of Lifeline support . . .,"<sup>11</sup> it adopted a uniform reimbursement amount of \$9.25 in monthly Lifeline support for voice service.<sup>12</sup> It now seeks to develop a record to support whatever further change it may make.

---

<sup>8</sup> *Id.*, para 421.

<sup>9</sup> *Id.*, para 490.

<sup>10</sup> *Id.*, para 55.

<sup>11</sup> *Id.*, para 58

<sup>12</sup> *Id.*, para 462.

One would presume that the Commission did not pick its interim rate out of thin air and there is good reason for its decision, beyond “administrative simplicity.” Therefore, the Commission should determine the impacts of its interim rate before moving to make further changes to the program or shift the rate yet again. It is hardly “administratively simple” for companies to adjust processes and procedures. Some measure of certainty in the near term outweighs the need for further changes in this regard.

### III. CONCLUSION

The Commission recently adopted significant changes to the Lifeline program. It should not race to move this proceeding forward in terms of creating a digital literacy program, mandating service bundling or changing the Lifeline reimbursement amount. The Commission should consider the impacts of its changes, study the results of its pilot program, and make informed decisions with respect to the need for further changes and additional budgetary constraints based upon such evaluations.

Respectfully submitted,



By: /s/ Michael Romano  
Michael Romano  
Senior Vice President - Policy

By: /s/ Jill Canfield  
Jill Canfield  
Director - Legal & Industry

*Its Attorneys*

4121 Wilson Boulevard, 10<sup>th</sup> Floor  
Arlington, VA 22203  
(703) 351-2000

April 2, 2012