

May 11, 2011

Hon. Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12th Street S.W.  
Washington, D.C. 20554

Dear Chairman Genachowski:

*Reply Comments to: Lifeline and Link Up Reform and Modernization (WC Docket No. 11-42);  
Federal-State Joint Board on Universal Service (CC Docket 96-45);  
Lifeline and Link Up (WC Docket 03-109)*

The League of United Latin American Citizens, One Economy Corporation, and the Minority Media and Telecommunications Council (collectively referred to as “Commenters”),<sup>1</sup> recognize the vital importance that the Universal Service Fund and its Lifeline and Linkup programs have upon low-income and minority populations. Collectively, we believe it could and should be used as the nation’s most powerful policy lever to extend broadband adoption and shrink the digital divide.

We collectively support the following recommendations:

Immediately put modernization into motion, including addressing waste, fraud, abuse and preparing USAC to service broadband

Broadband is necessary to ensure first class digital citizenship. The Commenters believe that Universal Service Fund modernization must begin as soon as possible in order to help bring broadband adoption to millions of underserved citizens and to help close the digital divide.<sup>2</sup> We recognize that modernization will take time, so we recommend that the Commission put into place policies that will increase transparency and address waste, fraud, abuse. Doing so will free up existing funds to be used more effectively by the Universal Service Administrative Council (USAC) and Eligible Telecommunications Carriers (ETCs), as well as maximize the reach of any additional funding. We also recommend that the process to prepare the USAC and other administrative functions to service broadband should also begin as soon as possible, with significant progress being made by the end of 2011.<sup>3</sup>

Pursue the pilot proposals put forth by One Economy

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<sup>1</sup> We respectfully request leave to file a day late as signatories needed to complete due diligence.

<sup>2</sup> See Comments of the Minority Media and Telecommunications Council, Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, at 2-3, 8-9 (April 21, 2011) (MMTC Comments) (illustrating the significance of the digital divide in home broadband adoption and explaining how broadband – mobile broadband and devices in particular – are providing the means to overcome the divide).

<sup>3</sup> See One Economy Comments, Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42 at 15 (April 19, 2011) (One Economy Comments).

The Commenters support the Commission's efforts to quickly put into place broadband pilot programs and specifically endorses One Economy's pilot proposals: 1) Shared Wireless in Department of Housing and Urban Development (HUD) Multi-Dwelling Units (MDUs); 2) 4G Public-Private Partnership (PPP); and 3) Reverse Auction.<sup>4</sup> The pilot proposal for a shared wireless services in HUD MDUs would expand upon the success of One Economy's partnership with AT&T around the AccessAll program, bringing free WiFi Internet, followed by a reduced-fee paid model to sustain the network. Investment would only be needed to help fund the first two years of usage. The 4G PPP pilot would provide broadband to urban areas by combining the experience and resources of both public and private entities, to be administered by a nonprofit intermediary.<sup>5</sup> In the reverse auction, providers would bid against one another for support to serve a specifically defined underserved geographic area. The winner of the auction would be the provider that serves the area at the lowest cost, while also meeting additional minimum broadband adoption provisions, such as providing digital literacy training or addressing other barriers to broadband adoption including creating relevant content and offering affordable devices.<sup>6</sup> With proper funding and execution, we believe that these pilot programs can offer valuable and timely insight without slowing down the process of reform.

Create a national database of eligible participants, to be utilized by Eligible Telecommunications Carriers (ETCs) and other entities providing verified broadband adoption services

The Commenters support the Federal-State Joint Board's recommendation of creating a national database of eligible low-income participants to be administered and maintained by a third party, such as USAC.<sup>7</sup> We recommend further that ETCs and entities providing verified broadband adoption services should have access to information that will assist them in determining which eligible customers are already receiving Lifeline support from another provider and which individuals are no longer eligible for Lifeline support. This database will help reduce the amount of duplication and fraud currently plaguing the system and direct funds to those most in need. The database will also help address the program's current low levels of participation (only 33 percent of low-income households participated in 2009, as reported by USAC),<sup>8</sup> by removing barriers to participation associated with concerns over waste, fraud and abuse.<sup>9</sup> The database will also allow interested parties seeking to provide broadband access and services to determine Lifeline eligibility, thereby helping to stimulate market-based solutions that simultaneously help consumers offset costs.

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<sup>4</sup> See One Economy Comments at 22.

<sup>5</sup> See One Economy Notice of Ex Parte, Lifeline Link Up, WC Docket No. 03-109 (Feb. 10, 2011) (One Economy Notice of Ex Parte). See also One Economy Comments at 23.

<sup>6</sup> See One Economy Notice of Ex Parte. See also One Economy Comments at 24. See also MMTC Comments at 8.

<sup>7</sup> See One Economy Comments at 16-18. See also MMTC Comments at 6-7 (urging the Commission to take precautions to prevent human error and discrimination by assigning the creation of a database to a third party and periodically auditing the database).

<sup>8</sup> See Lifeline Linkup, Notice of Proposed Rulemaking, 2011 FCC Lexis 987, FCC 11-32, at ¶25 (March 4, 2011) (NPRM).

<sup>9</sup> See e.g., MMTC Comments at 8 (urging the Commission to continue to allow self-certification of eligibility through the enrollment and verification process as proof of eligibility may be difficult to obtain and submit).

### Do not cap the fund or require additional subscriber fees

The Commenters oppose capping the Lifeline and Link Up fund or the implementation of additional subscriber fees. We believe it would be premature to put any additional limits on the fund's size until reforms have been put into place and enough time has passed so that they can be effectively evaluated. Should adjustments and further reform measures need to be implemented, the resources to do so must be readily accessible. Furthermore, we must avoid measures that may effectually limit innovation. Such “future-proofing” is necessary to remain flexible and responsive to the continuously evolving climate of the technology and advanced communications arena. Regarding subscriber fees, we support MMTC's position that such action would put additional strain on low-income households and potentially deter them from participating in the program.<sup>10</sup>

### Require Eligible Telecommunications Carriers (ETCs) to provide a minimum level of comprehensive broadband adoption services

Multiple studies have shown that cost is only one of the reasons cited for non-adoption. Other factors include a lack of digital literacy, lack of interest, and cost of equipment.<sup>11</sup> In order for Lifeline and Link Up to be successful in connecting low-income households to broadband, the programs must address these factors. To this end, the Commenters support OE's and MMTC's recommendation that the Commission adopt the requirement that, in order for an ETC to receive funding, they must demonstrate that they are making an enthusiastic effort to better inform low-income households of both the program's offerings<sup>12</sup> and the relevance of Science, Technology, Engineering and Mathematics (STEM) literacy, in addition to providing a minimum level of digital literacy support, localized content, and affordable devices. We also recommend that the program provide a \$25 to \$40 subsidy on the computing device.

The Commenters thank the Commission for its diligence and speed in modernizing the Universal Service Fund. We believe that a modernized Lifeline-Linkup program is essential to the success of meeting broadband adoption goals and urge the Commission to take immediate action in carrying out our recommendations.

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<sup>10</sup> See MMTC Comments at 2.

<sup>11</sup> See One Economy Comments at 11, 20, and 32. See also MMTC Comments at 8.

<sup>12</sup> See Minority Media and Telecommunications Council Comments at 3-5 and One Economy Comments at 21.

Sincerely,

- League of United Latin American Citizens
- Minority Media and Telecommunications Council
- One Economy Corporation

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