

July 31, 2019

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW Washington, DC 20554

RE: WC Docket No. 11-42

Dear Ms. Dortch:

Consumer Action and Consumer Federation of America respectfully submit these comments asking the Federal Communications Commission (FCC) to pause both the scheduled update to the minimum service standard for Lifeline-supported mobile broadband service and the scheduled reduction in the support amount for Lifeline-supported mobile voice service, both of which would otherwise take effect on December 1, 2019.¹ Allowing these changes to go into effect would restrict eligible low-income consumers' access to, and undermine the affordability of, Lifeline broadband and voice service offerings, to the detriment of the program and the millions of consumers it serves.

Consumer Action has been a champion of underrepresented consumers nationwide since 1971. As a non-profit 501(c)(3) organization, Consumer Action focuses on consumer education that empowers low and moderate-income; and limited-English-speaking consumers to financially prosper. It also advocates for consumers in the media and before lawmakers and regulators to advance consumer rights and promote industry-wide change. Consumer Federation of America, founded in 1968, is an association of consumer organizations (including Consumer Action) whose mission is to advance the consumer interest through research, education and advocacy.

As we said in past comments, Lifeline is a small subsidy that makes a big impact in people's lives, helping participants communicate with prospective and current employers; connect with emergency, healthcare, social and educational services; and keep in touch with family and friends.

We agree with other filers² and advocates who ask that the FCC "pause the application of the formula for increases to the data usage standard and maintain the current minimum service standards of 2 GB per month, pending evaluation of the impact of the rule in the State of the Lifeline Marketplace Report." We agree with advocates who contend that this will allow the FCC to make an "informed decision regarding all of the relevant issues – including affordability, access, and consumer choice – while maintaining low-income consumers' ability to choose broadband data services that best meet their needs."³

¹ Lifeline and Link Up Reform and Modernization et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3986-87 ¶¶ 63-65 (2016) ("2016 Lifeline Order").

² Joint Petition To Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study, filed by CTIA, NCLC, NHMC, OCA, and UCC, on June 27, 2017 regarding dockets 11-42, 09-197, 10-90.

³ Ibid.

On voice services, we agree with both the NASUCA and NARUC recently adopted resolutions⁴ urging that the FCC should not phase-down or eliminate support for voice services as it has proposed for 2019 to 2021. Through our state and local network of advocates, we work with millions of low income consumers, and know that for many, the voice services provided by Lifeline are critically important to their every day lives.

We also want to cite the findings of a released report, *A Fresh Look at the Lifeline Program*, by the Phoenix Center, where Chief Economist, Dr. George S. Ford, found that “many of the Commission’s reforms, including proposals to exclude resellers from the program and the scheduled increases in minimum service standards, are counterproductive in that both reforms will increase the alleged displacement of Lifeline for regular accounts and reduce the adoption of advanced telecommunications services by low-income Americans.”⁵

According to the study, “changes in mandated service quality (i.e., minimum service standards), which are a part of some reform proposals, will materially affect the comparison between Lifeline-type policies, as providers alter their offerings based on the subsidy level and minimum service standards. As minimum service standards rise, a fully-discounted offering may no longer be feasible, raising the price of communications services (and/or devices) to low-income Americans participating in the Lifeline program.”

For the reasons outlined above, we believe that until the Commission can consider the Bureau’s State of the Lifeline Marketplace Report, implementation of the December 1, 2019 (1) increase in the minimum required broadband data usage allowance, and (2) phase-down in support for voice services in the Lifeline program should not move forward.

Thank you.

Respectfully,

Consumer Action
Consumer Federation of America

⁴ TR Daily July 25 article, NARUC Board Adopts Lifeline Resolution

⁵ Proposed Reforms to FCC’s Lifeline Program Require A Bit More Thought, released July 22, 2019 (<https://fedsoc.org/commentary/blog-posts/proposed-reforms-to-fcc-s-lifeline-program-require-a-bit-more-thought>)