

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of )  
 )  
Federal-State Joint Board On )  
Universal Service Lifeline and ) WC Docket No. 11-42  
Link Up Reform and Modernization )  
 )

**COMMENTS OF NEXT CENTURY CITIES**

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**I. INTRODUCTION**

Next Century Cities (“NCC”)<sup>1</sup> submits these comments in response to the Wireline Competition Bureau’s request for input on the State of the Lifeline marketplace.<sup>2</sup> NCC’s comments focus on whether the Federal Communications Commission (“FCC” or “Commission”) should complete the transition to chiefly supporting broadband services, as set out in the *2016 Lifeline Order*,<sup>3</sup> when millions of low-income Americans are still struggling to maintain baseline connectivity to cope with the pandemic.

The Lifeline program stands as one of only two federal voice and broadband affordability programs. The other, the Emergency Broadband Benefit, was designed to wane alongside COVID-19 restrictions.<sup>4</sup> According to the Universal Service Administrative Corporation (“USAC”), only

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<sup>1</sup> Next Century Cities is a nonprofit nonpartisan 501(c)(3) coalition of over 200 member municipalities that works collaboratively with local leaders to ensure reliable and affordable broadband access for every community, while helping others realize the economic, social and public health importance of high-speed connectivity.

<sup>2</sup> See *Lifeline and LinkUp Reform and Modernization*, Public Notice (2021) (*Lifeline Public Notice*).

<sup>3</sup> See generally, *Lifeline and Link Up Reform and Modernization*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962 (2016) (*Lifeline Modernization Order*).

<sup>4</sup> See generally *Emergency Broadband Benefit Program*, WC Docket No. 20-445, Report and Order, FCC 21-29, ¶ 114 (2021).

8.7 million people of a projected 33 million were utilizing Lifeline as of January 2021.<sup>5</sup> Some find the barriers to enrollment prohibitively high. For instance, eligible low-income consumers oftentimes find determining eligibility, locating a Lifeline provider, providing the necessary information, and waiting for eligibility confirmation difficult. Completing enrollment is especially challenging if it is attempted without someone to help navigate the process in its entirety or a reliable broadband connection to complete enrollment online.<sup>6</sup>

While the National Verifier was intended to help centralize the Lifeline application process, the Government Accountability Office found that a majority of Lifeline subscribers live in states without state database connections to the verifier.<sup>7</sup> This contributes to delays in eligibility verification, or eligible consumers abandoning applications. Another insurmountable hurdle is that some consumers who are eligible for the Lifeline program simply do not have participating providers in their area.<sup>8</sup>

The Lifeline program was started in 1985 to provide a discount on phone service for qualifying low-income consumers.<sup>9</sup> Currently, the program offers a \$5.25 subsidy for stand-alone voice service. Any further reduction will place a significant strain on members of the community that do not have access to a broadband connection and require telephony service. As long as millions of Americans are waiting for reliable and affordable broadband access, plans to phase out telephone service poses health, safety, and economic risks to already vulnerable consumers.

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<sup>5</sup> See Universal Service Administrative Company, *Program Data*, <https://www.usac.org/lifeline/learn/program-data/#Data> (last visited Apr. 10, 2021).

<sup>6</sup> See Amir Nasr and Claire Park, *The Government is Severing a Lifeline for Low-Income Americans* (Mar. 5, 2020), <https://www.newamerica.org/weekly/lifeline-low-income-americans/>.

<sup>7</sup> See generally, Government Accountability Office, *FCC Has Implemented the Lifeline National Verifier but Should Improve Consumer Awareness and Experience* (2021), <https://www.gao.gov/assets/gao-21-235.pdf>.

<sup>8</sup> Nairobi Cratic, *A Law Student's Perspective on the Many Obstacles to Accessing Broadband* (Nov. 16, 2020), <https://nextcenturycities.org/a-law-students-perspective-on-the-many-obstacles-to-the-accessing-broadband/>.

<sup>9</sup> Federal Communications Commission, *Lifeline Program for Low-Income Consumers*, <https://www.fcc.gov/general/lifeline-program-low-income-consumers#:~:text=Since%201985%2C%20the%20Lifeline%20program,jobs%2C%20family%20and%20emergency%20services> (last visited Apr. 10, 2021).

Collecting public input is only part of the analysis required. The phase-in of new Lifeline minimum service standards should be delayed until the Commission itself has evaluated how new standards could impact the Lifeline marketplace. Increasing the required service that a provider must maintain under the Lifeline program could have negative impacts on the costs that subscribers would need to bear. For some, any newly incurred cost is too high and beyond their means.

The Commission also seeks comment on the intersection between the Emergency Broadband Benefit Program (“EBBP”) and the Lifeline marketplace. Congress intended for low-income households to have access to both programs, ensuring that both a home broadband connection and a cellular phone plan are within reach throughout the pandemic. Thus, the EBBP and Lifeline program are complementary to, not replacements for, one another.

## **II. THE COMMISSION SHOULD NOT PHASE OUT THE VOICE ONLY SUBSIDY.**

In 2017, the Commission proposed phasing out the voice only subsidy for consumers, unless they live in an area that only has one Lifeline provider.<sup>10</sup> For those in areas with more than one Lifeline provider, subsidized voice only services would no longer be offered. Moving forward with that proposal would inevitably put some low-income consumers who are phased out of voice services at a disadvantage because they may not be able to afford an alternative month-to-month post-paid service plan.

Being able to afford telecommunications service has increasingly become an obstacle for millions of households. The economic strain of the pandemic forced at least one in four adults to

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<sup>10</sup> Federal Communications Commission, *Lifeline Program for Low-Income Consumers*, <https://www.fcc.gov/general/lifeline-program-low-income-consumers#:~:text=Since%201985%2C%20the%20Lifeline%20program,jobs%2C%20family%20and%20emergency%20services> (last visited Apr. 11, 2021).

have trouble paying their bills as the pandemic has progressed.<sup>11</sup> Low-income consumers, especially those struggling with sudden job loss, continue to pick and choose which bills to pay and which to forego. McKinsey and Company estimates that 14% of consumers skipped or partially paid their telecommunications bill in 2020, with younger adults having the highest non-payment rate at 34%.<sup>12</sup> Considering these factors, to reduce or remove the voice only option could mean cutting off the only dependable method for current Lifeline subscribers to contact employers, health providers, emergency service, and family. Some may not have alternatives.

While the headlines have focused on the increase in internet traffic over the course of the pandemic, phone service has also seen a massive spike. Verizon estimated that it saw an average of 800 million wireless calls a day on weekdays last year.<sup>13</sup> AT&T reported that Wi-Fi based calls had nearly doubled from rates before the pandemic.<sup>14</sup> As Acting Chairwoman Rosenworcel stated, “We’ve become a nation that calls like never before ... We are craving a human voice.”<sup>15</sup> Accordingly, if the Commission continues with its plan to phase down the Lifeline voice subsidy, it risks starving low-income families from a means to hear one another at a time when feeling connected is vital.

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<sup>11</sup> Kim Parker, Rachel Minkin and Jesse, Bennet, *Economic Fallout From COVID-19 Continues To Hit Lower-Income Americans the Hardest* (Sept. 24, 2020), <https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>.

<sup>12</sup> See Matt Higginson et. al., *Bill Payment Trends in the United States* (June 2, 2020), <https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/bill-payment-trends-in-the-united-states#>.

<sup>13</sup> See Cecilia Kang, *The Humble Phone Call Has Made a Comeback* (Apr. 9, 2020), <https://www.nytimes.com/2020/04/09/technology/phone-calls-voice-virus.html>.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

**A. Emergency Notification Systems Rely on Voice and SMS and Would Be Hindered by a Phase- Out.**

Voice services, in many cases, are the only link that consumers have to emergency services. For example, voice services are critical for domestic violence survivors or those in emergency situations,<sup>16</sup> evidenced by the Commission’s decision to adopt a three-digit number for the National Suicide Prevention Lifeline.<sup>17</sup> The utility of the hotline fundamentally depends on those in need having access to voice services.<sup>18</sup>

Localities also rely on voice and text-based services to alert their communities to potential natural disasters or other emergencies. In the wake of the California wildfires in 2018, for instance, the California Public Utilities Commission (“CPUC”) found that 80% of calls to 911 originated from a wireless device.<sup>19</sup> Residents should not be denied access to emergency services or disaster response updates because they could not afford voice service. Clearly, voice services are indispensable.

**B. Communications Service is Affordable Only if it Does Not Force Consumers to Choose Between Basic Necessities.**

Many consumers still rely on the voice only option where broadband is not available. In 2016, the Commission argued that voice prices have significantly decreased and that the decreases showed no signs of stopping,<sup>20</sup> noting that mobile voice adoption rates exceeded 90% overall and 84% percent for low-income adults.<sup>21</sup> These statistics may have been compelling at the time.

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<sup>16</sup> National Consumer Law Center et. al. Comments, WC Docket Nos. 17-287, 11-42 and 09-197, at 8 (Feb. 21, 2018) (available at [https://www.nclc.org/images/pdf/energy\\_utility\\_telecom/telecommunications/nclc-signon-lifeline-cmmnts.pdf](https://www.nclc.org/images/pdf/energy_utility_telecom/telecommunications/nclc-signon-lifeline-cmmnts.pdf)) (NCLC 2018 Comments).

<sup>17</sup> Federal Communications Commission, *Suicide Prevention Hotline*, <https://www.fcc.gov/suicide-prevention-hotline> (last visited Apr. 11, 2021).

<sup>18</sup> NCLC 2018 Comments at 8.

<sup>19</sup> See Ryan Johnston, *Communities Responding to Natural Disasters Through Network Resilience* at 3 (2021), <https://nextcenturycities.org/wp-content/uploads/March-2021-Publication--Network-Resilience-Paper-by-Ryan-Johnston--Final-Publication-1.pdf>.

<sup>20</sup> *Lifeline Modernization Order* at 20-21.

<sup>21</sup> *Id.*

However, they only accounted for the adoption of service and could not contemplate its continued exponential need in the wake of COVID-19. Personal and financial situations change that may prevent consumers from being able to continually afford a standard post-paid cellular plan which includes voice and data. Removing voice from the Lifeline program could potentially harm already low adoption rates that are continually dwarfed by the eligible population in need.

### **III. ANY INCREASE IN LIFELINE MINIMUM STANDARDS SHOULD BE ACCOMPANIED BY A SUFFICIENT INCREASE IN THE LIFELINE SUBSIDY AMOUNT.**

The current Lifeline minimum standards are a result of the Commission’s 2016 order modernizing the Lifeline program.<sup>22</sup> They were set to provide “consumers with services that allow them to experience many of the internet’s offerings, but not mandating the purchase of prohibitively expensive offerings.”<sup>23</sup> Considering that for many Lifeline subscribers any out-of-pocket cost is prohibitively high,<sup>24</sup> the Commission must ensure that any change in the minimum standards is met with a sufficient increase in the Lifeline benefit to avoid disconnecting consumers.

Over 80% of Lifeline subscribers cannot afford a monthly co-payment of any amount.<sup>25</sup> Moreover, over 80% of them are currently unemployed.<sup>26</sup> As the National Lifeline Association pointed out, comparable 10-15 GB mobile data plans today retail for between \$35-50 per month.<sup>27</sup> Lifeline subscribers cannot afford those rates, and mobile providers are unlikely to begin offering services at a loss. Any increase in the minimum service standards could trigger an increase to the

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<sup>22</sup> See generally Lifeline and Link Up Reform and Modernization, et al., WC Docket 11-42, et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (2016).

<sup>23</sup> *Id.* at ¶ 71.

<sup>24</sup> National Consumer Law Center et. al. Comments, WC Docket Nos. 11-42, 09-197 and 10-90 (Sept. 14, 2020) (available at [https://www.nclc.org/images/pdf/energy\\_utility\\_telecom/telecommunications/Comments-supporting-NALA-MSS-petition.pdf](https://www.nclc.org/images/pdf/energy_utility_telecom/telecommunications/Comments-supporting-NALA-MSS-petition.pdf)).

<sup>25</sup> National Lifeline Association, Petition for Waiver of Lifeline Mobile Broadband Minimum Service Standard and Voice Support Phase Down, WC Docket Nos. 11-42, 09-197, and 10-90 at 29 (filed August 27, 2020).

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

price charged for a low-cost service option. In turn, an untold number of Lifeline subscribers may not be unable to afford a new “low-cost” service offering. Therefore, any increase in service standards must accompany an increase in subsidy to ensure that low-income consumers are not priced out of the market.

Even though the pandemic has shown that many individuals have become more reliant upon their mobile devices to gain internet access, complete schoolwork, and stay connected with families, the Commission has not studied the full impact that increased minimum standards could have on new and existing Lifeline subscribers. Serious consideration is deficient without agency review to determine how new standards could cause unintended disruptions in service.

#### **IV. THE EMERGENCY BROADBAND BENEFIT IS A COMPLEMENT TO LIFELINE.**

##### **A. Lifeline is Primarily Used for Voice or Mobile Service, Whereas EBBP is Intended for Home Broadband Connections.**

The Lifeline and EBBP programs are designed to help consumers gain access to differing types of connectivity. They are similar in that they are both targeted at low-income consumers and utilize the national verifier to collect and process applications from consumers. However, the Lifeline program has historically been used to connect consumers to telephone service and, over the years, expanded into mobile services that could also support broadband connectivity.<sup>28</sup> In contrast, the Commission has explicitly stated that the EBBP is intended to bring high-speed broadband connections into low-income homes. Also, unlike in the Lifeline program, the Commission has encouraged providers that are not designated as eligible telecommunications carriers to participate in the EBBP.

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<sup>28</sup> Federal Communications Commission, *Lifeline Program for Low-Income Consumers*, <https://www.fcc.gov/general/lifeline-program-low-income-consumers#:~:text=Since%201985%2C%20the%20Lifeline%20program,jobs%2C%20family%20and%20emergency%20services> (last visited Apr. 12, 2021).

At a time when broadband connectivity is the lifeblood of households nationwide, the EBBP is another step toward ensuring that consumers are able to get broadband connections at home and remain connected wherever they are. According to Pew, only 57% of people making less than \$30,000 per year have access to the internet at home.<sup>29</sup> Within the same group, 27% say they rely on a smartphone for connectivity.<sup>30</sup> Now that telework, distance learning, and telehealth visits are commonplace, reliable and affordable broadband is essential. The EBBP was developed in direct response to these needs.

Current Lifeline mobile data offerings leave subscribers with less than 5 gigabytes of low-speed data, which is not suitable to sustain multiple high-bandwidth applications running concurrently.<sup>31</sup> Conversely, the EBBP will allow consumers to purchase the plan that best suits their needs and provides the speeds necessary to engage meaningfully online. Comparing Lifeline and EBBP to one another, the EBBP is a targeted emergency response program that goes beyond the scope of what Lifeline was originally intended to support.

## **B. Lifeline is Permanent. The EBBP Will End.**

The Emergency Broadband Benefit Program and Lifeline have complementary goals as they are designed to help consumers gain access to differing types of connectivity. Notably, the EBBP will conclude six months after the end of the COVID-19 emergency period or when the amount in the Emergency Broadband Connectivity Fund is exhausted, whichever occurs first.<sup>32</sup> At

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<sup>29</sup> Pew Research Center, *Internet/Broadband Fact Sheet* (Apr. 7, 2021), <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/?menuItem=20864b5f-4589-4e03-aad1-c1737fbd07cb>.

<sup>30</sup> *Id.*

<sup>31</sup> Tony Romm, *Lacking a Lifeline: How a Federal Effort To Help Low-Income Americans Pay Their Phone Bills Failed Amid the Pandemic* (Feb. 9, 2021), <https://www.washingtonpost.com/technology/2021/02/09/lifeline-broadband-internet-fcc-coronavirus/>.

<sup>32</sup> Federal Communications Commission, *Consumer FAQ for Emergency Broadband Benefit*, <https://www.fcc.gov/consumer-faq-emergency-broadband->

that time, consumers will either continue with the plans chosen under the program or be disconnected.

Temporary in nature, the EBBP was designed to address lack of affordability and increased need for broadband during the pandemic. At present, there is no indication that the program will be renewed or revitalized in some way. On the contrary, Lifeline subscribers need not worry about the program coming to a predetermined end as it has existed for over 35 years and will remain operational for years to come.

## **V. CONCLUSION**

As the only permanent telecommunications subsidy, Lifeline is a critical tool for the Commission to achieve its longstanding goal to connect every resident, regardless of income or geography, with access to basic telephone and broadband services. There is much work to be done to ensure that those who need it most can efficiently apply and remain connected with Lifeline benefits.

While the Commission has taken steps to ensure that broadband is affordable for those who need it, the work is far from complete. Ensuring that the Lifeline marketplace remains competitive with reliable voice and broadband options provides a necessary pathway for low-income households, students, seniors, the unemployed, those fleeing disaster, and disenfranchised populations to stay connected and participate in a digital society.

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[benefit#:~:text=The%20Emergency%20Broadband%20Benefit%20is%20an%20emergency%20program%20developed%20in,the%20pandemic%2C%20whichever%20comes%20first](#) (last visited 4/19/2021).