

Federal-State Joint Board Recommends Reforms to Improve Lifeline and Link Up Programs

Legal Alert
November 11, 2010

Garvey Schubert Barer Legal Update, November 11, 2010.

The Federal-State Joint Board on Universal Service (the "Joint Board") has recommended a package of reforms to improve participation in the Lifeline and Link Up programs. See *In the Matter of Federal-State Joint Board on Universal Service Lifeline and Link Up*, CC Docket No. 96-45, WC Docket No. 03-109, FCC 10J-3, Recommended Decision (rel. Nov. 4, 2010) (*Recommended Decision*). The Federal Communications Commission ("FCC") had previously asked the Joint Board to review the FCC's eligibility, verification and outreach rules for the programs. See *Federal-State Joint Board on Universal Service; Lifeline and Link Up*, CC Docket No. 96-45, WC Docket No. 03-109, Order, 25 FCC Rcd 5079 (2010) (Referral Order).

In the *Recommended Decision*, the Joint Board recommended that: (1) the FCC encourage automatic enrollment as a best practice for all states; (2) the FCC adopt uniform minimum verification procedures and sampling criteria that would apply to all eligible telecommunications carriers ("ETCs") in all states; (3) states be allowed to utilize different and/or additional verification procedures so long as these procedures are at least as effective in detecting waste, fraud, and abuse as the uniform minimum required procedures; (4) all ETCs in all states be required to submit the data results of their verification sampling to the FCC, the states, and the Universal Service Administrative Company ("USAC") and that the results be publicly available; (5) the FCC adopt mandatory outreach requirements for all ETCs that receive low-income support; and (6) the FCC maintain advisory guidelines for states with respect to performing low-income outreach.

Additionally, in the *Recommended Decision*, the Joint Board recommended that the FCC seek further comment on numerous universal service low-income program issues, including whether the current eligibility requirement of household income at or below 135% of the federal poverty guidelines ("FPG") should be raised to 150% for the existing Lifeline and Link Up programs; the potential impact, costs, and benefits of minimum uniform eligibility requirements; and the costs and benefits of database certification and verification of low-income consumers' eligibility.

Finally, the Joint Board responded to other issues raised by the *Referral Order*, including the request that the Joint Board "consider how the potential expansion of the low-income program to broadband would affect any of its recommendations." The Joint Board recommended that the FCC adopt an additional principle for universal service pursuant to section 254(b)(7) of the Act – that universal service support should be directed where possible to networks that

Federal-State Joint Board Recommends Reforms to Improve Lifeline and Link Up Programs

provide both broadband and voice services. In particular, the Joint Board supported deployment and maintenance of broadband services in areas that are now unserved or underserved, while acknowledging the importance of continued support for existing voice networks. Additionally, the Joint Board acknowledged the existence of other issues, including the need for close review of prepaid wireless service offerings and fund size.