Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	

To: The Commission

COMMENTS OF CTIA – THE WIRELESS ASSOCIATION®

CTIA – The Wireless Association® ("CTIA") supports the policy position espoused by TracFone Wireless, Inc. ("TracFone") in its emergency petition[1] regarding the application of state 9-1-1 fees to Lifeline services that are funded solely by the Lifeline subsidy. Similar to TracFone's position, CTIA is opposed to the imposition of 9-1-1 fees on Lifeline services that are provided at no charge to customers. While CTIA strongly supports the adequate funding of 9-1-1 programs, the imposition of 9-1-1 fees on these types of Lifeline plans raises important policy issues related to federal low-income policies. These charges have the potential to (1) prevent the full value of the federal Lifeline subsidy from being passed through to low-income consumers and (2) eliminate the most affordable Lifeline plans in states that may attempt to impose 9-1-1 fees on Lifeline services that are provided at no charge to customers. The Commission should consider these issues carefully as it evaluates TracFone's petition.

CTIA is a strong supporter of 9-1-1 initiatives, and supports federal, state, and local efforts to ensure that consumers have access to robust and reliable 9-1-1 service. Wireless

[1] TracFone Wireless, Inc., Emergency Petition for Declaratory Ruling, WC Docket No. 11-42 (filed Oct. 23, 2014) ("TracFone Petition"). *See also Wireline Competition Bureau Seeks Comment on TracFone Wireless, Inc. Emergency Petition for Declaratory Ruling*, WC Docket No. 11-42, DA 14-1624 (Wireline Comp. Bur. Rel. Nov. 7, 2014) ("Public Notice").

services are critical tools for consumers to access 9-1-1 emergency response systems. CTIA recognizes that 9-1-1 service requires adequate funding, and supports competitively neutral charges to fund 9-1-1 service. We also support a fair and adequate assessment of state 9-1-1 fees among wireless consumers who are capable of paying the charges and who make purchases of service that are subject to the charge.

The FCC should consider the practical implications of applying 9-1-1 fees to Lifeline service that is funded solely by the federal Lifeline subsidy. The Commission has a statutory duty to ensure universal service, including for low-income consumers.[2] The Commission adopted its Lifeline rules and policies to fulfill this duty. The application of state 9-1-1 fees to Lifeline service funded solely with the federal Lifeline subsidy creates tension with aspects of the Commission's Lifeline rules and policies.

First, the Commission's rules require the full Lifeline support amount to be passed through to Lifeline customers.[3] Similarly, the Commission has implemented policies to ensure that consumers receive full value for federal Lifeline subsidy amount – for example, ensuring that Lifeline providers include at least the market standard 250 minutes of use in Lifeline plans subsidized by the federal support amount.[4] As TracFone points out, imposing state 9-1-1 fees on a Lifeline service that is provided at no charge to the low-income consumer would require Lifeline providers to divert funding away from the provision of Lifeline service, providing consumers with less than the full value of the federal Lifeline subsidy.

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[2] 47 U.S.C. § 254(b)(3).

[3] 47 C.F.R. § 54.403.

[4] *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6679-80 ¶ 50 (2012) ("*Lifeline Reform Order*"); *see also e.g., i-Wireless, LLC Petition for Forbearance*, WC Docket No. 09-197, Order, 26 FCC Rcd 14508, 14510 ¶ 4 (WCB 2011).

Further, the Commission specifically considered the merits of no-charge Lifeline service and concluded that Lifeline customers should have the benefits of such services. Specifically, the Commission concluded that "imposing a minimum charge [for Lifeline service] could impose a significant burden on some classes of Lifeline consumers," and could "potentially pose a significant barrier to participation for those in severe economic need."[5] The FCC further found that the burden of a minimum charge would fall most heavily on consumers who lack bank accounts or credit cards and would have to make payments using costly money transfer services, which carry fees as high as $12.99 per transaction.[6] This could mean that substantial numbers of Lifeline customers would likely be unable to afford a monthly 9-1-1 charge and would de-enroll from Lifeline if such a charge were imposed. The FCC concurs with this sentiment as it found that a minimum charge could drive down participation in the Lifeline program, and found that "the possibility that the subscriber will not or cannot pay that minimal charge does not necessarily mean that the low-income consumer does not value Lifeline service."[7]

Similarly, the Commission has prohibited eligible telecommunications carriers from passing through federal universal service fees to Lifeline consumers.[8] If a state required Lifeline providers to pass through 9-1-1 fees to Lifeline customers, however, a minimum charge effectively would exist for Lifeline service, and customers unable to pay the charge would be

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[5] *Lifeline Reform Order*, 27 FCC Rcd at 6773 ¶ 268.

[6] *Id.* at 6772 ¶ 266.

[7] *Id.* at 6773 ¶ 267.

[8] *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order and Second Further Notice of Proposed Rulemaking, 17 FCC Rcd 24952, ¶ 19 (2002).

priced out of receiving the benefits of the Lifeline program. In addition, this would impose a greater tax burden on those Lifeline participants who remain in the program.

For all the reasons described herein, we respectfully urge the Commission to consider the policy implications of imposing the 9-1-1 fee on Lifeline services that are provided at no charge to customers.

Respectfully submitted,

CTIA – THE WIRELESS ASSOCIATION®

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