

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON D.C. 20554**

In the Matter of:)	
)	
Petition for Rulemaking to Further Reform The Lifeline Program)	WC Docket No. 11-42
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Advancing Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
_____)	

**COMMENTS OF THE
MICHIGAN PUBLIC SERVICE COMMISSION**

On February 6, 2012, the Federal Communications Commission (“FCC”) released a Report and Order and Further Notice of Proposed Ruling (“FNPRM”) in the above-mentioned dockets regarding Lifeline and Link Up Reform and Modernization, the Universal Service Fund, and Advancing Broadband Availability Through Digital Literacy Training. On June 28, 2013, in WC Docket No. 11-42, the Lifeline Reform 2.0 Coalition (“Coalition”) filed a Petition for Rulemaking to Further Reform the Lifeline Program (“Petition”). On July 15, 2013, the FCC issued a Public Notice, DA 13-1576, seeking comments on the Coalition’s Petition. The comment deadline is August 14, 2013.

INTRODUCTION

The Michigan Public Service Commission (“MPSC”) offers the following comments on the Coalition’s suggestions for additional reforms to the Lifeline program. The comments are formatted to track with the headings and subheadings used in the Coalition’s Petition. The MPSC looks forward to reviewing the comments of the other parties in this proceeding and will continue to participate by filing reply comments as necessary to clarify and/or add to the discussion of how to best proceed in further reforming the Lifeline Program.

DISCUSSION

I. The FCC Should Adopt Additional Reforms to the Lifeline Enrollment Process to Further Limit Opportunities for Waste, Fraud, and Abuse

A. ETCs Should be Required to View Each Applicant’s Photo Identification During Lifeline Program Enrollments

The Coalition’s Petition proposed that ETCs should be required to view each applicant’s photo identification during Lifeline Program enrollments. Although potentially worthwhile, the MPSC does not support Lifeline Program reforms that would require ETCs to review in-person, government-issued photographic identification for applicants. The in-person requirement prohibits customers from subscribing by telephone and on-line, and discriminates against consumers that do not have ready access to transportation. Similarly, a requirement for government-issued photographic identification discriminates against consumers that do not have ready access to transportation to obtain the necessary identification. The MPSC believes that the possible gains due to reduced waste, fraud, and abuse

associated with these requirements would not warrant the loss of legitimate Lifeline subscribers resulting from these requirements.

B. ETCs Should be Permitted to Retain Copies of ID and Proof of Subscriber Eligibility Documents

The MPSC supports the Coalition's proposal to require ETCs to retain copies of ID and proof of eligibility for a specified retention period. The MPSC further agrees that the retained information must be secure. The MPSC does not support the Coalition's proposal, however, that the ETCs must encrypt the data in a specific manner. The MPSC suggests that the FCC require that the data be encrypted, but not limit it to one specific encryption method (require a specific software, etc.).

C. ETC Employees Should Oversee and Review All Lifeline Program Enrollments

In its Petition, the Coalition suggested that the FCC require that all ETCs have all Lifeline enrollments reviewed and approved by an employee before the ETC activates service or seeks reimbursement from the Lifeline Program. The MPSC agrees that quality control is a critical component of the administration of the Lifeline Program. However, as opposed to the Coalition's method, the MPSC suggests that the FCC require providers to establish quality control procedures for the Lifeline Program to further reduce waste, fraud, and abuse. This will allow for quality control in the Lifeline Program, without limiting providers to one specific set of procedures. Furthermore, the FCC could monitor compliance of this requirement through its audits.

D. Identifying Other Lifeline Providers by Name at the Time of Enrollment Will Reduce Duplicative Enrollments

The Coalition's Petition recommends that the FCC require all ETCs to educate consumers during the enrollment process by specifically identifying other Lifeline providers by name when asking applicants whether they, or anyone in their household, are already receiving a Lifeline benefit prior to enrolling the applicant in a Lifeline-supported service. The MPSC believes that this requirement, although commendable, would be too difficult to enforce. Additionally, the MPSC believes that the FCC's database, once established, will be the core method used to avoid duplication of Lifeline services. As a result, the MPSC does not support the Coalition's suggested requirement. The MPSC expects that the National Lifeline Accountability Database will be the core method for avoiding duplicates which underscores why it is so critical for the FCC to expedite its development and deployment.

E. ETCs Should be Required to Maintain Greater Control Over Enrollment Locations

The Coalition's Petition suggests that ETCs should be required to: i) track the location of all enrollment events; (ii) require agent check-in at locations prior to beginning enrollments; (iii) conduct photo audits of enrollment events; and (iv) conduct post-event, back-end checks for enrollment irregularities. While agreeing that quality control is a critical component of the administration of the Lifeline Program, the MPSC believes that ETCs should be required to track the location of all enrollment events. Although the Coalition's other suggestions (ii – iv) regarding ETC control over enrollment locations are reasonable, the MPSC believes that the

need for these activities will depend on how the program is implemented and should be left to the discretion of the provider.

F. ETCs Must Explicitly Prohibit Subscribers from Reselling or Otherwise Transferring Handsets Used to Provide Lifeline Services

The MPSC does not take exception to the Coalition’s suggestion of adding specific language to Lifeline program applications indicating that the sharing or other transfer of handsets actively being used to provide Lifeline services is a violation of FCC rules and will result in de-enrollment from the Lifeline Program. The MPSC believes that the stronger language may help to further reduce waste, fraud, and abuse in the Lifeline Program.

II. Access to Live Customer Service Representatives Ensures Lifeline Subscribers are Able to Comply with Lifeline Program Eligibility Requirements

A. Access to Live Customer Service Representatives Is Essential to Ensuring Subscriber Compliance with the Lifeline Program Eligibility Requirements

The MPSC supports the Coalition’s suggestions to require all ETCs to provide access to live customer service during reasonable and posted hours by calling 6-1-1 or a toll-free number. As the Coalition specifies, calls to customer service should not count against a customer’s minutes. The MPSC believes that these requirements would result in the further reduction of waste, fraud, and abuse in the Lifeline Program.

B. Subscribers Should be Able to De-Enroll from the Lifeline Program upon Request

The Coalition's Petition suggests that the FCC should require all ETCs to de-enroll subscribers upon request and to complete such de-enrollments within five business days of the request. The MPSC agrees with this requirement as long as customers are required to provide some type of identification or passcode to prevent unauthorized customers from disconnecting someone else's service.

CONCLUSION

The MPSC appreciates the opportunity to participate in the discussions regarding the modernization of the Lifeline and Link Up Programs. The MPSC looks forward to continuing collaborating with the FCC and the industry to ensure that low income consumers have access to voice and broadband service.

Respectfully submitted,

MICHIGAN PUBLIC SERVICE COMMISSION

Anne M. Uitvlugt (P71641)
Assistant Attorney General
Public Service Division
6520 Mercantile Way, Suite 1
Lansing, MI 48911
Telephone: (517) 241-6680

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FCC/11-42/Comments