

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of a Repository Docket in	)	
Which to Gather Information About the	)	
Lifeline Program and Evaluate the	)	Case No. TW-2014-0012
Purposes and Goals of the Missouri	)	
Universal Service Fund	)	

**COMMENTS OF CGM, LLC.**

CGM, LLC. (“CGM”), a lifeline data processing and compliance company, respectfully submits the following comments in response to the Commission’s Notice of Opportunity to Comment of July 26, 2013. Specifically, CGM is offering comments on the following items:

e. Should the Lifeline program be expanded in Missouri to ensure qualifying low-income consumers have access to broadband service? If yes, how should the program be expanded?

Yes, just as the FCC’s High-Cost universal service program is being expanded to support broadband build-out through the Connect America Fund and the FCC is considering expanding the federal Lifeline program to provide low-income consumers with broadband service, the Missouri Lifeline program should be expanded to provide its low-income consumers with affordable access to broadband service. The FCC’s Lifeline broadband pilot program, which was created to identify the best ways to increase broadband adoption rates among low-income Americans is ongoing. Once the broadband pilot program is complete, the data collected from the participating ETCs will help identify the best ways Missouri could expand its program.

f. Should eligibility criteria for consumers to qualify for the Lifeline program be expanded? If so, how?

Yes. With the ever increasing difficulties facing low- income consumers, those low-income consumers who are currently ineligible based on current program and or income requirements should have access to affordable telecommunications services. The FCC, in the Lifeline Reform Order, also proposed a further rulemaking to consider adding the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC) and the Veteran Benefits Administration- Veterans Health Administration Special Outreach and Benefits Assistance

programs designed to help homeless veterans and veterans at risk of homelessness. For example, the FCC noted in its Lifeline Reform Order that 35% of WIC participants do not participate in any other public assistance program.

These are two examples of assistance programs that help low-income consumers, yet a portion of those qualified for those programs do not currently qualify for Lifeline program participation or other assistance programs. The continued goal of the Missouri USF is to assist low-income Missourians and its Lifeline eligibility criteria should be expanded to additional income eligibility based programs to help those who need its help but are currently ineligible.

g. Do you anticipate the FCC's reforms, when fully implemented, will adequately address fraud, abuse, and waste within the Lifeline program? Why or why not?

Yes. On February 12, 2013, the FCC released a public notice detailing the savings its current Lifeline reforms have generated, which included both the actual savings in 2012 and the expected savings for 2013 and 2014. In 2012, the FCC's reforms saved \$214 million, some of which could be categorized as waste, fraud and abuse in the Lifeline program. These savings were achieved without the implementation of the most significant reform, the National Lifeline Accountability Database ("NLAD") which will eliminate duplicative Lifeline support nation-wide by its completion in the first quarter of 2014. Additionally, the FCC announced that its reforms will save the Lifeline program an additional \$400 million in 2013, and are on schedule to save more than \$2 Billion by the end of 2014. Once fully implemented, the FCC's reforms will adequately address waste, fraud, and abuse within the Lifeline program.

h. What specific compliance efforts would be easy to implement to ensure companies and consumers comply with Lifeline program requirements?

Compliance efforts that would be easy to implement include increased consumer education on the Lifeline program, increased and uniform certification requirements by the Lifeline consumer that meet both the State and Federal certification requirements, and uniform requirements on ETCs' marketing and outreach materials to ensure that Lifeline applicants know who their Lifeline service provider is and that they cannot receive a second Lifeline subsidy.

i. Should the State of Missouri strive to implement a data base to confirm Lifeline subscriber eligibility? If yes, how should it be funded?

Yes. The NLAD will remove duplicative support in two ways. First it will remove concurrent duplicative support where a Lifeline customer has two subsidies in the same month from two ETCs. Second, it will identify and prevent a Lifeline subscriber from receiving two or more unique subsidies in the same month from two or more ETCs. For example, the NLAD will prevent a Lifeline consumer from signing up with a wireless ETC on the 5<sup>th</sup> of the month and using all of his/ her allotted minutes, then porting his/ her Lifeline benefit to another ETC on the 10<sup>th</sup> of the month receiving a second set of wireless minutes and Lifeline subsidy in the same month. The NLAD's business rules to prevent this will require a 60 day minimum requirement before benefit transfer.

Though the NLAD prevents duplicative Lifeline support, it will not address a Lifeline applicant's eligibility based on program participation and income. Though the FCC is currently working on a national Lifeline eligibility database, it will not be successful without the cooperation of the states. A real-time state-wide database would allow ETCs to confirm eligibility in real-time, removing the chances that a Lifeline applicant does not actually participate in a qualifying program or meet the income requirements.

WHEREFORE, CGM, LLC. respectfully submits these comments for the Commission's consideration.

Respectfully submitted,

/s/ Chuck Campbell

---

Chuck Campbell

Principal

Email: [Chuck.Campbell@cgminc.com](mailto:Chuck.Campbell@cgminc.com)