



MONTANA  
TELECOMMUNICATIONS  
ASSOCIATION

Via email: March 28, 2012

To: Mr. Nicholas A. Fraser, Office of Management and Budget  
[Nicholas A. Fraser@omb.eop.gov](mailto:Nicholas.A.Fraser@omb.eop.gov)

Ms. Judith B. Herman, Federal Communications Commission  
[Judith-b.herman@fcc.gov](mailto:Judith-b.herman@fcc.gov)

Re: Information Collection Being Submitted to the Office of  
Management and Budget ("OMB") for Emergency Review and  
Approval Regarding Paperwork Reduction Act ("PRA") Application  
to the *Lifeline Reform Report and Order* ("Order"), FCC 12-11.<sup>1</sup>

OMB Control Number: 3060-0819

Agency: Federal Communications Commission ("Commission")

Action: **Comments of the Montana Telecommunications Association**

The Montana Telecommunications Association ("MTA") represents rural eligible telecommunications carriers ("ETCs") serving nearly 90 percent of Montana's wireline consumers. MTA's members include small and large telecom providers, both member-owned telephone cooperatives and shareholder-owned commercial companies. All of these companies actively provide and promote the federal, and state, Lifeline Program.

MTA supports the comments submitted by General Communications Inc. ("GCI") on March 23, 2012.<sup>2</sup> As GCI points out in the conclusion of its comments,

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<sup>1</sup> Federal Register/Vol. 77, No. 44/Tuesday, March 6, 2012. P. 13319.

<sup>2</sup> Tina Pidgeon, Martin Weinstein, Chris Nierman, General Communication, Inc. John Nakahata, Patrick O'Donnell, Charles Breckinridge, Jacinda Lanum, Wiltshire & Grannis LLP. RE: OMB Control Number: 3060-0819; WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45. Comments of General Communication Inc. March 23, 2012. ("GCI Comments")

The Lifeline Order imposes extraordinary information collection burdens on carriers and subscribers alike, but the Commission has failed to accurately quantify or meaningfully justify them...[A]llowing [various provisions of the *Lifeline Order*] to go into effect now, in their present form, will impose compliance costs on [eligible telecommunications carriers—“ETCs”] that cannot be fully recouped if the Commission does later reconsider and amend its regulations to ameliorate the burdens addressed here. (GCI Comments, 18.)

GCI appropriately highlights three areas in particular where the Commission has failed to justify PRA approval, let alone *emergency* approval. Among other things, GCI points out that the Commission fails to demonstrate that its collection of information “shall have practical utility,” as required by the Paperwork Reduction Act (44 U.S.C. § 3508). Further, GCI states that “the burdens at issue come on top of already extreme lifeline paperwork burdens which the Commissions has clearly underestimated.” (GCI Comments, 5.)

The agency itself estimates that its revised Lifeline regulations will burden Americans with *over 30 million hours per year* in paperwork...The Commission's own numbers ... suggest that the regulations will impose a total cost of over \$550,000,000 per year in paperwork alone, a burden amounting to almost 25% of the total projected Lifeline budget for 2013 [none of which cost is recovered by ETCs in the Lifeline Program]. OMB maintains an inventory of currently approved information collections, showing the FCC responsible for imposing on the country a total OMB-approved paperwork burden estimated at over 57 million hours per year (the equivalent of the full time annual labor of 28,500 jobs at 2000 hours per year), at a total cost to the economy of over \$821 million. The FCC's own estimates thus put the regulatory burden of the Lifeline program alone at more than half the total paperwork hours that *all* current FCC regulation imposes on the country (30 million out of 57 million) - and at *two thirds* the total cost (\$550 million out of \$821 million). To put this extraordinary burden in context, the paperwork cost alone is nearly three times what the Government Accountability Office estimates would be saved by replacing dollar bills with coins - yet the administrative burden of Lifeline has received nowhere near as much scrutiny. [footnotes omitted.] (GCI Comments, 6.)

In addition to the burdens that GCI articulates, the *Lifeline Order* also imposes a number of conflicting, confusing and burdensome implementation deadlines, which have attracted a long list of comments seeking waiver and clarification of the *Order*. These additional burdens are substantial, particularly for small telecommunications providers, and their consumers, who lack the resources to implement the *Order* in the manner and timelines expected by the Commission.

While the *Lifeline Order* adopts a number of provisions constructively intended to curtail waste, fraud and abuse which have plagued the Lifeline Program, the implementation concerns raised by stakeholders demand a more prudent, measured approach to implementing the *Order*.

In this regard, USTelecom, the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, the Western Telecommunications Alliance and the Eastern Rural Telecom Association jointly filed a Petition for Waiver and Clarification before the Commission on March 9, 2012.<sup>3</sup> The Commission issued a *Public Notice* seeking comment on the Petition of USTelecom, *et al.* on March 9, 2012. (DA 12-387)

The USTelecom, *et al.*, Petition notes that

postpaid ETCs must modify their billing systems, update manual procedures, and complete employee training in order to implement the new requirements in the *Order*. These tasks cannot realistically be completed within the relatively short time period (less than 60 days) contemplated under the *Order*. (Petition, 2)

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<sup>3</sup> USTelecom, the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, the Western Telecommunications Alliance and the Eastern Rural Telecom Association. *In the Matter of Lifeline and Link Up Reform*, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45. Petition for Waiver and Clarification. March 9, 2012. ("Petition")

MTA filed comments on March 20, 2012, in support of the Petition for Waiver and Clarification by USTelecom, *et al.*<sup>4</sup> Among other things, MTA noted

that the numerous new rules contained in the *Lifeline Order* arrive concurrently with the comprehensive changes the Commission has adopted in the universal service *Transformation Order* [FCC 11-161]. Most ETCs do not have the resources necessary to digest, analyze and implement the massive changes of the *Transformation Order*, let alone additional proposed changes in the *Further Notice* accompanying the *Transformation Order*. And now, these carriers need to set aside even more resources to digest and implement additional changes imposed by the *Lifeline Order*, not to mention additional potential reforms recommended in the *Lifeline Order's Further Notice*. (MTA Comments, fn. 1)

In the *Lifeline Order*, the Commission establishes a National Lifeline Accountability Database. And in the *Further Notice* for Proposed Rulemaking in the *Lifeline Order*, the Commission proposes establishing an Eligibility Database. Once established, both of these databases would go far in reducing burdens imposed by the *Lifeline Order* on ETCs and their stakeholders. As MTA noted in its comments on the USTelecom, *et al.*, Petition,

MTA understands the Commission's sense of urgency in putting an end to the duplicate support crisis that has afflicted the Lifeline Program since the Program's "wireless expansion;" however we question why the Commission appears to be in such a rush to push through yet another set of major new, "emergency" reforms, when a more measured approach would be far less disruptive to consumers and ETCs alike. [footnote omitted.] (MTA Comments, 3)

The Montana Public Service Commission ("MTPSC") also has expressed its concerns about the burdens and disruptive effects of the Commission's *Lifeline Order* particularly with regard to the *Order's* unreasonable, confusing and

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<sup>4</sup> *In the Matter of Lifeline and Link Up Reform*, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45. Comments of the Montana Telecommunications Association in support of Petition of USTelecom, *et al.*, for Waiver and Clarification. March 20, 2012. ("MTA Comments")

conflicting implementation deadlines. For example, in comments<sup>5</sup> filed on March 19, 2012 in support of the USTelecom, *et al.*, Petition, the MTPSC

Believes delaying the April 2, 2012 changes until October 1, 2012 makes perfect sense in that the October 1, 2012 date is the deadline by which ETCs must implement new consumer disclosures regarding the Lifeline program as mandated by the Order. This would mean Montana ETCs would have the opportunity to explain to their customers the changes in their bills and in the Lifeline and Linkup programs before those changes were made. (MTPSC Comments, 2)

The MTPSC subsequently filed a Petition for Waiver<sup>6</sup> of the *Lifeline Order*, noting that compliance with the *Order* conflicts with Montana statute, and requesting that the Commission waive the effective date of new eligibility criteria adopted in the *Lifeline Order* until June 1, 2013, following the next session of the Montana State Legislature.

The Montana Public Service Commission appreciates and supports the efforts being made to reform and modernize the Lifeline program. We are taking proactive steps to implement the order, such as working with our carriers on tariff filings and hosting a roundtable in April. However, because we have no administrative authority over statute, we are not able to fully implement the order until our legislature is in session. (MTPSC Waiver, 2)

MTA files these comments, as did GCI, before the April 5, 2012 comment deadline provided in the Federal Register, because the Commission has requested emergency PRA approval by March 30, 2012—*five days prior to the comment deadline requested by the Commission* in the Federal Register. Even if the Commission's request for PRA approval were reasonable (an assertion MTA

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<sup>5</sup> *In the Matter of Lifeline and Link Up Reform*, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45. Comments of the Montana Public Service Commission in support of Petition of USTelecom, *et al.*, for Waiver and Clarification. March 19, 2012. ("MTPSC Comments")

<sup>6</sup> *In the Matter of Lifeline and Link Up Reform*, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45. Petition for Waiver of the Montana Public Service Commission. March 20, 2012. ("MTPSC Waiver")

does not concede), how could OMB possibly grant such a request *before* public comment is received?

In light of the comments filed by GCI urging denial of the Commission's emergency request for PRA approval, and the numerous concerns regarding additional implementation burdens imposed by the *Order's* current effective dates and compliance burdens placed on ETCs, MTA respectfully requests that OMB deny the Commission's request for emergency review and approval of the *Lifeline Order*. The Commission can relieve ETCs and consumers of considerable burdens by granting requests for waiver and clarification, and by establishing databases as proposed in the *Lifeline Order*. OMB should deny approval of the *Lifeline Order's* information collection provisions until such time that the Commission can establish reasonable compliance obligations on ETCs and their Lifeline consumers.

Respectfully submitted,

/s/

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