

The Divide - Danielle Perry, TruConnect - Ep69

SPEAKERS

Nicole Ferraro, Danielle Perry

Nicole Ferraro 00:03

Hi, I'm Nicole Ferraro, and this is The Divide, a podcast from Light Reading exploring the ongoing digital divide, why and where it still exists and what needs to be done to get people everywhere connected to reliable high speed Internet. Today I am joined by Danielle Perry. She is the Chief Compliance Officer at TruConnect and was recently appointed to the National Lifeline Association Board of Directors. We talk more about both of those organizations and how TruConnect is delivering connectivity to low-income customers through programs like Lifeline and the affordable connectivity program, or ACP, why mobile operators are important to bridging the digital divide, and more.

Nicole Ferraro 00:41

Danielle, thank you so much for joining me. Welcome to the podcast.

Danielle Perry 00:45

Thank you. Thank you for having me.

Nicole Ferraro 00:47

It is my pleasure. So just to start things off, I would love for you to give me a little bit of background on TruConnect. For those who are listening who might not be familiar. And your role there.

Danielle Perry 00:58

Okay, great. So TruConnect is one of the largest providers in the United States of lifeline service. And now ACP service. For those of you that don't know that's a subsidized government service Lifeline has been around since Ronald Reagan in the 80s. And then ACP is a new program for broadband access for consumers.

Nicole Ferraro 01:22

And what's your role? At TruConnect? How long have you been there?

Danielle Perry 01:25

So I've been with TruConnect for five years, I came on as the Chief Information Officer. So I built the systems and the platforms that we use to enroll subscribers into the program. And about a year and a half ago, I transitioned to the Chief Compliance Officer. So my role now is to keep us in compliance with all of the federal and state regulations.

Nicole Ferraro 01:46

There are a lot of those, so I'm sure you're kept very busy. So you are also recently as if that's not enough for you to do you were also recently appointed to the national lifeline Board Association Board, right? Can you tell me a bit about that? What is the national lifeline Association? Tell me a bit about your appointment to the board? And what are some of your objectives gonna be in that role?

Danielle Perry 02:11

Okay, great. So the National Lifeline Association represents the entire ecosystem of the lifeline, and now ACP industry. So they have members in their organization consisting of service providers like TruConnect, we have distribution companies, we have back office providers. So we have like, again, the whole ecosystem for this industry. And we do advocate work. So we try to keep everybody on the same page with the changes going on in the regulatory environment. That's a big piece of it. And just making people in the industry aware of what's going on how we can all work together. I've been a part of the NALA organization for probably 10 plus years, but so I'm happy to finally be on the board. And on the board. My My role is gonna, I think primarily be focused on California, because TruConnect has such a large presence in California. That's kind of the area I'll be focusing on for this board position.

Nicole Ferraro 03:11

So why does TruConnect have a particularly large presence in California?

Danielle Perry 03:15

Well, because we are the only lifeline service provider that is located in California, everybody else is, you know, outside of the state. And we were the first lifeline provider to offer wireless lifeline service in the state of California. So I think that it's just the service that we offer, consumers love us, we have a great product, we give a very nice device to consumers at no charge to them. The price of the device comes out of our pocket, we don't get subsidy for that. So I think that that's kind of what sets us apart from others. Other providers do, you know give a device in the state of California but TruConnect certainly is a nicer device.

Nicole Ferraro 03:56

Okay, so as far as so as far as the service itself goes that is subsidized by lifeline and by the Affordable connectivity program, ACP and the devices, TruConnect pays for that. That's what you're saying. Right?

Danielle Perry 04:08

So for lifeline, the device is completely subsidized by TruConnect, there is no government subsidy for that device. For the ACP program the government does subsidize a one time a reimbursement for a tablet or laptop, up to \$100. So consumer once in their lifetime, they can get a subsidy applied for up to \$100 for a tablet, a laptop or some other types of devices.

Nicole Ferraro 04:34

Gotcha. Okay, so let's talk a little bit more about the ACP and how that's kind of changed what you're doing at TruConnect or evolved what you're doing a TruConnect. I'd love to hear it because your role is very clearly directly involved with these programs. So do you has that program helped expand who can access TruConnect devices? Are you in favor of the ACP? You know, how is it working well from your

perspective, I know we focus a lot on at home connectivity. But I believe a significant amount of the people who are enrolled in ACP are actually using it for for mobile services. So I'd love to hear from, from you on how that programs working with true connect, and any thoughts on the program at all.

Danielle Perry 05:17

Sure. So we were very happy when ABB ABB was the first program that was introduced, and it was temporary, ACP became the permanent replacement that went into effect in January of this year. And Lifeline has always been a great lifeline. It provided you know, some voice and text service to consumers. And over the years, they slowly started adding the requirement to provide some data. But the amount of data that's provided is just not enough for somebody to really do the things that they need to do. And COVID really showed us that. So once everybody was home, and you know, you couldn't really go anywhere to get on Wi Fi networks, you have a lot of lower income people who just don't have any way to connect. So EBB and now ACP I think meets that need, you're able to provide more data to the consumer. And what we've found is that when you only provide a small amount of data to a consumer, they'll, they'll ration it, they won't use it for what they need. So for example, the federal requirement is that we provide four and a half gigabits gigabytes of data a month. And then California pays us a little piece us an additional subsidy, but we have to require or we have to provide six gigs of data a month. But if you think about what the amount of data that you personally use, and a month, I don't know if you look at it, but I promise it's way more than six gigs of data. And, you know, to complicate it even further, both of these programs are a one per household. So if you're a single mother, and you have three or four children in your house, you're only allowed to have one lifeline subsidy and one ACP subsidy. So that data is being shared for your whole household. And some recent studies have shown that household use 30 Plus gigs of data a month. So they really need the ACP benefit. We we've seen our company has expanded very quickly because people needed it. It was you know, when it was rolled out, we had a lot of enrollments, we continue to have significant enrollments every month reaching the people that need this data.

Nicole Ferraro 07:27

Got it. Okay. So just to go back to your work in California for a moment, I know you were recently involved in a bit of a, I guess, fight with the California Public Utilities Commission over a vote they were going to take that was going to restrict how people in California could use their subsidies. Could you tell us a do a bit of a better job than I just did of explaining what that was all about and where we are with that right now and why it matters?

Danielle Perry 07:52

Sure. So I wouldn't say it's a fight. It's always maybe a heated discussion.

Nicole Ferraro 07:58

There we go.

Danielle Perry 08:00

We're typically not on the same page. We but we you know, we work together with regulators everywhere. CPSC just because of the structure of California government makes it a little more complicated. But basically what happened is that when EBB was announced and rolled out, and

consumers were able to if they were a lifeline consumer, they were able to get the full subsidy, the full program benefit for lifeline. So in the state of California, that means that the consumer could participate in the federal Lifeline program, as well as the California Lifeline program. And they would get unlimited voice and text, and then six gigs of data a month. And as I mentioned, six gigs of data is not enough for somebody to really, you know, do the things they need to do. So when EBB came around, they were able to get the additional EBB data applied to their service, they could we call it bundling the subsidies, they could combine all the subsidies together to maximize them to get you know what they need it. So that was in place for EBB. And when EBB transitioned to ACP, the CPUC decided that California lifeline subscribers wireless first it was wireless only subscribers, we're not going to be able to combine benefits. So they would have to either participate in California lifeline and not ACP or they can participate in ACP, but not California. So we're not we don't really understand why they're doing that. I mean, they've said, which I think that this is flawed, but they've said that they don't see proof that consumers use that much data. So what they'll do is they'll ask us to provide usage like the most recent data requests we have from them, they asked us to provide data on 1000 random lines from our customer base of which we have several 100,000. So they chose 1000. We provide the usage. And what you see is that consumers are using around two to three gigs of data. But that's because they only get six. So they know, oh, my gosh, I can't use all this, I can't, you know, have my son on, you know, Zoom during school, because that's going to take all of my data allocation for the entire month in one session. So and we tried to explain that, but it's just a difference of opinion, we can't get them to see our view on that. So they were there was a proposed decision that was scheduled to be voted on on August 25, that was going to make it a rule, officially a rule that provides our subscribers could not combine all of those benefits. And we were able to work with some PR agencies and really get the word out to some, you know, a lot of people that this was not going to be good for Californians, especially given the fact that the governor himself is out there talking about how we need to bridge the digital divide. And it feels like the CPUC is not maybe on the same page with the governor. So we really wanted to get some awareness out there. And we were successful in stopping the vote on that proposed decision. So

Nicole Ferraro 11:05

Nice work.

Danielle Perry 11:06

Thank you. Um, so now that, you know, the next step there, my understanding is the CPUC is drafting another version, which I haven't seen or been involved in. So we're waiting now to see what that looks like. And hopefully, it'll be a win for consumers. Because basically, what we've said is let consumers choose. The CPUC believes that ACP benefits, you know, should be for home internet, which, if that's what the consumer wants, that's what they should have. But unfortunately, in California, the homeless population or the transient population is so large, that that doesn't necessarily work for everyone. So the consumer knows what they need best better than the government. So I think we should let them choose. And that's what we're advocating for.

Nicole Ferraro 11:51

That's a great point. And I guess, you know, sticking with that was because we do talk so much about closing the digital divide in terms of bringing internet to the home, which is obviously important. Very

important. But can you make a case for the role that mobile operators like TruConnect and MVNOs play in closing the digital divide? I think you just made a very important point regarding homeless populations, which, congratulations 69 episodes of this podcast and you're the first person to mention them so well done. So that's a really salient point. So can you expand on maybe that and why else we should be considering true connect as an other operators like it as essential to closing the digital divide?

Danielle Perry 12:39

Sure. I think that as a society, especially now that COVID is over, you know, getting better.

Nicole Ferraro 12:45

Listeners, I'm crossing my fingers here. Yeah, OK go ahead.

Danielle Perry 12:50

I mean we're, we're all mobile, we're out and we're about. Nobody's really home all that often. And when you're out and about, you're using your cell phone for internet, I know, personally, I'm, you know, checking email at the grocery store parking lot, or, you know, looking at Facebook, or whatever. I mean, I'm always using Internet, and I'm not always at home. So providing consumers with the ability to connect to the internet, when they're not at home is super important, I believe. And I don't think that everyone can afford both, whether, you know, in home, internet, as well as wireless. So again, it just comes down to choice. The consumer needs to be able to choose how they want to connect to the internet, and we should be able to enable them to do that. And I think that is the role that MVNOs are playing right now in this market.

Nicole Ferraro 12:56

Awesome. I guess the last thing I'd asked you then, and you may have covered this in some of your answers already. But lifeline, the program, obviously, you know a lot about it, and you're working with the National lifeline Association. Any thoughts on how that program should be reformed? Or, you know, improved?

Danielle Perry 14:06

You know, I don't I don't know the answer to that. But I am so happy that it's a question that's been asked not only, you know, on your podcast, but the FCC is looking at it as well. I've been in the industry for 13 years now. And it stayed the same until EBB. Like it was it was pretty much the same. I mean, there would be every year there would be an increased amount of service that providers were required to give to consumers. The subsidy pretty much stayed flat all of these years and there it was just getting kind of stale. So EBB changed that and I think it was a great learning experience for everyone to see that the consumers have changed and evolved and the program needs to as well. And I'm just I'm just so happy for the conversation because I'm there are a lot of smarter people than me in the room when we're talking about this. And all of these ideas are being floated out there. And just the fact that it's open for discussion is very encouraging to me.

Nicole Ferraro 15:07

Awesome. Well, thank you so much for taking so much time to talk to me. We'll be keeping an eye on your work and this California vote certainly. We hope to talk to you again.

Danielle Perry 15:16

Well, thank you, Nicole. It's a pleasure meeting you.

Nicole Ferraro 15:20

Thank you again, Danielle, for joining me. Thank you as well to our producer Pierre Landriau for making this episode. Be sure to subscribe to the Light Reading Podcast for more episodes of The Divide as well as interviews and insights from the Light Reading team. Thank you for listening. We'll see you next time.