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ALABAMA PUBLIC SERVICE COMMISSION
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JAN COOK, ASSOCIATE COMMISSIONER
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

IN RE: IMPLEMENTATION OF THE
UNIVERSAL SERVICE REQUIREMENTS
OF SECTION 254 OF THE
TELECOMMUNICATIONS ACT OF 1996.

DOCKET 25980

ORDER SEEKING COMMENTS ON REVISIONS TO
THE COMMISSION'S LIFELINE/LINK-UP PROGRAMS

BY THE COMMISSION:

I. Introduction and Background

The Lifeline and Link-up Programs are two of several Universal Service support mechanisms that are intended to further the national policy objective of ensuring that quality telecommunications services are available to low income customers at just, reasonable and affordable rates. In Alabama, the Lifeline Program provides low income customers with discounts of up to \$13.50 off the monthly cost of telephone service for a single telephone line in a consumer's principal residence. The Link-up Program in Alabama provides low income customers with discounts of up to \$30.00 off the initial cost of installing telephone service.

This Commission first implemented the Link-up Program for Alabama in 1987 based on the finding that the program would benefit qualifying low income subscribers in Alabama and help further the goals of universal telephone service in the state.¹ This Commission approved an Alabama-specific Lifeline Program for BellSouth Telecommunications, Inc. ("BellSouth") in February 1995² and the remaining Alabama Incumbent Local Exchange Carriers in July 1996.³

¹ See Commission Order entered on November 3, 1987 in Informal Docket U-3090.

² See Commission Order entered on February 6, 1995 in Docket 24497.

Revised parameters for the Alabama Lifeline and Link-up Programs were adopted by the Commission in November 1997.⁴ Pursuant to those revisions of 1997, participation in the Lifeline and Link-up Programs is dependent upon an applicant's Medicaid eligibility.

II. The FCC's April 29, 2004 Order

A. Eligibility Criterion

On April 29, 2004, the Federal Communications Commission (the "FCC") issued its *Report and Order and Further Notice of Proposed Rulemaking* in WC Docket No. 03-109 (the "FCC Order"). In that Order, the FCC adopted rules incorporating three additional eligibility criteria for the Lifeline and Link-up Programs in addition to the existing means-based programs which include Medicaid, Food Stamps, Supplemental Security Income ("SSI"), Federal Public Housing Assistance (Section 8) ("FPHA"), and the Low Income Home Energy Assistance Program ("LIHEAP"). In particular, the FCC ordered that participation in the Temporary Assistance to Needy Families Program and the National School Lunch Program's Free Lunch Initiative should be added to the means-based eligibility criteria available in "default" states that have not adopted state-specific Lifeline and Link-up Programs. The FCC additionally determined that a consumer is eligible to participate in the Lifeline and Link-up Programs in default states if the consumer's income is at or below 135 percent of the Federal Poverty Guidelines ("FPG").⁵

As noted previously, this Commission has heretofore required consumers who desire to avail themselves of the Lifeline and Link-up Programs to demonstrate their eligibility for

³ See Commission Order entered on May 23, 1996 in Joint Dockets 24499, 24472, 24030 and 24865.

⁴ See Commission Order entered on November 25, 1997 in Docket 25980 at pp. 17-27.

⁵ See FCC's April 29, 2004 Report and Order and Further NPRM at ¶¶ 7, 10, 12 and 13.

Medicaid in order to participate. We herein seek comment on whether the Commission should expand the eligibility criteria for participation in the Lifeline and Link-up Programs in Alabama based on a consumer's eligibility for other means-based programs and/or a consumer's income level.

B. Duration of an Individual's Eligibility for Lifeline/Link-Up

The FCC further determined in its April 29, 2004 Order that consumers participating in the Lifeline Program should be given a period of time in which to demonstrate their continued eligibility for Lifeline in the event that questions arise concerning their eligibility. In particular, the FCC prescribed that dispute resolution procedures are necessary to allow consumers to demonstrate their continued eligibility if such questions arise.⁶

The FCC concluded that in states which maintain their own procedures that require, at a minimum, a written customer notification of an impending termination of Lifeline benefits that is similar to the customer notification otherwise required by the FCC, states will retain the flexibility to develop their own appeals or dispute resolution process.⁷ Given that the tariffs of the incumbent local exchange carriers who have been certified as Eligible Telecommunications Carriers ("ETCs") in this state contain provisions that require written notification of a subscriber's ineligibility for Lifeline, it appears that the Commission will retain the flexibility to develop its own appeals or dispute resolution process that will allow Lifeline participants whose eligibility is questioned and/or terminated a window to demonstrate their continued eligibility for Lifeline service. We herein seek comment on whether the Commission's existing rules are sufficient to

⁶ *Id.* at ¶ 20.

address this issue or whether a separate appeals or dispute resolution process for Lifeline eligibility should be adopted.

C. Certification and Verification Procedures

1. Background

Certification and verification of Lifeline/Link-up eligibility are the processes by which eligible consumers establish and maintain their qualification for Lifeline and/or Link-up. Certification occurs at the time an individual is applying to enroll in Lifeline/Link-up while verification occurs on a periodic basis after the subscriber has already been certified. In states like Alabama which have instituted their own Lifeline/Link-up Programs, the FCC determined that individuals must follow the state certification and verification procedures in order to enroll and continue to participate in that state's Lifeline/Link-up Program.⁸

2. Certification of Program-Based Eligibility

The FCC further determined that self-certification of qualified program-based participation under penalty of perjury serves as an effective disincentive to abuse of the Lifeline and Link-up Programs. The FCC recognized, however, that states such as Alabama which administer their own Lifeline/Link-up Programs have the flexibility to devise more strict measures for program-based eligibility as they deem appropriate.⁹

⁷ *Id.* at ¶ 21.

⁸ *Id.* at ¶ 23.

⁹ *Id.* at ¶ 27.

3. Certification of Income-Based Eligibility

With respect to the certification procedures necessary to document income-based eligibility for Lifeline/Link-up enrollment, the FCC determined that all states will be required to adopt certification procedures. In particular, the FCC noted that all consumers in all states qualifying under an income-based criterion must self-certify their eligibility to participate. Consumers must make the self-certification under penalty of perjury and must also present all required documentation accurately representing their annual household income. The FCC further required that Lifeline/Link-up applicants in all states qualifying under an income-based criterion should be required to self-certify under penalty of perjury the number of individuals in their households.¹⁰

The FCC did conclude, however, that states which operate their own Lifeline/Link-up Programs will maintain the flexibility to develop their own certification procedures other than self-certification. The FCC particularly stated that such states could determine the documentation necessary to certify consumer eligibility under an income-based criterion.¹¹

4. Automatic Enrollment

The FCC encouraged all states to adopt automatic enrollment as a means of certifying that consumers are eligible for Lifeline and/or Link-up. The FCC reasoned that participation rates for Lifeline/Link-up have increased in states that have employed automatic enrollment, aggressive outreach and intrastate multi-

¹⁰ *Id.* at ¶ 32.

¹¹ *Id.* at ¶ 29.

agency cooperation.¹² The FCC declined, however, to require states to adopt automatic enrollment provisions at the current time.

5. Verification of Continued Eligibility under Program-Based and Income-Based Eligibility

The FCC further concluded that all states should be required to establish procedures to verify a consumer's continued eligibility for Lifeline/Link-up under both the program and income-based eligibility criteria. The FCC did, however, allow states administering their own Lifeline/Link-up Programs such as Alabama the flexibility to design and implement their own verification procedures to validate the continued eligibility of consumers.¹³

The FCC also encouraged, but did not require, states to develop online verification systems. The FCC reasoned that the effectiveness and efficiency of verifying eligibility via online data bases would enhance participation in the Lifeline and Link-up Programs.¹⁴

6. The Comments sought concerning Certification and Verification

We herein seek comment on any revised procedures that should be adopted regarding participation in Alabama's Lifeline and Link-up Programs. In particular, we seek comment on the certification procedures that should be adopted in the event that income-based participation in the Lifeline and Link-up Programs is adopted as an eligibility criterion in Alabama.

We further seek comment on the verification procedures that should be adopted in Alabama to validate the continued eligibility of consumers for the Lifeline

¹² *Id.* at ¶ 25.

¹³ *Id.* at ¶ 34.

Program. We also seek input on the feasibility of an online verification system for Alabama.

D. Implementation and Recordkeeping

1. Recordkeeping

The FCC's April 29, 2004 Order codifies the requirement that all ETCs must maintain records to document compliance with all FCC and state requirements governing the Lifeline/Link-up Programs. The FCC further required that such documentation must be provided to the appropriate state commission or the Universal Service Fund Administrator upon request.¹⁴ We seek comment on the need for any Alabama-specific rules regarding the information that must be maintained and/or provided.

2. Recordkeeping Obligations in Resale Arrangements

The FCC also clarified the recordkeeping obligations of non-ETC resellers that purchase Lifeline-discounted wholesale services from ETCs to offer discounted services to low income consumers. In such instances, the FCC concluded that the ETC would have no information regarding the eligibility of the low income consumer in question and thus ordered ETCs to obtain certifications from the non-ETCs resellers representing that they are complying with the Commission's Lifeline/Link-up requirements. The FCC clearly established that non-ETC resellers providing discounted services to low income customers must comply with the applicable federal or state Lifeline/Link-up requirements including

¹⁴ *Id.* at ¶ 36.

¹⁵ *Id.* at ¶¶ 37-39.

certification and verification procedures.¹⁶ We seek comment on the need for any Commission rules regarding the responsibilities of carriers in such resale arrangements.

E. Outreach

The FCC concluded that more rigorous outreach efforts could improve Lifeline/Link-up subscribership. The FCC found, however, that it should not require specific outreach procedures but should instead provide guidelines for states and carriers to consider. In particular, the FCC adopted the following outreach guidelines: (1) States and carriers should utilize outreach materials and methods designed to reach households that do not currently have telephone service; (2) States and carriers should develop outreach advertising that can be read or accessed by any sizeable non-English speaking populations within a carrier's service area; and (3) States and carriers should coordinate their outreach efforts with governmental agencies/tribes that administer any of the relevant government assistance programs.¹⁷

We seek comment on whether additional outreach requirements should be adopted for Alabama purposes. In order to assist the Commission's consideration of this issue and verify compliance with the Commission's requirement that ETCs advertise the availability of Lifeline and Link-up on a semi-annual basis, we hereby require all of Alabama's ETCs to submit copies of their semi-annual advertisements for 2004.

F. Unpaid Toll Charges

The FCC strongly encouraged states to consider implementing rules that require ETCs to offer Lifeline service to consumers who have been previously disconnected for unpaid

¹⁶ *Id.* at ¶ 40.

toll charges. The FCC reasoned that outstanding balances for unpaid toll charges constitute a barrier to expanding subscribership among low income consumers.

The FCC did, however, recognize that its jurisdiction to prohibit ETCs from disconnecting Lifeline customers for failure to pay toll charges is limited. In light of that, the FCC merely encouraged state commissions to consider ways to address the issue of unpaid toll charges as related to the Lifeline/Link-Up Programs.¹⁸ We herein seek comment on whether this Commission should adopt such measures.

III. The Deadlines for Comments

The Commission will consider the initial comments of interested parties concerning the issues discussed above and any other matters deemed by the Commission to be germane to the issues presented herein if such comments are received by the Commission on or before May 18, 2005. Reply comments will be considered by the Commission if received on or before June 3, 2005.

IT IS SO ORDERED BY THE COMMISSION.

IT IS FURTHER ORDERED BY THE COMMISSION, That all carriers certified in Alabama as Eligible Telecommunications Carriers shall provide to the Commission by May 31, 2005 copies of their 2004 semi-annual advertisements announcing the availability of Lifeline/Link-up in their territories.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.


¹⁷ *Id.* at ¶¶ 44-45.

¹⁸ *Id.* ¶ 52.

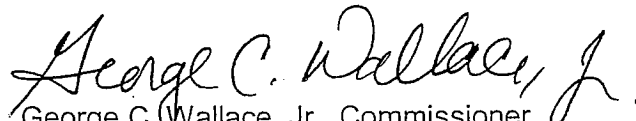
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 22nd day of April, 2005.


ALABAMA PUBLIC SERVICE COMMISSION


Jim Sullivan, President


Jan Cook, Commissioner


George C. Wallace, Jr., Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary