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SECRETARY

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

DOCKET 25980

**ORDER EXPANDING ELIGIBILITY CRITERIA AND
REVISING CERTIFICATION/VERIFICATION PROCEDURES**

BY THE COMMISSION:

I. INTRODUCTION AND BACKGROUND

Pursuant to Order entered in this cause on June 21, 2005, the Commission adopted certification and verification procedures governing enrollment and continued participation in the Lifeline and Linkup Programs in Alabama. In particular, the Commission's June 21, 2005 Order concluded that individuals seeking to avail themselves of the benefits of the Lifeline and Linkup Programs should be allowed to submit written documentation self-certifying their eligibility with the caveat that such information be provided subject to the penalty of perjury for the submission of false information.¹

With respect to the verification of continued eligibility for the Lifeline Program, the Commission found in its June 21, 2005 Order that the most effective procedure would be an online verification system as proposed by BellSouth Telecommunications, Inc. ("BellSouth"). The Commission recognized, however, that such an online verification procedure might not be practical or technically feasible at the current time for many of Alabama's smaller ILECs that are Eligible Telecommunications Carriers ("ETCs"). The Commission thus concluded that any ETC which demonstrated to the satisfaction of the Commission that it could not technically and/or

feasibly implement an online verification system would be granted a waiver from that requirement. The Commission further determined that carriers granted such a waiver would instead be allowed to utilize the random sampling methodology established in the FCC's *Lifeline/Linkup Order*.² Notably, the deadline for complying with these verification procedures was extended by the Commission to and through June 30, 2006.³

The Commission further concluded in its June 21, 2005 Order that further investigation was needed to address other open issues related to the Lifeline/Linkup Programs such as expanding the current eligibility criteria in Alabama from participation in the Medicaid program to other means-based programs, automatic enrollment, expanded outreach programs, additional record keeping obligations, and other related matters. The Commission reasoned that the most productive forum for addressing those open issues would be to conduct workshops involving industry representatives, administrators from the various means-based programs in Alabama under consideration for purposes of expanded eligibility parameters, the Office of the Attorney General of Alabama, and other interested parties.

Pursuant to a procedural ruling entered on September 2, 2005, the initial workshop conducted by the staff was held in the Commission's main hearing room on September 22, 2005. One of the primary objectives of said workshop was to consider an expansion of the eligibility criteria for participation in the Lifeline and Linkup Programs in Alabama beyond the current requirement that subscribers must be eligible for and participating in the Medicaid program. In particular, the Commission staff raised the issue of whether the Commission should expand its limited eligibility criteria to include eligibility for and participation in other means-based programs such as Food Stamps, Supplemental Security Income ("SSI"),

¹ See the Commission's June 21, 2005 Order at p. 4.

² *Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 03-109 (rel. April 29, 2004) (the FCC's "*Lifeline/Linkup Order*"). See the Commission's June 21, 2005 Order at p. 5.

Section 8 Federal Public Housing Assistance ("FPHA"), the Low Income Home Energy Assistance Program ("LIHEAP"), the Temporary Assistance for Needy Families ("TANF") program, the National School Lunch's Free Lunch Program ("NSL"), and/or an income threshold at or below 135 percent of the federal poverty guidelines. Representatives from the Alabama Medicaid Agency and the Alabama Department of Economic and Community Affairs provided presentations regarding the parameters for eligibility in their respective programs as well as suggestions regarding methods to verify the continued eligibility of participants.⁴

A second workshop was held on October 18, 2005. During that workshop, various representatives from the Alabama Department of Human Resources gave presentations on the means-based programs administered by DHR including the Food Stamps Program and the TANF Program. At the conclusion of the October 18, 2005 workshop, a smaller group consisting of a representative from BellSouth, four representatives from rural ILECs in Alabama, a representative from the Office of the Attorney General of Alabama and a representative from Legal Service Alabama, Inc. (the "Working Committee") was formed and charged with the task of developing an industry wide self-certification template as well as a template for the advertisement of the availability of the Lifeline and Linkup programs. The Working Committee conducted its work over the course of the following months and was reconvened on February 7, 2006 for an additional meeting.

II. FINDINGS AND CONCLUSIONS OF THE COMMISSION

In light of the discussions which transpired during the aforementioned workshops and the follow-up sessions of the Working Committee, the Commission staff made

³ See Commission Orders entered in this cause on November 15, 2005 and April 21, 2006.

⁴ The Alabama Department of Economic and Community Affairs is responsible for the administration and oversight of the LIHEAP program in Alabama.

recommendations regarding modifications and revisions to Alabama's Lifeline and Linkup Programs. We herein adopt those modifications and revisions in full as reflected below:

- A. The eligibility threshold for participation in the Lifeline and Linkup Programs in Alabama is hereby extended beyond eligibility and participation in Medicaid to eligibility and participation in the following programs including Medicaid: Food Stamps, Supplemental Security Income ("SSI"), Section 8 Federal Public Housing Assistance ("FPHA"), the Low Income Home Energy Assistance Program ("LIHEAP") and the Temporary Assistance for Needy Families ("TANF") Program. We concur in the staff's conclusion that participation in the foregoing means-based programs is reasonably verifiable and that the inclusion of said programs as a threshold for eligibility is consistent with, and will serve, the public interest, convenience and necessity. We do not extend the eligibility threshold to include the National School Lunch's Free Lunch Program or an income level at or below 135 percent of the federal poverty guidelines due to concerns regarding independent verification.
- B. Eligibility for participation in the Alabama Lifeline and Linkup Programs shall also be extended beyond a telephone subscriber's participation in the means-based programs referenced in (A) above to also include any individual in the telephone subscriber's household. The telephone subscriber must, however, demonstrate that the household member relied upon for eligibility is eligible and participating in the means-based programs listed above in subsection A and that the telephone subscriber is the financially responsible party for the qualifying member of his or her household or that the eligible household member is the telephone subscriber's dependent pursuant to the rules and regulations of the

Internal Revenue Service.⁵ We concur with the staff's conclusion that many telephone subscribers who are not themselves eligible for participation in the means-based programs discussed herein nonetheless support children or other dependents who are eligible and participating in such programs. We find that the public benefit of allowing such telephone subscribers to avail themselves of the Lifeline and Linkup Programs based on the eligibility of a member of their household will outweigh any administrative difficulties that may be encountered in verifying the eligibility and participation of the household members who are eligible and participating in the means-based programs discussed herein.

- C. The Commission's previous decision to allow Applicants for Lifeline and Linkup to self-certify their eligibility and/or a member of their household's eligibility for one of the means-based programs discussed herein subject to penalty of perjury is hereby reaffirmed. In light of our decision to expand eligibility beyond a telephone subscriber's participation in an approved means-based programs to an individual in the subscriber's household that is eligible and participating in said programs, we herein allow ETCs the discretion to request any additional documentation deemed necessary prior to providing Lifeline/Linkup benefits such as an administering agency's official designation of eligibility in a particular means-based program for the subscriber or a member of the subscriber's household. We conclude that this measure will allow ETCs to minimize fraud in the Lifeline/Linkup programs and thus serve the public interest.
- D. The Commission's previous decision to require ETCs to develop an online verification system absent a Commission-granted waiver allowing verification to

⁵ See 26 C.F.R §1.152-1 *et seq.*

be accomplished via the random sampling methodologies established in the FCC's *Lifeline/Linkup Order* is hereby vacated. We concur with the staff's finding that online verification of participation in all of the means-based programs approved for eligibility herein does not appear administratively possible at this point. Although we encourage ETCs to continue to pursue a means of electronic verification, we herein allow ETCs to verify the continued eligibility of participants in the Lifeline Program through one of the following methodologies or any combination thereof:

- (1) FCC-compliant random surveys (at least annually) of a statistically valid number of the ETCs Lifeline subscribers which request that each surveyed subscriber verify under penalty of perjury that they or a member of their household continue to participate in one of the means-based programs approved herein for eligibility by the Commission;
- (2) Surveys (at least annually) of an ETC's entire Lifeline subscriber base requesting that each surveyed subscriber verify under penalty of perjury that they or a member of their household continue to participate in one of the means-based programs established by the Commission as eligible for Lifeline funding and/or;
- (3) Online verification as adopted in the Commission's June 21, 2005 Order in this cause.

We conclude that all ETCs in Alabama shall provide documentation of their compliance with this requirement within ninety (90) days of the effective date of this order and prior to the expiration of each calendar year thereafter.

- (E) Lifeline subscribers who are subsequently determined to be ineligible shall be notified of their apparent ineligibility in writing by their serving ETC and provided 60 days from the date of such notice to rectify or otherwise demonstrate their eligibility prior to the discontinuance of their Lifeline benefits. We find that this approach provides the window of opportunity to rectify issues concerning continued eligibility encouraged by the FCC in its *Lifeline/Linkup Order*.⁶
- (F) All unresolved disputes regarding Lifeline or Linkup eligibility shall be brought to the attention of the Commission for resolution. We find this provision to be consistent with the stated dispute resolution objectives of the FCC in its *Lifeline/Linkup Order* and thus consistent with the public interest, convenience and necessity.⁷
- (G) The provision in the Commission's Order entered in this cause on November 25, 1997⁸ requiring ETCs to advertise the availability of Lifeline and Linkup at least annually in print media of general distribution in the entirety of their service area is hereby vacated. Information brought to light during the workshops held in this cause indicates that such advertising has proven to be costly and ineffective. In lieu of the foregoing semi-annual advertising requirement, all ETCs shall be required to participate in the production and distribution of posters and brochures advertising the eligibility requirements and availability of Lifeline and Linkup. Such brochures and posters shall be available for general distribution by the ETCs, posted on the websites of ETCs and posted/available in the business offices of ETCs. The Commission will oversee

⁶ See *Lifeline/Linkup Order* at ¶¶ 20-22.

⁷ *Id.*

⁸ See p. 24.

the distribution of such posters and brochures to the various agencies in Alabama responsible for administering the means-based programs which establish the eligibility for Lifeline and Linkup. All ETCs shall notify the Commission of their intention to either adopt the industry wide advertising template developed by the Working Committee or provide the Commission with a copy of the posters and/or brochures they intend to utilize to comply with this revised advertising provision within ninety (90) days of the effective date of this order. ETCs with sizeable non-English speaking populations within their service area are strongly encouraged to produce posters and/or brochures aimed at reaching those populations. We find that these provisions will most effectively promote the availability and eligibility requirements for the Lifeline and Linkup Programs in Alabama.

- (H) With respect to the obligation of ETCs to maintain records to document compliance with all Commission requirements governing the Lifeline and Linkup Programs, we herein require ETCs to maintain documentary evidence for three (3) full calendar years and to provide such documentation to the Commission upon request. Notwithstanding this three-year requirement, ETCs must retain consumer self-certifications regarding eligibility for Lifeline as long as the consumer in question receives Lifeline service from that ETC or until the ETC is audited by the Commission.⁹ We find that these recordkeeping requirements will preserve the integrity of the Lifeline and Linkup Programs and thus be consistent with the public interest, convenience and necessity.

⁹ See the FCC's *Lifeline/Linkup Order* at ¶¶ 38 and 47 C.F.R. §54.417(a).

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- (I) The Commission herein determines that previously unpaid toll charges shall not constitute an absolute barrier to the receipt of Lifeline and/or Linkup benefits. We conclude, however, that consumers who are otherwise eligible for Lifeline and/or Linkup service who have previously unpaid toll charges or are relying on someone in their household to establish eligibility for Lifeline and Linkup who has previously unpaid toll charges may be required to subscribe to toll blocking by an ETC prior to being accepted as eligible for Lifeline and/or Linkup service. We find this measure to be reasonable and consistent with the FCC's goal of encouraging the availability of Lifeline and Linkup while protecting ETCs from the risk associated with unpaid toll charges.¹⁰
- (J) We herein require that ETCs shall be required to obtain certifications from non-ETC resellers providing Lifeline and Linkup services verifying that such non-ETC resellers are providing the discounted services required in compliance with the applicable Lifeline and Linkup requirements established by the Commission including certification and/or verification. Said certifications shall be retained in compliance with the rules and regulations established herein at subsection (H) above in order to ensure that non-ETC resellers are providing discounted services only to qualifying low income consumers.

¹⁰ See FCC's *Lifeline/Linkup Order* at ¶ 52.

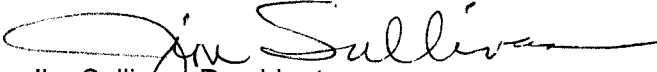
IT IS SO ORDERED BY THE COMMISSION.

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.

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

DONE at Montgomery, Alabama, this 29th day of June, 2006.

ALABAMA PUBLIC SERVICE COMMISSION


Jim Sullivan, President


Jan Cook, Commissioner


George C. Wallace, Jr., Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary