

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Phyllis Reha
David C. Boyd
J. Dennis O'Brien
Betsy Wergin

Acting Chair
Commissioner
Commissioner
Commissioner

In the Matter of Commission Consideration of
Changes in Lifeline Certification and
Verification Procedures in Light of the FCC
Lifeline Order

ISSUE DATE: June 14, 2012

DOCKET NO. P-999/M-12-194

ORDER ESTABLISHING NEW
LIFELINE VERIFICATION
PROCEDURES

PROCEDURAL HISTORY

On March 8, 2012, the Commission issued a Notice Soliciting Comments on whether the Commission should make changes to the certification and verification procedures used to determine subscribers' eligibility for the federal Lifeline plan (Lifeline), a program that provides for a monthly credit toward the cost of telecommunications service to qualifying low-income subscribers served by Eligible Telecommunications Carriers (ETCs). The Commission's Notice was issued in response to a February 6, 2012 Federal Communications Commission (FCC) order requiring ETCs to implement new procedures and leaving open to states the option of establishing supplemental procedures.

On March 29, 2012, the Commission received comments on the Notice from the Department of Commerce (the Department), Century Link, Inc. (Century Link), Minnesota Telecom Alliance (MTA), and jointly from Citizens Telecommunications Company of Minnesota, LLC (Citizens) and Frontier Communications of Minnesota, LLC (Frontier).

On April 11, 2012, Frontier and Citizens jointly filed reply comments; on April 12, the Department filed reply comments.

On June 7, 2012, the matter came before the Commission.

FINDINGS AND CONCLUSIONS

I. Lifeline Verification Procedures

In 2005, the Commission established Lifeline verification procedures in response to an FCC directive requiring ETCs to implement procedures for verifying whether subscribers receiving Lifeline benefits continue to qualify for those benefits.¹ The Commission subsequently

¹ See *Order Establishing Verification Procedures, Accepting TAP Reports, and Maintaining Current Surcharge and Credit Levels*, June 10, 2005 in Docket No. P-999/CI-05-334.

established new procedures that the Commission found were better tailored to the needs of Minnesota than were the FCC's procedures.² Generally, those procedures require ETCs to randomly sample subscribers based on the number of recipients the ETC serves; the sampling is conducted either every year or every other year depending on the size of the ETC.

Since then, the Commission has authorized MTA to conduct electronic verification of eligibility on behalf of its members in conjunction with the Department of Human Services; that process allows ETCs to electronically send subscriber information to the Minnesota Department of Human Services (DHS).³ DHS compares the data to its records to determine whether subscribers are participating in a qualifying program managed by DHS, thereby verifying continuing eligibility.

On February 6, 2012, the FCC issued an order setting new procedures for ETCs to use in certifying and verifying consumers' eligibility and authorizing states to adopt supplemental procedures. The FCC stated that the new procedures are aimed at eliminating waste and inefficiency and at increasing accountability. The savings derived (estimated by the FCC to be as much as \$2 billion over the next three years) will be used, in part, to implement a broadband pilot program for exploring how Lifeline can best help low-income subscribers access the latest telecommunications networks (largely by closing the gap in broadband access).

The FCC's new procedures require ETCs to check the eligibility of subscribers wanting to enroll in Lifeline by either accessing state or federal social services electronic eligibility databases, where available, or by reviewing documentation provided by subscribers.⁴ To ensure continued eligibility, ETCs (or program administrators) will be required to conduct annual re-certifications of their entire Lifeline subscriber base.⁵ The FCC's order also replaces the four-tier Lifeline support amount with a flat, interim monthly support amount of \$9.25. Further, the order eliminates Link Up support in non-tribal areas.⁶

The new procedures direct the Universal Service Administrative Company (USAC), administrator of the Universal Service Fund since 1996, to conduct annual re-certifications (unless ETCs choose to conduct the re-certifications and report the results to USAC). The FCC directed USAC to develop a national database, using subscriber information provided by ETCs, no later than the end of 2013.⁷ The automated system is designed to improve accountability by enabling USAC or ETCs to annually verify eligibility for the majority of Lifeline subscribers. The FCC stated that the states' varying procedures are less effective at determining eligibility and that uniform procedures, supported by consumer advocates, better ensure that subscribers in all states have comparable access to the program.

² See *Order Establishing Verification Procedures*, August 11, 2006 in Docket No. P-999/CI-06-517.

³ See *Order Accepting Reports, Approving Sample Size, Approving Electronic Verification Procedures, and Approving Form Modifications*, on March 14, 2011 in Docket No. P-999/M-10-211.

⁴ See Lifeline Order, FCC 12-11, Paragraph 91.

⁵ See Lifeline Order, FCC 12-11, Paragraph 135.

⁶ See Lifeline Order, FCC 12-11, Paragraph 4.

⁷ See Lifeline Order, FCC 12-11, paragraph 92.

In response to the FCC's order, the Commission asked interested parties for comments on whether the Commission should adopt additional Lifeline certification and verification procedures. All parties who commented recommended against further requirements, stating that the FCC's requirements provide sufficient safeguards and stating that no Minnesota-unique circumstances are apparent. The Commission concurs with the parties that supplemental procedures do not appear to be necessary and will therefore direct ETCs to implement the FCC's requirements.

II. Electronic Verification 2012

The parties concurred that the national database will limit the usefulness of continued development of a state-level electronic verification process. However, since access to USAC's database will not be available prior to 2013, MTA stated that it will allow its members to use its electronic process for re-certification in 2012. Those ETCs not using MTA's process must follow the FCC's procedures requiring ETCs to obtain a re-certification form from every Lifeline subscriber; that process is described in paragraph 130 of the FCC's February 6, 2012 Lifeline order. The Commission finds that use of MTA's process in 2012 is consistent with FCC requirements.

III. Other Items

As part of the process of implementing the new FCC procedures, the Commission will direct ETCs to notify their subscribers of changes to Lifeline (particularly the new interim monthly credit of \$9.25) and make appropriate changes to their tariffs. Notices must be provided to subscribers by July 31, 2012 through bill inserts or other printed mailings. Additionally, the Commission will direct ETCs to post information about Lifeline, including the support amount, the eligibility criteria, and the application form and instructions on their websites. Tariff updates must be filed by July 2, 2012.

Any suggested changes to staff's proposed Lifeline application form (attached) must be submitted to Commission staff by June 18, 2012. Staff will review comments, finalize the application form, and post the new application form on the Commission website. All ETCs will use the new form, once available, unless they have received approval from Commission or Department staff to use a different form more appropriate to their circumstances.

And although Century Link originally asked that the Commission implement rule changes governing the Telephone Assistance Plan (TAP) as necessary to reflect the FCC's new requirements, Century Link later stated that no changes to those rules (Minn. Rules, Chapter 7817) appear to be necessary. The Commission concurs that no changes to TAP or to the TAP rules are necessary; in determining continued eligibility for TAP, local service providers are required to use the same verification procedures that are used to verify eligibility for Lifeline.⁸

ORDER

1. The Commission hereby directs ETCs to implement the FCC's Lifeline certification and annual re-certification requirements.

⁸ Minn. Rules, part 7817.0600.

2. The Commission finds that ETCs may, in re-certifying subscribers in 2012, use either MTA's electronic verification process or follow the steps described by the FCC.
3. Interested persons shall submit any suggestions for changes to the attached proposed Lifeline application form by June 18, 2012. ETCs shall use the new form, which will be posted on the Commission's website, unless they have received approval from Commission or Department staff to use a different form more appropriate to their circumstances.
4. ETCs shall file updated tariffs by July 2, 2012.
5. ETCs shall provide customer notices of changes to the Lifeline program through bill inserts or other printed mailings by July 31, 2012.
6. ETCs shall post information about the Lifeline program, including the support amount, the eligibility criteria, and the application form and instructions on their websites.
7. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



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Minnesota Telephone Service Discount Application Lifeline and Telephone Assistance Program 2012

The following section must be filled out completely or your application will be returned and benefits will be delayed

Social Security (last 4 digits)
or Tribal Id Number : _____

Your Name: _____
Street: _____
City: _____
State: MN Zip: _____

Birthdate

Month Day Year

Address is: permanent temporary
More than one family lives at this address

Billing Address (if different than mailing): Street or P.O. Box: _____
 City: _____ State: _____ Zip: _____

Telephone Company: _____

Number of people living in your household: _____

Telephone number if you currently have service:

Telephone number where you can be reached:

Area Code

Area Code

① I receive benefits from the following program(s): *Check all that apply and attach proof*

- | | |
|---|---|
| <input type="checkbox"/> Medicaid/ Medical Assistance | <input type="checkbox"/> Supplemental Nutrition Assistance Program/ Food Stamps (SNAP) |
| <input type="checkbox"/> Federal Public Housing or Section 8 Assistance | <input type="checkbox"/> Minnesota Family Investment Program (MFIP) |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> Temporary Assistance for Needy Families (TANF) |
| <input type="checkbox"/> National School Free Lunch Program | <input type="checkbox"/> Low-Income Home Energy Assistance Program (LIHEAP) |
| <input type="checkbox"/> Bureau of Indian Affairs General Assistance | <input type="checkbox"/> Tribally Administered Head Start (for those meeting income qualifying standards) |
| <input type="checkbox"/> Tribally Administered Temporary Assistance for Needy Families (TANF) | |

② I do not receive benefits from the programs above but my income is at or below 135% of the Federal Poverty Guideline. *Please attach one of the documents below if you did not check any boxes above.*

- | | |
|---|--|
| ▪ Last year's State, Federal or Tribal Tax Return | ▪ Divorce Decree |
| ▪ Current annual income statement from employer | ▪ Retirement/Pension Benefits Statement |
| ▪ 3 consecutive months of most recent paycheck stub | ▪ Veterans Administration Benefits Statement |
| ▪ Social Security Benefits Statement | ▪ Child Support Document |
| | ▪ Unemployment/ Workmen's Compensation Statement |
| | ▪ Other |

Turn over to complete application

③ Certification of Eligibility

By signing below, I certify under penalty of perjury that I understand and agree to all of the following:

- I participate in a qualifying federal program or meet the income qualification.
- I have provided documentation of eligibility.
- I acknowledge that Lifeline is a federal benefit and that it is non-transferable.
- I acknowledge that a household is eligible to receive only one Lifeline service and to the best of my knowledge, my household is not already receiving a Lifeline service. A household is defined for Lifeline purposes as any group of individuals who live together at the same address and share income and expenses. A household is not permitted to receive Lifeline benefits from multiple providers and violation would result in de-enrollment and potential prosecution by the United States government.
- The information contained in this certification form is true and correct to the best of my knowledge. I understand that providing false information can be punished by fine or imprisonment or removal from the program.
- I will inform the company within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline support. Failure to notify the company may result in penalties.
- If I move to a new address, I will provide that new address to the company within 30 days.
- If I provided a temporary address, I will verify with my telephone provider the temporary residential address every 90 days.
- I may be required to re-certify continued eligibility at any time and failure to do so will result in removal from the program.

Applicant Signature

Date

- I am an “Authorized Representative” for this applicant and am submitting this form on behalf of this customer. I am willing to assist this applicant in seeking telephone service discounts.

Print “Authorized Representative” Name

Area Code

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Daytime Phone Number

Date

- **Complete Application**
- **Attach Proof of Income or Program Participation**
- **Mail Application and Income Documents to Your Local Telephone Company**