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--==-- MEMORANDUM ==--

TO: PUBLIC SERVICE COMMISSION OF UTAH

FROM: DIVISION OF PUBLIC UTILITIES
Chris Parker, Division Director
Bill Duncan, Manager, Telecom & Water Section
Shauna Benvegna-Springer, Utility Analyst

DATE: September 10, 2012

SUBJECT: In the Matter of the Resolution of Certain Issues Related to the Designation of a Common Carrier as an Eligible Telecommunications Carrier

RE: Docket No. 10-2528-01

In response to the Commission's Scheduling Order and Notice of Technical Conference issued on August 30, 2012, the Division submits a report describing the initial and ongoing eligibility verification requirements Utah's Lifeline program must meet to satisfy state and federal mandates, particularly the provisions of the FCC's Transformation Order.

INTRODUCTION:

The Lifeline or Utah Telephone Assistance Program (UTAP) is a non-transferable discount offering for qualifying low-income consumers. Eligible participants receive a credit toward their telecommunications service from an eligible telecommunications carrier (ETC) which is approved by the Public Service Commission of Utah (PSC). Currently the PSC has approved eighteen (18) wire line (landline) ETCs for a federal and state combined discount of \$12.75 and three (3) wireless (cell phone) ETCs for a federal discount of \$9.25 per month.

The ETC's are required to comply with FCC regulations Title 47, Part 54, Subpart E 54.400 through 54.422 which went into effect April 1, 2012. The federal discount of \$9.25 is reimbursed to the ETC from USAC each month provided all requirements for a consumer are obtained on their behalf by a state Administrator.

The ETC's are also required to comply with the PSC Rule 746-341 Lifeline whether or not they are granted the ability to offer the state discount of \$3.50 per month to qualifying consumers. Eligible ETC's who can offer the state discount are reimbursed by the PSC semi-annually. The PSC currently contracts with the Department of Workforce Services to administer the Lifeline program for the 18 wire line ETCs who offer the combined discount.

DUPLICATE BENEFIT:

The FCC and PSC rules require that a participant provides written certification (electronic signature) of truthfulness of the information they provide to apply to receive the Lifeline benefit.

The rules require that the participant receives a Lifeline benefit for:

- 1) only one household,
- 2) either for wireless or wire line, and
- 3) from only one ETC

The Commission needs to decide which definition for household will be used, either the DWS definition which is more specific or the FCC definition which is more broad.

The Commission needs to decide if eligibility processing will be for only those with a current telecommunication approved service or not.

LIFELINE REQUIREMENT DATES:

Based on conversations with Pam Gallant, USCA, and Kim Scardino, FCC, the following dates provide the framework for moving the project forward as soon as possible:

- 1) June 1, 2012 - All new applicants for the Lifeline benefit must complete a new eligibility application and certification form (Attachment 1).
- 2) July 1, 2012 - DCC becomes part of DWS. Review and modification of the current MOU need to be completed.
- 3) September 1, 2012 – ETC's are required to complete the new USAC reimbursement form to claim the actual participants that are eligible for the Lifeline benefit for August 2012 data (Attachment 2).
- 4) October 2, 2012 – PSC must decide to opt into or out of the National Lifeline Accountability Database (NLAD). ETC's will be required to supply information to the NLAD if the PSC does not provide a robust system in place to prevent duplicative federal lifeline support and the required information to the NLAD.
- 5) December 1, 2012 – The PSC must complete modifications to their systems to comply with the FCC Title 47, Part 54 Subpart E, 54.400 through 54.422 or

submit to the FCC a proposal with a timeline of when the modifications will be complete for their review and approval.

- 6) January 31, 2013 – State Lifeline Administrators/ETC’s must complete the annual recertification process for all current participants as of June 1, 2012 by submitting an eligibility and certification form to USAC (Attachment 3).
- 7) October 2013 – Audit process will begin by group of states.
- 8) December 2013 – Audit process to be completed.

PROPOSAL FOR MOVING LIFELINE/UTAP INTO eREP:

This proposal explores how the Department of Workforce Services would:

- 1) expand the Lifeline program to include wireless (cell phone) ETCs;
- 2) meet the new FCC requirements of 54.400 through 54-422;
- 3) add current participants and new participants to eREP case program as a Lifeline benefit offering;
- 4) provide and receive information from the National Lifeline Accountability database
- 5) provide monthly eligibility notification to ETC’s of new and not eligible participants
- 6) manage communication within the PSC rules to participants
- 7) manage communication and participant certification access with ETC’s through eSHARE, and
- 8) safeguard and retain all participant and ETC data.

The Department of Workforce Services uses a rules based system for determining eligibility for several programs, such as Food Stamps, Financial Assistance, Child Care and Medical. This system is called eREP (Electronic Resource and Eligibility Product (Eligibility Computer System)). The Department of Workforce services is proposing the following to bring the Lifeline program into the eligibility system:

- 1) Create a Lifeline program in eREP with rules of eligibility to support a customer being on Lifeline only and allowing customers who are on or eligible for existing programs in eREP to be categorically eligible for Lifeline.
- 2) Allow for a paper and/or online application process. During the customer application process allow for a customer to obtain a phone number and carrier (if they don’t currently have one) prior to an application denying at the end of the application period.

- 3) Bringing the current customer base of 20,000 into eREP and comparing current customer base and determine how many customers may be eligible for benefits and send out correspondence to these customer offering the Lifeline service.
- 4) Allow for a yearly recertification process that will take place on a rolling calendar based on when customer application is approved. Recertification process will be either paper and/or online.
- 5) Allow for secure electronic communication to both the commission and phone carriers each month of customers eligible for discount and customer being removed from Lifeline program.

Attached are handouts from the myCase Powerpoint presentation (Attachment 4). The link to the eShare system is <https://dwapps.dws.utah.gov/eShare/Login.jsp>. This system is used by DWS partner agencies who are requesting information on DWS customers. **Click on the "eShare User Training" link to access a demo and information about the system.** Access to the system is not available, because this is set up through a contract and security process, and users are given access based on the individual need of each person.