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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Resolution of Certain ) DOCKET NO. 10-2528-01  
Issues Related to the Designation of a )  
Common Carrier as an Eligible ) COMMENTS OF UTAH RURAL  
Telecommunications Carrier ) TELECOM ASSOCIATION ON THE  
 ) DIVISION OF PUBLIC UTILITIES'  
 ) LIFELINE PROPOSAL  
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On May 20, 2013, the Utah Public Service Commission (the “Commission”) issued a Notice of Filing and Comment Period Order in this docket which identified June 3, 2013 as the deadline for filing Comments on the Lifeline Proposal Memorandum filed by the Division of Public Utilities (the “Division”) on May 10, 2013.

**Background**

In 2012, the Federal Communications Commission (“FCC”) issued a Lifeline and Link Up Reform and Modernization Order which, among other things, required that Lifeline subscribers be recertified annually<sup>1</sup>. In Utah, the Division has historically been responsible for the initial certification of Lifeline subscribers. For wireline Lifeline subscribers, each

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<sup>1</sup> See *Lifeline and Link Up Reform and Modernization* et al., WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6715, para. 130 n.337 (2012) (“Lifeline Reform Order”).

Lifeline applicant completes an application and submits it directly to the Department of Workforce Services who determines whether the applicant qualifies for Lifeline. The ETC is notified by the Commission (who has contracted with the DWS) whether the applicant qualifies for the Lifeline service. As a result of the changes required by the FCC Lifeline Reform Order, for the past several months the Division and the Commission have been working with the DWS to develop and implement a plan and/or method by which Utah can comply with the new FCC standards for Lifeline customer eligibility certification and recertification.

On September 10, 2012, the Division submitted a report to the Commission describing the initial and ongoing eligibility verifications requirements that Utah's Lifeline program must meet to satisfy state and federal mandates. Interested parties, including URTA, filed comments on the Division's Report and engaged in several meetings and conferences regarding the State's Lifeline procedures. It was URTA's understanding that the Commission was seeking to expand its contract with DWS to meet the new FCC requirements of 47 CFR 54.400 through 54.422 including adding current and new Lifeline participants to the eREP case program; providing and receiving information from the National Lifeline Accountability database; providing monthly eligibility notification to ETCs of new and non-eligible participants; managing communication to ETCs and participants; safeguarding participants' sensitive financial data; and expanding the Lifeline administration to include wireless ETCs.

On May 10, 2013, the Division issued a Memorandum Re: Federal Lifeline Compliance (the "Proposal"), indicating that:

1. The Division no longer wants to be actively involved in the Lifeline

administration;

2. The Division believes that administering the Lifeline program through the DWS will be cost prohibitive and due to timing constraints within the DWS, will result in the State of Utah needing ongoing waivers from the FCC; and

3. Suggesting that in order for the State of Utah to comply with the FCC Lifeline standards, certain Commission Rules governing the certification and annual verification process should be modified.

Specifically, the Division, in its Proposal, now recommends the following: 1) initial certification for Lifeline eligibility should be completed by the carrier, whether wireless or wireline; and 2) annual recertification should be accomplished by carriers first submitting information to the DWS for an automated query of program databases to verify program-eligibility, then, for those not verified in the automated process, by the carrier verifying either income or program eligibility.

The following are the Utah Rural Telecom Association's Comments on the Division's Proposal.

### **URTA Comments**

Historically, the URTA members have been in favor of Utah's current procedures for administering the wireline Lifeline program. URTA members have welcomed and supported the State agency centrally managing the initial eligibility verification and the ongoing verification or recertification on behalf of the ETCs. The URTA Members believe that the

State is in the best position to administer the Lifeline program in a timely and cost effective manner, and that the state should continue to administer the Lifeline program. The URTA members should not be required to establish initial eligibility or to recertify the Lifeline customers for several reasons.

**A. Sensitive Financial Information**

For the most part, the URTA Members provide service in very rural areas of the State. The communities are very small and close knit. As a result, in these small communities the customers seeking Lifeline assistance frequently know, or are neighbors with, the employees at the local telephone company who, under the Division's Proposal, would be required to collect the Lifeline Application and the verification documents. The URTA Members believe that in small communities, potential Lifeline applicants may be reluctant to provide the requisite personal, financial information, required for certification, to their neighbor who works at the telephone company. This could have a chilling effect on the Lifeline program by reducing the number of customers who successfully apply, and ultimately defeating the goals of the Lifeline program. URTA Members believe that the goals of the Lifeline program, and the needs of the low income applicants, are better served by continuing to have the State conduct the certifications and recertifications. This process assures more local anonymity for the applicants and eliminates any concern that the applicant's financial information will be stored at the local telephone company or become publicly known in the community.

**B. Resources Required by Telephone Companies.**

As indicated above, the wireline ETCs have not been in the position of having to administer the Lifeline program for several years. The URTA Members do not necessarily have the in-house resources to begin administering the Lifeline program, as suggested by the Division. The URTA Members typically do not have a lot of excess capacity in their staffing. Thus, it is likely that the companies will be required to hire additional personnel to administer the Lifeline programs. Not only will this increase the companies' expenses, but it will take time to get the correct person hired and trained. This is not something that can be completed quickly. Ultimately, it is the low income consumer who will suffer during the transition.

**C. Other Options.**

The URTA members believe that the State agencies are in the best position to administer the Lifeline program. URTA is concerned that it has participated in this Docket for some time and has been actively involved in trying to develop a workable solution to address the Lifeline issues and the Lifeline Reform Order, and yet, URTA Members were blindsided by the Division's Proposal. Although, URTA is not a party to the contract and negotiations between the Commission and the DWS, URTA Members are interested parties regarding these issues, and would like to be involved in trying to find a solution. In order to do that, the URTA Members need to better understand the problems. The Division's Proposal suggests that "the expense and limitations of the DWS work on recertification" have led the Division to conclude that some changes are required to Commission rules. The URTA Members believe that a technical conference would be extremely beneficial to discuss the expense and the limitations, as well as the timing issues and the waivers.

URTA members are in favor of continuing the State's administration of the Lifeline program to avoid the privacy concerns unique to small rural communities, and because the State is in the best position to efficiently administer the program. URTA and its members believe that with some changes to the Utah Rules, the State (DWS and the Commission) can continue to administer the Lifeline program on a cost effective and timely basis.

First, URTA believes that the Commission should consider making recertification a self-certification by participants. Utah requires proof of eligibility during the recertification process. However, the FCC's rules are clear that recertification can be accomplished by self-certification by the participants. Requiring that a customer provide documentation to verify his or her continued eligibility is an unnecessary burden to the ETC, the customer, and the State. Self-certification is permissible under the rules and makes sense. Self-certification can be accomplished more quickly and should be less expensive. URTA and its members believe that if the State of Utah were to adopt self-certification, the DWS and the Commission could administer the recertification process on a timely and cost effective basis, thereby avoiding the need for any additional changes to the administration of the program.

Second, the Commission could modify its contract with the DWS so that the DWS provides some of the services and the Commission provides the remainder. Again, if the State of Utah were to adopt a self-certification process for the recertification as permitted by FCC rules, the recertification process would be substantially less burdensome for all involved, and could likely be accomplished on a timely and cost effective basis.

Finally, if it is determined that the State cannot administer the recertification internally (with the DWS or the Commission), as suggested by the Office of Consumer Services, the Commission could consider hiring a third party to conduct the initial eligibility determination,

administration, and recertification. There are a number for third party vendors who specialize in these procedures.

Although, URTA is not in favor of shifting the administrative burden to the carriers, in the event that the administration of the Lifeline program is ultimately shifted to the ETCs, URTA believes that the following rule changes should be considered:

### Initial Enrollment<sup>2</sup>

1. Under federal rules, Lifeline eligibility need only be verified during the initial enrollment process either through a state database or by presenting proof of eligibility to the ETC or its vendor (47 CFR 54.410(b)). If the State requires ETCs to administer the Lifeline program, the State of Utah should allow ETCs to query state databases upon receipt of the initial enrollment form to determine eligibility based on participation in a qualifying program, such as Medicaid, SNAP, and SSI. If a customer cannot be verified through the state database, then he or she must present proof of eligibility directly to the ETC (47 CFR 54.410(b) and 54.410(c)).

This method has several benefits:

- a. It reduces the number of customers to be verified by the state. Utah had approximately 37,000 Lifeline subscribers in 3Q2012 and 43,000 Lifeline subscribers in 4Q2012. It would be more cost effective to run the 5K new subscribers through the database one time than all 43K each year.
- b. It reduces the number of customers for whom the ETCs will have to review personal information. Most customers qualify for Lifeline based on participation in a

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<sup>2</sup> URTA believes if the carriers have to verify initial eligibility for the Lifeline program, there will be a chilling effect on participation in the program because of applicants discomfort with providing personal financial information to the employees of the local telephone company. As indicated above, this chilling effect is not found if the State verifies initial eligibility. Thus, URTA's comments in this section serve only to address changes that should be considered if the ETCs are required to administer the Lifeline program.

qualifying program. These customers, for the most part, should appear in the database (the only exceptions would be if the household is qualifying based on a non-applicant's eligibility (e.g., a dependent's Medicaid) or the minority of customers who are seeking qualification based on household income).

c. It provides consistency by requiring all companies to follow the same procedures, rather than the current process which has some companies verify eligibility through DWS while others verify eligibility directly with the subscriber.

### Recertification Options

1. As discussed above, under Federal Rules, for annual recertification, customers can self-certify his or her continued eligibility if they cannot be verified through a database (47 CFR 54.410(f)). The State of Utah should default to the federal recertification rules. The FCC's rules are clear that recertification can be a self-certification, whereas Utah is requiring proof of eligibility. Requiring that a customer verify his or her continued eligibility is a burden to the ETC, the customer, and the State. Permitting a self-certification and eliminating the database review will streamline the process and give ETCs in Utah to the option to elect USAC to conduct the recertification on their behalf, conduct the recertifications in house, or hire a third party vendor to conduct the recertification (see Public Notice, attached hereto as **Exhibit 1**).<sup>3</sup>

2. The Division can move forward with its Proposal, but, for the reasons discussed above, permit ETCs to allow customers whose eligibility cannot be verified through DWS to

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<sup>3</sup> Note that in order for this to occur, unless a waiver is granted, UTRA members must opt in by June 21, 2013 and be able to provide its customers' names, physical addresses, DOB, and last four digits of the SSN. Assuming Utah's 2012 recertification was consistent with the federal rules, the state should be able to provide this information to each ETC.



self-certify their continued eligibility (consistent with the federal rules and practices in other states).

### **Conclusion**

The Lifeline program was developed to provide low income individuals with access to reasonable, low-cost telephone service. URTA and its members believe that Utah's centralized certification and administration of the Lifeline program helps ensure that eligible applicants will take advantage of this service program, and will not be deterred by the potential of having to share their sensitive financial information with their neighbors. URTA Members believe that continued State administration of the program is the best course of action. However, to the extent that changes to the administration of the program need to be made, they should be made with the active participation and involvement of all of the stakeholders. URTA and its Members hereby request that the Commission schedule a technical conference to address the latest issues and to enable the parties to work together quickly towards a mutually beneficial solution.

Respectfully submitted this 3<sup>rd</sup> day of June, 2013.

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CERTIFICATE OF SERVICE  
Docket No. 10-2528-01

I hereby certify that on the 3<sup>rd</sup> day of June, 2013, I served a true and correct copy of Utah Rural Telecom Association's Comments On the Division of Public Utilities Proposal via e-mail transmission to the following persons at the e-mail addresses listed below:

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