

UTAH PSC LIFELINE QUESTIONS AND CENTURYLINK'S RESPONSE

1. Is it appropriate to eliminate eligibility requirements based on LIHEAP, TANF, and free school lunch in the interest of administrative efficiency for the carriers, even though such action might disqualify individuals who otherwise would qualify for the state Lifeline subsidy?

CenturyLink's response:

Yes. It is appropriate for the Utah Lifeline program to remain aligned with the federal Lifeline program.

The FCC provided the following language in its order ¹ addressing the reasons why LIHEAP, NSLP, and TANF were being removed:

188. We amend our rules to remove LIHEAP, NSLP, and TANF from the default federal assistance eligibility for Lifeline. In the streamlining the eligibility criteria, we choose to remove these programs in part due to low enrollment in Lifeline. Further weighing our criteria for selecting eligibility programs, these programs do not offer the same advantages in developing a federal eligibility database, preventing waste, fraud, and abuse, nor better targeting of the neediest low-income households as SNAP, Medicaid, SSI, FPHA, and Veterans Pension benefit.

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190. Discussion. We amend our rules to remove LIHEAP, NSLP, and TANF from the default federal assistance eligibility for Lifeline. In doing so, we retain the programs use by the overwhelming majority of current Lifeline subscribers while retaining eligibility for millions of low-income consumers. By streamlining eligibility criteria, we will improve the administrative efficiency of the program and reduce the burden on consumers, providers, and the Fund. Only 2.74 percent of current Lifeline consumers enroll through LIHEAP, TANF, and NSLP combined.

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¹ FCC Third Report and Order, Further Report and Order, and Order on Reconsideration, Lifeline and Link Up Reform and Modernization, FCC 16-38, 31 FCC Rcd. 3962, 81 FR 33025 (2016) (Lifeline Order). Starting at paragraph 188, on page 68. https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-38A1.pdf

193. Also, NSLP cannot be effectively verified by a federal eligibility database.

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194. Further, NSLP is currently undergoing program overhauls and transitioning to a community-based approach that will complicate the ability to determine individual household eligibility. . . . Allowing Lifeline eligibility based on NSLP's CEP method could result in large numbers of non-low-income households qualifying for the Lifeline program and would greatly undermine the targeting of support to the low-income households. . . .

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196. . . . The retained programs will allow the Commission to develop a long-term technological solution to determining and verifying Lifeline eligibility.

Only about 2% of CenturyLink's current Utah Lifeline customers are qualified based upon participation in one of the three programs. (See Confidential Attachment B) Additionally CenturyLink believes that most if not all of these Lifeline participants would also qualify based upon income or participation in one of the other existing programs. CenturyLink does not believe this change will cause a significant drop in the number of CenturyLink's Utah Lifeline customers.² Also, the existing Utah Lifeline participants that were qualified based upon participation in the three programs will maintain eligibility until the next annual recertification.³

This is not just an issue about "administrative efficiency for the carriers" even though that is an important consideration. Confidential Exhibit B shows the continual decline in CenturyLink's Utah Lifeline customer base. As the decline continues overall administrative costs for both Lifeline providers and for the Utah Lifeline administrative costs are not declining proportionally, which means the administrative cost per Lifeline participant is increasing.

² Other factors such as wireless substitution have significantly reduced the number of CenturyLink's Utah Lifeline customer base. CenturyLink believes that trend will continue, especially if the Utah Lifeline program remains a voice only program and does not also provide the option of support for High Speed Internet (HSI) services. (See Confidential Attachment B)

³ During the next annual recertification these customers will have the opportunity to continue to be eligible for Lifeline based upon meeting the revised qualification requirements.

Also, as stated in CenturyLink's Petition for Approval of a Waiver to the Utah Lifeline Rules, not aligning with the federal Lifeline program increases the opportunity for error and also may require a Lifeline participant to submit more than one Lifeline application.⁴

2. Is the Veterans and Survivors Pension Benefit program eligibility based on income, or is it available to any veteran who receives a pension, or survivor? If the latter, is that criteria consistent with the Utah Lifeline rules, which mandate that eligibility be based on income?

CenturyLink's response:

There are income and net worth limitations to qualify for the Survivors Pension (Death Pension) Benefit. The following website link provides the details for qualifying for this federal program:

Survivors Pension Benefit

<http://www.benefits.va.gov/pension/spousepen.asp>

<http://www.benefits.va.gov/PENSION/spousepencalc.asp#yearlyincome>

3. Additional question located in the PSC's footnote 2 within its October 27, 2016, NOTICE OF FILING AND COMMENT PERIOD: "*The Commission welcomes comments regarding whether there is statutory authority for the rules through which the Lifeline program has been implemented.*"

CenturyLink's response:

It is CenturyLink's understanding that initially when the Utah Lifeline program was established during the 1987 time frame, it was done pursuant to the Utah PSC administrative rules and not through actions by the legislature. However, at a subsequent time language was included in 54-8b-15 (7)(a), which was approved by the legislature that states: "*customers that qualify for a commission-approved lifeline program;*" Without question, the Utah Lifeline program is enabled through the Utah Universal Service Fund statute, even though the details are contained in Utah PSC's R746-341 Lifeline Rule.

⁴ For example if the programs are not aligned and the Utah Lifeline Administrator qualifies low-income customers based upon participation in one of the three discontinued programs, CenturyLink will not be able to provide the federal Lifeline credits to these customers. Before they can receive the federal Lifeline credits these customers would have to submit to CenturyLink another application showing qualification based upon the federal requirements.