



State of Utah
Department of Commerce
Division of Public Utilities

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-=- MEMORANDUM -=-

TO: Utah Public Service Commission

FROM: Division of Public Utilities
Chris Parker, Director
William Duncan, Manager, Telecommunication & Water Section
Shauna Benvegna-Springer, Utility Analyst

SUBJECT: 2012 Lifeline Wire Line Re-certification Results

RE: Docket No. 13-999-04

DATE: March 4, 2013

STATUS REPORT:

The Department of Workforce Services (DWS) and the Division of Public Utilities (DPU) completed the re-certification process for 2012. Information was provided to the wire line eligible telephone carriers (ETC) on February 14, 2013 and a supplemental report on February 28, 2013.

Seventeen (17) wire line ETCs participated in the process and submitted 24,559 participants as of June 1, 2012 for re-certification. In November 2012 a file was provided to the Department of Workforce Services which queried their intake database to verify which participants were still eligible for the Lifeline discount. The outcome reported 9,594 were eligible, which represented 39% of the population. The remaining population of 14,965 (or 61%) was contacted through direct mail with a letter and application to provide recertification information and statements on December 6, 2012. From the first contact, 2,902 participants responded and were processed. A second direct mailing was completed on January 28, 2013. From the second contact an additional 890 participants responded and were processed for a total of 3,792 or 25% of the contacted population. Sadly, 10,419 did not respond which represented 86% of the denied population. Of the total participants, 12,415 were processed as eligible for the Lifeline discount which represents 51%, and 12,144 or 49% were denied the Lifeline discount. Assuming the denied 12,144 participants do not re-apply, appeal the decision, and are truly ineligible,

removing their discount saves the State of Utah \$510,048 per year and the federal government (FCC) \$1,420,848 per year. The DPU will track this information over the next 12 months.

The attached summary report demonstrates the various categories of approved participants, denied participants and the percentage of participants that qualified under the various programs. Here are some interesting facts regarding the Lifeline program at this particular point in time.

- Only 4% of the approved participants qualified through the income criteria with 96% qualifying under a public assistance program.
- Of the approved participants, 81% were matched through the automated intake database, and only 19% required application recertification.
- Returned undeliverable mail accounted for 5% of the denied population.
- Incomplete applications, missing income or program documentation, or missing signatures represented less than 5% of the denied population.
- Of the individuals who were denied because they were over the income threshold, this represented only 2.8%.
- The majority of individuals who qualify through the program criteria do so under three automated databases; 1) the Food Stamp (SNAP) program representing 73%, 2) the HEAT program with 23%, and 3) Medicaid representing 2%. The remaining 2% of approved individuals are processed manually with supporting documentation and verification.

The second attached report represents the summary of information provided to the wire line ETCs on February 28, 2013. This information is used to complete the FCC 555 form due on March 31, 2013 to the Universal Service Administrative Company (USAC).

cc: Jon Pierpont, Executive Director, DWS
Gordon Walker, Division Director, DWS
Susan Kolthoff, HEAT and UTAP, Program Specialist
Justin Jetter, Attorney General's Office