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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: The Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck
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Copies To: Division of Public Utilities
Chris Parker
William Duncan
Parties to Docket No. 10-2528-01

Date: June 3, 2013

Subject: Response to the Division of Public Utilities' Federal Lifeline
Compliance Letter

On May 10, 2013, the Division of Public Utilities (Division) submitted a letter to the Public Service Commission of Utah (Commission) regarding Federal Lifeline Compliance (Lifeline Letter.) On May 17, 2013 the Public Service Commission (Commission) issued a notice of filing and comment period which read in part:

“Any interested parties may submit comments on the Division’s proposal or otherwise propose other alternatives to accomplishing the certification process required in the FCC rules, including any anticipated administrative costs for carriers. Comments are due no later than Monday, June 3, 2013, and reply comments are due no later than Monday, June 10, 2013.”

On May 24, 2013 the Office of Consumer Services (Office) submitted a memo in response to the Division’s Lifeline Letter. In that memo the Office expressed its concern that parties involved in this docket were not being given the opportunity to respond to the Division’s recommendation to close the docket.

It was our oversight that the Commission had, in fact, offered parties the opportunity to respond and propose alternatives to the Division’s proposal. We apologize for that oversight.

The Office herein reiterates and clarifies some of its concerns presented in our May 24, 2013 memo and provides specific recommendations for the Commission.

Office Concerns

The Office is concerned about the high administrative costs associated with Lifeline and the current contract with DWS, especially now that DWS is unable to provide assistance in meeting the full FCC requirements. It is our understanding that DWS is also no longer conducting the outreach or the one-on-one assistance that was formerly included in the costs of this contract. While many of the wireless Lifeline providers are advertising their services, the Office believes that a significant outreach and information gap is occurring with respect to the availability of wireline Lifeline service.

The Office is concerned with the proposal put forward by the Division as it could serve as a barrier to low-income customers seeking and receiving Lifeline Services. The Office asserts that the following options merit consideration:

- The Commission could issue an RFP to evaluate the possibility of a third party (other than DWS) as administrator for the Lifeline certification and verification.
- The Commission could contract with DWS for reduced services (e.g. the use of databases already in place) and conduct the rest of the work internally. As the responsible agency for Relay Utah, the Commission has experience administering programs. It may be possible that the Commission could use USF funds to hire full or part-time staff to conduct the work more cost effectively now that DWS' ability to complete the work is uncertain.

Conclusions and Recommendations

The Office recommends that the Commission take the following actions:

- Utilize Docket No. 10-2528-01 to assess what additional Lifeline issues need to be addressed. That docket already contains a service list of interested parties representing a variety of providers and advocates. Closing that docket may make it more difficult for the Commission to receive input from these parties that have indicated their interest and may also lead to even more of the relevant work and discussions taking place outside of the regulatory process.
- First address the issue of certification and verification. The Office has proposed two options that it believes are preferable to the Division's suggestion. The Commission may need to pursue FCC waivers during the interim before a new process is in place. The Commission will also need to enact some rule changes to codify whatever new process is determined to be in the public interest.
- After the process for certification and verification is either in place or underway, the Commission should then utilize Docket No. 10-2528-01 to revisit the other outstanding issues related to the Lifeline program. For example, the Office has consistently raised the issue of outreach for the Lifeline program.

- Renegotiate the contract with DWS. Such renegotiation could be delegated to the Division, but it should be done in the context of Commission direction after receiving stakeholder input.
- Conduct a rulemaking process to codify the changes to certification and verification as well as to make any other changes that arise from the discussions in Docket No. 10-2528-01.