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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Resolution of Certain Issues Related to the Designation of a Common Carrier as an Eligible Telecommunications Carrier	Docket No. 10-2528-01 SALT LAKE COMMUNITY ACTION PROGRAM'S INITIAL PROPOSALS AND RECOMMENDATIONS FOR RESOLUTION, OPINIONS, AND RULEMAKING
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In accordance with the April 14, 2011 Interim Scheduling Order issued by the Public Service Commission, Salt Lake Community Action Program (SLCAP) submits its initial recommendations for the issues raised in this docket.

INTRODUCTION

SLCAP understands the Public Service Commission (PSC or Commission) wishes to resolve these issues in an expedited manner, however, SLCAP does not believe enough time has been granted to research best practices in regard to the issues that have been raised in this docket. Nationally, a spectrum of eligibility and verification methods and outreach models already exist. The recommendations provided herein are suggested as a baseline for further discussion.

SLCAP recommends the Commission take a two track process to resolve the issues in this docket: 1) an expedited process to maintain current practices that work and

develop new ones as necessary to move forward with the initial certification process; and
2) explore long term solutions utilizing best practices to develop a high quality program without reinventing the wheel, including expanding certification to all other qualifying programs and improving Lifeline outreach and information.

INITIAL CERTIFICATION PROCESS AND REQUIREMENTS

The Lifeline participation rate in Utah is in the range of 20-50%.¹ We must ensure certification requirements encourage ongoing participation, attract new program participants and avoid placing additional barriers on low-income households.

Currently, the state employs two methods of certifying eligibility for telephone Lifeline services. The PSC contracts with the Department of Community and Culture (DCC) to certify recipients on an annual basis when customers apply for energy assistance through the HEAT program. DCC also certifies all stand alone applications. Customers complete their application with the information required by the state through its Lifeline Rule R746-341. The state then verifies the information through its database and informs the ETC that the customer is eligible for the telephone Lifeline discount.

Coordinated enrollment methods, such as that with HEAT, increase the number of participants, reduce the barriers experienced by low-income customers, increase efficiencies, and protect the integrity of the program. The premise of coordinated enrollment with the HEAT program should be maintained. Additionally, coordinated enrollment should be expanded to all other qualifying programs.

Coordinated or automatic enrollment in Lifeline should be facilitated through a common application with all qualifying programs. The qualifying programs complete the

¹ USAC, Lifeline Participation Rate Study 2009, Retrieved from http://www.universalservice.org/_res/documents/li/pdf/li-participation-rate-map-2009.pdf

certification of eligibility. This will increase efficiency and decrease customer barriers. The qualifying program then compiles a list of qualified Lifeline applicants and submits it to the responsible agency where the data can be cross-referenced for duplication of service. Additionally, stand alone applications for income based eligibility would be submitted directly to the responsible agency or a designated third party.

**THE ROLE OF THE “RESPONSIBLE AGENCY” IN THE INITIAL
CERTIFICATION OF LIFELINE CUSTOMERS**

Pursuant to Utah Admin. Code R746-341-2(B), the Public Service Commission is the Responsible Agency. Currently, the Commission contracts with the Department of Community and Culture to administer a certification system for eligibility of Lifeline services in Utah.

The responsible agency should streamline an application process that includes coordinated enrollment with all qualifying programs in Utah. This would not place the entire burden on any one agency, but would require all qualifying programs to work together to ensure qualified households are receiving the Lifeline benefit. Once eligibility is certified, the qualifying program would compile a list and submit it to the responsible agency. The responsible agency should maintain a simple database to cross-reference for potential duplication of service. The responsible agency would be responsible for notifying the selected ETC’s of applicants’ eligibility.

**THE DETERMINATION OF ENTITIES THAT MAY VERIFY THE
CONTINUING ELIGIBILITY OF LIFELINE CUSTOMERS AND THE ROLE
OF THE “RESPONSIBLE AGENCY” IN VERIFYING CONTINUING
ELIGIBILITY OF LIFELINE CUSTOMERS**

At this time, the responsible agency is best suited to administer continuing verification. However, it is noted there are models in other states where the responsible

agency utilizes a third party to administer verification. If it is determined a third party shall administer verification, that entity shall provide a report to the responsible agency. The Commission must take particular caution to establish privacy procedures when collecting, storing, and reporting consumers' private information.

THE PROCESS FOR VERIFICATION OF CONTINUING ELIGIBILITY (I.E. ANNUAL CERTIFICATION) OF LIFELINE CUSTOMERS

Verification of continuing eligibility should be conducted through a reasonable sample of current participants on an annual basis. The responsible agency or a designated third party should verify continued eligibility of the sample through documentation of income eligibility or program participation eligibility. The Commission should set a specific, standard percentage of Lifeline program participants to be verified each year.

THE METHOD OF CALCULATION AND RECOVERY OF COSTS FOR INITIALLY CERTIFYING LIFELINE CUSTOMERS AND VERIFYING CONTINUING ELIGIBILITY OF LIFELINE CUSTOMERS, PARTICULARLY FOR ETC'S NOT PAYING TO THE STATE USF FUND

All ETC's should be responsible for their fair share of the costs associated with initially certifying and verifying continuing eligibility of Lifeline customers. However, at this time SLCAP does not propose a particular method of calculation and recovery of associated costs. SLCAP reserves the right to further comment in this regard.

THE DETERMINATION AND IMPLEMENTATION OF A PROCESS TO PREVENT CUSTOMERS FROM RECEIVING DUPLICATE SERVICE FROM MULTIPLE PROVIDERS (DOUBLE-DIPPING)

As previously noted, the responsible agency (PSC) or a designated third party should develop and operate a basic database where data can be cross-referenced to screen for potential duplication of services. ETC's should provide the responsible agency or the

designated third party with quarterly reports while taking precaution to safe guard privacy of consumers.

THE PROCESS FOR AVOIDING UNAUTHORIZED CHANGES OF A LIFELINE CARRIER, AND PREVENTING SLAMMING

The PSC should develop a process to ensure that ETCs adequately notify customers when they switch from landline to wireless (or vice versa) as a Lifeline customer, that their other Lifeline benefit will be canceled and the customer will be responsible for all charges on the original line unless the customer cancels that service.

THE ESTABLISHMENT OF OVERSIGHT AND GUIDELINES FOR LIFELINE OUTREACH AND ADVERTISING TO ENSURE THAT CUSTOMERS ARE RECEIVING NECESSARY AND ACCURATE ELIGIBILITY, TERMS OF SERVICE AND PROVIDER INFORMATION, AND TO EXPAND OUTREACH ACTIVITIES TO REACH A LARGER PERCENTAGE OF THE POPULATION ELIGIBLE FOR LIFELINE SERVICES

As previously noted, Lifeline penetration in Utah is relatively low. It is essential outreach be improved in order to attract eligible participants. The PSC must set minimum standards for outreach at the State level as well as the ETC provider level. Such outreach requirements must be related to general Lifeline outreach as opposed to company specific advertising. Additionally, ETCs should not be reimbursed for company specific advertising, but only for actual costs of outreach on the general Lifeline program.

As part of those standards, all ETC's should be required to provide accurate detailed information to their customers about the Lifeline products they offer. ETCs should be required to provide Utah customers with a one page fact sheet similar to that agreed to in Docket No. 09-2511-01 and Docket No. 10-2521-01. It is critical for customers to have access to program details and information *prior* to giving personal information to an ETC.

Utah should reconsider its current outreach contracts to ensure improved outreach, including disseminating information in different languages and through varied and alternative media sources. The PSC should keep an updated list of all current Lifeline providers on its website so the information is easily accessible to consumers and the social service agencies that serve them. Further, Utah should engage in participation in the annual Lifeline Awareness week promoted by the Universal Service Administrative Company (USAC).

The State of Utah must improve its Lifeline outreach. Excellent outreach models exist in other states. As an example, California has one of the highest subscribership rates in the country. They have improved both coordinated enrollment as well as their outreach methods, which in turn have lead to higher penetration in the program by eligible participants.²

THE ESTABLISHMENT OF LIFELINE OUTREACH AND ADVERTISING REQUIREMENTS TO INCORPORATE ELIGIBILITY VERIFICATION AND DUPLICATE SERVICE PREVENTION

Lifeline outreach and advertising should emphasize that there are now various options for Lifeline service – i.e., a choice between landline and wireless service – but that a customer is only eligible for Lifeline service from one provider. Further, customers should be educated that they can still maintain other types of service, but they will not receive a Lifeline discount on it. It should also be emphasized that wireless offerings vary considerably and that consumers should be cautious in choosing the provider that offers services best suited to their particular needs.

² See California Public Utilities Commission Decision Adopting Strategies to Improve the California Lifeline Certification and Verification Processes, and Reinstating Portions of General Order 153, D.07-05-030 (May 3, 2007)

**ADDITIONAL RULEMAKING PROCEEDINGS/AND OR ADDITIONAL
REPORTING REQUIREMENTS ARE NECESSARY TO IMPLEMENT THE
DETERMINATIONS MADE IN THESE PROCEEDINGS**

Additional Rulemaking is essential in this proceeding. The State of Utah should expand its coordinated enrollment to all other eligible programs. Minimum standards and requirements must be instituted to address the quality of Lifeline Outreach. Utah must consider best practices when addressing rules related to certification, continuing verification, and outreach. Additionally, ETCs should be required to submit standard reporting quarterly to the responsible agency regarding program participation.

**FINDINGS, CONCLUSIONS, AND ORDERS MADE IN THIS PROCEEDING
SHOULD APPLY EQUALLY TO ALL ETCs IN THE STATE, REGARDLESS
OF TECHNOLOGY OR BUSINESS MODEL USED**

The entrance of prepaid wireless providers to Lifeline poses unique issues and requires us to reevaluate the Lifeline program in Utah. Additionally it provides the State of Utah an opportunity to examine and address the relatively low Lifeline penetration rates. However, the issues are not simply prepaid wireless provider issues. In order to ensure quality of service to the low-income consumers and value to rate payers as a whole, we must protect the integrity of the program. Therefore, all Findings, Conclusions, and Orders made in this proceeding should apply equally to all ETC's in the State.

DATED this 26th day of April 2011.

Sonya L. Martinez

CERTIFICATE OF SERVICE

I hereby certify that on April 26, 2011, a true and correct copy of the foregoing Initial Proposals and Recommendations for Resolution, Opinions, and Rulemaking was served on the following by electronic mail:

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