Arthur A. Butler
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September 17, 2012

David S. Danner **Via UPS Next Day Air and E-File**

Secretary and Executive Director
c/o Washington Utilities and Transportation Commission
Records Department
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504-7250

Re: *In the matter of the Petition of YourTel America, Inc. for an Exemption from WAC 480-123-030(1)(d), (f) and (g), and Designation as an Eligible Telecommunications Carrier; Compliance Filing*WUTC Docket No. UT-110423

Dear Mr. Danner:

Condition 10, Appendix B, of Order No. 1 granting YourTel America, Inc.’s. Petition for Designation as an Eligible Telecommunications Carrier referenced above provides that “YourTel shall cooperate with the Commission and the Department of Social and Health Services (DSHS) to work out a procedure to verify YourTel Lifeline customers’ eligibility.” YourTel established that procedure with DSHS in early January of 2012. Part of this procedure requires YourTel to deliver to DSHS on a quarterly basis a file containing records for clients newly assigned during the previous three months. Attached for filing is a report of the actions taken by YourTel to address Lifeline eligibilities as a result of the analysis by DSHS for the first two quarters of service submitted.

The attached document is designated as Confidential pursuant to WAC 480-07-160 because it contains valuable commercial information, including the number of new customers subscribing to YourTel’s service. YourTel would be directly and adversely affected by disclosure of the Confidential Information. A redacted copy is also attached.

If you have any questions about the attached information, please feel free to contact me.

Sincerely,

ATER WYNNE LLP

/s/

Arthur A. Butler
Counsel for YourTel America, Inc.

Enclosures

**REPORT OF ACTIONS TAKEN BY YOURTEL AMERICA (“YOURTEL”) TO ADDRESS LIFELINE ELIGIBILITIES AS A RESULT OF DSHS ANALYSIS OF YOURTEL QUARTERLY CLIENT INFORMATION**

 According to DSHS, 285 YourTel customers newly assigned in the previous two quarters were not listed as being qualified to receive benefits under the various DSHS programs that would make them qualified to receive Lifeline service from YourTel. These customers were contacted to confirm whether they are receiving benefits under another eligible program (Federal Public Housing Assistance, National School Lunch Program’s Free Lunch Program, or Low-Income Home Energy Assistance Program (LIHEAP)) which would qualify them for Lifeline eligibility. 25 of those customers were confirmed to be so qualified. The remaining 260 customers in this group were determined to be not qualified, and they were de-enrolled from the Lifeline program.

 DSHS also identified 306 customers for whom it was unable to confirm eligibility because the information provided by the customer was insufficient. These customers were contacted by YourTel and additional information was collected. Based on the additional information collected 21 of these customers were determined to be eligible. Additional information was determined to be insufficient to establish eligibility for the remaining 285 customers in this group, and these customers were de-enrolled from the Lifeline program.

 Finally, DSHS reported that for 423 newly assigned customers Wireline Lifeline service was also being provided at the same address and for that reason these customers would be considered ineligible for Lifeline service from YourTel. The Household Form was sent to these customers to confirm that only one Lifeline service was being provided per household. Based on the information received in return, 62 of these customers were determined to be eligible to receive Lifeline service from YourTel; whereas 407 of these customers were not and accordingly were de-enrolled from the Lifeline program.

 In sum, from its analysis DSHS identified 1,014 customers newly assigned during the previous two quarters that required action on the part of YourTel. Based on additional information obtained as the result of actions taken by YourTel, 62 of these customers were subsequently determined to be eligible to receive Lifeline service from YourTel and are active. 952 of the customers could not be confirmed as being eligible and were de-enrolled from the Lifeline program.