

FCC's Lifeline Reform Order – Summary and Implementation Timeline

March 31, 2012

Non-Tribal Link Up support is eliminated. March is the last month for which ETCs serving customers on non-Tribal lands can claim Link Up support on their FCC Form 497.

Implication:

Currently, Non-Tribal Link Up program provides qualifying customers discounted service initiation charges, up to \$30.00. This program will no longer be available.

April 2012

1. Move from tiered discounts to an interim monthly flat-rate non-Tribal discount of \$9.25. The discount must be applied first to the SLC, then to intrastate charges. (A monthly discount of \$25.00 is available for eligible Tribal customers.)

Implication:

The current tiered system provides for a SLC rebate (LQ - \$5.77; LCTL - \$6.50; LEQ - \$6.00); a basic service partial refund (\$1.75); and a state fund match (up to \$1.75). WA has an intrastate lifeline program/fund which requires a rate of \$8.00 for eligible lifeline customers. Basic rate differentials among companies will probably require recalibration of the state fund.

- a. No minimum charge established; minimum \$1 Tribal charge is eliminated

Implication:

This may impact application of the current WA intrastate program and corresponding funding requirements.

- b. 30-day advanced customer notice required where the rate change means an increased local service charge.

Implication:

Implementation of this requirement is dependent whether there are any changes to the WA intrastate program.

- c. Requires tariff filings in all states.

Implication:

Need to understand whether there will be changes to eligibility criteria at the state level that need to be reflected in tariffs. Time constraints are a concern.

2. Maintain the enhanced Link Up program on Tribal lands, but limit its availability to those ETCs receiving high-cost support. Effective beginning with April 2012 support claims.

Implication:

Need to resolve the meaning of 'high-cost' support (i.e., does it include IAS support, etc.) in order to determine which companies will continue to offer the Link Up program on Tribal Lands.

3. Toll Limitation Support will not be provided to ETCs providing plans that include a set number of calling minutes available for either local or domestic long distance calls effective with April 2012 disbursements. However, ETCs should offer TLS at no charge for service plans for which the ETC charges a fee for toll calls, either domestic or international, that is separate from their monthly Lifeline-supported service.
4. Phase out of TLS Support: Limit of \$3.00 per month per TLS subscriber to be implemented April 1, 2012 through the remainder of 2012. TLS support will be reduced to \$2.00 in 2013, and will be eliminated and unavailable at the beginning of 2014.

Implication:

Companies will no longer be reimbursed for Toll Limitation Support, although they must continue to offer it to qualifying customers.

June 1, 2012

1. Lifeline certification processes must be updated to include the additional certification requirements outlined in the Order.

Implications:

- State administrators or ETCs must develop program to ensure customer eligibility in accordance with eligibility criteria (i.e., low income or federal assistance program) outlined in the Order. Also, the program must meet 'one-per-household' requirement.
- Certification form process must be developed to ensure customer eligibility – must disclose program rule to customer; collect subscriber information; and provide for subscriber certification – IVR units are acceptable for certification process.
- States with auto-enrollment programs must provide assurance to the FCC that their processes are as robust as the FCC's to identify duplicate lifeline recipients.

- Concerns that state process synchs up with federal requirements. Also, certification form process may involve changes that require significant changes to current IVR systems and tracking databases.
2. ETC (or state lifeline administrator, if applicable) must re-certify the Lifeline subscriber base as of June 1, 2012 by the end of 2012 and report the results to the FCC, USAC, state commissions and tribal governments by January 1, 2013.

Implication:

The recertification needs to be based on the new eligibility criteria, which, in turn, needs to be embedded in the WA intrastate program process.

July 1, 2012

1. Form 497 - USAC to implement the transition from payments based on projected subscriber counts to payments based on actual subscriber counts beginning on July 1, 2012 with completion by October 2012.
2. During this transition period, carriers may notify USAC which study area codes to transition from projected to actual claims during each month.
3. Carriers must notify USAC of which study area codes to transition during each month no later than June 1, 2012
4. There is a rolling one-year deadline to submit claims, which is shortened from 15 months.

September 6 – six months from effective date of Order

Outreach - ETCs providing Lifeline-supported services must make specific disclosures in all marketing materials (materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage) related to the supported service regarding eligibility, documentation necessary for enrollment; limitation of the program, and penalties for knowingly violating program rules.

Implication:

Participating companies must add information to outreach material regarding eligibility and certification criteria to inform customers of the changing requirements to the Lifeline program.

January 31, 2013

1. Re-certification results due to USAC, the FCC, the relevant state commission, and the relevant Tribal government
2. Officer certifications to be filed at this time, too.

Process timeline changes

1. Re-certifications: provide subscribers 30-day notice instead of current 60-day notice before de-enrolling. Must de-enroll within 5 business days of deadline.

2. Upon notice by USAC to de-enroll because of duplicate lifeline, ETC must de-enroll the subscriber within 5 business days.

February 6, 2013

1. USAC to establish a National Accountability Database (“duplicates database”) to detect and prevent duplicative support on an ongoing basis.
2. Certain database required fields will need to be included on ETC subscriber applications so the necessary information is available for input to the database.
3. ETCs must provide information for existing subscribers to the database within 60 days of the Bureau providing notice that the database is ready to accept ETC information for new subscribers upon initiation of service thereafter. **[NOTE:** This will have to be done sometime before the operational due date of Feb. 6, which means this is a request for subscriber information that probably won’t be ready until recertification has been completed on Dec. 31.]
4. 30 days following Bureau notice that the database is capable of accepting queries, all ETCs query the database to check to see if a prospective subscriber is already receiving service from another ETC at a residential address prior to seeking reimbursement from the Fund.

December 31, 2013

USAC to establish an eligibility database, i.e., an automated means to determine Lifeline eligibility, for the three most common programs through which consumers qualify for Lifeline – Medicaid, SNAP, and Supplemental Security Income (“SSI”)

Independent Audit

The initial audit must be completed one year after the FCC issues a standardized audit plan outlining the scope of the engagement and the extent of compliance testing to be performed and shall be conducted every two years thereafter, unless directed otherwise by the FCC.