

**BEFORE THE PUBLIC SERVICE COMMISSION
OF
THE STATE OF MISSISSIPPI**

**IN RE: IN THE MATTER, ON THE
COMMISSION'S OWN MOTION,
TO REVISE THE LIFELINE/LINK-UP
PROGRAMS IN MISSISSIPPI**

DOCKET NO. 2007-AD-487

**ORDER REVISING THE LIFELINE/LINK-UP
PROGRAMS IN MISSISSIPPI**

I. Introduction and Background

By Order entered in this cause on October 23, 2007, the Commission sought comment on possible revisions to the Lifeline and Link-Up programs in Mississippi. In particular, the Commission sought input from interested parties concerning the possible expansion of the eligibility criteria for Lifeline and Link-Up, the duration of an individual's eligibility, the retention and/or revision of the certification/verification procedures, the need for modified implementation and recordkeeping requirements, the need for specific outreach programs and other related matters. In particular, the Commission was interested in whether it should revise its current Lifeline and Link-Up programs in Mississippi to reflect the changes the Federal Communications Commission ("FCC") adopted in its Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Lifeline and Link-Up* in WC Docket No. 03-109, FCC 04-87 ("FCC 04-87").

The Commission received initial comments in response to the October 23, 2007 Order discussed above from BellSouth Telecommunications, Inc. d/b/a/ AT&T

Mississippi ("AT&T Mississippi") and New Cingular Wireless PCS, LLC ("AT&T Mobility") (collectively, "AT&T"), the Mississippi Rural Incumbent Local Exchange Companies ("Mississippi RLECs"), Cellular South Licenses, Inc. ("Cellular South") and Telepak Networks, Inc. ("Telepak"). None of the interveners in this matter filed reply comments.

II. Eligibility Criteria

A. Program-based Criteria

Currently, participation in the Lifeline/Link-Up programs in Mississippi, a non-federal default state, is dependent upon an applicant's eligibility for Temporary Assistance to Needy Families ("TANF"), Supplemental Security Income ("SSI"), Food Stamps or Medicaid. The program-based eligibility criteria for Lifeline/Link-Up programs in federal default states includes Medicaid, Food Stamps, SSI, Federal Public Housing Assistance (Section 8) ("FPHA"), Low Income Home Energy Assistance Programs ("LIHEAP"), TANF and the National School Lunch Program's Free Lunch Initiative ("NSLP"). AT&T recommended in its comments that the Commission should add additional qualifying programs such as FPHA and LIHEAP. AT&T stated that based on experience in other states a higher participation is seen if the general category of FPHA is adopted rather than a particular section, such as Section 8. AT&T also noted that within the AT&T Southeast region, subscribership rate based on participation in the NSLP is very low, which may be attributable to the fact that the family household has already qualified through using Food Stamps.¹ The Mississippi RLECs also recommended that the Commission not adopt NSLP.² Cellular South and Telepak

¹ See AT&T's Comments at p. 5.

² See Mississippi Rural ILEC's Comments at p. 2.

believe that Mississippi's current eligibility criteria are the most widely used programs and additional criteria will result in little, if any, increased participation in the Lifeline/Link-Up programs.³

Having considered the comments of the parties, as discussed above, the Commission finds that the eligibility threshold for participation in the Lifeline/Link-Up programs in Mississippi is hereby expanded to include LIHEAP and FPHA (Section 8). The Commission will not expand the eligibility threshold to include NSLP at this time.

B. Income-Based Criteria

The FCC determined in FCC 04-87 that a consumer is eligible for Lifeline/Link-Up when the consumer's income is at or below 135% of the Federal Poverty Guidelines ("FPG").⁴ With respect to an income-based eligibility criterion, AT&T acknowledged that consumers are reluctant to provide income documentation to a private company. AT&T recommended that if the Commission adopted an income-based eligibility criterion, it would necessitate a cooperative process with a state agency to review a consumer's sensitive financial information. The state agency would then forward to the carrier a list of customers that have met the state's income criterion. AT&T further commented that in three AT&T Southeast states that have programs based on an income criterion, less than 5% of such consumers qualify for Lifeline/Link-Up based on their income level.⁵ The Mississippi RLECs agreed that if the Commission desires to adopt an income-based criterion, the Commission or some other state agency should administer it.⁶ Cellular South and Telepak stated that many of Mississippi's current program-based

³ See Cellular South and Telepak's Joint Comments at pp. 4-5.

⁴ The FCC has an open proceeding, WC Docket 03-109, to consider raising the income-based eligibility criteria from 135% of the FPG to 150% of the FPG.

⁵ See AT&T's Comments at pp. 3-4.

⁶ See Mississippi Rural ILEC's Comments at p. 3.

eligibility criteria consider a consumer's income when determining the consumer's eligibility for such programs and that the addition of a specific income-based eligibility criterion would be duplicative.⁷

Having considered the comments of the parties as discussed above, the Commission finds that an income-based eligibility criterion would be overly burdensome for eligible telecommunications carriers ("ETCs") and the Commission to implement. Furthermore, the addition of two additional qualifying programs, LIHEAP and FPHA (Section 8), will open up Lifeline/Link-Up to a broader number of subscribers. Therefore, the Commission will not expand the eligibility threshold for Lifeline/Link-Up programs in Mississippi to include an income-based eligibility criterion at this time.

III. Duration of an Individual's Eligibility for Lifeline/Link-Up

The FCC further determined in FCC 04-87 that consumers participating in the Lifeline Program should be provided a designated time period to validate their continued eligibility for Lifeline should questions arise concerning their eligibility in the program. The FCC adopted the following federal default procedures for states that lack dispute resolution procedures:

ETCs in such states will be required to notify consumers of their impending termination of Lifeline benefits by sending a termination of Lifeline benefits notice in a letter separate from the consumer's monthly bill. If a consumer receives such a termination notice, the consumer would have up to 60 days from the date of the termination letter in which to show his or her continued eligibility before Lifeline support is discontinued....This 60-day period of time is not necessary when the Lifeline subscriber has notified the carrier that he or she is no longer eligible.⁸

⁷ See Cellular South and Telepak's Joint Comments at p. 5.

⁸ Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Lifeline and Link-Up* in WC Docket No. 03-109, FCC 04-87 at p. 15, para. 22.

The Mississippi RLECs stated that the FCC federal default procedures should be adopted for Mississippi as this allows an appropriate period of time for the consumer and the carrier to resolve any issues of eligibility.⁹ AT&T commented that the sixty (60) day time period gives consumers adequate notice and time to contact the company to address any disputes. Based on experience in other states, AT&T has also found that the majority of Lifeline customers respond within a thirty (30) day window thereby supporting the position that sixty (60) days is more than adequate.¹⁰ Cellular South and Telepak believe that the procedures set forth in FCC 04-87 are a reasonable and manageable way to determine a consumer's continued eligibility for Lifeline, and that the Commission should implement such procedures.¹¹

Having considered the comments of the parties as discussed above, the Commission finds that the dispute resolution procedures adopted by the FCC are both customer-focused and reasonable. As a result, the Commission hereby adopts the FCC federal default procedures as set forth above. The Commission further finds that all unresolved disputes regarding Lifeline or Link-Up eligibility shall be brought to the attention of the Commission for resolution.

IV. Certification and Verification Procedures

A. Automatic Enrollment

The Mississippi RLECs asserted that automatic enrollment would be unduly burdensome for them to develop and maintain and all consumers may not have access to the equipment needed for automatic enrollment. The Mississippi RLECs noted that some states have an automatic enrollment program that allows state agencies to submit the

⁹ See Mississippi Rural ILEC's Comments at p. 3.

¹⁰ See AT&T's Comments at p. 2.

¹¹ See Cellular South and Telepak's Joint Comments at p. 5.

proper documentation to the telephone company. The state agency provides the certification form via email. The state agency must include the telephone number, name of customer of record, 911 address and certification form.¹²

Having considered the comments of the parties as discussed above, the Commission finds that automatic enrollment would impose onerous administrative, technological and financial burdens on the state and ETCs. Therefore, the Commission does not adopt an automatic enrollment program at this time.

B. Certification of Program-Based Eligibility

In its June 9, 2005 Notice, the Commission required carriers to certify eligibility of Lifeline/Link-Up recipients in one of the qualifying programs by receipt of documentation of eligibility. AT&T commented that recipients in one of the qualifying programs should be able to certify that they are in the program, but should not be required to provide documentation. Further, AT&T stated that a self-certification process in lieu of a customer providing copies of qualifying documentation should increase the number of Lifeline subscribers since it would simplify the enrollment process.¹³ The Mississippi RLECs believe that certification of programs-based eligibility under penalty of perjury serves as an effective deterrent for abuse of the system at this time.¹⁴ Cellular South and Telepak asserted that the Commission should require Lifeline customers to self-certify, under penalty of perjury, that they are participating in a qualified program at the time of signing up for such services. However, they also believe that consumers should be required to provide evidence of their participation in the qualifying program.¹⁵

¹² See Mississippi Rural ILEC's Comments at p. 4.

¹³ See AT&T's Comments at p. 3.

¹⁴ See Mississippi Rural ILEC's Comments at p. 4.

¹⁵ See Cellular South and Telepak's Joint Comments at pp. 7-8.

Having considered the comments of the parties as discussed above, the Commission amends its current requirement that carriers certify eligibility of Lifeline/Link-Up recipients by receipt of documentation of eligibility. Further, it finds that consumers seeking to avail themselves of the benefits of the Lifeline/Link-Up programs should be allowed to submit written documentation self-certifying their eligibility for participation in a qualifying program with the caveat that such information be provided subject to the penalty of perjury for the submission of false information. The Commission finds that such self-certification is the most efficient means of encouraging participation in the Lifeline/Link-Up programs at this time.

C. Certification of Income-Based Eligibility

In consideration of the above, the Commission has determined that the Lifeline/Link-Up programs should not be expanded to include an income-based criterion. Therefore, certification procedures for an income-based eligibility criterion are not necessary and will not be addressed herein.

D. Verification of Continued Eligibility Under Program-Based Eligibility

The Commission adopted the federal-default verification procedures for a statistically valid sample as set forth by the FCC in FCC 04-87 in its June 9, 2005 Notice. AT&T recommended that the Commission continue to use the federal-default verification procedures for a statistically valid sample.¹⁶ AT&T supports an online verification system in Mississippi; however, implementing such a system would require the cooperation of appropriate state agencies. Otherwise, online verification is not feasible and should not be mandated.¹⁷ The Mississippi RLECs asserted that they are not in favor

¹⁶ See AT&T's Comments at p. 2.

¹⁷ *Id.* at p. 5.

of online verification as most, if not all agencies, do not allow such access to their databases by ETCs. The Mississippi RLECs asserted that their companies do not have the financial resources necessary to develop an online verification procedure with state agencies nor can they technically and/or feasibly implement such an online verification system. The Mississippi RLECs thus proposed that carriers be allowed to choose from one of the three following verification methods: (1) random and annual surveys of a statistically valid number of the carrier's Lifeline subscribers requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in one of the eligibility criteria adopted by the Commission, (2) annual surveys of a carrier's entire Lifeline subscriber base requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in one of the eligible programs, or (3) online verification.¹⁸ Cellular South and Telepak believe that this Commission should continue to utilize the verification procedures set forth in its Notice. However, to the extent necessary, Cellular South and Telepak would like for the Commission to clarify its procedures. Cellular South and Telepak also support an online verification system, but question whether such a system is practical in Mississippi at this time. They believe that such a system is unnecessary and too expensive in light of the benefits that may be obtained.¹⁹

Having considered the comments of the parties as discussed above, the Commission finds that while an online verification system is desirable, it is not administratively possible at this point.

Further, the Commission finds that ETCs should be allowed to verify the

¹⁸See Mississippi Rural ILEC's Comments at p. 5.

¹⁹ See Cellular South and Telepak's Joint Comments at pp. 7-8.

continued eligibility of participation in the Lifeline program through one of the following methodologies or any combination thereof: (1) FCC-compliant, random and annual surveys of a statistically valid number of the carrier's Lifeline subscribers requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in one of the eligibility criteria adopted by the Commission or (2) annual surveys of a carrier's entire Lifeline subscriber base requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in one of the eligible programs.

In order to verify a consumer's continued participation in one of the Lifeline/Link-Up qualifying programs, the carrier is required to send annual verification forms to a statistically valid sample of Lifeline subscribers or to the carrier's entire Lifeline subscriber base. Subscribers who are subject to this verification must prove, within thirty (30) days that they are still eligible for Lifeline/Link-Up programs, by providing documentation of their participation in a Lifeline/Link-Up qualifying program and self-certifying, under penalty of perjury, that they continue to participate in the Lifeline/Link-Up qualifying program. If subscribers do not return the form or cannot prove they are eligible, the aforementioned dispute resolution process would be triggered, permitting subscribers sixty (60) days to prove they are once again eligible. At the end of this sixty (60) day period, subscribers who fail to respond to the verification efforts of the ETC shall lose their Lifeline credit.

All verification results must be submitted to the Commission by November 1 of each calendar year. ETCs shall use the form attached as Exhibit "A" to this Order to submit the results of their verification efforts.

V. Maintenance of Records

The Commission currently requires ETCs to adhere to the recordkeeping rules set forth in FCC 04-87 that include, among other things, maintenance of records for three (3) years, subject to audit. Each of the commenters believe that the current FCC rules are comprehensive and thorough and that additional rules are unnecessary. Cellular South and Telepak support reducing the three (3) year recordkeeping time frame to eighteen (18) months. The FCC rules also require the carrier to obtain from each non-ETC reseller a certification that such reseller is complying with all applicable federal or state Lifeline/Link-Up requirements, including certification/verification procedures and recordkeeping/document retention. AT&T believes that no further action is required by the Commission at this time.²⁰

Having considered the comments of the parties as discussed above, the Commission hereby adopts the FCC's recordkeeping rules set forth in FCC 04-87.²¹ The Commission finds that no additional rules or procedures are necessary at this time.

VI. Outreach

AT&T commented that the FCC requires annual advertising and that AT&T Mississippi intends to expand its outreach in 2008 to reach potential low-income consumers who are not currently AT&T customers. Further, AT&T strongly favors national rules and standards. AT&T also stated that the FCC has an open proceeding considering outreach requirements and recommends that the Commission refrain from adopting new guidelines/requirements until the FCC concludes its proceeding on this

²⁰See AT&T's Comments at p. 6.

²¹ Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Lifeline and Link-Up* in WC Docket No. 03-109, FCC 04-87 at pp. 23-24, para. 37-40.

matter.²² The Mississippi RLECs believe outreach programs would be more effective if handled by state agencies that administer the various eligibility programs. They commented that uniform national outreach requirements are not necessarily cost-effective, ETCs should be allowed to develop individual campaigns suited to their markets and that mandated outreach should be accompanied by cost recovery to the carriers.²³ Cellular South and Telepak believe that ETCs should follow the FCC's advertising rules and establishment of additional requirements are unnecessary and overly burdensome. They also believe that the ETC should be afforded the discretion to determine the methods in which they choose to advertise Lifeline/Link-Up and that advertising may be more widely received through state agency promotion of programs that serve as a basis for eligibility.²⁴

Having considered the comments of the parties as discussed above, the Commission will wait until the FCC has released its findings regarding this matter and will defer action on this matter until that time.

VII. Unpaid Toll Charges

The Mississippi RLECs asserted that customers should pay for the services they utilize and should not be able to obtain services without payment for previous services. Further, the Mississippi RLECs stated that if Lifeline customers do not pay their bill after establishing Lifeline service, then the carrier should continue to be allowed to require toll blocking be placed on a customer line at no charge to the customer.²⁵ Cellular South and Telepak maintain that customers who have failed to pay toll charges should either not be

²² See AT&T's Comments at pp. 6-7.

²³ See Mississippi Rural ILEC's Comments at pp. 6-7.

²⁴ See Cellular South and Telepak's Joint Comments at pp. 9-10.

²⁵ See Mississippi Rural ILEC's Comments at p. 7.

eligible to receive Lifeline services or should be required to pay a deposit.²⁶

Having considered the comments of the parties as discussed above, the Commission determines that unpaid toll charges shall not constitute an absolute barrier to the receipt of Lifeline/Link-Up benefits. Therefore, the Commission finds that consumers, who are eligible for Lifeline/Link-Up service yet have previously unpaid toll charges, may be required to subscribe to toll blocking by an ETC prior to being accepted as eligible for Lifeline/Link-Up service. This measure should protect the ETCs from the risk associated with unpaid toll charges.

IT IS THEREFORE ORDERED THAT:



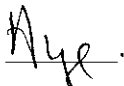
- a. The eligibility threshold for participation in the Lifeline/Link-Up programs in Mississippi is hereby expanded to include LIHEAP and FPIIA (Section 8).
- b. The eligibility threshold for Lifeline/Link-Up programs in Mississippi will not expand to include an income-based eligibility criterion at this time.
- c. The dispute resolution procedures adopted by the FCC are both customer-focused and reasonable and are hereby adopted.
- d. An automatic enrollment program will not be adopted at this time.
- e. Consumers seeking to avail themselves of the benefits of Lifeline/Link-Up programs should be allowed to submit written documentation self-certifying their eligibility for participation in a qualifying program with the caveat that such information be provided subject to the penalty of perjury for the submission of false information.
- f. An online verification system is not administratively possible at this time.
- g. ETCs shall verify the continued eligibility of participation in the Lifeline

²⁶ See Cellular South and Telepak's Joint Comments at pp. 10-11.

program through either: (1) FCC-compliant, random and annual surveys of a statistically valid number of the carrier's Lifeline subscribers requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in one of the eligibility criteria adopted by the Commission or (2) annual surveys of a carrier's entire Lifeline subscriber base requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in one of the eligible programs.

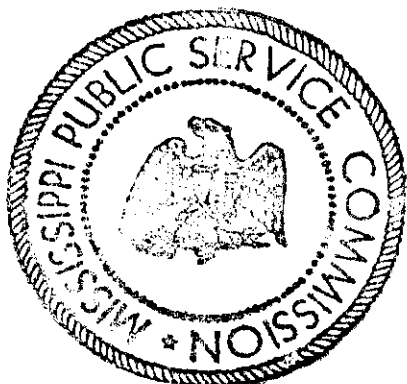
- h. The date by which ETCs are required to submit the results of their verification efforts is November 1 of each calendar year.
- i. The recordkeeping rules adopted by the FCC are comprehensive and thorough and are hereby adopted. No additional rules or procedures for the maintenance of records are necessary at this time.
- j. The Commission will wait until the FCC has released their findings regarding expansion of outreach to reach low-income consumers and address this matter again at that time.
- k. All ETCs and non-ETC resellers must amend their Lifeline/Link-Up tariffs by March 1, 2008, to comply with this Order.

This Order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

Chairman Nielsen Cochran voted ; Vice Chairman Leonard Bentz voted ; and Commissioner Bo Robinson voted .

DATED, this the 28th day of December 2007.

MISSISSIPPI PUBLIC SERVICE COMMISSION



Mark Nielsen Cochran

Nielsen Cochran, Chairman

Leonard Bentz

Leonard Bentz, Vice-Chairman

Bo Robinson

Bo Robinson, Commissioner

ATTEST: A True and Correct Copy

Brian U. Ray

Brian U. Ray, Executive Secretary

Effective this the 28th day of December, 2007.

Verification of Consumers' Continued Eligibility for Lifeline

Date: _____

Docket No: 2007-AD-487

To: Brian U. Ray
 Executive Director
 Mississippi Public Service Commission
 P.O. Box 1174
 Jackson, MS 39215-1174

I certify that the company(s) listed below have procedures in place to verify the continued eligibility of its Lifeline customers via a statistically valid random sample or a survey of its entire Lifeline subscriber base. The results are provided in the chart below.

I am the designated company representative of the company(s) listed below. I am authorized to make this certification for the company(s) listed below.

Company(s) Name	SAC (6 digit number)	Number of Customers		
		Surveyed or Verified	Found to be Ineligible	No Response to Survey

Signed,

 [Signature of Company Representative]

 [Printed Name of Company Representative]

 [Title of Company Representative]

 [Company Address]

 [Company Telephone Number]

