

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-100, SUB 133f

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Lifeline and Link-Up Services Pursuant to) ORDER REQUIRING
Section 254 of the Telecommunications Act of) SELF-CERTIFICATION
1996)

BY THE COMMISSION: On January 15, 2010, the Lifeline/Link-Up Task Force (Task Force)¹, in compliance with the Commission's *Order Requesting Further Study to Adopt Lifeline/Link-Up Program Expansion*, submitted its semi-annual report to the Commission. The report reflects the ongoing efforts of the Task Force to track and expand the level of participants in the Lifeline/Link-Up Program.

BACKGROUND

Lifeline is a federal and state funded program that provides North Carolina's low-income residents a discount of \$13.50 per month² on their local telephone bill. Link-Up is a federally funded program that provides North Carolina's low-income residents a fifty percent discount, up to \$30.00, on the cost of connecting local telephone service. The main objective of both programs is to promote the availability of local telephone service to North Carolina's low-income residents. In 1998, the Task Force was formed for the purpose of ensuring that the programs were implemented in an effective manner and for exploring ways in which North Carolina residents could be better informed regarding the existence of the programs.

Presently, North Carolina residents are eligible for Lifeline/Link-Up if they receive Supplemental Security Income (SSI), Food Stamps³, Work First, Temporary Aid to Needy Families or TANF, Medicaid, the Low Income Home Energy Assistance Program (LIHEAP), or Section 8 Federal Public Housing Assistance benefits.

¹ The Lifeline/Link-Up Task Force unofficially consists of representatives of the Attorney General's Office, N.C. Division of Social Services (NCDSS), N.C. Division of Medical Assistance (NCDMA), Windstream Communications, Inc., BellSouth Telecommunications, Inc. d/b/a AT&T North Carolina, Public Staff, Social Security Administration (SSA), N.C. Justice Community Development Center (NCJCDC), Sprint d/b/a Embarq Communications, Randolph Telephone Membership Corporation (Randolph TMC), N.C. Division of Information Resource Management (NCDIRM), and Verizon South, Inc.

² The Lifeline discount of \$13.50 is composed of a \$10.00 federal subsidy and a \$3.50 NC income tax credit.

³ Sometimes referred to as Food Nutrition Services or FNS.

The Task Force has also has been active in increasing awareness of and participation in Lifeline/Link-Up through a variety of means. In an Order issued on April 10, 2008, the Commission approved a self-certification pilot program to be conducted by AT&T.

TASK FORCE ANALYSIS AND RECOMMENDATIONS

On January 15, 2010, the Task Force filed its annual report with recommendations. The Task Force reported that, based on reports filed by local telephone providers as of December 31, 2009, there were 155,585 households receiving Lifeline benefits. Also, during the period of July 1, 2009 through December 31, 2009, there were 46,648 households that received Link-Up discounts for the cost of connecting telephone service.⁴ In the June 2009 Task Force report, there were 141,112 Lifeline recipients and 16,069 households that received Link-Up discounts.

The Task Force also reported on AT&T's self-certification pilot project, as well efforts to implement a streamlined enrollment procedure for recipients of Food Stamps. The Task Force recommended that the Commission adopt self-certification as the means by which all jurisdictional local providers enroll participants in the Lifeline/Link-Up program. Additionally, the Task Force reported on its efforts to increase awareness of with Lifeline/Link-Up benefits through the placement of posters in county Department of Social Services (DSS) offices throughout the state.

The Task Force recounted that, following the April 10, 2008 Order, which approved the addition of federal public housing, AT&T had begun the self-certification pilot program which had been earlier approved by the Commission.⁵ The Task Force stated that customers who contacted AT&T for information on the Lifeline/Link-Up program were sent the self-certification form, and, upon receipt of the completed and signed form, the customer was added as a Lifeline recipient.

The Task Force noted that AT&T filed a report with the Commission on June, 5, 2009, in which AT&T reporting that during the first year of the pilot program, approximately 99% of its new Lifeline/Link-Up applicants used the self-certification form. Also, the monthly average of AT&T Lifeline applicants increased by about 20% during the pilot program and the average of Link-Up applicants increased approximately 40%. AT&T did not report any increase in instances of fraud or misrepresentation by Lifeline/Link-Up applicants.

Furthermore, AT&T adopted an audit process in which AT&T periodically would send letters and self-certification forms to a representative sample of Lifeline participants to verify continued eligibility to receive Lifeline benefits. If the

⁴ Statistics for the six-month period ended December 31, 2009, had not been filed by all local telephone providers at the time of this report.

⁵ Order Concerning Task Force Report and Authorizing Pilot Program, Docket No. P-100, Sub 133f, (September 5, 2007).

self-certification form was not returned to AT&T within 60 days, or if it is returned stating that the consumer was no longer eligible for a qualifying program, then AT&T removed the consumer from participation in the Lifeline program. The Task Force stated that this review procedure is acceptable under the Federal Communications Commission's (FCC's) guidelines and AT&T found it to work well.

AT&T reported that it found the self-certification process to be more cost effective than processing applications under the existing system. AT&T uses self-certification in all of its southeastern states, and it said that its positive findings were consistent with its experience in the other southeastern states.

The Task Force formed a subcommittee to study whether the self certification procedure should be adopted as the sole or primary Lifeline/Link-Up application procedure to be used by all local service providers. The subcommittee reported to the Task Force's meeting on December 10, 2009, presenting the following observations:

- The Task Force examined whether the costs impact to smaller service providers for administrative changes and employee retraining would be outweighed by the operational savings going forward. The Task Force concluded that there were long-term benefits in staff time saved by the streamlined application and review procedure. Accordingly, the Task Force concluded that such long-term benefits would outweigh the costs incurred by smaller providers.
- The Task Force addressed whether a standardized self-certification form should be used by all the service providers. A draft form was developed and submitted with the Task Force's semi-annual report. The Task Force stated that several changes were made to the form used by AT&T to include a list of the names and addresses of all non-cellular Lifeline/Link-Up telephone providers on the back of the form, adding a phrase explaining that only one Lifeline benefit is available per household, and adding the sentence that long distance call blocking is available to Lifeline recipients at no charge upon request.
- The Task Force reported that it discussed whether potential applicants would have enough information about Lifeline/Link-Up and the self-certification procedure to enable them to file a proper application with their telephone service provider. The Task Force concluded that the adoption of the self-certification procedure for Lifeline-Link-Up benefits should have no impact on information availability to the public. The Task Force pointed out that there would be no change in the program information provided by DSS caseworkers once an applicant for Medicaid, Food Stamps or other qualifying benefits is found eligible. The local telephone service providers and the Task Force will continue publicizing Lifeline/Link-Up in the same manner. The only change will be the use of self-certification to enroll in the program.
- The Task Force recommended that if self-certification is adopted as the sole procedure for enrolling Lifeline/Link-Up participants, the Commission should also approve the use of the above described self-certification eligibility review

process by the local telephone service providers. Using self-certification and the current system for enrolling applicants would be confusing and a waste of resources. Accordingly, the Task Force stated that it unanimously recommended that the Commission adopt the self-certification procedure as the sole method to enroll consumers in the Lifeline/Link-Up program and approve the use of the above described self-certification eligibility review process by all local telephone service providers.

The Task Force noted that the Commission has had an ongoing interest in increasing participation among eligible consumers to receive Lifeline-Link-Up benefits. To do so, the Commission earlier approved a self-certification pilot project, which was undertaken by AT&T and subsequently reported as successful, as well as cost-justified. The Task Force reported that after the successful completion of the self-certification pilot program by AT&T, it formed a subcommittee to investigate the adoption of self-certification for use by all local service providers. There were two concerns of whether to adopt a self-certification procedure for clients to receive Lifeline/Link-Up benefits: (1) the cost to implement a self-certification program, especially among the smaller local telephone service providers; and, (2) the adoption of a standard procedure, to include a self-certification form and an on-going account verification procedure.

The Task Force stated that the cost to implement the self-certification procedure to eligible consumers to receive Lifeline/Link-Up benefits was reasonable in that gains from programmatic operational efficiencies would outweigh the on-going operational expenses to support the self-certification procedure, even for the smaller local telephone service providers. The Task Force also believed that there were long-term benefits in staff time saved by the streamlined application and review procedure.

The Task Force included a recommended self-certification form to be used for the program by all local service providers. The proposed self-certification form, a modified form used in the AT&T pilot program, would also include a listing of all wire line local telephone service providers who provide Lifeline/Link-Up benefits. Furthermore, the Task Force stated that the Commission should adopt the self-certification procedure as the sole method to enroll consumers in the Lifeline/Link-Up program and approve the use of the above described self-certification eligibility review process by all local telephone service providers. The verification of eligibility for recipients to continue receiving Lifeline discounts would be adopted from the AT&T pilot, in which, AT&T periodically would send letters and self-certification forms to a representative sample of Lifeline participants to verify continued eligibility to receive Lifeline benefits. If the self-certification form was not returned to AT&T within 60 days, or if it is returned stating that the consumer was no longer eligible for a qualifying program, then AT&T removed the consumer from participation in the Lifeline program.

In addition, the Task Force believed that there should be no change in the program information provided by DSS caseworkers once an applicant for Medicaid, FNS or other qualifying benefits is found eligible. The local telephone service providers

and the Task Force will continue publicizing Lifeline/Link-Up in the same manner, with the only change being how consumers are enrolled in the program.

WHEREUPON, the Commission reached the following

CONCLUSIONS

After careful consideration, the Commission concludes that good cause exists to modify the certification process for eligibility for the Lifeline/Link-Up program so as to allow self-certification by recipients.⁶ The Commission believes that, based on the representations of the Task Force, the AT&T self-certification experiment has been a success, combining greater efficiency with appropriate protections against fraud, and that, therefore, the same self-certification process should be generally adopted as part of the Lifeline/Link-Up enrollment process. The Commission commends the work of the Task Force, AT&T, and the various social service agencies for their contributions to improving delivery of the Lifeline/Link-Up program to qualifying recipients. The Commission urges the Task Force to continue with its efforts to improve the Lifeline/Link-Up program.

IT IS, THEREFORE, ORDERED as follows:

1. That self-certification by clients of eligible programs for Lifeline/Link-Up be authorized as the sole procedure for enrollment in Lifeline/Link-Up.
2. That the self-certification form attached as Appendix A be authorized for use by clients of eligible programs for Lifeline/Link-Up. The listing of eligible telephone companies on that form may be modified from time to time to accurately reflect the companies' participation.
3. That the eligibility review audit process utilized by AT&T in the self-certification pilot program be made permanent for AT&T and be extended to and required of all other telephone companies participating in the provision of the Lifeline/Link-Up program.

⁶ This includes modification of Rule R9-6(d) concerning verification by the appropriate social service agency.

4. That Rule R9-6(d), regarding Link-Up verification be rewritten as follows:
“(d) Verification – The method for verification of the eligibility criteria set forth in (c)(2) shall be self-certification by the recipients of the eligible programs.”

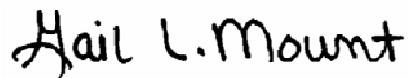
5. That the Task Force collect the same type of statistical data it collected for the AT&T Pilot Program from the various participating telephone companies and submit an analysis regarding same with the Task Force’s December 31, 2010, Annual Report, together with any recommendations the Task Force believes are needed to improve the sign-up and verification process.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of March, 2010.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, slightly stylized font.

Gail L. Mount, Deputy Clerk

mr030210.01

**NORTH CAROLINA LIFELINE/LINK-UP
SELF-CERTIFICATION LETTER**

Billing Name _____

Service Address _____

City State Zip _____

Telephone Number: _____

I hereby certify that I participate in the following public assistance program(s):

- Medicaid
- Low Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Or Section 8 Assistance (FPHA)
- Supplemental Security Income (SSI)
- Food & Nutrition Services (Food Stamps)
- Temporary Aid to Needy Families or *Work First*

Lifeline provides a monthly discount on your local telephone bill. If you do not have a telephone, Link-Up provides a 50% discount, up to \$30, on the cost of connecting local telephone service. If you receive any one of the public benefits listed above and the telephone service is in your name, then you can receive Lifeline/Link-Up benefits. Only one Lifeline benefit is available per household. Long distance call blocking is available to Lifeline recipients at no charge upon request.

I certify, under penalty of perjury, that I am a current recipient of the above program(s) and will notify my telecommunications service provider when I am no longer participating in at least one of the above-designated program(s). I authorize my telecommunications service provider or its duly appointed representative to access any records required to verify these statements to confirm my continued participation in the above program(s). I authorize representatives of the above program(s) to discuss with/or provide copies to my telecommunications service provider, if requested by the company to verify my participation in the above program(s) and my eligibility for Lifeline/Link-Up.

Applicant's signature

Date

Please mail completed self-certification form to your telecommunications service provider at the address shown on the back of this form

**APPENDIX A
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Affordable Phone Services, Inc 2855 SE 58 th Ave Ocala, FL 34480	Aspire Telecom, Inc P.O. Box 2174 Asheville, NC 28802	Atlantic Telephone Membership Corp P.O. box 3198 Shallotte, NC 28459
AT&T RSC 304 Pine Avenue, 4 th Floor Albany, GA 31702	Barnardsville Telephone Company P.O. Box 22995 Knoxville, TN 37933-0995	BLC Management LLC 11121 Highway 70, Suite 202 Arlington, TN 38002
Budget Prepay, Inc, d/b/a NewPhone 1325 Barksdale Blvd. Bossier City, LA 71111	CenturyLink Attn: Lifeline P. O. Box 4918 Monroe, LA 71211	Citizens Telephone Company P.O. Box 470 Rock Hill, SC 29730
dPi-Teleconnect, L.L.C 2997 LBJ Freeway Suite 225 Dallas, TX 75234	Ellerbe Telephone Company P.O. Box 220 Ellerbe, NC 28338-0220	Image Access, Inc 5555 Hilton Avenue, #415 Baton Rouge, LA 70808
Lexcom Telephone Company 200 North State Street P.O. Box 808 Lexington, NC 27293-0808	Lifeconnex Telecom, LLC f/k/a Swiftel, LLC 811 West Garden St Pensacola, FL 32507-7475	MCImetro Access Trans 5055 North Point Parkway 2 nd Floor Alpharette, GA 30022
Mebtel, Inc C/O Century Tel 19812 Underwood Rd Foley, AL 36535	Nexus Communications, Inc C/O Early, Lennon, Crocker 900 Comerica Bldg Kalamazoo, MI 49007-4752	North State Telephone Company P.O. Box 2326 High Point, NC 27261
Pineville Telephone Company P.O. Box 249 Pineville, NC 28134	Randolph Telephone Company 3733 Old Cox Rd Asheboro, NC 27205	Randolph Telephone Membership Corporation 3733 Old Cox Road Asheboro, NC 27205
Saluda Mtn Telephone Company P.O. Box 22995 Knoxville, TN 37933-0995	Service Telephone Company P.O. Box 22995 Knoxville, TN 37933-0995	Skyline Telephone Membership Corporation P.O. Box 759 West Jefferson, NC 28694
Star Telephone Membership Corporation P.O. Box 348 Clinton, NC 28329	Surry Telephone Membership Corporation P.O. Box 385 Dobson, NC 27017-0385	Tennessee Telephone Services, LLC P.O. Box 1995 Dickson, TN 37056
Tri-County Telephone Membership Corporation P.O. Box 520 Belhaven, NC 27810	Verizon Lifeline Services - NC Attn: Lifeline Supervisor P. O. Box 4500 Hayden, ID 83835-4500	Wilkes Telephone Membership Corporation 1400 River Street Wilkesboro, NC 28697
Windstream ATTN : Support Services – Lifeline 1720 Galleria Boulevard Charlotte, NC 28270	Yadkin Valley Telephone Membership Corporation P.O. Box 368 Yadkinville, NC 27055	