



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANSWERS FREQUENTLY ASKED QUESTIONS CONCERNING LIFELINE ORDER

CC Docket No. 96-45

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The Commission's April 29, 2004 order addressing Lifeline and Link-Up imposes certain requirements on all states regarding the establishment of certification and verification procedures for recipients of federal Lifeline and Link-Up universal service support.¹

Under the terms of the *Lifeline Order*, states that have their own state-based Lifeline and Link-Up programs have flexibility in how the certification and verification procedures are established and administered. States that do not have these state-based low income programs are designated "federal default states" and must follow certification and verification procedures set out in the *Lifeline Order*. Under the terms of the *Lifeline Order*, all states -- including federal default states -- must have their certification and verification procedures in place by June 22, 2005.²

The Wireline Competition Bureau (Bureau) has received several inquiries concerning implementation of the *Lifeline Order's* rules. In this Public Notice, we provide answers to frequently asked questions.

For further information, contact Mika Savir, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400, TTY (202) 418-0484.

¹ See generally *In the Matter of Lifeline and Link-Up*, CC Docket 96-45, 19 FCC Rcd 8302 (2004) (*Lifeline Order*).

² *Id.* at 8322, para. 33, and at 8324, para. 37; *Erratum*, DA 05-262 (Apr. 29, 2004).

***Lifeline Order* Frequently Asked Questions**

1. Is my state a federal default state?

Below is a list of states that have identified themselves as federal default states. If your state is not listed below, you should contact the state commission for its certification and verification procedures. If a state changes its designation, the state commission should contact the Federal Communications Commission.

Delaware
Hawaii
Iowa
Illinois
Indiana
Louisiana
New Hampshire

American Samoa
Northern Mariana Islands

2. I am a service provider with Lifeline customers. What is the deadline for filing the statistically valid sampling of Lifeline customers for purposes of verification?

For federal default states, all verification sampling must be submitted by June 22, 2005.³ Eligible telecommunications providers (ETCs) in federal default states should submit their results via e-mail to pgallant@universalservice.org. If you wish, you may also mail a paper copy of your response to:

Pamela Gallant
Director of Low Income Programs
USAC
2000 L Street, NW
Suite 200
Washington, DC 20036

ETCs in states that mandate state Lifeline assistance should comply with the state verification procedures, including any deadlines set by those states.⁴

³ *Id.* at 8323, para. 35 and 8324, para. 37; *Erratum*, DA 05-262 (Apr. 29, 2004).

⁴ *Lifeline Order*, 19 FCC Rcd at 8322, para. 34.

3. If I am a service provider in a federal default state, and I have not received replies from all of my verification sample recipients by June 22, what should I do?

By June 22, 2005, ETCs in federal default states should file with USAC the results that they have obtained from their sampling and should note the number of outstanding replies. ETCs should update their filing upon completing the survey.

Note that in federal default states, customers have sixty days to verify compliance. After sixty days, if a customer has not verified their continued eligibility, ETCs should discontinue the customer's Lifeline support.⁵

4. My state mandates state-based Lifeline assistance and is therefore not a federal default state. My state has a different verification deadline for submission of verification samples which is after the upcoming June 22 deadline. Will I be violating FCC rules if I submit my verification sample in compliance with the state deadline?

States that mandate a state-based Lifeline assistance have discretion to set up their own verification procedures, including timing of reports and to whom the report should be submitted. On June 22, 2005, states that mandate state-based Lifeline support must have their procedures in place, but those procedures may establish deadlines and requirements that are different from the federal default requirements.⁶

5. I am a service provider with Lifeline customers. In creating the statistically valid sample for verification purposes, what area should the sample be taken from, e.g., from my Lifeline customers in each study area, from my Lifeline customers within a state, or from my Lifeline customers across the nation?

The *Lifeline Order* contemplates program eligibility requirements on a state-by-state basis. Therefore, in federal default states, the verification sample should be drawn from the company's Lifeline customers on a state-wide basis. ETCs in states that mandate their own state-based Lifeline support should consult the state verification procedures.

6. I am a service provider. Some customers seeking Lifeline and Link-Up based on income indicate that they have zero annual income on their application. May I reject their applications?

The Commission has stated its intent to do more to make telephone service affordable to more low-income households.⁷ Applicants seeking Lifeline/Link-Up assistance may not understand

⁵ *Id.* at 8316-17, para. 22. Under the federal default procedures, ETCs that have a reasonable basis to believe that a consumer no longer qualifies for Lifeline support are required to notify the consumer of the potential termination of Lifeline support before the 60-day period begins to toll. *Id.*

⁶ *Id.* at 8322, para. 33, and at 8324, para. 37; *Erratum*, DA 05-262 (Apr. 29, 2004).

⁷ *Lifeline Order*, 19 FCC Rcd. at 8302, para. 1.

that for federal default states, income is defined to include all income actually received by members of the applicant's household, including public assistance benefits, social security payments, and unemployment compensation.⁸

ETCs/service providers should work with applicants in explaining what is considered income for purposes of Lifeline/Link-Up assistance. In many cases, applicants receiving public assistance will most likely be able to qualify based on their participation in the public assistance programs. We encourage companies to work with applicants to understand our Lifeline rules. This guidance does not absolve applicants their responsibility to demonstrate their eligibility when they certify.⁹

7. The Federal poverty guidelines are not defined for Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Commonwealth of the Northern Mariana Islands. What amounts should I use to determine whether applicants qualify under an income-based approach?

Territories should use the Federal Poverty Guidelines established for the contiguous states and the District of Columbia.¹⁰

⁸ *Id.* at 8308-09, para. 10 and n.31.

⁹ *See id.* at 8319-21, paras. 28-32.

¹⁰ *See id.* at 8311, para. 12. We note that the federal government updates the Federal Poverty Guidelines annually.