

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

<b>IN THE MATTER OF THE REVIEW OF )</b>	<b>ORDER OPENING DOCKET</b>
<b>IMPLEMENTATION OF FCC REQUIREMENTS )</b>	<b>AND REQUESTING</b>
<b>FOR LIFELINE AND LINK-UP PROGRAMS )</b>	<b>INFORMATION</b>
<b>AND THE DEVELOPMENT OF ADDITIONAL )</b>	
<b>OUTREACH EFFORTS )</b>	<b>TC05-058</b>

On April 5, 2005, the Public Utilities Commission (Commission) received a letter from Commission Staff asking that the Commission open a docket or conduct some other type of proceeding regarding the Lifeline and Link-Up programs. In its letter, Staff explained that the Federal Communications Commission (FCC) has revised its Lifeline and Link-Up programs and added new eligibility requirements as well as certification and verification procedures. *See In the Matter of Lifeline and Link-Up, WC Docket No. 03, 109, Report and Order and Further Notice of Proposed Rulemaking (rel. April 29, 2004).* Based on these revisions, Staff believes it would be beneficial for the Commission to review how Eligible Telecommunications Carriers (ETCs) are implementing these new requirements. In addition, Staff believes that the Commission should review how ETCs are advertising the availability of these programs to their customers and whether the Commission could provide additional assistance in outreach efforts.

In its Order, the FCC expands the federal default eligibility criteria. South Dakota is a default state; it does not have a state Lifeline-Link-Up program. The first change to the eligibility criteria is the addition of an income based criterion. Under this new criterion, a consumer may participate in the Lifeline-Link-Up program if the consumer's income is at or below 135% of the Federal Poverty Guidelines. Based on this criterion, a family of four whose annual income is at or below \$24,840 will now be eligible. The second change is to add the Temporary Assistance to Needy Families (TANF) as an eligibility criterion. The third change added participation in the National School Lunch's free lunch program (NSL). The Tribal TANF and Tribal NSL are already eligibility criteria for enhanced Lifeline-Link-Up on tribal lands.

In addition, for the new income-based eligibility criterion, the FCC found that the consumer must provide documentation of income eligibility at enrollment, e.g. a tax return or paycheck stub. The consumer must also self-certify, under penalty of perjury, the number of individuals in the household and that the documentation accurately represents the consumer's annual household income. In addition, an officer of the ETC must certify, under penalty of perjury, that the ETC has procedures in place to review income documentation and that, to the best of the officer's knowledge, the ETC was presented with documentation that the consumer's household income is at or below 135% of the Federal Poverty Guidelines.

The FCC also set up verification procedures for ETCs in federal default states. The FCC requires the ETCs to verify annually the continued eligibility of a statistically valid sample of the ETCs' Lifeline subscribers. The ETCs may do this by verifying directly with a state that a subscriber is participating in a qualifying program or is at a certain income level. Or the ETC may survey the subscriber directly and provide the results of the survey to USAC. The subscribers who are subject to the survey must prove their continued eligibility (e.g. by sending a copy of their Medicaid card or tax return) and self-certify, under penalty of perjury, the number of individuals in their household and that the documentation presented accurately represents their annual household income. The FCC also encourages the states to develop on-line verification systems to allow ETCs real-time access to a database of low-income assistance program participants or income reports.

In addition to adding to the eligibility criteria, the FCC also discussed outreach efforts. The FCC declined to adopt specific outreach procedures but did develop the following outreach

guidelines: (1) states and carriers should utilize outreach materials and methods designed to reach households that do not currently have telephone service; (2) states and carriers should develop outreach advertising that can be read or accessed by any sizeable non-English speaking population within a carrier's service areas; and (3) states and carriers should coordinate their outreach efforts with governmental agencies/tribes that administer any of the relevant government assistance programs.

Staff concluded its letter by stating that it believes that it would be beneficial for the Commission to review how the companies are implementing the new eligibility, certification, and verification requirements. In addition, the Commission could explore with other agencies whether it would be possible to develop a system to allow ETCs access to other agencies' databases of low-income assistance program participants or income reports. Finally, the Commission may want to work with the companies to develop outreach materials and methods. A possible outcome of this could be the development of specific advertising rules that would apply to ETCs.

At its April 12, 2005 meeting, the Commission considered Staff's request. The Commission has jurisdiction over this matter pursuant to SDCL 49-31-78 and 49-31-81. After listening to comments from Staff and representatives of telecommunications companies, the Commission voted to open a docket to review how the ETCs are implementing the new eligibility, certification, and verification requirements and to explore ways to work with the companies to develop outreach materials and methods. As the first step in this process, the Commission requires that all ETCs in South Dakota submit to the Commission the following: 1) the ETC's lifeline and link-up forms and promotional material; 2) a description of how the ETC advertises lifeline and link-up, including the form of advertisement and how often it advertises; 3) how the ETC is implementing the new certification procedures; and 4) how the ETC is implementing the new verification procedures. It is therefore

ORDERED, that this docket is opened to review how the ETCs are implementing the FCC's new eligibility, certification, and verification requirements and to explore ways to work with the companies to develop outreach materials and methods; and it is

FURTHER ORDERED, that each ETC in South Dakota shall provide the information as set forth above on or before May 20, 2005.

Dated at Pierre, South Dakota, this 15<sup>th</sup> day of April, 2005.

<b>CERTIFICATE OF SERVICE</b>	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Melaine Kolbo</u>
Date:	<u>4/18/05</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Gary Hanson  
GARY HANSON, Chairman

Robert K. Sahr  
ROBERT K. SAHR, Commissioner

Dustin M. Johnson  
DUSTIN M. JOHNSON, Commissioner