

**Before the
Federal Communications Commission
Washington, D.C. 20554**

| | | |
|------------------------------|---|---------------------|
| In the Matter of |) | |
| |) | CC Docket No. 96-45 |
| Federal-State Joint Board on |) | |
| Universal Service |) | |
| |) | |

**Comments of the
Regulatory Commission of Alaska**

Date: December 27, 2001

Patricia M. DeMarco, Commissioner
Regulatory Commission of Alaska

701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222/ fax (907) 276-0160

SUMMARY

The Regulatory Commission of Alaska (RCA) believes that no modifications to the existing Lifeline/Link-Up rules are necessary at this time. We recommend that the Federal Communications Commission (FCC) continue to allow state commissions to develop their own Lifeline/Link-Up eligibility criteria, and oppose converting to a single federal criterion. Allowing states to continue to develop their own criteria provides each state with the flexibility necessary to achieve maximum participation by eligible parties.

We support state commission discretion to (1) adopt eligibility criteria based on income, (2) encourage automatic enrollment where feasible, and (3) develop verification procedures to ensure Lifeline/Link-Up eligibility. A mandatory federal approach to income-based criteria raises several issues regarding implementation and fails to account for variations in per capita income and cost of living among the states. If the FCC strongly supports an income-based criterion, we believe that states should retain the authority to determine the appropriate income standard for their state. Mandatory automatic enrollment may be difficult to implement because of privacy issues and the need to coordinate among several federal, state, and local agencies. Mandatory verification procedures create enforcement problems and pose a disadvantage to consumers in more remote locations, such as Alaska's rural villages. Such procedures would most likely decrease rather than increase participation in the Lifeline/Link-Up programs.

We believe that the greatest need for reform is in the area of consumer education. A relatively low percentage of eligible households are enrolled in the Lifeline/Link-Up programs. Cooperative outreach efforts by the federal and state regulatory bodies, social

service agencies, and telecommunications companies will increase enrollment levels. We are currently examining consumer outreach alternatives.

TABLE OF CONTENTS

| | |
|--|------------|
| SUMMARY | i |
| TABLE OF CONTENTS | iii |
| INTRODUCTION..... | 1 |
| I. NO MODIFICATIONS TO LIFELINE/LINK-UP ARE NECESSARY | 1 |
| A. There Should Not Be A Single Federal Eligibility Criterion..... | 2 |
| B. There Should Not Be A Mandatory National Income-Based Criterion..... | 3 |
| C. There Should Not Be Mandatory Automatic Enrollment | 4 |
| D. There Should Not Be Mandatory National Verification Procedures | 4 |
| E. Each State Should Be Allowed To Develop Its Own Criteria | 5 |
| II. THE RCA SUPPORTS EFFORTS TO INCREASE ENROLLMENT IN THE LIFELINE/LINK-UP PROGRAMS..... | 5 |
| A. A Relatively Low Percentage of Eligible Parties Are Enrolled in or Aware Of Lifeline/Link-Up Programs..... | 6 |
| B. Cooperative Outreach Efforts Will Increase the Percentage of Eligible Parties Enrolled in Lifeline/Link-Up Programs..... | 6 |
| CONCLUSION | 7 |

**Before the
Federal Communications Commission
Washington, D.C. 20554**

| | | |
|------------------------------|---|---------------------|
| In the Matter of |) | |
| |) | CC Docket No. 96-45 |
| Federal-State Joint Board on |) | |
| Universal Service |) | |
| _____ |) | |

**COMMENTS OF THE
REGULATORY COMMISSION OF ALASKA**

INTRODUCTION

The Regulatory Commission of Alaska (RCA) appreciates the opportunity to respond to the Public Notice released by the Federal-State Joint Board on Universal Service on October 12, 2001 in CC Docket No. 96-45. The Public Notice sought comments on the review of Lifeline and Link-Up service for all low-income consumers. More specifically, the Public Notice requested comments on the effectiveness of the current Lifeline/Link-Up program, possible modifications to existing Lifeline/Link-Up rules, and whether outreach efforts to inform consumers of the Lifeline/Link-Up program have been sufficient to educate low-income consumers of the program. We believe that no modifications to the existing Lifeline/Link-Up rules are necessary. We believe that better cooperation among regulatory bodies, social service agencies, and local exchange carriers on consumer education and outreach is most likely to increase Lifeline/Link-Up enrollment.

I. NO MODIFICATIONS TO LIFELINE/LINK-UP ARE NECESSARY

We support the current system that gives states the authority to determine eligibility criteria and verification procedures within general federal guidelines. We

oppose mandatory income-based criteria and mandatory automatic enrollment because of implementation difficulties and the potential for unfair results. However, we are considering adopting a state-specific income-based criterion and we are pursuing cooperative efforts to increase Lifeline/Link-Up enrollment.

A. There Should Not Be A Single Federal Eligibility Criterion

The FCC requested comment on whether all states should be required to include the federal eligibility criteria in their respective programs, or whether the FCC should adopt one national standard for purposes of determining eligibility. Alaska eligibility requirements already include the federal default criteria and we would consider adding other federal guidelines if appropriate. However, we cannot support adding new federal criteria to the state's Lifeline criteria list without knowing what the new criteria might be. In addition, we believe that changing the current system of state-established criteria to a single federal criterion is contrary to the public interest.

Converting to a single federal criterion would disrupt the Lifeline program because each person currently enrolled would require reevaluation to determine whether they still qualify for the Lifeline/Link-Up program under the new rules. Such a review would be extremely time and labor intensive for all concerned. Some consumers find it difficult to complete the Lifeline enrollment process. Requiring them to reapply under new criteria may result in lost subscribership of eligible people solely due to the application process. In addition, a single federal criterion is not well suited to meet specific state needs and could prevent states from allowing Lifeline participation for those who might qualify through state administered social services programs. For example, in Alaska the state average per capita income level is slightly higher than the national average, but many rural

Alaskan villages have income levels far below the state or national average.¹ The cost of living in Alaska, especially in the villages is above the national average also.

B. There Should Not Be A Mandatory National Income-Based Criterion

The RCA opposes a mandatory income-based standard. Such an approach raises several concerns. States with higher average per capita income levels and cost of living would face a disadvantage. Statewide averages alone may not reflect the appropriate eligibility of people in remote or rural communities or of people within larger population centers who have special needs. A program based on national income standards also raises privacy protection issues. Government and social services agencies as well as utilities would have access to private income information to establish program eligibility. In a mandatory Lifeline/Linkup system it would be possible to exclude service to people who refused to disclose their private information. We found that privacy concerns are part of the reason for low participation in the existing system. Finally, we are concerned that converting to a totally new system based on mandatory federal standards with mandatory participation could have a high cost for agencies and utilities.

We support the current guideline that gives states the authority to determine a voluntary income-based standard appropriate to conditions in each state. We believe that each state should retain discretion to determine the appropriate income standard, allowing each to consider factors such as cost of living and median incomes in developing the eligibility income level.

¹Source: Per Capita Income by Area, Alaska 1994-98, US Department of Commerce, Bureau of Economic Analysis.

C. There Should Not Be Mandatory Automatic Enrollment

The RCA opposes mandatory automatic enrollment in the Lifeline/Linkup programs. A mandatory automatic approach to enrollment raises issues of privacy and may require state commission oversight to ensure compliance with automatic enrollment requirements. Privacy issues may complicate implementation. Even assuming that all federal, state, and local social services programs are able to provide client names to utilities for automatic enrollment purposes, consumers may object to their names being turned over to a telephone utility. In addition, state commissions may be forced into the untenable position of convincing potentially understaffed government agencies to commit resources to comply with automatic Lifeline/Link-Up enrollment procedures. We believe that this approach may be costly to implement and audit given the need to coordinate enrollment and cancellation lists from several agencies.

D. There Should Not Be Mandatory National Verification Procedures

We oppose mandatory national requirements that Lifeline customers periodically file affirmative proof of Lifeline/Link-Up eligibility. This requirement would unfairly burden Alaskans. Many of the eligible potential users of Lifeline/Linkup service live in rural areas not connected by roads. Rural Alaskan customers would have difficulty meeting this requirement because of lack of roads, language barriers, and the costs of travel to the location where the utility may have its offices. While we oppose a mandatory verification requirement, we intend to examine alternatives for periodic verification of Lifeline/Link-Up eligibility to ensure appropriate protection against program fraud. In addition, the FCC could consider withholding federal Lifeline support if investigation reveals that state verification processes result in undue fraud.

E. Each State Should Be Allowed To Develop Its Own Criteria

Federal regulations require an eligible telecommunications carrier providing Lifeline/Link-Up service to obtain the Lifeline customer's signed certification that he/she participates in at least one of the qualifying programs, and require the consumer to notify the carrier if he/ she ceases to participate in the identified program(s). Eligibility is linked to participation in qualifying programs, and a consumer dropped from a qualifying program also forfeits eligibility for Lifeline/Link-Up benefits.

Alaska has a relatively large number of seasonal workers, and individuals currently eligible for Lifeline would be dropped from the program for several months of the year due to the seasonal employment.² We believe that states should retain discretion over determining the appropriate eligibility criteria for Lifeline/Link-Up. Should the FCC adopt a national eligibility standard, Lifeline enrollment should be guaranteed for a specified minimum period of time, such as one year, to account for seasonal workers.

II. THE RCA SUPPORTS EFFORTS TO INCREASE ENROLLMENT IN THE LIFELINE/LINK-UP PROGRAMS

The RCA believes that the percentage of eligible people enrolled in the Lifeline/Link-Up programs could be significantly increased through cooperative outreach efforts by state commissions, social service agencies, and telecommunications companies.

²Major industries in Alaska include commercial fishing and related enterprises, road and home construction, and logging. Due to weather conditions and/or the cyclical nature of the activity, Alaskan employment levels increase significantly in the summer months. If a Lifeline customer is enrolled in a qualifying programs that measures eligibility by monthly income, the customer's eligibility for the qualifying program (and consequently the Lifeline program) would be lost during the summer months when the customer's monthly income increases.

A. A Relatively Low Percentage of Eligible Parties Are Enrolled in or Aware Of Lifeline/Link-Up Programs

At a recent workshop on Lifeline/Link-Up enrollment, an official from the Alaska Division of Public Assistance estimated that there are currently 70,000 recipients of some form of public assistance in Alaska. In May of 2001, there were only 8,483 Lifeline accounts in Alaska. As these figures indicate, there are a significant number of eligible households that are not currently enrolled in the Lifeline/Link-Up program.

B. Cooperative Outreach Efforts Will Increase the Percentage of Eligible Parties Enrolled in Lifeline/Link-Up Programs

Through the course of our workshop on Lifeline/Linkup, it became apparent that in Alaska factors contributing to low enrollment in the Lifeline/Link-Up programs include a general lack of consumer education efforts regarding those programs, language and cultural barriers, and the complexity of enrollment procedures. The RCA believes the largest impediment to higher Lifeline/Link-Up enrollment levels is the fact that many consumers are unaware of their eligibility for Lifeline/Linkup programs. Many consumers will continue to be unaware of Lifeline/Linkup opportunities without extensive consumer outreach efforts. Further, state social service administrators suggest that their clients find filling out the Lifeline/Link-Up forms to be a barrier to enrollment. They require personal assistance from a social worker or the utility employee. We conclude that Lifeline/Link-Up information is most effective in Alaska when it is conveyed in multiple languages, and when utilities provide assistance in completing the Lifeline/Link-Up enrollment process.

We have seen the benefits of specific outreach efforts in Alaska. One rural local exchange carrier (United Utilities, Inc.) successfully increased its Lifeline subscribership by going door-to-door with an interpreter in rural villages to sign up people for the

program.³ While this type of outreach might not be practical in larger cities, there are several other means of disseminating information regarding the Lifeline/Link-Up programs. We plan to promote such outreach efforts, and are currently considering several options:

1. A central hotline number for consumers to call for information on the Lifeline/Linkup programs;
2. A utility-neutral fact sheet describing the Lifeline/Link-Up programs, including a list of frequently asked questions;
3. Public announcements describing the Lifeline/Link-Up programs, using radio and TV media;
4. Websites with Lifeline/Link-Up program information (both the RCA web page and the pages of individual utilities and relevant social service agencies should contain this information);⁴ and
5. Internet links to Lifeline/Link-Up program information (perhaps from state, municipal, and federal social service agency web pages).

Cooperative outreach efforts will guarantee more consumers are informed about the Lifeline/Link-Up programs, resulting in higher enrollment. We also believe that state commissions should retain the authority to determine the appropriate outreach mechanisms so states can periodically adjust outreach efforts to maximize the effectiveness and efficiency of those efforts.

CONCLUSION

We support the current system of providing states with general discretion to determine the appropriate Lifeline eligibility criteria, and oppose mandatory federal eligibility criteria. Converting to a single federal standard would result in decreased

³As of December of 2001, United Utilities, Inc. has approximately 2,220 Lifeline accounts for a service area that includes approximately 6,876 residential access lines. The percentage of households enrolled in Lifeline/Link-Up programs in the service area of United Utilities is significantly higher than in other service areas in Alaska.

⁴This website could assist social service organizations to understand the Lifeline/Linkup program so as to help their clients participate.

subscriberhip in the Lifeline/Link-Up program, would require labor-intensive review of current recipients to eliminate those who do not qualify under the federal criteria, and would not recognize the specific needs of a particular state. Allowing state commissions to establish criteria provides the necessary flexibility to consider circumstances and low-income programs unique to the state, and is the best means to ensure that the highest percentage of eligible low-income consumers receive Lifeline/Link-Up support. The RCA also opposes mandatory national eligibility criteria based on income, and would prefer that states retain the discretion to determine whether to implement an income-based standard.

We also believe that verification procedures should be established by the state, allowing each individual state to implement a verification process that will not decrease Lifeline/Link-Up participation by eligible parties. We oppose mandatory automatic enrollment because of privacy issues and other factors contributing to complicate the implementation of an automatic enrollment process. We believe the interests of consumers would be better served by cooperative outreach efforts aimed at informing the public of Lifeline/Link-Up programs. We envision a process where federal, state and local regulatory bodies, social service agencies, and telecommunications utilities cooperate to ensure that Lifeline/Link-Up information reaches as large a segment of the low-income public as possible.

Respectfully Submitted this 27th day of December, 2001.

By Direction of the Commission
(Commissioner G. Nanette Thompson,
Chair, not participating)

By: /s/
Patricia M. DeMarco, Commissioner
Regulatory Commission of Alaska
701 West 8th Avenue
Anchorage, AK 99501