Jamie M. (Mike) Tan
Director
Federal Regulatory

AT&T Services, Inc.
1120 20th St. NW, Suite 1000
Washington, D.C. 20036
Phone 202 457-3035
Fax 202 457-2062
E-Mail: jamie.tan@att.com

April 15, 2010

VIA ELECTRONIC FILING

Ms. Marlene Dortch
Secretary
Federal Communications Commission
The Portals
445 12th Street SW
Washington DC 20554

Re: *In the Matter of Lifeline and Link-up*, WC Docket No. 03-109

Dear Ms. Dortch:

At the request of Commission staff, AT&T is filing this letter in the above referenced docket to provide an example of a state rule that limits the choices of lifeline subscribers to purchase optional features (i.e. "vertical services") as a condition of their enrollment in the lifeline program. Per rule 4901:1-4-06(B)(1)(c) of the Ohio Administrative Code:

> "…Optional features, other than call waiting, are prohibited unless the phone company receives a signed statement from the customer self-certifying that the feature is necessary for medical and/or safety reasons. Existing lifeline customers that have optional features prior to the adoption of this plan will be grandfathered into the lifeline program so long as the customer makes no changes whatsoever to their existing local exchange service. Telephone companies are prohibited from marketing vertical services to existing or new lifeline customers."[1]

While this rule remains effective today, the Ohio Commission issued an order (attached) in March 2007 granting a temporary waiver to AT&T Ohio to permit its Lifeline customers to purchase optional features without having to certify that such features are necessary for medical and/or safety reasons.[2] Also, under the terms of this waiver, AT&T Ohio is permitted to market such optional features to lifeline customers.

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[1] Available at: http://codes.ohio.gov/oac/4901%3A1-4-06.

[2] *In the Matter of the Application of AT&T Ohio for Approval of an Alternative Form of Regulation*, Case No. 02-3069-TP-ALT, (adopted March 7, 2007).

Should you have any questions regarding the above or the attached, please feel free to contact me directly.

Sincerely,

Attachment

Cc: Carol Mattey
Elise Kohn
Irene Flannery
Gina Spade

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of AT&T Ohio for Approval of an Alternative Form of Regulation.	)))	Case No. 02-3069-TP-ALT

ENTRY

The Commission finds:

(1) On March 7, 2007, the Commission issued an entry granting a limited waiver for a trial period regarding a January 12, 2007 request for waiver filed by AT&T Ohio. In its waiver, AT&T Ohio sought relief from Rule 4901:1-4-06(B)(1)(c), Ohio Administrative Code (O.A.C.), which restricts the purchase of vertical features by lifeline customers without a medical or safety self-certification. During this trial period, the Commission noted that lifeline customers would be permitted to purchase caller ID, three-way calling, and call-waiting from AT&T Ohio without having to certify that these optional services are necessary for medical or safety reasons.

Under this limited waiver, AT&T Ohio would also be permitted to offer lifeline customers who indicated a desire for any of these three features, its "Select Feature Package" (found in P.U.C.O. Tariff No. 20), without a self-certification, as long as that package continues to be priced at a bundled rate which is lower than the sum of the price of basic local exchange service plus the caller ID, three-way calling, and call-waiting features purchased individually. In all other respects, the current lifeline requirements would remain in effect. Lifeline customers would still be required to self-certify a need to purchase other optional features, and AT&T Ohio would still be prohibited from directly marketing other optional features or packages to lifeline customers. Additionally, the March 7, 2007 entry directed AT&T Ohio to collect and remit, on a monthly basis to Commission staff, certain data regarding lifeline enrollment to determine the appropriateness of terminating or extending the waiver indefinitely.

AT&T Ohio was instructed to file a letter in this docket within 30 days of the March 7, 2007 entry advising whether the

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company is going to operate pursuant to this limited waiver on a trial basis. The Commission continued that, should AT&T Ohio fail to file a letter within 30 days of the March 7, 2007 entry, this alternative, limited waiver authority would expire without further Commission action.

(2) On April 3, 2007, Parkview Areawide Seniors, Inc. (Parkview) filed a document seeking to clarify Parkview's position on AT&T Ohio's wavier request and seeking reconsideration and clarification on the limited waiver discussed in the March 7, 2007 entry.

(3) On April 6, 2007, AT&T Ohio docketed a notice advising the Commission that the company declines to accept the proposed limited waiver as set forth in the March 7, 2007 entry. AT&T Ohio notes that, in fulfillment of its commitment to the company's lifeline Advisory Board, AT&T Ohio will refile the same or similar waiver request should the Commission change its view on these issues.

(4) After weighing carefully all of the arguments in this case, the Commission determines that the requested waiver of Rule 4901:1-4-06(B)(1)(c), O.A.C., should be approved for a trial period until such time as the Commission rules otherwise. As a result, during this period, lifeline customers will be permitted to purchase optional services, in addition to call-waiting, either individually or in a package from AT&T Ohio without having to certify that the optional service is necessary for medical or safety reasons. Additionally, AT&T Ohio will be permitted to market such services and packages to lifeline eligible customers.

(5) In granting this waiver, the Commission notes that our overall interest with lifeline telephone service has always been to connect more customers to the telephone network and, more importantly, to keep those lifeline customers connected to the network once they have telephone service. The Commission remains concerned that direct marketing to lifeline customers could result in lifeline customers buying more expensive packages that provide a lot of extra features. This, in turn, could make these customers even more susceptible to disconnection for nonpayment, which is already a significant reason for lifeline customers dropping off the network.

Moreover, we note that lifeline customers enrolling in packages will lose pricing protections afforded in alternative regulation, since packages are priced at marked-based rates and can be increased at the company's discretion on 15-day's notice to customers.

That being said, however, the Commission also recognizes that the telecommunications marketplace has changed since the Commission first established the lifeline restrictions years ago. More and more customers have come to rely on features such as caller ID and three-way calling. We take note, in the letters of support, of the many instances cited in which lifeline customers could benefit from caller ID and three-way calling, and discounted packages including these features. The Commission also acknowledges that packages of service have become common in the industry, and some packages, such as AT&T's "Select Feature Package," could provide significant costs savings to lifeline customers who need these features. We also understand that some customers might find confusing and intimidating the requirement to self-certify that optional features meet a medical or safety need, thus, resulting in otherwise eligible customers possibly forgoing lifeline assistance. Further, the Commission realizes that more customers may be more easily enrolled in lifeline through an automatic process for qualifying programs, if the restriction on optional features is lifted. Thus, easing the lifeline restrictions could, on balance, result in more lifeline customers connected to the network, although some customers may fall off the network if they enroll in more expensive packages. Finally, the Commission takes comfort in the fact that our current rules require AT&T Ohio to maintain basic local service to a customer whose payment is sufficient to cover the price of basic local service, even if such payment is not sufficient to cover other regulated and unregulated services which may be on the bill.

Even more compelling, though, is the overwhelming support from the AT&T Ohio Lifeline Advisory Board and the significant number of outreach and social service agencies who voiced their views in support of this waiver. Presumably, these social service agencies, which represent the very customers intended to benefit from lifeline telephone service, are in a better position to judge whether low-income customers need

the protections our rules provide today. We are, therefore, hesitant to substitute our judgment for theirs on this issue, without further evidence that our concerns have merit.

Thus, in balancing all of the aforementioned concerns, the Commission will grant the waiver on a trial period, on the condition that AT&T Ohio collects data as set forth in this entry, in order that the Commission can monitor whether its concern for customers falling off the network is valid. During the trial period, the Commission intends to monitor closely AT&T Ohio's lifeline statistics to ensure that, on balance, lifeline customer's benefit from granting this waiver. We, therefore, direct AT&T Ohio to continue collecting the data the company already collects and reports to the AT&T Ohio Lifeline Advisory Board. In addition, we direct AT&T Ohio to collect data regarding (a) disconnection information for lifeline customers with BLES only compared to that for lifeline customers taking optional features, including the reasons for the disconnections tracked by category; (b) arrearage information for lifeline customers with BLES only compared to that for lifeline customers taking optional features; (c) the number of lifeline customers availing themselves of optional features versus the number of lifeline customers opting for BLES only; (d) the average bill for lifeline customers availing themselves of optional features who are disconnected; (e) the average number of vertical services and/or packages for lifeline customers availing themselves of optional features who are disconnected; and (f) lifeline enrollment data to gauge the growth of enrollment. We direct our staff to meet with AT&T Ohio to work out the data specifics and format. AT&T Ohio is instructed to collect and provide such data on a monthly basis to the Commission staff and the AT&T Ohio Lifeline Advisory Board. The Commission will review this data in the future, and determine the appropriateness of terminating or extending the waiver indefinitely.

It is, therefore,

ORDERED, That, in accordance with the above findings, AT&T Ohio is granted a waiver from the provisions of Rule 4901:1-4-06(B)(1)(c), O.A.C., until the Commission rules otherwise. It is, further,

ORDERED, That a copy of this entry be served upon all parties and interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

NO - Paul A. Centolella

Paul A. Centolella

Ronda Hartman Fergus

NO - Valerie A. Lemmie

Valerie A. Lemmie

Donald L. Mason

JRJ/vrm

Entered in the Journal

APR 25 2007

Reneé J. Jenkins
Secretary