# MISSOURI PUBLIC SERVICE COMMISSION

# FEDERAL COMMUNICATIONS COMMISSION

# COMMENTS OF THE

# PUBLIC SERVICE COMMISSION

# OF THE STATE OF MISSOURI

*April 2011*

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**BEFORE THE**
**FEDERAL COMMUNICATIONS COMMISSION**
**WASHINGTON, D.C.**

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**COMMENTS OF THE PUBLIC SERVICE COMMISSION**
**OF THE STATE OF MISSOURI**

The Public Service Commission of the State of Missouri ("MoPSC") submits comments in response to the Federal Communications Commission's (FCC's) Notice of Proposed Rulemaking (NPRM) released on March 4, 2011. The comments submitted in this filing primarily attempt to provide feedback on issues presented in the FCC's latest NPRM where the FCC is seeking state regulatory input; however, these comments also provide some limited input on basic policy issues relating to Lifeline and Link Up reform and modernization.

## Executive Summary

Overall, the MoPSC supports many of the FCC's proposed reform measures for the Lifeline and Link Up programs. In general, the MoPSC supports proposals improving the integrity of the program by ensuring program participants meet eligibility requirements. Likewise, the MoPSC supports proposals that help ensure support is really needed whereby an ETC is not attempting to game the system to receive maximum funding support. Consumers participating in the program need to also accept certain responsibilities. Consequently any consumer failing to fulfill such responsibilities should be de-enrolled from the program. The MoPSC supports many of the FCC's proposals where the FCC appears to share these views.

Perhaps the issue of greatest concern to the MoPSC pertains to instances where the FCC is seeking feedback to proposals that potentially may mandate certain responsibilities to state social service agencies. Although the MoPSC is unaware of any legal authority for the FCC to place a mandate on a state's social service agency the FCC needs to be aware that state budgets are tight. Therefore the FCC should not attempt to impose an unfunded mandate for a state's social service agency to coordinate enrollment whereby a consumer can simultaneously sign-up for a qualifying public assistance program and the Lifeline program. In addition the FCC should not attempt to impose an unfunded mandate for a state's agency's participation in developing and maintaining a national database for use in verifying eligibility. A national database is a noble concept but the logistics of developing and maintaining such a database are significant. If the FCC desires the assistance of state agencies then the FCC should be prepared to provide cost-recovery funding to these agencies.

The MoPSC previously submitted comments to the FCC supporting Lifeline and Link Up reform and modernization.[1] These comments provide feedback to many of the proposals contained in the FCC's latest NPRM; however, first these comments will provide some basic information about Missouri's low-income program.

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[1] MoPSC comments filed July 16, 2010 in WC Docket No. 03-109. *In the Matter of Federal-State Joint Board on Universal Service Lifeline and Link Up.*

## I. Missouri's Low-Income Program

Missouri is classified by the FCC as a non-default state whereby Missouri maintains its own low-income program.[2] Missouri's low-income program began in 2005. Low-income support is provided by the Missouri and federal universal service funds. Missouri's statutes authorized the MoPSC to initiate the Missouri USF.[3] The MoPSC established and maintains rules regarding the Missouri USF.[4] The Missouri USF is administered by an independent third party.[5] Descriptions, forms and other information about the low-income program can be found on the web site maintained by the Missouri USF administrator.[6] The number of low-income participants in Missouri is 56,232 as of February 2011. This number has declined by approximately 4,000 subscribers over the past twelve months.

Missouri's low-income program is presumably similar to low-income programs available in other states. Nevertheless, two distinguishing characteristics should be noted about Missouri's low-income program:

A. Missouri requires consumers to submit proof of eligibility when applying for the low-income program. Proof of eligibility must also be provided during the annual verification process. The telecommunications company must develop a process for recording the type of documentation received.[7]

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[2] Missouri also maintains a discounted telephone service program for qualifying disabled consumers. The disabled program is limited to providing a monthly $3.50 state discount to consumers meeting certain disabled criteria.

[3] Section 392.248 RSMo.

[4] Missouri PSC rules regarding the Missouri USF are contained in 4 CSR 240-31.

[5] Central Bank is the current Missouri USF administrator. This arrangement was initiated through a competitive bid process whereby the Missouri USF Board selects the winning bid. The current contract expires in July 2011. Currently, requests for proposals are being solicited from potential bidders.

[6] www.missouriusf.com

[7] See MoPSC rule 4 CSR 240-31.050(3)(D)2 and 2A.

B. Eligibility criteria are limited to the participation in certain programs.[8] Perhaps stated differently, this criteria does not include the federal eligibility criteria of a household's income be 135% or below of federal poverty guidelines.

MoPSC rules describe how the Missouri Commission or its Staff can conduct periodic, random audits.[9] Last year, the MoPSC Staff conducted such an audit whereby companies participating in the low-income program were required to submit descriptions of various processes and procedures used by the company to administer the program. In addition, companies were directed to provide copies of the application forms of certain subscribers participating in the program as randomly selected by the MoPSC Staff. The MoPSC Staff attempted to independently verify if the randomly selected subscribers remain eligible for the program by contacting appropriate state and federal agencies administering the qualifying programs. This effort proved to be difficult since no state or federal agency would allow the MoPSC Staff to gain direct access to relevant databases. The Missouri Department of Social Services was willing to conduct verification of subscriber participation in certain programs; however, no federal agency was willing to provide assistance.[10] Therefore MoPSC Staff was able to independently verify only 284 out of approximately 700 audited customers.

[8] For a list of Missouri's eligibility criteria see MoPSC rule 4 CSR 240-31.010(9) or see the consumer application form found on www.missouriusf.com under "printable forms" and then "application for low-income or disabled discounts…"

[9] MoPSC rule 4 CSR 240-31.050(3)(H).

[10] The Missouri Department of Social Services is only able to verify eligibility in the following four programs: Missouri Healthnet, food stamps, LIHEAP, and Temporary Assistance for Needy Families.

## II. Immediate Reforms to Eliminate Waste, Fraud and Abuse

The FCC is seeking feedback on various proposals to eliminate waste, fraud and abuse. The FCC has grouped these reform efforts into certain categories and the following categories will be discussed: Duplicate Support, Eliminate Reimbursement for Toll Limitation Service, Customary Charges Eligible for Link Up, Customer Usage of Lifeline-Supported Service, De-enrollment Procedures and Audits.

### 1. Duplicate Support

This portion of the FCC's NPRM seeks feedback on proposals designed to limit instances whereby duplicate support is provided to a consumer. In general, the MoPSC supports the FCC's recommendations.

*A. Require applicants to have a residential address.*

The FCC seeks feedback on whether to codify in a rule the current practice of requiring a unique residential address.[11] Consumers should not be permitted to simply use a P.O. Box as their mailing address. This proposal is reasonable because without a residential address it will be very difficult, if not impossible, for anyone to verify if a consumer is receiving duplicate support.

*B. Require ETCs to provide unique household-identifying information to USAC on Form 497 but don't require a social security number*

The FCC is proposing ETCs provide unique household-identifying information to USAC in a consistent electronic format.[12] Presumably this proposal is intended to enable USAC to identify households where duplicate support is being provided. Although this proposal may complicate USAC's role, the MoPSC supports this effort. In discussing

[11] Paragraph 53 of the FCC's NPRM.
[12] Paragraph 56 of the FCC's NPRM.

this proposal the FCC suggests an applicant's social security number may be one of several requirements a company provides to USAC in Form 497. In Missouri an applicant's social security number used to be required as part of the application process; however, this past year this requirement was dropped. Many companies were uncomfortable with requiring such information. Therefore, the MoPSC recommends the FCC use other unique household-identifying information than a subscriber's social security number.

**2. Eliminate Reimbursement for Toll Limitation Service[13]**

*A. Support the elimination of toll limitation service*

The MoPSC supports the FCC's proposal to eliminate reimbursement for toll limitation service. The MoPSC agrees reimbursing companies for providing toll limitation service has outlived its usefulness. The $23 million projected savings is significant and using this savings for a pilot program for broadband support has merit.

**3. Customary Charges Eligible for Link Up**

*A. Support most of the FCC's Link Up Proposals*

The MoPSC supports most of the FCC's proposals regarding Link Up disbursements. For example, Link Up should only reimburse activation charges routinely imposed by a company to all of its customers. Likewise, ETCs should be required to certify that its activation charge is equally applicable to all customers.[14] The FCC should also amend its rules to prohibit ETCs from seeking more than one Link Up subsidy for

[13] Paragraph 70 of the FCC's NPRM.
[14] Paragraph 72-74 of the FCC's NPRM.

the same customer at the same location. These proposals are simply common sense and help ensure companies are not abusing the program to gain maximum funding.

The MoPSC is unsure about some of the other Link Up proposals. For instance the FCC asks if resellers should be prohibited from imposing a connection charge on consumers if the underlying wholesale provider has not assessed a similar connection charge on the reseller.[15] If the FCC intends to establish this prohibition then the FCC should attempt to explain how this restriction should be administered and enforced. Admittedly, resellers enjoy some degree of anonymity since resellers are not required to obtain ETC status.[16] In the bigger picture, more should perhaps be done to ensure resellers comply with all requirements and perhaps require a reseller to obtain some form of limited ETC status.

The FCC seeks feedback on whether the $30 cap for Link Up reimbursement should be reduced.[17] Most landline carriers have installation charges less than $30. The record is unclear regarding wireless carriers. Absent more information the MoPSC recommends simply maintaining the $30 cap.

### 4. Customer Usage of Lifeline-Supported Service

*A. Support proposal to stop reimbursement if a Lifeline customer fails to use service for 60 consecutive days.*

The MoPSC supports the FCC's proposal to prohibit ETCs from seeking reimbursement for any Lifeline customer who fails to use the service for 60 consecutive

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[15] Paragraph 76 of the FCC's NPRM.

[16] MoPSC rule 4 CSR 240-31.050(2)(D)1 simply requires the wholesale provider to obtain a certification from the reseller that it is complying with all MoPSC requirements governing the low-income program.

[17] Paragraph 78 of the FCC's NPRM.

days.[18] Such a requirement is critical to ensure the service is being used especially in situations when an ETC's Lifeline service is basically free to the consumer and no bill is sent to the consumer. Essentially this requirement will have the subscriber de-enrolled in the program or even have service eliminated if they fail to use the service for 60 consecutive days. Although the MoPSC supports this provision, the FCC should ensure companies adequately notify consumers about the consequences of failing to use the service for 60 consecutive days.

*B. Oppose proposals for minimum monthly rate or one-time charge.*

The MoPSC is skeptical of the FCC's suggestion of establishing a requirement for a minimum monthly rate for all Lifeline subscribers or alternatively to have Lifeline subscribers pay a $10 or $15 charge on a one-time basis.[19] Although these suggestions appear to be to be based on addressing whether a subscriber receiving a free service really wants the service, these suggestions appear to contradict the FCC's specific program goals stated in its NPRM.[20] In contrast to this proposal, establishing a requirement to de-enroll a subscriber if they don't use a service in 60 days may adequately address such a concern.

**5. De-enrollment Procedures**

*A. Support FCC's proposal to de-enroll a customer*

The FCC is proposing three ways customers be de-enrolled from the program:

[18] Paragraph 82 of the FCC's NPRM.

[19] Paragraphs 85-87 of the FCC's NPRM.

[20] Paragraphs 33-38 of the FCC's NPRM identifies the FCC's three specific goals.

(1) Subscriber receives duplicate support and fails to select one ETC in the allotted time frame. (2) Subscriber does not use service for 60 days. (3) Subscriber fails to respond to eligibility verification survey. The FCC proposes subscribers be notified that they will be de-enrolled from the program if they do not take action within 60 days.[21]

The FCC's proposals are reasonable. Missouri PSC rules require a company to terminate an individual's enrollment if the individual ceases to meet eligibility requirements or refuses to authorize confirmation of participation in a qualifying program. Companies are required to provide a letter of termination to the subscriber whereby the subscriber has sixty days to demonstrate continued eligibility or low income or disabled support will no longer be provided.[22]

## 6. Audits

*A. Support proposal to audit new ETCs after the first year*

The FCC proposes all new ETCs be audited by USAC after the first year.[23] The MoPSC supports this proposal. At a minimum these audits should attempt to address the following issues:

A. Ensure the customer application form used by the ETC is consistent with any approved or required form.

B. Ensure an ETC has a reasonable process for recording the type of documentation received from the customer that the customer participates in a qualifying program.

C. Ensure an ETC has a reasonable process for returning or destroying the documentation once recorded.

D. Ensure the ETC has a reasonable process for annually verifying a customer's continued eligibility.

[21] Paragraph 93 of the FCC's NPRM.

[22] MoPSC rule 4 CSR 240-31.050(3)(F).

[23] Paragraph 98 of the FCC's NPRM.

E. Ensure the ETC has a reasonable process for terminating an individual's enrollment.

F. Ensure the ETC is providing the appropriate level of discounts to customers.

G. Ensure the ETC's outreach and advertising are reasonable and not deceptive or misleading.

H. Ensure the ETC is appropriately remitting revenues to the federal universal service fund and state universal fund, if appropriate.

*B. Support the concept of freezing future payments or revoking ETC status if an audit reveals an ETC is in non-compliance; however, ensure states have an opportunity for input before taking punitive action*

The MoPSC acknowledges the FCC's rules already provide USAC with the authority to suspend support to a non-compliant ETC. Unfortunately the FCC's rules on this issue are somewhat vague. In addition, the MoPSC finds it difficult to determine when USAC might suspend payment especially when USAC's audit findings have never been shared with the MoPSC.[24] Regardless, the FCC should establish certain parameters for USAC's audits.

The MoPSC recommends the following procedure for any USAC audit of an ETC. USAC should be required to provide any and all audit results and recommendations to the relevant state commission of a non-default state. Presumably these results should also include any written feedback from the ETC to USAC's findings and proposed recommendations. If USAC intends to suspend future payments or possibly somehow revoke ETC status then states should be given a minimum of ten days to review USAC's audit findings before USAC takes punitive action. USAC should be allowed to proceed with its recommendation unless the state commission notifies the

[24] The MoPSC has never seen an audit report produced by USAC. Moreover, the MoPSC has never been formally notified by USAC of its plan to audit certain companies even though the MoPSC has been expected, on occasion, to respond to USAC questions or provide certain documentation during an audit.

FCC and USAC of its opposition to USAC's recommendation. The FCC should step-in if a state commission and USAC are unable to resolve the matter in a timely manner. Although it is doubtful any state commission will disagree with USAC's recommendation, such an arrangement will help ensure state commissions have an opportunity for input into such decisions.

## III. <u>Clarifying Consumer Eligibility Rules</u>

This section of the FCC's NPRM attempts to clarify consumer eligibility rules. The MoPSC supports most of the FCC's recommendations; however, it opposes the proposal to provide support for one wireless service per eligible adult.

### *A. Support proposal to adopt a one-per-residential address requirement in FCC's rules*

The FCC is proposing to codify a requirement that limits Lifeline discounts to one discount per residential address.[25] This proposal is reasonable and consistent with the current expectation that such discounts are limited to one per household. For example the current Missouri application form used by consumers requires applicants to confirm this issue.

### *B. Support proposal for subscribers to certify the provided address is their principal residence*

The FCC seeks comment on whether subscribers should certify that the address provided is their principal residence in order to receive Lifeline and Link Up support.[26] Requiring subscribers to certify that the address is their principal residence is a reasonable requirement. There are instances where it may be unclear if a member of a

[25] Paragraph 106 of the FCC's NPRM.

[26] Paragraph 115 of the FCC's NPRM.

household is using the location as their principal residence. Therefore such certification from the subscriber is a simple way to address this issue, and potentially provide additional documentation for ensuring the subscriber is only receiving support for service at one address.

*C. Oppose proposal to provide support for one wireless service per eligible adult*

The FCC seeks comment on providing support for one wireless service per eligible adult rather than one service per residential address.[27] This proposal is excessive and will strain the fund. More specifically, this proposal conflicts with the FCC's third stated goal of ensuring universal service policies provide Lifeline support that is sufficient but not excessive to achieve the FCC's goals.

## IV. Constraining the Size of the Low-Income Fund

*A. Oppose capping the Lifeline/Link Up program*

The FCC seeks comment on the general concept of capping the size of the Lifeline/Link Up program to 2010 disbursement levels.[28] The FCC also attempts to explore this concept by asking whether a national cap is more efficient or whether a state-by-state cap might be more equitable. The FCC's failure to clearly explain how a cap might work makes this proposal premature. Although the FCC should be applauded for exploring ways to limit the size of the fund, the concept of capping the amount of funding for the Lifeline/Link Up program lacks sufficient details to give it serious consideration. Until the FCC explains basic logistics of how any cap might work (i.e., what should happen when the cap is reached) the MoPSC is opposed to this proposal.

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[27] Paragraph 110 of the FCC's NPRM.

[28] Paragraphs 145-148 of the FCC's NPRM.

## V. Improving Program Administration

### 1. Eligibility Criteria

*A. Support proposal to require all consumers to present documentation of program eligibility when enrolling*

The FCC proposes to eliminate self-certification and require all consumers to present documentation of program eligibility when enrolling.[29] The MoPSC supports this proposal. As explained earlier in these comments Missouri applicants are already required to submit documentation of program eligibility when they apply to the program. This requirement applies to all ETCs, whether wireline, wireless or prepaid wireless.

*B. Support a requirement for all states to use, at a minimum, the program criteria currently used by federal default states if such a proposal does not include the income-based criterion*

The FCC proposes to require all states to use, at a minimum, the program criteria currently used by federal default states.[30] The MoPSC supports this proposal if it is limited to the specific programs identified in Footnote No. 274 of the FCC's NPRM. If the FCC intends this criteria to include the eligibility criteria of 135% or less of the federal poverty level then the MoPSC opposes this proposal. Missouri currently does not use this eligibility criterion and believes it will complicate program administration. For example it remains unclear what documentation should be required from an applicant to ensure the applicant meets this particular eligibility criterion. Rather than resort to a requirement for applicants to submit a copy of their most recent tax return or similar financial document it seems more reasonable to simply limit eligibility criteria to specific programs, which have less intrusive verification methods.

[29] Paragraph 150 of the FCC's NPRM.

[30] Paragraph 154 of the FCC's NPRM.

## VI. Certification and Verification of Consumer Eligibility

This portion of the FCC's NPRM attempts to seek comment related to various proposals concerning ensuring consumers are eligible to participate in the Lifeline program. As previously discussed, Missouri already requires applicants to submit proof of participation in a qualifying program. Missouri's annual verification process is described in MoPSC rule 4 CSR 240-31.050(3)(E). Essentially these rules require an ETC to establish procedures to verify a customer's continued eligibility. State verification procedures may include, but are not limited to, compliance with federal verification requirements, processes or guidelines. In general, the MoPSC supports many of the FCC's proposals within this section. Feedback is also provided on some additional issues raised by the FCC.

### *A. Support proposal to ensure at the time of enrollment and during annual verification that only one Lifeline service will be/is received at that address*

The FCC seeks comment on its proposal to ensure at the time of enrollment only one Lifeline service will be received at that address. In addition, the FCC proposes to ensure this requirement is met during annual verification.[31] The MoPSC supports these proposals. Missouri's application for low income form already requires applicants to confirm the statement, "…I confirm local voice service discounts under the low income or disabled programs are limited to one per household." Ensuring continued compliance of this requirement within the context of the annual verification process is a good practice.

[31] Paragraph 167 of the FCC's NPRM.

*B. Support the proposed requirement for a consumer to notify the ETC within 30 days if the consumer has knowledge he/she no longer qualifies for the Lifeline program*

The FCC seeks comment on its proposal to require a consumer to notify the ETC within 30 days if the consumer no longer qualifies for the Lifeline program.[32] For instance a consumer will be required to notify the ETC if the consumer no longer participates in a qualifying program or is receiving duplicate support. Missouri's application form for the low income program requires the applicant to notify the local voice provider immediately if the household ceases to participate in the qualifying programs. The FCC's proposals are common sense requirements for reducing waste, fraud and abuse.

*C. Support the "sample-and-census approach" for annual verification*

The FCC proposes to establish a consistent annual verification methodology for all states; however, the FCC seeks comment on two proposals.[33] The MoPSC supports the sample-and-census approach for it appears to be more stringent than simply modifying the current sampling formula. For example, both approaches allow an ETC to conduct annual verification by using sampling methods; however, the sample-and-census approach is ultimately more thorough because it will require the ETC to verify eligibility of all customers if sampling results exceed a certain threshold. The FCC's proposal is reasonable to set a 5% threshold (if 5% or more of the sampled customers are ineligible) for a trigger to conduct verification of all customers. Most ETCs operating in Missouri already conduct annual verification by contacting all Lifeline subscribers. Such an

[32] Paragraph 172 of the FCC's NPRM.

[33] Paragraphs 182-189 of the FCC's NPRM.

approach of annually verifying all subscribers should obviously be allowed to continue. Nevertheless, establishing minimum verification requirements is a positive development.

### *D. Support proposal to require non-responding Lifeline subscribers to an annual verification survey to be de-enrolled*

The FCC proposes to require ETCs to de-enroll a subscriber who declines to respond to an ETC's verification attempts.[34] This proposal is reasonable. Consumers need to take some degree of responsibility to ensure they remain qualified for participation in the program. All ETCs in Missouri already de-enroll subscribers failing to respond to the ETC's annual verification survey.[35]

### *E. An ETC's annual verification results should be submitted to the state commission*

The FCC seeks comment on whether verification results submitted to USAC and the FCC should be shared with all states.[36] In its capacity of granting ETC status to carriers as well as help in administering the Lifeline program, states have a strong interest that ETCs conduct annual verification and ensure consumers remain eligible for the program. Although MoPSC Staff can obtain verification results from ETCs by asking for such results; a better process would be to simply require ETCs to automatically submit such results to the state commission.

## VII. Coordinated Enrollment

This section of the FCC's NPRM contains some very significant proposals with implications for states. The MoPSC cautions the FCC on burdening states with unfunded

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[34] Paragraph 192 of the FCC's NPRM.

[35] MoPSC rule 4 CSR 240-31.050(3) describes the de-enrollment process.

[36] Paragraph 194 of the FCC's NPRM.

mandated responsibilities. Instead, the FCC should attempt to encourage state participation if the FCC desires to coordinate enrollment and create a national database.

*A. Coordinated enrollment should not be mandated*

The FCC seeks comment on whether coordinated enrollment should be mandated so that a consumer can simultaneously enroll in the Lifeline and Link Up program at the same time of enrolling in a qualifying public assistance program.[37] Coordinated enrollment is a good practice and should be encouraged; however, coordinated enrollment should not be mandated. Missouri's Department of Social Services maintains information about the Lifeline program, but the FCC should not expect or require any government agency to collect and forward to ETCs completed Lifeline application forms. The FCC's NPRM admits the record is not well-developed on the issue of coordinated enrollment. Specific details, including cost information, of how such a mandate might work need to be addressed before serious consideration is given to such a mandate.

*B. The MoPSC has reservations concerning the creation of a national database*

The FCC is proposing to create a national database to verify consumer eligibility, track verification and check for duplicate support recipients.[38] The concept of maintaining some form of database allowing verification of consumer eligibility is noble but the issues associated with such a database are great. The MoPSC's experience is that government agencies of qualifying programs are very reluctant for outside parties to gain access to such databases. In fact, the MoPSC has been unsuccessful in such attempts.[39]

[37] Paragraph 201 of the FCC's NPRM.

[38] Paragraph 207 of the FCC's NPRM.

[39] The issue of establishing some form of database whereby an ETC could gain access to verify eligibility was explored in Case No. TA-2009-0327, *In the Matter of the Petition of TracFone Wireless, Inc. for*

Government agencies, especially Missouri's Department of Social Services, are not in a position to develop a new database system that outside parties can access. Cost of developing and maintaining such a system is one issue. Privacy concerns are another issue since such databases typically contain sensitive consumer information.

The MoPSC supports the concept of a national database; however, such a database may be limited to a federal national database. If the FCC intends to create a national database the FCC should not attempt to require the participation and assistance of state agencies. The MoPSC is unaware of any legal authority available to the FCC to mandate the assistance and participation of a state social service agency.[40] In addition, most states are experiencing budget concerns and are not in position to comply with an unfunded mandate. Consequently the FCC should expect to pursue the concept of a national database using the assistance of solely federal agencies. State agencies might be in a better position to help with a database if the FCC somehow provides funding assistance directly to a state agency to help recover any costs incurred by a state agency in helping develop and maintain such a national database. Therefore the FCC should not expect or require a state agency to help administer a national database.[41]

## VIII. Consumer Outreach & Marketing

### *A. Support efforts to create marketing guidelines for ETCs*

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*Designation as an Eligible Telecommunications Carrier in the State of Missouri for the Limited Purpose of Offering Lifeline and Link Up Service to Qualified Households.*

[40] Paragraph 215 of the FCC's NPRM seeks comment on the FCC's authority to require state agencies to provide inputs into a national database.

[41] The FCC appears to be exploring various ways for state agencies to be involved in the creation of a database. For instance Paragraph 208 of the FCC's NPRM suggests state agencies might be best suited for the administration duties associated with a database. Likewise, Paragraph 209 of the FCC's NPRM describes an AT&T proposal whereby states would be responsible for providing input into a database.

The FCC seeks feedback on whether to impose marketing guidelines on ETCs to ensure that consumers fully understand the benefit being offered.[42] The FCC should create marketing guidelines for ETCs. Listed below are recommended guidelines:

> Any Lifeline-related advertising by an ETC must clearly identify the name of the company. The MoPSC Staff has seen Lifeline ads whereby the name of the company is not revealed. Instead the ads simply direct potential applicants to a web site. Moreover the web site fails to identify the company.
>
> Any Lifeline-related advertising should clearly indicate the service is part of the Lifeline and Link Up programs.[43] Such a requirement may help address the duplicate support issue.
>
> Any Lifeline-related advertising should not intentionally mislead consumers. For example, the MoPSC Staff has seen Lifeline ads where the primary message is "Free Phone Service" but the company is really only waiving the first month's recurring charges. Likewise some Lifeline ads state, "Limited Time Offer" in an attempt to immediately sway customers to take their service. Such advertising practices should be prohibited.

**Summary**

In summary, the MoPSC supports efforts to reform and modernize the Lifeline and Link Up program. The FCC's proposals to address duplicate support concerns are fine; however, the FCC should avoid a requirement for a consumer's social security number. The MoPSC generally supports the FCC's proposals to de-enroll a customer but opposes a requirement for a minimum monthly charge. USAC should audit new ETCs after the ETC's first year. The MoPSC supports the FCC's efforts to clarify consumer eligibility. One discount-per household should be a requirement as well as requiring consumers to certify their principal address. The MoPSC opposes the FCC's proposal to

[42] Paragraph 227 of the FCC's NPRM.

[43] This recommendation is also presented in Paragraph 237 of the FCC's NPRM.

provide support for wireless service per eligible adult. This proposal is excessive and will strain the fund.

MoPSC opposes self-certification and has provided input regarding Missouri's verification process. Verification should be completed to ensure only one Lifeline service will be received at an address. The MoPSC cautions the FCC on burdening state agencies with unfunded, mandated responsibilities. Such state agencies may not be equipped to assist with developing and maintaining a new database system or complying with a mandate for coordinated enrollment. The MoPSC recommends the FCC establish a limited number of compliance requirements for Lifeline advertisements.

Respectfully submitted,

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