



Via Electronic Mail

January 10, 2012

Sharon Gillett
Chief, Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Low Income Verification Results (WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45)

Dear Ms. Gillett:

On April 29, 2004, the Federal Communication Commission (Commission) released an order on Lifeline and Link Up, which added new verification and certification requirements for eligible telecommunications carriers (ETCs).¹ The verification rules require ETCs in states that do not mandate state Lifeline and Link Up support (federal default states) to verify a statistically valid sample of their Lifeline customers each year and submit the results to USAC.² In addition, ETCs serving in states with state-mandated Low Income programs (non-federal default states) must document compliance with the states' Lifeline and Link Up verification procedures.³ Although they are not required to do so by the Commission's rules, several non-federal default states also require companies to submit their verification results to USAC.⁴

Companies are required to use the OMB-Approved *Annual Lifeline Certification and Verification Letter* (Form number 3060-0819) to submit their certifications and verification results to USAC by August 31st of each year. Prior to 2008, companies were required first to submit an initial response indicating how many customers were eligible, how many were ineligible and how many had not yet responded. Companies then filed a follow-up response indicating how many of the consumers who did not initially respond to the survey subsequently provided proof of eligibility. Beginning in 2008, the sample letter no longer required ETCs to report those subscribers who indicated that they were no longer eligible separately from those that did not respond to the verification survey. Between 2008 and 2010, companies reported nonresponsive customers as "ineligible."⁵

¹ In the Matter of Lifeline and Link Up, WC Docket No. 03-109, *Report and Order and Further Notice of Proposed Rulemaking*, 19 FCC Rcd 8302 (2004) (*2004 Lifeline and Link Up Order*).

² 47 C.F.R. § 54.410(c). The federal default states are American Samoa, Delaware, Hawaii, Indiana, Iowa, Louisiana, New Hampshire, North Dakota, the Northern Marianas Islands, and South Dakota.

³ *2004 Lifeline and Link Up Order* at para. 34.

⁴ Alabama, Arizona, Arkansas, New York, North Carolina, Pennsylvania, and West Virginia require ETCs to file verification results with USAC.

⁵ Starting in Funding Year 2011, carriers separately reported the number of consumers found to be ineligible and consumers who failed to respond to the carrier's verification survey. See

Sharon Gillett
Wireline Competition Bureau
January 10, 2012

USAC collects and compiles the verification results submitted by ETCs. USAC maintains a database to track each sample letter that was received from an ETC, the date it was received, whether it was a verification or certification, and if it was signed by an officer. If the sample letter is a verification, USAC records the number of customers surveyed, the number of customers deemed eligible, the number of customers found to be ineligible, and if applicable, the number of customers that did not respond. USAC sends the results to the Chief of the Commission's Telecommunications Access Policy Division annually.

Results

Attachment 1 includes the verification results submitted by ETCs between 2007 and 2010. Attachment 1 includes results submitted by in federal default states and ETCs in non-federal default states that require ETCs to submit verification results to USAC.

The results are summarized below.

Year	Subscribers Surveyed	Number Found Ineligible (Excludes Non-responders)	Percent Found Ineligible (Excludes Non-responders) ⁶	No Response to Survey	Percent No Response to Survey	Number Deemed Ineligible (Includes Non-Responders)	Percent Deemed Ineligible (Includes Non-Responders)
2007	203,057	23,360	12%	19,572	10%	N/A	N/A
2008	86,343	N/A	N/A	N/A	N/A	29,986	35%
2009	336,079	N/A	N/A	N/A	N/A	52,776	16%
2010	61,370	N/A	N/A	N/A	N/A	15,103	25%

Please do not hesitate to contact me with any questions.

Sincerely,

//s//

Karen Majcher
Vice President High Cost and Low Income Division

Attachment

http://www.usac.org/_res/documents/li/pdf/Annual-Lifeline-Certification-Verification-letter-for-OMB-and-USAC.pdf.

⁶ The number and percentage of subscribers reported ineligible in 2007 are lower than in later years because carriers were instructed to exclude those who did not respond to the verification survey from the category of ineligible subscribers. Beginning in 2008, the Commission required carriers to report any non-responsive subscribers as ineligible.

Low Income Verification Results (WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45) - 2007

STATE	Number of ETCs in 1Q2007	Total ETCs Submitting Results	Percent Submitting	Subscribers Surveyed	Number Found Ineligible	No Response To Survey	Percent Deemed Ineligible (excludes subscribers who failed to respond)	Percent No Response
FEDERAL DEFAULT STATES								
American Samoa	3	3	100.00%	154	3	0	2%	0%
Delaware	2	1	50.00%	250	4	162	2%	65%
Hawaii	3	3	100.00%	296	54	11	18%	4%
Iowa	248	244	98.39%	9,492	1,646	1,219	17%	13%
Indiana	52	52	100.00%	2,669	991	1,065	37%	40%
Louisiana	33	32	96.97%	2,141	673	175	31%	8%
New Hampshire	13	13	100.00%	483	108	212	22%	44%
North Dakota	42	40	95.24%	2,795	342	574	12%	21%
Northern Mariana Islands	2	2	100.00%	947	0	0	0%	0%
South Dakota	49	46	93.88%	1,823	472	447	26%	25%
TOTALS	447	436	97.54%	21,050	4,293	3,865	20%	18%
STATE MANDATES ETCs TO FOLLOW FEDERAL VERIFICATION PROCEDURES								
Arkansas	31	27	87.10%	5,650	1,608	296	28%	5%
New York	55	45	81.82%	4,208	624	585	15%	14%
North Carolina	29	13	44.83%	10,534	940	600	9%	6%
TOTALS	115	85	73.91%	20,392	3,172	1,481	16%	7%
STATE MANDATES THEIR OWN VERIFICATION PROCEDURES AND REQUIRES ETCs TO SUBMIT RESULTS TO USAC								
Alabama	42	15	35.71%	4,618	1,393	454	30%	10%
Arizona	22	17	77.27%	1,313	619	525	47%	40%
Kentucky	31	8	25.81%	11,482	1,253	1,788	11%	16%
Pennsylvania	41	31	75.61%	138,453	10,956	9,866	8%	7%
Puerto Rico	8	2	25.00%	4	3	0	75%	0%
Tennessee	34	20	58.82%	4,907	1,562	891	32%	18%
West Virginia	21	11	52.38%	838	109	702	13%	84%
TOTALS	199	104	52.26%	161,615	15,895	14,226	10%	9%
GRAND TOTALS	761	625	82.13%	203,057	23,360	19,572	12%	10%

Low Income Verification Results (WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45) - 2008

STATE	Number of ETCs in 3Q2008	Total ETCs Submitting Results	Percent Submitting	Subscribers Surveyed	Number Found Ineligible (includes subscribers who failed to respond)	Percent Deemed Ineligible (includes subscribers who failed to respond)
FEDERAL DEFAULT STATES						
American Samoa	3	3	100.00%	154	5	3%
Delaware	2	1	50.00%	250	204	82%
Hawaii	4	4	100.00%	313	84	27%
Iowa	257	201	78.21%	7,525	2,569	34%
Indiana	53	48	90.57%	2,882	1,091	38%
Louisiana	34	30	88.24%	4,473	903	20%
New Hampshire	13	13	100.00%	543	208	38%
North Dakota	43	32	74.42%	7,696	1,533	20%
Northern Mariana Islands	3	2	66.67%	1,270	0	0%
South Dakota	49	37	75.51%	3,001	1,350	45%
TOTALS	461	371	80.48%	28,107	7,947	28%
STATE MANDATES ETCs TO FOLLOW FEDERAL VERIFICATION PROCEDURES						
Arkansas	33	25	75.76%	4,643	1,239	27%
New York	57	46	80.70%	5,008	1,091	22%
North Carolina	30	13	43.33%	25,360	12,174	48%
TOTALS	120	84	70.00%	35,011	14,504	41%
STATE MANDATES THEIR OWN VERIFICATION PROCEDURES AND REQUIRES ETCs TO SUBMIT RESULTS TO USAC						
Alabama	43	9	20.93%	1,990	1,130	57%
Arizona	22	12	54.55%	1,241	767	62%
Kentucky	32	10	31.25%	12,908	3,570	28%
Pennsylvania	41	25	60.98%	2,541	573	23%
Puerto Rico	9	2	22.22%	5	4	80%
Tennessee	35	16	45.71%	4,306	1,296	30%
West Virginia	21	8	38.10%	234	195	83%
TOTALS	203	82	40.39%	23,225	7,535	32%
GRAND TOTALS	784	537	68.49%	86,343	29,986	35%

Low Income Verification Results (WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45) - 2009

STATE	Number of ETCs in 3Q2009	Total ETCs Submitting Results	Percent Submitting	Subscribers Surveyed	Number Found Ineligible (includes subscribers who failed to respond)	Percent Deemed Ineligible (includes subscribers who failed to respond)
FEDERAL DEFAULT STATES						
American Samoa	3	1	33.33%	0	0	N/A
Delaware	3	2	66.67%	281	161	57%
Hawaii	4	4	100.00%	305	68	22%
Iowa	260	201	77.31%	7598	2354	31%
Indiana	53	50	94.34%	2013	697	35%
Louisiana	39	36	92.31%	2939	747	25%
Northern Mariana Islands	3	3	100.00%	1555	0	0%
North Dakota	40	35	87.50%	7668	1079	14%
New Hampshire	14	12	85.71%	548	187	34%
South Dakota	46	44	95.65%	3189	1644	52%
TOTALS	465	388	83.44%	26,096	6,937	27%
STATE MANDATES ETCs TO FOLLOW FEDERAL VERIFICATION PROCEDURES						
Arkansas	33	27	81.82%	7460	1948	26%
North Carolina	39	14	35.90%	12614	2212	18%
New York	61	45	73.77%	261674	33685	13%
TOTALS	133	86	64.66%	281,748	37,845	13%
STATE MANDATES THEIR OWN VERIFICATION PROCEDURES AND REQUIRES ETCs TO SUBMIT RESULTS TO USAC						
Alabama	54	24	44.44%	3123	1383	44%
Arizona	22	13	59.09%	1855	664	36%
Kentucky	34	13	38.24%	15356	4170	27%
Pennsylvania	44	25	56.82%	3304	759	23%
Puerto Rico	9	1	11.11%	11	8	73%
Tennessee	40	20	50.00%	4196	833	20%
West Virginia	24	9	37.50%	390	177	45%
TOTALS	227	105	46.26%	28,235	7,994	28%
GRAND TOTALS	825	579	70%	336,079	52,776	16%

Low Income Verification Results (WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45) - 2010

STATE	Number of ETCs in 2Q2010	Total ETCs Submitting Results	Percent Submitting	Subscribers Surveyed	Number Found Ineligible (includes subscribers who failed to respond)	Percent Deemed Ineligible (includes subscribers who failed to respond)
FEDERAL DEFAULT						
American Samoa	3	1	33.33%	3	3	100%
Delaware	3	2	66.67%	490	263	54%
Hawaii	4	4	100.00%	306	44	14%
Iowa	263	211	79.62%	7647	2205	29%
Indiana	50	43	82.69%	2053	764	37%
Louisiana	47	40	83.33%	4018	1148	29%
Northern Mariana Islands	3	3	100.00%	1557	0	0%
North Dakota	38	33	84.62%	6834	1254	18%
New Hampshire	14	12	85.71%	745	262	35%
South Dakota	42	41	93.18%	2925	1216	42%
TOTALS	467	390	83.51%	26,578	7,159	27%
STATE MANDATES ETCs TO FOLLOW FEDERAL VERIFICATION PROCEDURES						
Arkansas	37	30	81.08%	8274	2353	28%
North Carolina	47	21	44.68%	9033	1069	12%
New York	64	40	61.54%	5956	1095	18%
TOTALS	148	91	61.49%	23,263	4,517	19%
STATE MANDATES THEIR OWN VERIFICATION PROCEDURES AND REQUIRES ETCs TO SUBMIT RESULTS TO USAC						
Alabama	63	41	65.08%	5773	1956	34%
Arizona	21	12	57.14%	2630	759	29%
Pennsylvania	44	24	54.55%	2512	382	15%
West Virginia	24	11	44.00%	614	330	54%
TOTALS	152	88	57.89%	11,529	3,427	30%
GRAND TOTALS	300	179	59.67%	61,370	15,103	25%