

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
)	

**COMMENTS OF CENTURYLINK
IN SUPPORT OF THE PETITION FOR WAIVER AND CLARIFICATION OF
THE UNITED STATES TELECOM ASSOCIATION, ET AL.**

I. INTRODUCTION AND SUMMARY.

CenturyLink files these comments in support of the Petition for Waiver and Clarification of the United States Telecom Association (US Telecom), *et al.*, filed on March 9, 2012.¹ For the reasons stated in that petition and as further supported in these comments, the Commission should grant the relief requested.

CenturyLink supports the Commission's goals of reducing waste, fraud, and abuse in the universal service low-income program. Nevertheless, the company is unable to meet the Commission's intended implementation schedule for its changes to the Lifeline and LinkUp

¹ Petition for Waiver and Clarification of the United States Telecom Association, the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, the Western Telecommunications Alliance, and the Eastern Rural Telecom Association, WC Docket Nos. 11-42, *et al.* (Mar. 9, 2012). *See also* Public Notice, Comment Sought on USTelecom *et al.* Petition for Waiver and Clarification of Lifeline Reform Order, WC Docket Nos. 11-42, *et al.*, DA 12-387 (Mar. 9, 2012).

discounts. The Commission's April 1, 2012 implementation date may not be unreasonable for certain types of service providers. An incumbent local exchange carrier (ILEC) like CenturyLink, however, faces several challenges in implementing tariffing changes with state commissions, in providing notice to consumers, and in revising billing systems to accurately reflect the revised rules. The waiver proposed by US Telecom is an appropriate, reasonable step to provide ILECs, like CenturyLink, sufficient time to effectively implement the Lifeline and LinkUp discount modifications. Additionally, the Commission should clarify that until states that make determinations of initial eligibility change their processes, eligible telecommunications carriers (ETCs) may certify compliance with program requirements for reimbursement in those states without obtaining a customer certification from the state entity determining Lifeline eligibility.

II. CENTURYLINK NEEDS ADDITIONAL TIME TO EFFECT THE CHANGES REQUIRED BY THE COMMISSION'S LIFELINE AND LINKUP DISCOUNT MODIFICATIONS.

A. CenturyLink Needs Time To Make The Required Tariff Changes.

CenturyLink is an ILEC offering Lifeline service in 37 states. Additionally, within those states CenturyLink may have one or more operating companies serving as ILECs. Across these 37 states, CenturyLink has approximately 100 separate operating entities that offer Lifeline and LinkUp services. Each of these ILECs is required to tariff or to provide comparable public notice of its rates, terms and conditions for providing local telephone service, including its legally-mandated offering of discounts on local telephone service for low-income customers. As a result, in over 90 tariffs or similar submissions -- in 37 states nationwide -- CenturyLink has language setting out the monthly and non-recurring discounts to local telephone service available

to qualifying low-income customers, and the terms and conditions under which those discounts are available.²

In states that are federal default states for the Lifeline and LinkUp programs, the federal program discounts, terms and conditions are set out in CenturyLink's tariffs. In states with their own Lifeline and LinkUp programs, the discounts available and the terms and conditions under which they are available will vary depending on a variety of factors. These include state eligibility criteria, state discounts, and each carrier's rates for initiating and maintaining service. In turn, the revisions to the Lifeline and LinkUp program that the Commission intends to be effective on or near April 1, 2012 will require revising the distinct language regarding Lifeline and LinkUp program discounts in each of the tariffs of CenturyLink's many ILEC companies.

As a general rule, tariff changes must be filed, reviewed and approved by state public service commissions before they can be effective. The process varies from state to state. For many states tariff changes can be effective in 15 to 30 days from filing, if they are unopposed. Most states are about 30 days. But, in other states this process may take longer. For CenturyLink, it appears that the longest tariff approval process will be in Nevada at approximately 45 days minimum.³ Of course, should a tariff change be opposed or raise questions that require additional review, the process could take much longer.

It is also worth noting the sheer volume of tariff revisions made necessary by the Commission's sudden changes to the Lifeline and LinkUp programs. The *Lifeline Reform Order*

² For ease of reading, in the remainder of these comments CenturyLink uses the terms "tariff" and "tariff filing" to encompass the various types of document filings including price lists and catalogs that CenturyLink will need to make with state commissions to implement these discount changes.

³ In Nevada there is a 30-day notice period for a tariff filing followed by being placed on the Nevada Commission's semi-monthly agenda for approval.

creates a very significant amount of work for CenturyLink and other ILECs.⁴ Revising tariffs must be done with care, both to ensure accuracy and to ensure appropriate notice to consumers, the public, and state commission authorities. Moreover, the Commission should realize that ILECs' limited personnel and resources are already burdened by the very considerable tariffing work necessary to timely implement the Commission's comprehensive reform of universal service and intercarrier compensation.

Given all of these considerations, CenturyLink estimates that it reasonably will need at least 75 days to prepare and make the more than 90 necessary filings and receive all of the requisite approvals of those filings.

B. CenturyLink Needs Time To Make The Requisite Billing System Changes.

In addition to these many, detailed tariff filings, CenturyLink also must make significant changes to its billing systems. In order to accurately pass through the new \$9.25 flat-rate discount to Lifeline customers, CenturyLink must replace the existing three tiers of discounts that can comprise the Lifeline discount to non-tribal Lifeline customers. For its part, due to CenturyLink's recent merger with Qwest, CenturyLink currently has two separate billing systems for which these changes must be implemented. The distinct systems require different changes to implement the Commission's changes to the Lifeline, LinkUp and Tribal LinkUp discounts.

To implement these changes in the billing system, CenturyLink's IT department must assess what changes must be made, design changes to the system, implement those changes, test

⁴ *In the Matter of Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11-42 and 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (Feb. 6, 2012) (*Lifeline Reform Order*).

those changes, and then correct any errors. The changes necessary to implement the new flat-rate Lifeline discount include, among other coding adjustments, reprogramming the existing tiered discounts to the flat-rated discount and insuring that it is discounted first against the subscriber line charge and then the local voice service rate. Even once the programming changes are completed, they must be thoroughly checked to ensure accuracy, and any revisions made before the changes are fully implemented in the billing system. All of this can take from a few weeks to several months depending on the technical work involved and the IT resources available. In the case of the Lifeline change to a \$9.25 flat-rate, CenturyLink currently anticipates that just the billing system changes should take approximately six weeks. The changes to the manner in which the Tribal LinkUp discount is calculated should take a similar amount of time to complete.⁵ However, like other ILECs, CenturyLink's IT personnel are already stretched thin on other time-sensitive matters.

To address the elimination of the regular LinkUp program and discounts, a different set of changes are required. For the most part, LinkUp discounts are applied to customer bills through a more manual process. In turn, eliminating the LinkUp discounts will rely primarily on educating customer service representatives that regular LinkUp discounts should no longer be provided. This process should not take quite as long to implement as the billing system changes for the Lifeline and Tribal LinkUp discounts. Nevertheless, it is yet another part of implementing the discount changes that requires time and resources.

⁵ Currently the enhanced LinkUp discount is half off a connection charge of up to \$60 (up to a \$30 discount), plus up to another \$70 off of a connection charge up to \$130, resulting in a maximum discount of \$100 on a \$130 connection charge. The new discount will be a straight maximum of \$100 off of the connection charge. Compare 47 C.F.R. § 54.411 with new section 54.413 in the *Lifeline Reform Order*, Appendix A. So the effect is that under the new method the eligible tribal customer will only need to help pay for any connection charge over \$100, while currently a tribal customer must pay up to \$30 for any connection charge that exceeds \$30, but is less than \$130 (and more if the charge exceeds \$130).

C. CenturyLink Needs Time To Provide Notice To Customers About The Discount Changes.

Still further, the Lifeline and LinkUp changes will require time-consuming customer notifications in some states. To the extent that the change in the Lifeline discount will provide a smaller discount to some customers, that smaller discount has the effect of increasing the Lifeline customer's rate for telephone service (even though the actual rate for the telephone service has not changed). Many states will require notification to customers of this increase in the effective rate for their telephone service. Because the Lifeline discount available to customers potentially varies by state, by operating entity, and in some cases even by exchange within a carrier's service territory, CenturyLink must examine the effect of the change in the Lifeline discount down to the service area, to determine where customer notices are required.

Ultimately, CenturyLink may opt to provide customer notices to more than just those required, in order to reduce potential Lifeline customer confusion regarding the changes to their Lifeline discounts. Similarly, to avoid confusion about the changes to the LinkUp program, especially for those Lifeline customers who may count on the reduced charge to re-initiate telephone service when they move, CenturyLink may need to inform customers about the LinkUp program changes as well. CenturyLink needs time to determine which customers must be notified about the Lifeline discount changes, what should be said and how that should be communicated. Similarly, CenturyLink must determine how customers should be notified about the LinkUp changes and what should be said. Additionally, time is needed to create the notifications and get them to customers prior to the changes actually taking effect. Most customer notices are expected to be provided at least 30 days before the change described takes effect. Consequently, to provide appropriate customer notice of these discount changes,

CenturyLink needs at least 60 to 75 days prior to the changes taking effect to prepare and send these notices.

D. These Changes Need Additional Time To Be Well Coordinated.

All of these changes must also be coordinated with each other, so that the tariff changes, the billing system changes and the customer notices are all driving to the same date.

CenturyLink must also manage this process along side of other federal mandates arising from the recent *USF/ICC Transformation Order*,⁶ in addition to other business operations and obligations, including merger integration activities

The Commission's Lifeline and LinkUp discount changes also may cause some states to alter the state discounts they provide for Lifeline and or LinkUp service.⁷ It would be a smoother and more efficient transition to enable enough time to allow states to evaluate and implement any such changes, and then be able to coordinate those changes with the effective date of the changes to the federal discounts.

⁶ *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform - Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*), *Order Clarifying Rules*, DA 12-147, rel. Feb. 3, 2012, Erratum, rel. Feb. 6, 2012, Application for Review, USCC, *et al.*, filed Mar. 5, 2012, *Further Clarification Order*, DA 12-298, rel. Feb. 27, 2012; *pets for recon. pending; pets. for rev. of the Report and Order pending, sub nom.* IN RE FCC 11-161 (10th Cir. No. 11-9900, Dec. 16, 2011).

⁷ For example, in response to the Commission's *Lifeline Reform Order*, the Public Service Commission of Wisconsin recently suspended its state LinkUp Program for all ETCs in the state while it considers further action regarding the program. *See* http://psc.wi.gov/apps35/ERF_view/viewdoc.aspx?docid=160659. And, in Washington state it is not yet clear how CenturyLink is to apply the new \$9.25 flat-rate federal discount and simultaneously maintain the State's mandated \$8.00 rate for Lifeline service in all of the company's Washington exchanges.

It is for all of these reasons that CenturyLink needs an effective date for these discount changes that is far enough out to enable all of these moving pieces to be managed and coordinated to a successful and smooth conclusion.

E. October 1, 2012 Provides The Additional Time Necessary For CenturyLink And Other ILECs To Implement The Commission's Lifeline And LinkUp Discount Changes.

Based on all of these factors, CenturyLink has determined that the following timeline starting from the publication of the *Lifeline Reform Order* is reasonable:

March 2 – April 30	Time for states to review the <i>Lifeline Reform Order</i> and implement any state discount changes.
March 2 – May 15	ILECs prepare changes to tariffs and file tariffs.
May 1 – August 1	ILECs obtain tariff approvals (includes some time for delay of tariff approval due to questions, objections or other reasons).
March 2 – July 15	ILECs complete necessary billing system changes.
March 2 – September 1	ILECs complete preparation and delivery of customer notices.
October 1	Last date for ILECs to make discount changes effective.

Further, allowing this additional time for ILECs to implement these Lifeline and LinkUp discount modifications should not prevent the Commission from meeting its savings target of \$200 million in 2012. Presumably, the Commission is not anticipating meeting that savings target through the changes to the Lifeline discount amount, given that the current flat-rate amount is based on the average Lifeline discount provided to customers in 2011. To the extent that the Commission intends to accomplish much of that savings target through its elimination of the non-Tribal LinkUp program, as the Commission has noted, ILECs receive far less LinkUp

support than competitive ETCs do.⁸ Allowing CenturyLink and other ILECs appropriate time to implement these changes will not materially affect the cost of these programs or the Commission's target.

III. THE COMMISSION SHOULD CLARIFY THE CERTIFICATION REQUIREMENT OF SECTION 54.407(d).

Pursuant to new rule 54.407(d), in requesting reimbursement each ETC must certify "that it is in compliance with all of the rules in this subpart, and, to the extent required under this subpart, has obtained valid certification and re-certification forms from each of the subscribers for whom it is seeking reimbursement."⁹ The Commission should clarify that ETCs may make this certification consistent with existing enrollment procedures in states where a state agency or other administrator makes initial determination of Lifeline eligibility, until such time as the state changes its eligibility processes to provide ETCs with the subscriber's certification of program compliance.¹⁰

If the Commission failed to take this step, states and ETCs otherwise may be indefinitely unable to enroll otherwise eligible consumers in the Lifeline program. This cannot have been the goal of the Commission in implementing these changes to the Lifeline program.

CenturyLink also agrees that the Commission should clarify that the certification should be qualified to apply only to those rules in effect at the time of the certification. The

⁸ *Lifeline Reform Order* ¶ 243 (stating that "[i]n September 2011 incumbent LECs accounted for 27 percent of Link Up claims, while competitive ETCs accounted for 73 percent.").

⁹ *Id.* at Appendix A, Final Rule 54.407(d).

¹⁰ For CenturyLink the impacted states would include Colorado, Florida, Idaho, Michigan, Montana, Nebraska, Oregon, Tennessee, Texas, Utah and Washington. In these states a state agency or other state administrator makes some or all of the initial determinations of Lifeline eligibility.

Commission should also clarify how the certification should be made and when the certification will be required.

IV. CONCLUSION.

As a practical matter, a tariffed ILEC like CenturyLink cannot implement the many changes required by the Lifeline and LinkUp reforms in the time allowed by the Commission *Lifeline Reform Order*. Granting the waiver until October 1 would allow CenturyLink and similarly situated ILECs to implement these changes accurately and reasonably. CenturyLink would implement these changes over time, implementing as soon as practical within its many states and operating companies.

Thus, for the reasons stated in US Telecom's waiver petition and as further supported here, the Commission should grant the petition. The Commission should permit ILECs to have until October 1, 2012 to implement the Lifeline and LinkUp discount changes. The Commission should also clarify that until states with automatic or coordinated enrollment programs change their initial eligibility determination processes, ETCs may certify compliance with program requirements for reimbursement in those states without obtaining a customer certification from the state entity determining Lifeline eligibility.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the foregoing **COMMENTS OF CENTURYLINK IN SUPPORT OF THE PETITION FOR WAIVER AND CLARIFICATION OF THE UNITED STATES TELECOM ASSOCIATION, ET AL.** to be: 1) filed via ECFS with the Office of the Secretary of the FCC in WC Docket Nos. 11-42, 03-109, 12-23, and CC Docket No. 96-45; 2) served via e-mail on Jonathan Lechter, Telecommunications Access Policy Division, Wireline Competition Bureau at Jonathan.Lechter@fcc.gov and Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau at Charles.Tyler@fcc.gov; 3) served via e-mail on the FCC's duplicating contractor, Best Copy & Printing, Inc. at fcc@bcpiweb.com; and 4) served, via United States First Class Mail, postage prepaid, on the parties listed on the attached service list.

/s/ Richard Grozier

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