



March 22, 2012

Marlene Dortch
Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

**Re: *Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42;*
Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline
*and Link Up, WC Docket No. 03-109***

Dear Ms. Dortch:

On March 20, Chris Miller of Verizon, Michael Saperstein of Frontier, Malena Barzilai of Windstream, John Benedict of CenturyLink, Mary Henze of AT&T and the undersigned met with Kimberly Scardino, Carol Matthey, Jonathan Lechter, Garnet Hanly and Robert Abb, all of the Wireline Competition Bureau, about the Commission's recent *Lifeline Modernization Order*, FCC 12-11. Tim Loken of Windstream and Ann Morrison of FairPoint attended by teleconference.

The industry representatives supported the new Lifeline rate of \$9.25 adopted pursuant to the *Lifeline Modernization Order* but explained the need for the extension of the effective date of the new rate and other matters related to the *Order*. Recent changes in the Lifeline program—while beneficial in the long-run—require additional time to implement. Specifically, we said that companies must discuss collateral impacts on state Lifeline programs with state commissions, make necessary tariff changes and provide customer notifications where required, and then modify carrier billing systems that frequently require new coding and bill testing. The representatives expressed concern about their ability to meet the April 1 deadline for implementation included in the *Order* and suggested that October 1 was more realistic.

Carrier representatives laid out specific state tariffing schedules and notice requirements, which create implementation delays. AT&T noted that among its ILEC, CLEC and mobile operations, it has 41 tariff entities, of which several have 15-30 day tariffing requirements.¹ CenturyLink stated that it has 126 local companies of which 109 would have to file tariff changes to implement the new Lifeline rate of \$9.25. CenturyLink noted that many states have 30 day tariff filing periods, but Nevada, for example, has a 45 to 60 day period before new tariff filings are effective.

¹ See Attachment to AT&T Comments, filed March 20, 2012, on USTelecom et al Petition for Waiver and Clarification of the *Lifeline Modernization Order* filed March 9 2012.

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The industry representatives also discussed billing changes that would be necessary once the tariffs were approved. An example was provided of a current billing approach which placed a "Lifeline rate" on the customer's bill, reflecting the waiver of the SLC. The Commission's new approach would require replacement of the Lifeline rate with a new line-item showing the flat-rate Lifeline discount as a billing credit. Also, both CenturyLink and Frontier noted the challenges they face due to integration of legacy billing systems from merged entities and all representatives expressed concern about simultaneously implementing changes due to the *Lifeline Modernization Order* and the *USF/ICC Transformation Order*.²

There was also discussion of the need to provide relief from the April 1 implementation date for postpaid wireless providers. The representatives noted that there were some states which required tariffs, informative tariffs, or notice requirements for wireless Lifeline customers. And postpaid wireless providers face similar billing system challenges.

The meeting included discussion of other various forms of relief for companies unable to meet the Commission's deadline for implementation of the rate changes in the *Lifeline Modernization Order*, including individual company waiver requests and true-ups. The representatives noted the potential for many waiver requests from some companies, which would be burdensome for both the companies and the Commission.

Please do not hesitate to contact me with any questions,

Sincerely,



David B. Cohen

cc: Kim Scardino
Carol Matthey
Jonathan Lechter
Garnet Hanly
Robert Abb

² See CenturyLink Comments at 8, filed March 20, 2012, on USTelecom et al Petition for Waiver and Clarification of the *Lifeline Modernization Order* filed March 9 2012.