

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 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 ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.**

Alaska Communications Systems Group, Inc., on behalf of its operating subsidiaries (“ACS”),<sup>1</sup> hereby submits comments in response to certain points raised in the Petitions for Reconsideration filed by the United State Telecom Association (“USTelecom”) and General Communication, Inc. (“GCI”). ACS supports the Commission’s goal to reform the Universal Service Fund’s Lifeline program, reducing opportunities for waste, fraud, and abuse. As with many major program changes, some adjustments are often necessary to address administrative and implementation issues. ACS agrees with many of the adjustments proposed by USTelecom and GCI and adds further detail in support of certain points of particular concern to ACS.

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<sup>1</sup> In this proceeding Alaska Communications Systems Group, Inc. represents four local exchange carriers, ACS of Alaska, Inc., ACS of Anchorage, Inc., ACS of Fairbanks, Inc., and ACS of the Northland, Inc. (the “ACS ILECs”), as well as ACS Long Distance, Inc., ACS Cable, Inc., ACS Internet, Inc., and ACS Wireless, Inc. Together, these companies provide retail and wholesale wireline and wireless telecommunications, information, broadband, and other services to residential and business customers in the State of Alaska and beyond, using ACS’s intrastate and interstate facilities.

ACS urges the Commission to extend the implementation deadline of its annual re-certification requirement to correspond with the Commission's implementation of an eligibility database; to provide a comprehensive list of acceptable documentation that can be used to verify a Lifeline applicant's program eligibility; to permit three business days for updating the Lifeline eligibility database with subscriber de-enrollment; to eliminate the temporary address verifications requirement, or modify it so as not to require expensive system monitoring modifications for tracking subscribers' temporary address changes; and to revise re-certification reporting requirements to Tribal Governments based on demand for such information.

#### Annual Re-Certification Requirement

GCI urges the Commission to clarify the annual re-certification requirement in an effort to ease the burdens on eligible telecommunications carriers ("ETCs").<sup>2</sup> Specifically, one of the clarifications that GCI requests is to "limit the annual recertification requirement to subscribers who have not certified their eligibility within the past 12 months" such that if a new subscriber had certified eligibility pursuant to the new requirements prior to June 1, 2012 he would not have to re-certify later this year.<sup>3</sup> While ACS is generally supportive of this proposed clarification of the annual re-certification requirement, ACS submits that the annual re-certification requirement is unduly burdensome and that modification of the requirement should be more extensive.

The re-certification of Lifeline subscribers is a highly manual process, particularly without the availability of an eligibility database. Meeting the re-certification requirement for 2012 (*i.e.*, re-certifying customers who were Lifeline subscribers as of June 1, 2012) will involve processing a large volume of paperwork by seeking written certifications from customers who

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<sup>2</sup> Petition for Reconsideration and Clarification of General Communication, Inc., *Lifeline and Link-Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., at 12-14 (April 2, 2012) ("GCI Petition").

<sup>3</sup> GCI Petition at 13.

were Lifeline subscribers prior to June 1, 2012; managing that customer correspondence; and tracking responses from such customers. ACS expects that it will need to increase its staff by three to five personnel in order to manage the re-certification process for 2012.

ACS urges the Commission to refrain from implementing this annual re-certification requirement until the Commission has established an eligibility database, which would streamline annual re-certification process and minimize the burdens associated with the requirement. The Commission has proposed that an eligibility database should be in place no later than the end of 2013,<sup>4</sup> and a reasonable modification of the annual re-certification requirement would be to extend the effectiveness of the requirement until after there is a cost effective tool to assist ETCs in meeting the requirement.

#### Acceptable Documentation of Program Eligibility Requirement

USTelecom calls for the Commission to require the Universal Service Administrative Company (“USAC”) to issue a comprehensive list of acceptable documentation and post examples of approved documentation on its website.<sup>5</sup> ACS agrees with this USTelecom proposal and urges the Commission to take expedient steps to implement the availability of such a resource, as well as to delay the requirement to certify consumer eligibility for Lifeline services by review of eligibility documentation until such a resource can be made available.<sup>6</sup>

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<sup>4</sup> *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*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, ¶403 (rel. Feb. 6, 2012) (“Lifeline Order”).

<sup>5</sup> Petition for Reconsideration and Clarification of The United States Telecom Association, *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., at 10-12 (April 2, 2012) (“USTelecom Petition”).

<sup>6</sup> In fact, the Commission has already directed USAC to “develop training materials to educate ETCs on the types of documentation, consistent with the list of documentation” identified in the Lifeline Order, and “that may be presented by low-income consumers to

In preparing to implement the June 1, 2012 initial Lifeline eligibility requirement, ACS has discovered that the many agencies providing the social services that qualify consumers for Lifeline benefits are unaware of the Commission's new Lifeline certification rules and have been unable or unwilling to provide sample documents that ETCs must use in order to verify that an applicant for Lifeline service is eligible for such benefits. To date, ACS has contacted almost 50% of the social service agencies that provide services qualifying Lifeline applicants for Lifeline service, and none of them have sample forms they can provide as a guideline to certify the applicant is eligible for Lifeline benefits. While ACS will continue to reach out to the remainder of these social service agencies, the responses thus far are indicative that ETCs need assistance from the Commission and USAC in obtaining acceptable documentation forms that verify applicants' eligibility for Lifeline.<sup>7</sup> Without knowledge of which agency documents will verify a Lifeline applicant's eligibility for benefits, ETCs are left on their own to determine which consumers qualify for Lifeline service. This may result in some consumers being denied benefits because ETCs are unsure of whether consumers are really eligible, or it may put some ETCs at risk of violating Commission rules if they provided Lifeline benefits to consumers who are later determined not to have provided sufficient certifying eligibility documentation.<sup>8</sup>

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demonstrate program and income-based eligibility for Lifeline." Lifeline Order, ¶ 101. USAC has not yet provided such document education, but with a June 1, 2012 implementation of the new subscriber certification requirements, the need for such education is critical. ACS urges the Commission to ensure that such education includes federal and state program documentation.

<sup>7</sup> One agency contacted by ACS even suggested that the company initiate a Freedom of Information Act request to obtain a list of acceptable housing locations that would qualify a consumer living at such locations for Lifeline benefits. Assuming ACS succeeded in such a burdensome task, it would still be incumbent upon the company to match a Lifeline applicant's address against the list in order to determine eligibility based on that social service program.

<sup>8</sup> Similarly, ACS agrees with USTelecom that there is insufficient time to implement the eligibility training materials that were provided by USAC in mid-May 2012. *See* USTelecom Petition at FN 17. ETCs must incorporate the sample certification document provided by USAC into their own eligibility processes, which includes developing appropriate consumer paperwork

Consumers should not be limited by ETC subjectivity and ETCs should not be placed at risk of violating Commission rules when the Commission has the ability to ensure objectivity and transparency.

#### One-Day De-Enrollment Requirement

USTelecom urges the Commission to reconsider the requirement that an ETC update the database within one business day of any Lifeline subscriber's de-enrollment.<sup>9</sup> Citing the newness of the database and possible technical and procedural complications, USTelecom proposes that the Commission permit three business days for ETCs to update the database of a subscriber de-enrollment.<sup>10</sup>

ACS agrees that a one-day de-enrollment requirement is an ambitious standard for these same reasons. Furthermore, ACS believes that a one-day standard will create administrative hassles if Lifeline subscribers take action to provide necessary eligibility documentation immediately after being informed that they have been de-enrolled. In such a situation the ETC will need to re-enroll the subscriber and then notify the database that the subscriber was appropriately certified and re-enrolled to receive Lifeline service from the notifying carrier. Certainly this de-enrollment/re-enrollment and associated database notification process could occur at any time within a short time period, but extending the database notification requirement to three business days would function as a grace period for the ETC, possibly minimizing the back and forth administrative effort of notifying the eligibility database multiple times within a

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and training their marketing and customer service personnel to be able to answer consumer questions about the eligibility certification. ETCs have a mere couple of weeks to implement the USAC eligibility form.

<sup>9</sup> USTelecom Petition at 12.

<sup>10</sup> USTelecom Petition at 12.

matter of days for subscribers that provide eligibility documentation immediately after their final notice of being de-enrolled from the Lifeline program.

#### 90-Day Verification of Temporary Address Requirement

Both USTelecom and GCI seek reconsideration of the requirement that ETCs verify every 90 days the address of Lifeline subscribers with temporary addresses, either by eliminating the requirement or modifying it to minimize the burdens associated with it.<sup>11</sup> USTelecom and GCI argue that with the new Lifeline rules there are already a number of ways to sufficiently determine whether or not a Lifeline subscriber is receiving more than one Lifeline benefit or moves into a household and becomes part of an economic unit such that the one-per-household unit would be violated. ACS agrees with GCI that the temporary address verification requirement presents a “burden dramatically disproportionate to the very limited benefit it offers.”<sup>12</sup> GCI notes that “[t]his new requirement will require ETCs to develop systems to track subscribers at such address and to follow up on their continual certification. Carriers have no pre-existing regulatory or business reason, and therefore will generally lack pre-existing systems, to track customers in temporary living situations separately from those in permanent ones.”<sup>13</sup>

ACS agrees that the burden of the temporary address verification requirement is disproportionate with its benefit, particularly when there are many other means, even if covering a longer time frame such as a year versus 90 days, to verify the Lifeline subscriber’s eligibility. The verification process would be a manual, labor intensive, daily, and time consuming process. ACS would need to engage employees to create a daily report of subscribers who have crossed the 90-day threshold and then begin the communication and tracking process to ensure

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<sup>11</sup> USTelecom Petition at 2-4 and GCI Petition at 3-9.

<sup>12</sup> GCI Petition at 4.

<sup>13</sup> GCI Petition at 7.

compliance. This process will be even more labor intensive without billing program modifications that would facilitate ETC identification of Lifeline subscribers' temporary address. GCI stresses that these identification programs do not currently exist in many carrier billing systems and ACS reports that its billing systems do not currently have this functionality. ACS anticipates that the cost of modifying its landline billing system for the approximately 6,000 Lifeline subscribers' landline temporary address would come at a cost of approximately \$500,000. The cost of modifying the ACS wireless billing system to accommodate a temporary address identification program is yet unknown. Like the cost for modifying the landline billing system, ACS expects the wireless billing system modification cost to be out of proportion to the number of subscribers who must be tracked. ACS urges the Commission to eliminate this costly requirement.

To the extent the Commission does not eliminate the requirement, ACS agrees that the requirement should be modified to eliminate the financial and administrative burdens on ETCs. USTelecom proposes a reasonable proxy for the 90-day verification requirement, suggesting that "if an ETC is issuing a monthly bill to a customer at a temporary address and the customer is making payments, that action by the customer is sufficient to satisfy the recertification requirement."<sup>14</sup> This modification of the temporary address verification requirement would involve minimal process changes and lower monitoring costs by ETCs, yet it would still provide a high probability of address verification to meet the Commission's goals in minimizing waste, fraud, and abuse. ACS argues that the proposed USTelecom modification involves minimal risk of providing duplicative Lifeline support, and that risk is fractionally proportionate to the cost

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<sup>14</sup> USTelecom Petition at 4.

and process benefits to ETCs, as well as the paperwork benefits for both ETCs and Lifeline recipients.

Reporting Lifeline Re-Certification Result to Tribal Governments Requirement

USTelecom urges the Commission to reconsider the reporting requirements for re-certification results, such that ETCs would only be required to provide those results to Tribal Governments upon reasonable request.<sup>15</sup> USTelecom explains that ETCs track subscriber information by state, not by tribe, so that reporting information by tribe will require disaggregation of data, which would result in yet another manual process imposed on ETCs when it is not clear that a tribe would even be interested in receiving the broad spectrum of Lifeline re-certification results, or even a narrow slice of such information.<sup>16</sup>

ACS agrees that more manual processes increase costs of providing Lifeline service, particularly when Tribal Governments may have no interest in receiving any of the information that the ETC otherwise reports to USAC and the Commission. Moreover, ACS points out that the disaggregation of subscriber data that would likely be of interest to Tribal Governments would also mean that ETCs would need to track more personal subscriber data, which some Lifeline subscribers may find invasive. Before ETCs modify their customer databases to provide specialized Lifeline subscriber information, there should be a reasonable basis for such a system modification.

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<sup>15</sup> USTelecom Petition at 16-17.

<sup>16</sup> USTelecom Petition at 17.

ACS urges the Commission to ease some of the burdens on ETCs by granting these modifications to its Lifeline rules.

Respectfully submitted,

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May 15, 2012