

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Illinois Telephone Corporation Forbearance Compliance Plan)	
)	
Petition of Illinois Telephone Corporation Inc. for Limited Designation as an Eligible Telecommunications Carrier for Purposes of Receiving Low Income Support Only)	

I. Introduction

Illinois Telephone Corporation will comply with the rule changes in the *Lifeline Reform Order* in order to benefit from the Commission’s grant of “blanket forbearance” from Section 214(e)(1)(A) of the Communications Act of 1934, as amended (the “Act”), to telecommunications carriers seeking limited ETC designation to offer Lifeline services, regardless of the facilities used to provide the services. Accordingly, Illinois Telephone Corporation also seeks the Commission’s approval of its Petition for ETC Designation, as amended, for the states of Illinois and Indiana. In this submission, Illinois Telephone Corporation explains that in many instances, it is already operating in compliance with the Commission’s new rules. Illinois Telephone Corporation will describe (for all the

major rule changes the Commission adopted in the *Order*) how it plans to comply with the Commission's new rules. Illinois Telephone Corporation has considerable experience operating as a wireline Lifeline only ETC. It is currently in compliance with all federal and state rules in the states of Illinois and Indiana, where it has been designated an ETC by the state or territory

As a Lifeline-only ETC, operating successfully within the Commission's existing rules, Illinois Telephone Corporation has given considerable thought towards how it will comply with the Commission's recently-adopted new rules for Lifeline-only ETCs.

In its *Lifeline Reform Order*, the FCC imposed a number of changes to its existing rules in order to ensure that Lifeline consumers receive all the same public safety benefits that are available to other telecommunications services consumers, and to ensure that carriers operate in a manner that facilitates prudent Fund administration by the USAC.

Among other obligations imposed, the Commission explicitly requires all Lifeline-only ETCs to

- 1) provide 911/E911-compliant handsets to all their customers,
- 2) describe their service offerings and the areas in which these services are available,
- 3) explain how the ETC plans to comply with the other major rule changes adopted in this *Order*.

Illinois Telephone Corporation does not offer wireless service and is already in compliance with the 911/E911 landline obligations imposed by the *Order*, and it will continue to comply with these obligations. Moreover, Illinois Telephone Corporation also describes its company-wide, and state-specific, Lifeline service offerings in this

document. Illinois Telephone Corporation will implement the many major rule changes in this *Order*. Among these rule changes, one of the largest involves how Illinois Telephone Corporation enrolls customers, specifically how it plans to obtain customer information, customer consent to use this information pre-enrollment for the purposes of determining that the customer's household does not already receive any other Lifeline-supported services, and to verify whether the customer is eligible for Lifeline enrollment under either a supported program, or by virtue of income qualification.

To this end, a customer certification form is attached. This customer certification form is the focus of all initial customer contact, regardless of how the customer chooses to initiate contact with over the phone when requesting information about Lifeline services. Additionally, Illinois Telephone Corporation has certification practice in compliance with the Commission's new rules designed to protect the integrity of the Fund. Illinois Telephone Corporation will, as the Commission's new rules require, first check the National Lifeline Accountability Database to determine that the customer's household is not already receiving a Lifeline-supported service. Illinois Telephone Corporation will then continue to use (where available) state eligibility databases or employee verification of the customer's program/income-based eligibility. For successfully enrolled customers, and for all its existing customers, Illinois Telephone Corporation has adopted new procedures to ensure that a customer re-certifies eligibility as required (either every 90 days for customers enrolling using a temporary address, after 60 consecutive days of nonusage, or annually), by contacting Illinois Telephone Corporation over the phone or via mail or email. Correspondingly, Illinois Telephone Corporation has also developed procedures to promptly de-enroll Lifeline customers

when notified by the Administrator that the customer's household is receiving duplicative supported services, or when a customer fails to timely recertify ongoing eligibility.

Illinois Telephone Corporation is also modifying its internal data collection/customer account databases in order to be able to comply with the many new record keeping requirements imposed by the Commission's *Order*. The Commission has specified a number of new requirements that will better facilitate an ETC's ability to respond to an audit request, or to conduct its own internal audits periodically. Illinois Telephone Corporation is also modifying its customer-specific, and company-wide, databases so as to facilitate quicker and easier retrieval of the information necessary to comply with the Commission's new reporting requirements. The Commission's new rules also impose several other "new" requirements on ETCs, which Illinois Telephone Corporation is already in compliance. These new requirements include providing additional information on Lifeline eligibility and terms of receiving the federal assistance on all advertising. The Commission, in its *Order* and new rules, also changed and standardized the Lifeline reimbursement procedures for all ETCs. Under the new rules, all carriers must limit requests for reimbursement to those customers that they actually served in the past month—also known as "actual" reimbursement (vs. the previously-acceptable scheme of allowing carriers to receive advance reimbursement for "projected" customers). Illinois Telephone Corporation has always filed an "actual" reimbursement schedule. Finally, the Commission also imposes a requirement that service providers seeking to receive Lifeline subsidies be able to demonstrate that they are technically and financially capable of providing Lifeline-supported service. Illinois has been providing landline telephone service to low income customers since 1996. Illinois Telephone Corporation is

is in good standing with all its vendors. Illinois Telephone Corporation has the ability to provide customers with safe and reliable service, has an experienced staff of telecommunications technicians and customer service representatives. Accordingly, upon the demonstrated intent and ability to comply with the Commission's newly-adopted Lifeline obligations Illinois Telephone Corporation asks that the Commission promptly approve this Plan and allow Illinois Telephone Corporation to operate as a beneficiary of the "blanket forbearance" grant extended to all qualifying providers under the *Lifeline Reform Order*. Upon approval of Compliance Plan, Illinois Telephone Corporation also asks that the Commission grant its pending Amended Petition for Limited ETC Designation.

II. Background

Illinois Telephone Corporation was established in 1997 as a CLEC operating in the states of Illinois and Indiana. Illinois Telephone Corporation has senior management with 43 years of experience in the telecommunications industry, an experienced customer service department, and technicians with an average of 25 years of experience, certified by at&t. Illinois Telephone Corporation offers a variety of products and services, which include local and long distance landline telephone service for residential and business customers. Illinois Telephone Corporation does not offer wireless telephone service. Illinois Telephone Corporation only offers Lifeline to qualified customers documented on our application forms. Illinois Telephone Corporation does not actively market through media, direct mailings. Complete Lifeline information can be found on line at our web site illinoistelephone.com which has two forms for application for Lifeline benefits. The first (Exhibit 1) is the certification form currently in use. The second (Exhibit 2) is

the application for Lifeline and the plans for ordering. Illinois Telephone Corporation is also listed in the yellow pages. Customers calling for new service or service transfers are offered all services and prequalified for Lifeline wireline service. As an ETC, and provider of telecommunications services to its customers, Illinois Telephone Corporation has an outstanding reputation. Illinois Telephone Corporation has auditing systems in place, has been diligent in performing its obligations as an ETC.

This information, coupled with certain other detailed demonstrations made, helps to establish Illinois Telephone Corporation's financial and technical capability to provide the supported service. Moreover, as part of the overall carrier certifications required by the *Order* and its rules, Illinois Telephone Corporation commits to comply with the Cellular Telecommunications and Internet Industry, but has no plans to offer wireless Service in Illinois or Indiana.

III. OBLIGATIONS IMPOSED ON ETCs BY THE LIFELINE REFORM ORDER

In order to continue to offer low income service and qualify for future state and/or federal Lifeline-only ETC designations, Illinois Telephone Corporation wishes to avail itself of the Commission's conditional grant of blanket forbearance and obtain approval of its Compliance Plan. In its *Lifeline Reform Order*, the Commission explains that carriers Seeking Lifeline-only ETC designation must, as part of their compliance plans, describe how they intend to implement certain conditions specified in the *Order*, as well as explain how the carrier plans to comply with the new rules, generally. The conditions (both broadly and specifically) established by the Commission tend to focus on ensuring that consumers are protected, and that carriers will do their best to ensure that they (and their customers) cooperate fully in assisting with prudent, efficient administration of the

Low Income Fund by the Universal Service Administrative Company. In paragraphs 368 through 391, the FCC sets forth the conditions that carriers must satisfy in order to receive approval of their compliance plans, and the corresponding blanket forbearance allowing them to be granted Lifeline-only ETC designation by the states or the Commission. The conditions established by the Commission range from the very specific, such as requiring carriers to provide all customers receiving Lifeline-supported service with access to 911 and E911 service (regardless of activation status or available minutes) as well as E911- 6 compliant handsets, to the ubiquitously general (requiring compliance plans to describe “the measures the carrier will take to implement the obligations contained in this *Order*”) In this Compliance Plan, Illinois Telephone Corporation will describe in detail how it plans to comply with the rule changes made in the *Lifeline Reform Order*. Specifically, Illinois Telephone Corporation will address the Commission’s concerns regarding how it intends to comply with:

- 1) the Commission’s 911/E911 service requirements¹²,
- 2) providing a detailed description of its Lifeline-supported service offerings, and outlining the measures it will take to implement the more significant changes in The large majority of changes imposed by the *Order*, and the Commission’s new rules implementing the *Order*, are addressed in this Compliance Plan, which will describe the way Illinois Telephone Corporation plans to:
 - a.) enroll customers, including a description of how Illinois Telephone Corporation will:
 - i) initially qualify customers’ eligibility to prevent duplicate subsidies being awarded to the same household,
 - ii) initially qualify customers’ eligibility to make sure that only program, or income, eligible customers are able to receive service;
 - iii) how Illinois Telephone Corporation intends to annually certify its customers continued eligibility, including procedures for annual re-certification¹⁵,
 - b) Illinois Telephone Corporation procedures to de-enroll customers who no longer meet the eligibility requirements to receive Lifeline service, customers who have failed to use a free service within a continuous 60 day period, and

customers who have Illinois Telephone Corporation will, of course, also re-certify those customers that enrolled using temporary addresses every 90 days. failed to re-certify their continued Lifeline eligibility as part of an annual (or 90 day, for customers initially enrolling with temporary addresses) re-certification process¹⁶,

c) the records that Illinois Telephone Corporation will keep to facilitate efficient audits of Illinois Telephone Corporation's customer base, as well as the customer data Illinois Telephone Corporation will collect to satisfy its reporting requirements to USAC (and to allow it to further cooperate with USAC should additional information be needed);

d) Illinois Telephone Corporation's proposed procedures for submitting and collecting reimbursements from USAC;

e) providing copies of its marketing materials that describe the customer eligibility requirements for Lifeline (both income and one per household), the continued obligation of customers to notify Illinois Telephone Corporation of changes in their address, changes effecting eligibility, the customer's obligation to initially certify eligibility and to annually re-certify eligibility under penalty of perjury

f) Illinois Telephone's technical and financial capability to provide Lifeline-supported services to low income customer

A. Customers of Illinois Telephone Corporation Lifeline-Supported Services Will Have Access to 911/E911 Service and Will Receive E911 Compatible Handsets

In its *Lifeline Reform Order*, the Commission (as it has in all of its previous forbearance grants) requires carriers seeking "blanket forbearance" to provide—as a condition to the forbearance grant—911 and (where available) E911 service to customers regardless of the activation status of their service plans.¹⁹ Thus, regardless of whether the customer has any remaining minutes on their monthly service plan, the customer must be able to use emergency services. Illinois Telephone Corporation does not offer wireless services of any kind to our customers, but 911/ E911 services are offered on all wireline Lifeline customers.

B. Description of Illinois Telephone Corporation Lifeline Service Offerings

Illinois Telephone Corporation offers three basic Lifeline service packages throughout all

of its service territories programs are listed below. These plans are taken directly from illinoistelephone.com website with pricing at:

500 minutes of combined Local-Toll and Long Distance calling per month (Plan price **\$30.75** per month + tax)

750 minutes of combined Local-Toll and Long Distance calling per month (Plan price **\$34.00** per month + tax)

1000 minutes of combined Local-Toll and Long Distance calling per month (Plan price **\$36.99** per month + tax)

All packages include unlimited Local calling, Caller ID and Call Waiting.

C. Illinois Telephone Corporation's Plans To Implement New Lifeline Provider Obligations

As previously noted, one of the Commission's requirements for all compliance plans it requires to be submitted in order to benefit from the grant of "blanket forbearance" in the *Order* is for the carrier to describe how it will comply with the remainder of the new Obligations imposed on Lifeline participants in the *Order*.

In this section, Illinois Telephone Corporation will explain how it plans to implement the new obligations in the *Order*, and incorporate those obligations into Illinois Telephone Corporation's existing processes for enrollment, de-enrollment, record keeping/re-certification, seeking reimbursement from USAC, and marketing service to eligible consumers. Illinois Telephone Corporation will also demonstrate that it is technically and financially capable of providing Lifeline service to consumers.

1. Enrollment

By way of background, the *Order* requires each prospective customer to apply for Lifeline service. The Commission has changed its procedures for how carriers must Qualify customers for enrollment in the Lifeline program, and how customers must certify their eligibility. The Commission, for the first time, has established uniform eligibility and application criteria for enrolling low-income customers in the Lifeline

program. In the *LifelineReform Order*, the FCC integrated and standardized the eligibility and certification criteria through the establishment of what may be called a uniform application process. Each new prospective customer will have to provide certain information and eligibility certifications as part of an overall application to receive benefits under the Lifeline program. However, before submitting an application to receive Lifeline-supported service under the Commission's new rules, the ETC providing the Lifeline service must obtain consent from each of its new and existing subscribers to transmit the subscriber's information to the program Administrator. The carrier must explain in clear, and easy-to-understand, language the information that the carrier will have to transmit to the Administrator.²⁴ If the subscriber refuses to grant the carrier permission to transmit this information to the Administrator, the subscriber will not be eligible to receive Lifeline service. The application will require each prospective customer to provide all of the information required. In the revised rule the subscriber's full name; the subscriber's residential address; whether the subscriber's residential address is permanent or temporary; the subscriber's billing address (if different from the residential address); the subscriber's date of birth; the last four digits of the subscriber's social security number, demonstrate eligibility to receive Lifeline service under the program-based criteria, or based on income. Moreover, as part of the application the prospective subscriber will have to certify under penalty of perjury that: the subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline. The subscriber will notify the carrier within 30 days if for any reason the subscriber no longer satisfies the eligibility criteria, or if the subscriber no longer satisfies the "one subsidy per household" qualification; if the subscriber is seeking to qualify for

Lifeline as an eligible participant. Or if the subscriber moves to a new address, they will notify the carrier of their address change within 30 days; if the subscriber provided a temporary address upon sign-up, the subscriber will verify their correct address every 90 days or face de-enrollment; the subscriber's household will receive only one Lifeline service and, to the best of the subscriber's knowledge, their household is not already receiving a Lifeline service; the subscriber's information on their application is true and accurate to the best of their knowledge; the subscriber understands that providing false information to obtain Lifeline benefits is punishable by law; and the subscriber acknowledges that they may be required to recertify continued eligibility for Lifeline at any time, and that the subscriber's failure to re-certify will result in de-enrollment and termination of the subscriber's Lifeline program certification guidelines

As an initial matter, in those few states that have a state administrator, Illinois Telephone Corporation will fully cooperate with the state Lifeline administrators to ensure that it does everything necessary to ensure it is in compliance with both state and federal enrollment, verification, and demonstrate eligibility to receive Lifeline service under the program-based criteria, or based on income. Moreover, as part of the application (and pursuant to revised rule the prospective subscriber will have to certify under penalty of perjury that: the subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, as explained in the notice The subscriber will notify the carrier within 30 days if for any reason the subscriber no longer satisfies the eligibility criteria, or if the subscriber no longer satisfies the "one subsidy per household" qualification.

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Inbound Channel Marketing.

Prospective customers can also apply for, and obtain, Lifeline service from Illinois Telephone Corporation through the Internet. Customers choosing to obtain service through inbound channels must either fill out an application online, or provide the relevant information to the customer sales rep over the telephone. In these cases, Illinois Telephone Corporation will verify eligibility via a state database, state administrator, or by reviewing documentation of eligibility submitted by the applicant in advance of receiving service. Illinois Telephone Corporation will not initiate an application for a customer until it has verified the customer's eligibility. The customer's *Online Sales*. To apply for Illinois Telephone Corporation Lifeline service online, a customer will fill out an application, provide the necessary information that all prospective Lifeline customers must provide. The application forms explain all the eligibility requirements. However, in most cases, the prospective customer will fill out the relevant eligibility forms on the computer, and then send in copies of the records needed by Illinois Telephone Corporation eligibility to participate in Lifeline. Assuming the customer has successfully completed the online application process, Illinois Telephone Corporation needs to verify the customer is only receiving one Lifeline subsidy for their household, to verify eligibility, to satisfy its record-keeping obligations, and to send to USAC in order to populate the duplicates database. To obtain Illinois Telephone Corporation Lifeline service new prospective customers can

call Illinois Telephone Corporation to initiate service. The process is very similar to online enrollment, except that instead downloading forms, the customer is asked a series of qualifying questions by a customer service representative. The questions will all be designed to elicit true and accurate information that is necessary for Illinois Telephone Corporation to qualify and send signature forms to the newly qualified customer. If, at any time during the conversation, it becomes apparent to the customer service rep that the prospective customer is unlikely to qualify for Illinois Telephone Corporation Lifeline service, the service rep will explain the issue to the customer and offer to allow the customer to sign up for one of Illinois Telephone Corporation non-Lifeline service plans. For example, if there are no other Lifeline subscribers in the customer's household, and the customer participates in a Lifeline-eligible program (or is income-qualified), the customer service rep will try to verify the customer's information through a state database (if available). If the customer seems to qualify (through a database query), then the customer service rep will open a file for the customer, take the customer's information that is required to be collected from each customer, send the customer the requisite certification forms for verification of eligibility (or allow the customer to certify eligibility through an IVR recorded and associated with the customer's account), and request copies of the evidence that would prove eligibility in cases where a state database is not available. As always, if the prospective customer fails to qualify for Lifeline service, Illinois Telephone Corporation will explain to the customer why the request was rejected. On the other hand, if the prospective customer sends in sufficient evidence to qualify for Lifeline eligibility, and adequately certifies eligibility, Illinois Telephone Corporation enroll the customer in their requested service plan.

2. De-Enrollment

In order to most efficiently use funds set aside for Lifeline customers, the FCC has adopted rules to ensure that only customers eligible to participate in the Lifeline program receive the benefit of the Lifeline subsidy. These rules require that Lifeline ETCs “de-enroll” customers who are no longer eligible to receive Lifeline benefits from the carrier’s list of customers for whom Lifeline reimbursement is sought from USAC.

The Commission’s new rule requires carriers to “de-enroll” customers from Lifeline enrollment for several reasons: the carrier has reason to believe that the customer no longer participates in a Lifeline-eligible program, or no longer meets the income-based criteria for Lifeline eligibility, and the customer fails to prove eligibility within 30 days³⁰; the Fund Administrator notifies the ETC that either the customer is receiving Lifeline support from more than one carrier, or that more than one person in the customer’s household is receiving a Lifeline subsidy, the customer has failed to “use” a free service for more than 60 consecutive days; or, the customer has either failed to perform their required annual recertification of continued eligibility, the annual re-certification that the customer is not in violation of the one-per-household rule, or (for customers who provided a temporary address upon enrollment) the customer has failed to re-certify their temporary address within the 90 day window (or failed to provide the carrier with a permanent address within the same time period). With the exception of the situation where an ETC is notified by the Administrator that a customer/customer’s household is receiving duplicate support, each basis for de-enrollment requires the carrier to notify the customer that their support is in jeopardy, and provide the customer with 30 days to either refute or cure their apparent ineligibility to receive Lifeline support. An ETC is notified

that they are receiving duplicative support for a customer that has been confirmed to be ineligible by the Administrator, the ETC has 5 days to remove the ineligible Lifeline recipient from its reimbursement list. Customers receiving duplicative subsidies not only present a risk to the Fund, but they present a financial risk to Illinois Telephone Corporation's eligible for reimbursement if they are allowed to continue to use their Landlines and raise Illinois Telephone Corporation's self-interest to immediately remove from its Lifeline roles those customers identified by the Administrator as disqualified from receiving Lifeline service, Illinois Telephone Corporation further explain how it will comply with this new obligation. Putting aside those subscribers recovering duplicative support, *every* qualifying Lifeline subscriber is subject to de-enrollment for reasons both completely outside the ETC's control (*e.g*, customers failing to use service and customers no longer qualifying for the subsidy), and for reasons that can be avoided if the customer has sufficient notice to comply with the rules. For this reason, Illinois Telephone Corporation has adopted procedures to help deserving customers to avoid undeserved de-enrollment, and procedures for quickly removing subscribers that the Administrator has determined to be wasting Lifeline funds. When Illinois Telephone Corporation establishes a customer account, it also places a Lifeline start date on the account consistent with the date of the customer's first outbound call, based on the potential vulnerabilities of the customer to undeserved de-enrollment. For example, every Lifeline account is subject to recertification on an annual basis that: the subscriber still meets the criteria to be considered a qualifying low-income customer under §54.409, and that the subscriber's household is not receiving more than one Lifeline subsidy. Thus, every Lifeline subscriber should receive (through multiple channels) an advance reminder

that they must re-certify annually, along with an explanation of the many convenient ways that Illinois Telephone Corporation offers customers to re-certify. Illinois Telephone Corporation allows customers to re-certify via dialing a toll free number, email, regular mail. Moreover, once the duplicate database is up and working, Illinois Telephone Corporation will be able to perform certifications for its customers that have qualified through a database query. Regardless, though, it is clear that Illinois Telephone Corporation, and many other Lifeline-only ETCs, will be sending out annual re-certification requests on a daily basis. Annual re-certifications are required for all customers, but Illinois Telephone Corporation also creates an advance reminder for customers that have established their accounts using a temporary address. Customers establishing service with a temporary address are potentially difficult to remain in contact with, so Illinois Telephone Corporation sends out notifications.

3. Recordkeeping Requirements

In adopting the *Lifeline Reform Order* the Commission, to paraphrase Commissioner McDowell's separate statement, takes the large step of imposing accountability on a government entitlement program. In its directives for what should be included in a carrier's compliance plan, as described in Paragraphs 368-391, the Commission frequently states that it would like carriers to explain and describe how they will comply with the rule changes in the *Order*. If accountability equals recordkeeping, then this section is perhaps the most challenging and comprehensive of this Compliance Plan. While only one section of the new rules, is specifically entitled "record keeping", most of the rule changes either create new records and/or create new

recordkeeping requirements. For purposes of organizing TerraCom’s explanation of how it intends to comply with the new recordkeeping obligations imposed under the *Order*, Illinois Telephone Corporation will divide records into “individual account records” and “company-wide records”. The theory behind this organization of Illinois Telephone Corporation’s explanation of how it will meet the Order’s recordkeeping requirements is that, for reporting purposes, Illinois Telephone Corporation is required to report on both individual account compliance (on a company-wide basis), company wholesale compliance, and companywide performance compliance.

i. Individual Account Records

For each individual Lifeline account, Illinois Telephone Corporation will keep customer records for the entire length of time the customer remains in the Lifeline program, and for certain records within the individual accounts, Illinois Telephone Corporation will keep customer records for 10 years following customer deenrollment from the Lifeline program.³⁵ TerraCom will keep the following records for each subscriber’s individual Lifeline account:

- date that TerraCom queried the duplicates database;
- date and information that Illinois Telephone Corporation transmitted to Database;
- date of transmission of updated customer information to Database³⁸;
- date of transmission of customer de-enrollment to Database³⁹;
- date of customer service activation and method of activation⁴⁰;
- certification and re-certification forms for each subscriber⁴¹;
- per customer records of revenues forgone by providing Lifeline services in the form requested by the Administrator for periodic reporting to the Administrator upon request⁴²;
- date and database upon which the ETC determined income-based eligibility⁴³;
- date and documentation/data source used to determine income-based eligibility when no database was available to determine subscriber eligibility which include the following forms of acceptable documentation:
 - o prior year’s state, federal, or Tribal tax return
 - o current income statement from an employer or paycheck stub
 - o a Social Security statement of benefits
 - o a Veterans Administration statement of benefits

- a retirement/pension statement of benefits
- an Unemployment/Workers' Compensation statement of benefit
- federal or Tribal notice letter of participation in General Assistance
- a divorce decree
- child support award
- other official document containing income information;

--state Lifeline administrator documentation of customer eligibility, and subscriber's certification of eligibility⁴⁵;

--date, database, and program on which ETC determined subscriber eligibility⁴⁶;

--keep and maintain accurate records detailing data source a carrier used to determine a subscriber's program-based eligibility or the documentation a subscriber provided to demonstrate Lifeline eligibility⁴⁷;

--notice of program-certification and customer self-certification, when performed by a state agency or state Lifeline administrator⁴⁸;

--prospective subscriber certification, where subscriber acknowledges 1) Lifeline qualifications in terms of one benefit per household and the requirement that a violation of the rules could result in de-enrollment, 2) require each prospective subscriber to provide certain information with which to populate the duplicates database, 3) require each prospective subscriber to certify, under penalty of perjury, that the subscriber meets the income-based, program-based, or Tribal Lands criteria for receiving Lifeline, and the subscriber knows the Lifeline program rules, and will notify the carrier if the subscriber ceases to qualify⁴⁹;

--maintain records re-certifying all subscribers remain Lifeline eligible under a qualifying program or income eligibility, and re-certification by the subscriber that they can confirm their original certification under §54.410(d), except those subscribers that are required to be re-certified by state agencies or administrators⁵⁰;

--where a state administrator or agency is responsible for re-certification, the carrier has to: 1) maintain re-certification results from the state, 2) maintain the results of each state administrator's certification efforts for each subscriber in that state, and 3) where a state has been unable to re-certify a subscriber, the ETC must keep the record and comply with the relevant de-enrollment procedures⁵¹;

--maintain a record of each subscriber's re-certification (or failure to re-certify) a temporary address every 90 days⁵²;

ii. Company-wide Records

The Commission requires ETCs to maintain some "company" records, but it also requires

the ETC to make annual reports, certified by an officer of the company, to the

Commission. The company reporting obligations require company officers to certify

company procedures for maintaining compliance with the rules regarding ETCs

participating in the Lifeline program. The records, on an aggregate basis, that companies

have to collect are primarily required to be collected for reporting purposes. Illinois Telephone Corporation will collect the following data, and report it to the requisite authorities. --provide, on an annual basis, the results of the ETC's annual re-certification efforts to the Commission and the Administrator. For states where the TerraCom has been granted state ETC designation, it must report the results of its annual re-certification efforts to the proper state regulators.

4. Reimbursement from USAC

In the *Lifeline Reform Order*, the FCC eliminated Lifeline reimbursement based on “projected” lines for which the carrier “expects to be compensated based on past growth. Instead, in the *Order*, the Commission changed the method of Lifeline reimbursements to “actual” lines served.

5. Marketing Materials

In its *Lifeline Reform Order*, the FCC imposed certain obligations on ETCs to clearly disclose on all of their marketing and advertising materials that the service they are offering is a Lifeline service, that Lifeline is a government assistance program, that it is only available to qualifying eligible customers, it is not transferable, and the program is limited to one discount per household.⁶² Moreover, all materials describing the service must disclose the name of the ETC providing the service. Illinois Telephone Corporation will include all of this required information on all of its ads describing its service.

Illinois Telephone Corporation is in the process of changing its marketing materials to comply with the new rules. Since TerraCom will not change its existing advertisements until it is sure it is in compliance with the Commission's rules, it has supplied proposed advertising copy. See **Exhibit 3**, attached.

6. Financial and Technical Capability to Provide Service

In its *Order*, the FCC includes a new qualification for carriers seeking to become ETCs: that they demonstrate they are financially and technically capable of providing the supported Lifeline service in compliance with the Commission's rules.⁶³ Because Illinois Telephone Corporation is seeking to have its pending ETC Petition, as amended, granted in tandem with the Commission's grant of this Compliance Plan, Illinois Telephone Corporation will demonstrate that it is financially, and technically, able to completely comply with all of the new Commission rules governing Lifeline ETCs. Illinois Telephone Corporation can demonstrate that it is financially and technically capable of providing Lifeline service, because it is already successfully providing Lifeline Service.

Illinois Telephone Corporation is not only capable of providing Lifeline-supported service; it is successfully providing Lifeline-supported services in the states where it is designated an ETC. In these states, Illinois Telephone Corporation is growing its customer base, has no disproportionate consumer complaints, and offers high quality service at affordable rates to all its customers. Nonetheless, Illinois Telephone Corporation will demonstrate, through Exhibit 4 (Declaration of Dale Schmick) that it is financially capable of providing Lifeline-only service. TerraCom's Business model is to serve low-income customers, who may, or may not, be eligible to Receive Lifeline supported service. So, Illinois Telephone Corporation does not, and does not intend to, offer exclusively Lifelinesupported services—and is therefore not exclusively dependent on USAC for its revenue.

Illinois Telephone Corporation will also explain that it is on good terms with all of its

wholesale vendors, and can afford to keep a customer's service active without depending upon immediate reimbursement from USAC in order to continue to provide service to its customers. Thus, it is clear that Illinois Telephone Corporation —with its years as a Lifeline-only service provider in good standing since first being designated an ETC. As required by the *Lifeline Reform Order*, in order to take advantage of the Commission's conditional grant of blanket forbearance, Illinois Telephone Corporation has hereby submitted a Compliance Plan that effectively outlines the measures it will take to address each specific concern elaborated by the Commission, and every significant rule change to the Lifeline program addressed in its *Order*. The Commission should find that this plan addresses all of its concerns and that the public interest is best served by granting Illinois Telephone Corporation the conditional "blanket forbearance Compliance Plan, as well as Illinois Telephone Corporation pending Amended Petition for Limited ETC Designation. For these reasons, Illinois Telephone Corporation respectfully requests that the FCC approve this Compliance Plan,