

**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

**PETITION AND CERTIFICATION TO OPT-OUT OF THE NATIONAL DATABASE
PURSUANT TO
47 CFR §54.404(a)
BY
THE PUBLIC UTILITY COMMISSION OF TEXAS**

THE PUBLIC UTILITY COMMISSION OF TEXAS

CHAIRMAN DONNA L. NELSON
COMMISSIONER KENNETH W. ANDERSON, JR.
COMMISSIONER ROLANDO PABLOS

September 13, 2012

INTRODUCTION

The Public Utility Commission of Texas (PUCT) respectfully requests that the Federal Communications Commission (FCC) authorize it to opt out of the National Lifeline Accountability Database (National Database), and in this filing provides the requisite certification and descriptions under Section 54.404(a) of the FCC's rules.¹

In the FCC's above-captioned Lifeline and Linkup Reform and Modernization Order (Lifeline Reform Order), the FCC made certain reforms to the federal Lifeline program that address fraud, waste, and abuse of the Lifeline program. The Lifeline Reform Order established the National Database to assist in detecting duplicative Lifeline support. Section 54.404(a) of the new rules, adopted in the Lifeline Reform Order, provides a certification process for states with robust accountability systems to opt out of participating in the National Database. The PUCT supports the intent of the Lifeline Reform Order and has made changes to the Texas state database to meet the FCC's new lifeline requirements.

The PUCT through its Low Income Discount Administrator (LIDA) has developed a comprehensive system and database (PUCT database) that meets all FCC requirements to prevent duplicative federal lifeline support. The PUCT database incorporates subscriber information from all eligible telecommunications carriers (ETCs) receiving federal low-income support in Texas.

Overview of the PUCT Lifeline Process

1. Enrollment

The PUCT, through its LIDA, utilizes two methods for Lifeline enrollment 1) coordinated enrollment and 2) self-enrollment.

¹ 47 C.F.R. § 54.404(a).

For the coordinated enrollment method, the Texas Health and Human Services Commission (HHSC) creates a file each month that lists all people that receive benefits from Supplemental Nutrition Assistance Program (SNAP), Medicaid, Temporary Assistance for Needy Families (TANF) and Health Benefit Coverage under Child Health Plan (CHIP).

The self-enrollee method applies to individuals who do not receive benefits from one of the approved programs that are part of the coordinated enrollment process but do receive benefits from other FCC programs which are not administered by HHSC or the individual meets the state requirement of household income below 150% of the current federal poverty guidelines. LIDA verifies all of self-enrollment applications for proper backup documentation including the required certification form. Self-enrollees must reapply with complete backup program/income documentation every seven months.

2. Matching Process

ETCs are required to provide a current file to the LIDA each month that lists all its residential customers. The LIDA, through the database², processes the information based on specific matching criteria to produce the monthly lists of subscribers eligible for a Lifeline discount. For all new database matches after June 1, 2012, all newly identified Lifeline subscribers must provide a certification form to the LIDA prior to receiving a Lifeline discount. The certification forms are processed depending on how the subscriber is enrolled in Lifeline. That is, if a subscriber submits a self-enrollment application, the certification form will be included with that application and if a subscriber is enrolled in Lifeline through the coordinated method with HHSC, then the LIDA will send that subscriber the certification form to complete.

² The database contains the subscribers full name, residential address, date of birth, social security number, telephone number associated with the Lifeline account, date Lifeline service initiated, date Lifeline service terminated (if applicable), how the subscriber qualified for Lifeline. The portal captures the time a query was made, who made the query, the information submitted in the query and the results of the query.

Subscribers enrolled through the coordinated method with HHSC, will not be given a Lifeline discount by the ETC until a certification form is received by LIDA.

Once certification forms are received by the LIDA and validated they are input into the database. During this process, the database will recognize whether the individual or the individual's residence has an existing Lifeline match. If either of these situations occurs, a household worksheet will be sent to the subscriber. This worksheet will allow the subscriber to choose which telephone number should have the Lifeline discount applied. It will also determine if the new match at the subscriber's residence meets the criteria of a separate economic unit and thereby allows both telephone numbers to receive the discount. A complete duplicative process is run monthly to ensure all duplicates are found and resolved.

Once the monthly processes have occurred, the ETCs will receive an output file that lists all their subscribers that are eligible to receive a Lifeline discount.

The first month a new Lifeline subscriber appears on the ETCs output file, a copy of the certification form for that newly identified Lifeline subscriber is automatically sent to that ETC.

Certification And Description Regarding PUCT Compliance with Section 54.404(a) of the FCC's Rules

The PUCT hereby certifies that Texas, through the PUCT, has a comprehensive system in place to prevent duplicative federal Lifeline support that is at least as robust as the system adopted by the FCC and that incorporates information from all eligible telecommunications carriers receiving low-income support in the Texas and their subscribers.³

The FCC also requires a state that is requesting exclusion from the national database to "describe in detail, how the state system functions and for each requirement adopted by the Commission to prevent duplicative support, how the state system performs the equivalent

³ *See id.*

functions.”⁴ As described below, the PUCT’s system, including the PUCT database, satisfies this requirement.

1. § 54.405 (e) De-enrollment

a. De-enrollment generally

“If an eligible telecommunications carrier has a reasonable basis to believe that a Lifeline subscriber no longer meets the criteria to be considered a qualifying low-income consumer under §54.409, the carrier must notify the subscriber of impending termination of his or her Lifeline service. Notification of impending termination must be sent in writing separate from the subscriber's monthly bill, if one is provided, and must be written in clear, easily understood language. A carrier providing Lifeline service in a state that has dispute resolution procedures applicable to Lifeline termination, that requires, at a minimum, written notification of impending termination, must comply with the applicable state requirements. The carrier must allow a subscriber 30-days following the date of the impending termination letter required to demonstrate continued eligibility. A subscriber making such a demonstration must present proof of continued eligibility to the carrier consistent with applicable annual re-certification requirements, as described in §54.410(f). An eligible telecommunications carrier must terminate any subscriber who fails to demonstrate continued eligibility within the 30-day time period. A carrier providing Lifeline service in a state that has dispute resolution procedures applicable to Lifeline termination must comply with the applicable state requirements.”

All Lifeline participants are given 60 days (PUCT Substantive Rule §26.412(e)(3)(B)&(C)) to re-certify at the end of their eligibility period.

- a. Coordinated enrollment - If a participant falls off the monthly feed from HHSC, they move to self-enrollment status. A letter and self-enrollment application is sent to the participant. The letter notifies them that they have 60 days to either re-certify with HHSC or self-enroll with required backup documentation.
- b. Self-enrollment – Self-enrollees are approved for 7 months for the Lifeline program. In the 5th month the participant receives a letter that notifies them that they have 60 days to re-certify. If a participant fails to re-certify at the end of the 60 days for either enrollment method, the ETCs are instructed by LIDA to de-enroll the participant.

⁴ *Id.*

b. De-enrollment for duplicative support

“Notwithstanding paragraph (e)(1) of this section, upon notification by the Administrator to any eligible telecommunications carrier that a subscriber is receiving Lifeline service from another eligible telecommunications carrier or that more than one member of a subscriber's household is receiving Lifeline service and therefore that the subscriber should be de-enrolled from participation in that carrier's Lifeline program, the eligible telecommunications carrier must de-enroll the subscriber from participation in that carrier's Lifeline program within five business days. An eligible telecommunications carrier shall not be eligible for Lifeline reimbursement for any de-enrolled subscriber following the date of that subscriber's de-enrollment.”

The LIDA completes a process through its database to detect duplicative support for each subscriber and subscribers address each month. If a duplicate is found for one subscriber with multiple numbers, a letter is sent to the subscriber with the multiple numbers in randomized order and the subscriber is instructed to choose which telephone number they wish to receive the Lifeline support on. The subscriber has 30 days to return the letter that indicates which phone number will be given the Lifeline discount. Should the subscriber choose not to return the letter, one of the subscriber's telephone numbers is randomly selected by a structured query language (SQL) randomization process to continue to receive the Lifeline discount and the other telephone number(s) will no longer have a Lifeline discount applied. The ETC that is associated with the telephone number that is not selected is instructed to de-enroll the customer.

If an address that the database detected duplicates from multiple subscribers is found, a household worksheet with instructions will be sent to each subscriber to be completed. The subscribers have 30 days to return the household worksheets. The worksheets will be reviewed and input into the database. Should the subscribers choose not to return the worksheets, one of the subscriber's telephone numbers is randomly selected by a SQL randomization process to continue to receive the Lifeline discount and the other telephone number(s) will no longer have a Lifeline discount applied. The ETC that is associated with the telephone number that is not selected is instructed to de-enroll the customer.

c. De-enrollment for non-usage

“Notwithstanding paragraph (e)(1) of this section, if a Lifeline subscriber fails to use, as “usage” is defined in §54.407(c)(2), for 60 consecutive days a Lifeline service that does not require the eligible telecommunications carrier to assess or collect a monthly fee from its subscribers, an eligible telecommunications carrier must provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage under this paragraph. If the subscriber uses the Lifeline service within 30 days of the carrier providing such notice, the eligible telecommunications carrier shall not terminate the subscriber's Lifeline service. Eligible telecommunications carriers shall report to the Commission annually the number of subscribers de-enrolled for non-usage under this paragraph. This de-enrollment information must be reported by month and must be submitted to the Commission at the time an eligible telecommunications carrier submits its annual certification report pursuant to §54.416.”

If a subscriber fails to use their Lifeline supported telephone for 60 consecutive days, then the ETC will send a notice to the Lifeline subscriber informing them that they will no longer receive Lifeline support if their supported telephone is not used within 30 days. If the subscriber does not use their phone in the allotted period, then the ETC will de-enroll the subscriber and will not include the subscriber on its LIDA file. The ETC will report this de-enrollment information to the FCC when they submit their annual certification report.

d. De-enrollment for failure to re-certify

“Notwithstanding paragraph (e)(1) of this section, an eligible telecommunications carrier must de-enroll a Lifeline subscriber who does not respond to the carrier's attempts to obtain re-certification of the subscriber's continued eligibility as required by §54.410(f); who fails to provide the annual one-per-household re-certifications as required by §54.410(f); or who relies on a temporary address and fails to respond to the carrier's address re-certification attempts pursuant to §54.410(g). Prior to de-enrolling a subscriber under this paragraph, the eligible telecommunications carrier must notify the subscriber in writing separate from the subscriber's monthly bill, if one is provided using clear, easily understood language, that failure to respond to the re-certification request within 30 days of the date of the request will trigger de-enrollment. If a subscriber does not respond to the carrier's notice of impending de-enrollment, the carrier must de-enroll the subscriber from Lifeline within five business days after the expiration of the subscriber's time to respond to the re-certification efforts.”

The LIDA re-certifies subscribers monthly and instructs ETCs to de-enroll on a monthly basis due to failure to re-certify. All subscribers are given 60 days in writing in which to re-certify prior to de-enrollment.

2. § 54.409 Consumer qualification for Lifeline

(a) To constitute a qualifying low-income consumer:

(1) A consumer's household income as defined in §54.400(f) must be at or below 135% of the Federal Poverty Guidelines for a household of that size; or

(2) The consumer, one or more of the consumer's dependents, or the consumer's household must receive benefits from one of the following federal assistance programs: Medicaid; Supplemental Nutrition Assistance Program; Supplemental Security Income; Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program; National School Lunch Program's free lunch program; or Temporary Assistance for Needy Families; or

(3) The consumer meets additional eligibility criteria established by a state for its residents, provided that such-state specific criteria are based solely on income or other factors directly related to income.

(b) A consumer who lives on Tribal lands is eligible for Lifeline service as a “qualifying low-income consumer” as defined by §54.400(a) and as an “eligible resident of Tribal lands” as defined by §54.400(e) if that consumer meets the qualifications for Lifeline specified in paragraph (a) of this section or if the consumer, one or more of the consumer's dependents, or the consumer's household participates in one of the following Tribal-specific federal assistance programs: Bureau of Indian Affairs general assistance; Tribally administered Temporary Assistance for Needy Families; Head Start (only those households meeting its income qualifying standard); or the Food Distribution Program on Indian Reservations.

(c) In addition to meeting the qualifications provided in paragraph (a) or (b) of this section, in order to constitute a qualifying low-income consumer, a consumer must not already be receiving a Lifeline service, and there must not be anyone else in the subscriber's household subscribed to a Lifeline service.

Texas Lifeline program qualifications, including that for tribal lands, mirror the qualifications as set by this rule. In Texas, the income levels are 150% of the Federal Poverty Guidelines.

3. § 54.410 Subscriber eligibility determination and certification

(b) Initial income-based eligibility determination

(B)(2) Where a state Lifeline administrator or other state agency is responsible for the initial determination of a subscriber's eligibility, an eligible telecommunications carrier must not seek reimbursement for providing Lifeline service to a subscriber, based on that subscriber's income eligibility, unless the carrier has received from the state Lifeline administrator or other state agency:

(i) Notice that the prospective subscriber meets the income-eligibility criteria set forth in §54.409(a)(1) or (a)(3); and

(ii) A copy of the subscriber's certification that complies with the requirements set forth in paragraph (d) of this section.

And;

(c) Initial program-based eligibility determination

(B)(2) Where a state Lifeline administrator or other state agency is responsible for the initial determination of a subscriber's eligibility, when a prospective subscriber seeks to qualify for Lifeline service using the program-based eligibility criteria provided in §54.409, an eligible telecommunications carrier must not seek reimbursement for providing Lifeline to a subscriber unless the carrier has received from the state Lifeline administrator or other state agency:

(i) Notice that the subscriber meets the program-based eligibility criteria set forth in §54.409(a)(2), (a)(3) or (b); and

(ii) a copy of the subscriber's certification that complies with the requirements set forth in paragraph (d) of this section.

The LIDA verifies 100% of self-enrollment applications to ensure that the subscriber meets the criteria for income or program based enrollment on the basis of the submitted backup documentation. The LIDA database, through the coordinated enrollment process verifies enrollment based on HHSC-approved program. All newly identified subscribers must have a fully executed certification form with LIDA. The first month the subscriber is matched for a

Lifeline discount, the subscriber information is sent to the ETC that provides service to the subscriber and a pdf copy of the valid certification form is sent to the ETC.

(d) Eligibility Certifications

“Eligible telecommunications carriers and state Lifeline administrators or other state agencies that are responsible for the initial determination of a subscriber's eligibility for Lifeline must provide prospective subscribers Lifeline certification forms that in clear, easily understood language:”

The PUCT submitted a copy of its certification form to the FCC on May 11, 2012. On May 15, 2012, the PUCT received an email from the FCC with some suggested edits to the certification form. The PUCT incorporated the suggested edits into the certification form it now uses.

(e) State Lifeline administrators or other state agencies that are responsible for the initial determination of a subscriber's eligibility for Lifeline must provide each eligible telecommunications carrier with a copy of each of the certification forms collected by the state Lifeline administrator or other state agency from that carrier's subscribers.

As stated previously, LIDA provides a valid certification form to the ETC for the initial subscriber Lifeline discount. The certification forms are placed on the ETCs file transfer protocol (ftp) site on a monthly basis for all initial discounts for that month.

(f) Annual eligibility re-certification process

(3) Where a state Lifeline administrator or other state agency is responsible for re-certification of a subscriber's Lifeline eligibility, the state Lifeline administrator or other state agency must confirm a subscriber's current eligibility to receive a Lifeline service by:

(i) Querying the appropriate eligibility databases, confirming that the subscriber still meets the program-based eligibility requirements for Lifeline, and documenting the results of that review; or

(ii) Querying the appropriate income databases, confirming that the subscriber continues to meet the income-based eligibility requirements for Lifeline, and documenting the results of that review; or

(iii) Obtaining a signed certification from the subscriber that meets the certification requirements in paragraph (d) of this section.

The LIDA uses an Income/Program database to run the monthly matching file to identify subscribers eligible to receive a Lifeline discount. The LIDA will use the monthly file in November 2012 that will be produced by querying the income/program database against the June 1, 2012 existing Lifeline participants that was produced by querying the income/program database against each other to produce the re-certifications for 2012. The same method will be used for each subsequent year.

(4) Where a state Lifeline administrator or other state agency is responsible for re-certification of subscribers' Lifeline eligibility, the state Lifeline administrator or other state agency must provide to each eligible telecommunications carrier the results of its annual re-certification efforts with respect to that eligible telecommunications carrier's subscribers.

The LIDA will provide all the ETCs with the results of the annual re-certification. This process will occur in December 2012 and annually each December thereafter.

Additional Information

The LIDA contract with the state mandates that a Statement on Standards for Attestation Engagements No. 16(SSAE16⁵) audit be completed annually. The audit is completed in early summer so this year's audit will not include the new procedures developed to incorporate the FCC rule changes to the Lifeline process. All future audits will include the policies and procedures LIDA has set for the new Lifeline process. This will ensure LIDA is adhering to these policies and procedures during its processing of Lifeline.

CONCLUSION

As described above, Texas satisfies the requirements of Section 54.404(a), and the PUCT hereby provides the certifications and descriptions required by that rule. The LIDA has sufficient controls and processes in place to meet the requirements set forth by the FCC's Lifeline Reform Order and we continue to be proactive regarding the Lifeline and Link Up programs to ensure that low-income Texans have the ability to obtain and retain affordable telephone service. The PUCT continues to have accountability in the universal service program and has the controls in place to safeguard the USF from fraud, waste, and abuse. The PUCT seeks FCC approval of the proposed request to opt-out of the national database.

Respectfully submitted,
/ s /
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⁵ SSAE 16 is an attestation standard geared towards addressing engagements conducted by practitioners (known as "service auditors") on service organizations for purposes of reporting on the design of controls and their operating effectiveness.