



WILTSHIRE
& GRANNIS LLP

February 21, 2013

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Lifeline and Link Up Reform and Modernization, WC Docket 11-42*

Dear Ms. Dortch:

On February 19, 2013, Carlie Azleton of General Communication, Inc. ("GCI"), and Pat O'Donnell and I, on behalf of GCI, met with Pam Gallant, Kathryn Palcic, Wayne Scott, and Teleshia Delmar from USAC, and Jae Seong, Gina Spade, Garnet Hanly, and Michelle Schaefer from the FCC. We discussed the audit plan the FCC and USAC are developing for biennial holding company audits. We also distributed the attached document.

Sincerely,

A handwritten signature in black ink, appearing to read 'John T. Nakahata'.

John T. Nakahata
Counsel to General Communication, Inc.

cc: Pam Gallant
Kathryn Palcic
Wayne Scott
Teleshia Delmar
Jae Seong
Gina Spade
Garnet Hanly
Michelle Schaefer

AUDIT PROGRAM: LIFELINE

PURPOSE

This audit program is designed to document the audit plan for the testing of compliance with the Lifeline Compliance Policy, the Compliance Agreement and the Low Income Program Rules.

AUDIT PROCEDURES

<i>Procedure</i>	<i>Performed By (N/A)</i>	<i>Workpaper Reference/ Comments</i>
BASIC LIFELINE SERVICES AND ANCILLARY SERVICES		
1. Ensure the following functionalities have been made available to qualifying low-income Lifeline consumers:		
a. Voice-grade access to the public switched telephone network		
b. Minimum of 500 minutes of free local usage		
c. Access to emergency services		
SUBSCRIBER ELIGIBILITY AND ENROLLMENT		
1. Obtain a listing of all new Lifeline subscribers. From the listing randomly select a judgmentally determined sample size and ensure the following:		
a. Confirm a completed Lifeline application is on file.		
b. Confirm name on contract matches account selected for review.		
c. Confirm name on contract matches name on identification, if applicable.		
d. Confirm Lifeline application contains applicant address.		
e. Confirm applicant indicates that are not already receiving Lifeline assistance. If they are, ensure Subsidy Cancellation and Reassignment Form is completed.		
f. Confirm applicant indicates no other family member at physical address is receiving Lifeline assistance.		
g. Confirm Lifeline application contains applicant signature and date.		
TERMINATING LIFELINE SERVICE – DELINQUENCY, LOSS OF ELIGIBILITY		
1. Obtain listing of all disconnected Lifeline subscribers. From the listing randomly select a judgmentally determined sample size and ensure subscriber was not disconnected for non-payment of ancillary charges.		
2. Obtain listing of all Lifeline subscribers that have non-Lifeline services on their account. From the listing randomly select a judgmentally determined sample size and ensure any partial payments made on the account have been applied to Lifeline service first, unless there are notations on the account indication otherwise.		

<i>Procedure</i>	<i>Performed By (N/A)</i>	<i>Workpaper Reference/ Comments</i>
3. Obtain listing of all Lifeline subscribers that are 75 days or more delinquent in paying and ensure the following:		
a. Subscriber has been suspended.		
b. Subscriber is not included in the FCC Form 497 line count.		
LIFELINE MARKETING		
1. Obtain listing of all ETC designations. From the listing randomly select a judgmentally determined sample size and ensure the following:		
a. Availability of and charges for Lifeline and Link Up Services are advertised.		
b. All relevant disclosures have been included in marketing materials.		
CALCULATING LIFELINE SUPPORT AND PREPARING FORM 497		
1. Obtain most recent 497 filing. Ensure the following:		
a. All lines included on form are active. Any accounts that are suspended or terminated should not be included.		
b. Line count does not include any subscribers who addresses are outside areas that are ETC designated.		
c. Line count does not include any ineligible Lifeline subscribers.		
d. Line count does not include subscribers who are more than 75 days delinquent in payment of Lifeline charges.		
e. Line count does not include duplicates or members of the same nuclear family.		
f. Line count does not include Lifeline subscribers that are included in Form 497 filings of affiliated entities.		
g. Appropriate support amounts are applied based on service type and ETC area.		
2. Obtain most recent Tier 1, Tier 2, Tier 3 and Tier 4 support amounts from Regulatory Department. Ensure the following:		
a. Support amounts have been confirmed.		
b. All support received in the form of a discount is passed on to eligible subscribers.		
c. Tiered support rates do not bring the basic local residential rate below \$1 per month per qualifying low-income subscriber.		
d. Tiered support rates do not cause universal service support reimbursement to exceed GCI's standard, non-Lifeline rate for comparable services.		
e. Lifeline subscribers have been multiplied by the correct tier support amount.		
ANNUAL VERIFICATION PROCESS		

<i>Procedure</i>	<i>Performed By (N/A)</i>	<i>Workpaper Reference/ Comments</i>
1. Obtain June 1, 2012 “snapshot” of Lifeline subscriber list. From the listing randomly select a judgmentally determined sample size and ensure the following:		
a. Request for re-certification was made in writing.		
b. Any subscriber who does not respond within 30 days has been de-enrolled and removed from 497 filing.		
c. Audit was submitted to USAC by January 31, 2013.		
d. Confirmation of receipt was received after submission to USAC.		
EXTERNAL REPORTING		
1. Ensure Annual ETC Report was submitted to all required parties and included the following:		
a. Description of terms and conditions of Lifeline service plans, including number of minutes provided additional charges and toll charges.		
2. Ensure Annual ETC Certification was submitted to USAC addressing the following:		
a. Procedures in place to ensure Lifeline subscribers are eligible to receive Lifeline service.		
b. Compliance with all federal Lifeline Certification procedures.		
c. Valid certification has been obtained for each subscriber for whom Lifeline support has been sought.		