

January 30, 2014



Submitted Via Email

USAC -- Low Income Program
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Washington, DC 20036
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Re: 2013 Form 555

To Whom It May Concern:

Attached please find Form 555 prepared by General Communication, Inc. ("GCI") with respect to Lifeline subscriber recertifications completed by December 31, 2013. In this cover letter, GCI explains how it calculated the information requested by the form.

As you may know, the Federal Communications Commission Wireline Competition Bureau on May 22, 2013 issued Guidance Regarding the 2013 Lifeline Recertification Process ("Clarification Notice").¹ According to the Clarification Notice, ETCs may recertify customers as often as they choose, so long as they do so at some point during each calendar year following the year in which a subscriber was initially enrolled or last recertified.² The Bureau "encourage[d]...ETCs to recertify subscribers as soon and as often as is practicable, consistent with the clarifications we provide herein."³ Heeding that encouragement, GCI has employed a rolling recertification process, seeking recertification from Lifeline customers when they encounter GCI personnel for other reasons, such as changes in handsets, bill payment, or service questions. In short, the company conducts recertification constantly, taking advantage of other customer contacts to reduce the administrative burden of recertification and keep customer recertifications as recent as possible.

While the Clarification Notice ensures a high degree of flexibility in the recertification process, the rolling nature of that process contributes to some degree of ambiguity in Form 555 calculations. In particular, it is difficult to determine whether a de-enrollment occurs prior to or after an attempt to re-certify, since re-certification attempts are continuous, and they overlap with the ongoing review of Lifeline certifications for new customers. To help USAC understand how GCI calculated the data requested on the form and attempted to reconcile the form's instructions with its record and with the rolling process provided by the Clarification Notice, GCI will outline the steps it underwent to arrive at those values. For USAC's convenience, GCI has also provided a chart which summarizes the procedures described in the following narrative.

¹ *Wireline Competition Bureau Provides Guidance Regarding the 2013 Lifeline Recertification Process*, Public Notice, WC Docket No. 11-42 and DA Docket No. 13-1188, 28 FCC Rcd. 7503 (2013).

² *See id.*

³ *Id.* at 7504 ¶ 7.

Form 555 – Section 2, Generally

The value in Column A (30,560) represents the number of Lifeline subscribers for which GCI claimed Lifeline support on its February 2013 FCC Form for the SAC listed. The value in Column B (0) represents the number of lines provided to resellers as claimed on GCI's February 2013 Form 497. The value in Column C (949) represents the number of Lifeline subscribers for which GCI claimed Lifeline support on its February 2013 FCC Form 497.

Form 555 – “Certification A”

GCI completed Certification A of the attached Form 555. Certification A applies because GCI utilized “direct” recertification procedures. Based on language of Form 555 and the corresponding Filing Instructions, GCI interprets the term “direct(ly)” to mean any method other than a state or national database, or a Lifeline administrator.

The value in Column D (25,374) represents the number of Lifeline subscribers that GCI contacted directly to obtain recertification of eligibility. Due to the rolling nature of the recertification process, as outlined in the Clarification Order,⁴ GCI did not specifically track this statistic for 2013. Instead, GCI backed into the value by adding the values represented in Columns E (23,243) and F (2,131). GCI relied on the formula provided on the face of, and in the filing instructions for, Form 555: $F = D - E$. That formula can be mathematically rearranged to: $D = E + F$.

The value in Column E (23,243) represents the number of Lifeline subscribers that responded to GCI's request to recertify their eligibility for Lifeline. That value equals the sum of the number of subscribers who recertified in 2013 (21,527), plus the number of subscribers who responded to a recertification request by indicating that they were no longer eligible (1,716).

The value in Column F (2,131) represents the number of subscribers who did not respond to GCI's request to recertify eligibility. GCI calculated this by using the following procedure: First, GCI determined the number of subscribers as of the beginning of 2013 (33,364). Second, GCI determined the number of subscribers that recertified in 2013 (21,527). Third, GCI calculated the difference in those values to come up with the number of subscribers lost (by being de-enrolled by GCI or by de-enrolling themselves): 11,837. Fourth, GCI records show that, of all Lifeline subscribers whom GCI de-enrolled (both rejected new applicants and disconnected existing customers), approximately 18% were de-enrolled for failure to establish Lifeline eligibility as required. Applying that 18% to the 11,837 subscribers lost (to avoid counting new subscribers rejected) yielded the 2131 reported in Column F.

The value in Column G (1,716) represents the number of subscribers contacted who responded and indicated that they are no longer eligible. GCI came to this value by subtracting the number of disconnects due to unresponsiveness (2,131) from the total number of lost Lifeline subscribers (11,837). That procedure amounted to 9,706. GCI then subtracted from 9,706 the number of subscribers who were de-enrolled prior to recertification attempts (7,990).

⁴ See *Wireline Competition Bureau Provides Guidance Regarding the 2013 Lifeline Recertification Process*, Public Notice, WC Docket No. 11-42 and DA Docket No. 13-1188, 28 FCC Rcd. 7503 (2013).

The value in Column H (3,847) represents the number of subscribers that have been, or are scheduled to be, de-enrolled. GCI arrived at this value by adding the number of unresponsive subscribers (2,131) to the number of subscribers who responded that they were no longer eligible (1,716). GCI's relied on the procedures and equation provided on the face of, and in the Filing Instructions to, Form 555: $H = F + G$.

The value in Column I (7,990) represents the number of subscribers -- of those contacted directly by GCI in an attempt to re-certify eligibility -- who de-enrolled from Lifeline prior to GCI's attempt to re-certify continued eligibility. In accordance with the Filing Instructions, this value includes all subscribers who de-enrolled for any reason, including those subscribers that discontinued Lifeline service with GCI on their own initiative and those that GCI de-enrolled from Lifeline. Due to the rolling nature of the recertification process, GCI did not specifically track this statistic for 2013. Rather, GCI followed the following procedure for determining the Column I value: First, GCI determined that of its (11,837) de-enrolled Lifeline subscribers, 29% (approximately 3,433) represented subscribers who de-enrolled by their own initiative (either before or in response to GCI's certification requests). Second, because GCI did not track how much of that 29% represents pre- versus post-recertification requests, GCI estimated that the split was approximately half and half (or 1,716). GCI is comfortable with this estimate as it is in line with the value provided in Column G -- the total number of subscribers responding that they are no longer eligible. Third, GCI tracked the number of de-enrollments based on failure to pay, or change to prepaid or postpaid for 2013 (53% of 11,837 = 6,274). Fourth, GCI added the number of pre-certification request customer initiated de-enrollments (1,716) and the number of other pre-certification request de-enrollments (6,274).

Columns J through L ("Certification B" entries) are not applicable because GCI did not rely on a source other than direct contact with the subscriber to confirm continued eligibility. As such, GCI entered a value of 0 in each of those columns.

Form 555 – Section 3

The value in Column M (30,560) matches the value entered in Column A. The value in Column N (3,847) matches the value entered in Column H. The value in Column O (0) matches the value entered in Column K. The value in Column P (3,847) represents the number of customers de-enrolled or scheduled to be de-enrolled. GCI relied on the formula provided on the face of, and in the Filing Instructions to, Form 555: $P = N + O$. The percentage in Column Q, 13%, represents the percentage of subscribers de-enrolled or scheduled to be de-enrolled that were claimed on the February 2013 FCC Form 497. GCI relied on the Form 555 formula: $Q = ((P/M) \times 100)$.

Form 555 – Summary Chart

Column	Form 555 Value	Notes
A	30,560	The number of Lifeline subscribers for which GCI claimed Lifeline support on its February 2013 FCC Form.
B	0	The number of lines provided to resellers as claimed on GCI's February 2013 Form 497.
C	949	The number of Lifeline subscribers for which GCI claimed Lifeline support on its February 2013 FCC Form 497.
D	25,374	Due to the rolling nature of the recertification process, GCI did not specifically track this statistic. As such, GCI backed into this value using the formula provided in Form 555.
E	23,243	Column E represents the number of subscribers who recertified (21,527), plus the number of subscribers who responded that they are no longer eligible (Column G).
F	2,131	Column F represents the number of non-responding subscribers (18% of 11,837), or Column D - Column E.
G	1,716	Column G represents the total number of disconnects (11,837), minus the number of disconnects due to unresponsiveness (Column F), minus the number of non-certification related disconnects (Column I).
H	3,847	H represents the number of unresponsive subscribers (Column F), plus the number of subscribers who responded that they are no longer eligible (Column G).
I	7,990	Column I represents the number of pre-recertification process customer initiated disconnects ($1/2 \times (11,837 \times 29\%)$), plus the number of other disconnects (6,274).
M	30,560	From Column A.
N	3,847	From Column H.
O	0	From Column K.
P	3,847	Column P = Column N+ Column O.
Q	13%	Column Q = $((\text{Column P}/\text{Column M}) * 100)$.

If you have any questions, please feel free to contact me by telephone at (907) 868-5612 or by email at rhitz@gci.com.

Sincerely,



F.W. Hitz, III
Vice President, Regulatory Economics and Finance

Annual Lifeline Eligible Telecommunications Carrier Certification Form

All carriers must complete all or portions of all sections
Form must be submitted to USAC and filed with the Federal Communications Commission

IMPORTANT: PLEASE READ INSTRUCTIONS FIRST

Deadline: January 31st (Annually)

Alaska

State

(An Eligible Telecommunications Carrier (ETC) must provide a certification form for each state in which it provides Lifeline service).

619001, 619014

GCI Communication Corp

Study Area Code(s) (SAC)

ETC Name(s)

General Communication, Inc.

GCI

Holding Company Name(s)

DBA, Marketing or Other Branding Name(s)

Affiliated ETCs (include names and SACs, attach additional sheets if necessary)	613023 - United Utilities, Inc.; 611449 - United KUC, Inc.
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Provide a list of all ETCs that are affiliated with the reporting ETC. Affiliation shall be determined in accordance with section 3(2) of the Communications Act. That Section defines "affiliate" as "a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person." 47 U.S.C. § 153(2). See also 47 C.F.R. § 76.1200.

For purposes of this filing, an officer is an occupant of a position listed in the article of incorporation, articles of formation, or other similar legal document. An officer is a person who occupies a position specified in the corporate by-laws (or partnership agreement), and would typically be president, vice president for operations, vice president for finance, comptroller, treasurer, or a comparable position. If the filer is a sole proprietorship, the owner must sign the certification

Section 1: All ETCs MUST COMPLETE SECTION 1- Initial Certification

I certify that the company listed above has certification procedures in place either to:

- A) Review income and program-based eligibility documentation prior to enrolling a consumer in the Lifeline program, and that, to the best of my knowledge, the company was presented with documentation of each consumer's household income and/or program-based eligibility prior to his or her enrollment in Lifeline or
- B) Confirm consumer eligibility by relying upon access to a state database and/or notice of eligibility from the state Lifeline administrator prior to enrolling a consumer in the Lifeline program.

I am an officer of the company named above. I am authorized to make this certification for the Study Area(s) listed above. Initial 

Section 2: All ETCs MUST COMPLETE SECTION 2– Annual Recertification
Do not leave empty columns. If an ETC has nothing to report in a column, enter a zero.

A	B	C
Number of Subscribers Claimed on February FCC Form(s) 497 of current Form 555 calendar year	Number of Lines Claimed on February FCC Form(s) 497 of current Form 555 calendar year provided to Wireline Resellers	Number of Subscribers claimed on the February FCC Form(s) 497 that were initially enrolled in current Form 555 calendar year
30560	0	949

Initial the certifications below that apply to your ETC and complete the tables corresponding to the certification below. Depending on the state, BOTH CERTIFICATION A AND B MAY APPLY.

A) I certify that the company listed above has procedures in place to recertify the continued eligibility of all of its Lifeline subscribers, and that, to the best of my knowledge, the company obtained signed certifications from all subscribers attesting to their continuing eligibility for Lifeline. Results are provided in the chart below. I am an officer of the company named above. I am authorized to make this certification for the Study Area(s) listed above.

Initial *He*

D	E	F=D-E	G	H = (F+G)	I
Number of Subscribers ETC Contacted Directly to Recertify Eligibility Through Attestation	Number of Subscribers Responding to ETC Contact	Number of Non-Responding Subscribers	Number of Subscribers Responding That They Are No Longer Eligible	Number of Subscribers De-enrolled or Scheduled to be De-Enrolled as a Result of Non-Response or Ineligibility	Number of Subscribers Who De-Enrolled Prior to Recertification Attempt
25374	23243	2131	1716	3847	7990

AND/OR

In the space below, please list the program eligibility data sources, such as ETC access to a state database and/or notice of eligibility from the state Lifeline administrator or the Universal Service Administrative Company (USAC), and indicate for which qualifying programs (e.g., SNAP, SSI) these sources are used to verify subscriber eligibility. If any of subscribers are subsequently contacted directly by the ETC in an attempt to recertify eligibility, those subscribers should be listed in columns D through I as appropriate and not in columns J through L.

B) I certify that the company listed above has procedures in place to re-certify consumer eligibility by relying on _____ . Results are provided in the chart below. I am an officer of the company named above. I am authorized to make this certification for the Study Area(s) listed above. Initial _____

J	K	L
Number of Subscribers Whose Eligibility was Reviewed By State Administrator ETC Access to Eligibility Data or by USAC	Number of Subscribers De-Enrolled or Scheduled to be De-Enrolled as a Result of Finding of Ineligibility by State Administrator, ETC Access to Eligibility Data or USAC	Number of Subscribers Who De-Enrolled Prior to Recertification Attempt
0	0	0

OR

C) I certify that my company did not claim federal low income support for any Lifeline subscribers for the February Form 497 data month for the current Form 555 calendar year. I am an officer of the company named above. I am authorized to make this certification for the Study Area(s) listed above. Initial _____

Section 3: *ALL ETCS MUST COMPLETE SECTION 3 – De-enroll percentage*
What is the percentage of subscribers de-enrolled for this ETC?

M	N	O	P = N + O	Q = ((P ÷ M) * 100)
Number of Subscribers Claimed on February FCC Form(s) 497 <i>(From Column A)</i>	Number of Subscribers De-Enrolled or Scheduled to be De-Enrolled as a Result of Non-Response or Ineligibility <i>(From Column H)</i>	Number of Subscribers De-Enrolled or Scheduled to be De-Enrolled as a Result of a Finding of Ineligibility <i>(From Column K)</i>	Total Number of Subscribers De-Enrolled or Scheduled to be De-Enrolled	Percentage of Subscribers De-Enrolled or Scheduled to be De-Enrolled that were Claimed on the February FCC Form(s) 497
30560	3847	0	3847	13%

Section 4: *ALL ETCS MUST COMPLETE APPROPRIATE CHECK BOX; PRE-PAID ETCS MUST COMPLETE ALL OF SECTION 4*

Is the ETC Pre-Paid?

Yes No *(A Pre-Paid ETC does not assess or collect a monthly fee from its Lifeline subscribers)*

If yes, record the number of subscribers de-enrolled for non-usage by month in column S below.

Non-Usage Results Applicable to Pre-Paid ETCS:

R	S
Month	Subscribers De-Enrolled for Non-Usage
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

Signature Block: *ALL ETCS MUST COMPLETE SIGNATURE FIELDS*

By signing below, I certify that the company listed above is in compliance with all federal Lifeline certification procedures. I am an officer of the company named above. I am authorized to make this certification for the Study Area(s) listed above.

Signed,



Signature of Officer

F.W. Hitz, III

Printed Name of Officer

VP, Regulatory Economics & Finance

Title of Officer

January 31, 2014

Date

Cindy Lynch

Person Completing this Certification Form

(907) 868-5615

Contact Phone Number

ETC Identification

SAC	ETC Name

Holding Company Name(s)

SAC	Holding Company Name

DBA, Marketing or Other Branding Name(s)

SAC	Name