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April 12, 2002

William F. Caton
Acting Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Ex Parte meeting in CC Docket No. 96-45

Dear Mr Caton:

On April 12, 2002, a group of consumer parties in CC Docket No. 96-45 met by telephone conference call with Commissioner Nan Thompson of the Regulatory Commission of Alaska to discuss the Notice of the Federal-State Joint Board on Universal Service concerning the eligibility requirements for Lifeline and Link-Up services. Participants in the conference call from the parties were:

Karen Hardie, Ohio Consumers' Counsel and the National Association of State Utility Consumer Advocates (NASUCA)
Steve Ward, Maine Public Advocate
Lynne Montgomery, Civil Rights Forum on Communications Policy
Barrett Sheridan, Pennsylvania Office of Consumer Advocate
Christopher Day, U.S. Conference of Catholic Bishops et al
Dian Callaghan, Colorado Office of Consumer Counsel
Ron Binz, representing NASUCA members in Ohio, Pennsylvania, Missouri, Maine and Maryland

The presentations concerned the comments filed by NASUCA, the U.S. Conference of Catholic Bishops, et al. and the Civil Rights Forum on Communications Policy. Copies of the parties' filed comments were provided in the meeting along with the attached handout summarizing the positions of these parties.

Sincerely,

Ronald J. Binz

Attachment

Presentation to the State Members of the Federal-State Joint Board on Universal Service

Presentation to Commissioner Nan Thompson

CC Docket No. 96-45
Eligibility for Lifeline and Link-Up Services

National Association of State Utility Consumer Advocates
United States Conference of Catholic Bishops, et al.
Civil Rights Forum on Communications Policy
AARP

April 12, 2002

Keys to increasing Lifeline subscription

- Adding an income standard to existing federal eligibility rules
- Setting minimum eligibility standards for states administering the federal Lifeline program
- Using automatic enrollment to increase subscription
- Increasing emphasis on education and outreach by adding specific objectives to the Commission's rules

Lifeline subscription and effectiveness will increase with changes in eligibility standards

- Existing eligibility standards for federal Lifeline vary widely among the states
- Lifeline subscription is especially low in some states with narrow eligibility standards
- The shrinking rolls of public assistance programs are reducing the number of eligible consumers
- Stigma of public assistance keeps some consumers from qualifying for Lifeline under the existing “programmatic” standard

The FCC should add an income-based eligibility standard for Lifeline and Link-Up

- In addition to the existing “programmatic” standards, the FCC should add an income standard of 150% of the federal poverty guidelines for household income
- This modified federal eligibility standard should be the minimum standard for the federal programs; states could seek a waiver of the standard for good cause
- States should be able to expand eligibility beyond the federal minimum standard and could use different a different standard for state Lifeline programs

Automatic enrollment can be an effective means to increase Lifeline participation

- **AE** will increase Lifeline participation quickly and efficiently
- States' experience shows **AE** programs can successfully integrate state agency efforts
- Concerns about consumer privacy have been successfully addressed
 - Limits on use of data
 - Opportunities for consumers to decline Lifeline

Lifeline rules should permit self-certification of income eligibility

- Self-certification is a cost-effective means of qualifying Lifeline recipients
 - applicant signs a form, under penalty of perjury, that certifies household income level
- Effectiveness of a self-certification program can be checked with random spot audits
- Experience with self-certification shows that consumer fraud is not a significant problem

Recommendations

- The FCC should adopt a flexible national standard for Lifeline and Link-Up eligibility
 - Add an income standard set at 150% of federal poverty guidelines
 - Make the standard a minimum for federal programs, with temporary waivers for good cause
- The FCC should require carriers to use automatic enrollment to increase Lifeline participation
- The FCC's rules should require carriers and states to use self-certification of eligibility (with sample audits)

Recommendations, cont'd.

- The FCC should encourage improved outreach efforts by adding specific objectives to its rules
- The FCC should make other changes in its Lifeline rules:
 - State-level Consumer Advisory Boards should be used to develop and improve outreach efforts
 - Carriers should be required to give separate notice of overdue local bills in a termination notice
 - Carriers should be discouraged from marketing vertical services to Lifeline recipients