

## H. 576 - Lifeline Telephone Discount Program Changes Questions from House Human Services Committee

Question	Response
1. Why is there an annual certification process?	It is an FCC requirement - 47 C.F.R. § 54.410(f) – pertains to annual certification requirements for subscribers; 47 C.F.R. § 54.416 – pertains to annual certification requirements for ETCs.
2. How long has DCF been doing annual recertification?	Since the program’s inception. The federal annual certification requirements cited above went into effect June 17, 1997.
3. What happens if someone is not in our system does not have a tax return?	State amount is \$2.50 to \$3.50 per subscriber; the PSB sets the total annual budget and that is included in the Universal Services Fund budget
4. What is state contribution to the program?	State contribution defined by a formula in statute (VSA 30 Sect. 218). Amount varies from about \$2.50 to \$3.50 per subscriber, per month, depending on the basic service charges of the ETC.
5. Who determines income eligibility levels?	<p>Federal: “income at or below 135% of federal poverty guideline or participate in a qualifying state, federal or Tribal assistance program.” (List includes Medicaid, food stamps, SSI, LIHEAP, Section 8, free, TANF) (<a href="http://www.fcc.gov/lifeline">http://www.fcc.gov/lifeline</a>)</p> <p><u>Can ETCs independently verify income eligibility?</u>            State: VSA 30 Sect 218: “A person shall be eligible... who meets the department for children and families means test of eligibility, which shall include all persons participating in public assistance programs administered by the department.”            Further:</p> <ul style="list-style-type: none"> <li>• 65+ years and income &lt;175% of poverty line</li> <li>• Under 65 and income &lt;150% of poverty line</li> </ul>
6. How many other states are doing this and how does it work in one or more of those?	<p>In approximately 33 states, including Vermont, wireless carriers can obtain ETC status to participate in Lifeline. Q Link wireless was given ETC status in VT by the PSB, only for purposes of Lifeline.</p> <p>A few states do not require telecommunication carriers to obtain ETC status to participate in Lifeline. Other states require wireless providers to participate in the LL program. In Vermont, 10 wireless providers are ETCs.</p>
7. How do phone companies enroll in the program (become an ETC) and what options do they have to not enroll?	47 USC: Petition the Public Service Board. PSB grants if “consistent with public interest, convenience, and necessity.”
8. How easy is it to enroll cell carriers in the program?	<p>Same process as landline, above. Currently, there are 6 eligible wireless providers:</p> <ol style="list-style-type: none"> <li>1. Budget Prepay</li> <li>2. National Mobile d/b/a Sovernet</li> <li>3. Q Link Wireless</li> <li>4. Telrite Corp d/b/a Life Wireless</li> <li>5. TracFone Wireless</li> <li>6. VTel Wireless</li> </ol>

9. If there are two cell numbers in a household, can both be enrolled?	No. Per FCC: only one Lifeline discount per household. A household may receive the discount on either landline or wireless phone, not both.																															
10. Can the PSD do anything to encourage or increase carrier participation in the ETC process/Lifeline program?	Every area of the state has Lifeline available through a landline provider and there are 6 wireless providers that have ETC designation. We are not aware of a need to increase participation. It would also likely not be the PSD that would influence carrier participation, but rather the PSB or DCF, given our respective roles.																															
11. Why are digital carriers not able to participate?	They can participate. They choose not to participate, likely because they would have to accept being designated as a telecommunications service, which they do not want. They are currently seen as an information service, which comes with far less regulation. This is a national issue.																															
12. What do enrollment levels look like for the past 5 to 8 years?	<table border="1"> <thead> <tr> <th>Year</th> <th>Over 65</th> <th>Under 65</th> <th>Total participants</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>13,681</td> <td>13,502</td> <td>27,183</td> </tr> <tr> <td>2009</td> <td>13,583</td> <td>14,120</td> <td>27,703</td> </tr> <tr> <td>2010</td> <td>13,433</td> <td>11,439</td> <td>24,872</td> </tr> <tr> <td>2011</td> <td>10,566</td> <td>12,997</td> <td>23,563</td> </tr> <tr> <td>2012</td> <td>12,566</td> <td>9,673</td> <td>22,239</td> </tr> <tr> <td>2013</td> <td>12,624</td> <td>9,875</td> <td>22,499</td> </tr> </tbody> </table>	Year	Over 65	Under 65	Total participants	2008	13,681	13,502	27,183	2009	13,583	14,120	27,703	2010	13,433	11,439	24,872	2011	10,566	12,997	23,563	2012	12,566	9,673	22,239	2013	12,624	9,875	22,499			
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13. When did Tax stop sending out tax booklets in mail?	The last year the Tax Department mailed tax booklets to individuals was for tax year 2010.																															
14. What is agency of jurisdiction on this issue?	<p>PSB:</p> <ul style="list-style-type: none"> <li>• “Takes action” and sets telephone rates enabling VT to participate in Lifeline (VSA 30 Sect 218)</li> <li>• Contracts with fiscal agent who reimburses ETCs</li> </ul> <p>DCF:</p> <ul style="list-style-type: none"> <li>• Determines eligibility test</li> <li>• Verifies applicant eligibility</li> </ul> <p>PSD:</p> <ul style="list-style-type: none"> <li>• Creates special application for additional Lifeline credit to cover specific additional phone company fees when an enrolled person obtains a final relief from abuse order.</li> <li>• Reports annually to legislature on implementation and effectiveness of Lifeline.</li> </ul>																															
15. What are ages of paper filers? How many seniors? How many of the paper filers are lower income?	There is no demographic information available. Fewer than 5% of all tax forms are filed on booklet forms. About 7,000 of the approx. 22,500 household subscribers send their applications to the Tax Dept.																															
16. When does the 5 day processing limit technically begin?	When DCF receives the application. Per FCC order: <a href="http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-230A1.pdf">http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-230A1.pdf</a>																															
17. How do Vermonters access the forms – where are they sent to and distributed?	<p>Every DCF district office, H&amp;R block, Area Agency on the Aging, and Community Action Agencies.</p> <p>DCF, PSD and Tax include links to the form on their web sites.</p>																															

	PSD responded to 389 requests for forms last year.
18. What are the consequences for failing to meet the FCC requirement to determine eligibility within 5 days?	The state would need to provide an explanation to the FCC. If we did not expect to be able meet the 5-day period we would need to negotiate a new timeline. FCC could choose to investigate our waiver allowing us not to participate in the federal database.
19. What is the average length of time it takes to process an application currently? What impact would the proposed change have on this time frame?	Once DCF receives the form, it is processed within 1-2 business days. The application would be processed quicker since there is less time delay between the Tax Dept and DCF.
20. What is the nature of complaints to DPS about Lifeline?	The majority of complaints are due to the subscriber's credit not appearing on their phone bill.  However, the majority of calls to DPS about Lifeline are not due to problems, rather, they are primarily questions or concerns (such as with the requirement to re-apply every year).

**Glossary:**

**FCC:** Federal Communications Commission

**ETC:** Eligible Telecommunications Carrier (term used for phone companies – landline or wireless – that have been approved to offer the Lifeline credit.