

PROJECT NO. 41024

RULEMAKING TO CONSIDER	§	PUBLIC UTILITY COMMISSION
AMENDING SUBSTANTIVE RULES	§	
§26.412 RELATING TO LIFELINE	§	OF TEXAS
SERVICE PROGRAM AND §26.413,	§	
RELATING TO LINK UP SERVICE	§	
PROGRAM	§	

**ORDER ADOPTING AMENDMENTS TO §26.412 AND §26.413
AS APPROVED AT THE OCTOBER 25, 2013 OPEN MEETING**

The Public Utility Commission of Texas (commission) adopts amendments to §26.412, relating to Lifeline Service Program, and §26.413, relating to Link Up for Tribal Lands, with changes to the proposed text as published in the August 23, 2013, issue of the *Texas Register* (38 TexReg 5398). The amendments to §26.412 and §26.413 are designed to conform commission substantive rules to changes in the federal Lifeline rule established by the Federal Communications Commission (FCC) and to change the title of §26.413 to read “Link Up for Tribal Lands.” These amendments are adopted under Project Number 41024.

No party requested that a public hearing be held.

The commission received comments on the proposed amendments from Southwestern Bell Telephone Company d/b/a AT&T Texas (AT&T) and T-Mobile West LLC (T-Mobile).

§26.412

AT&T Comments

Subsection (c)(5)

AT&T stated that the commission’s definition of “eligible resident of Tribal lands” should mirror or coincide with the FCC’s definition. AT&T explained that the commission’s proposed

amendment uses the phrase “living on a reservation,” which no longer appears in the FCC’s rules. AT&T proposed that the phrase “living on a reservation” be replaced with “living on Tribal lands, as defined in 47 C.F.R. §54.400” to track the FCC’s definition of “Eligible resident of Tribal lands.”

Commission Response

The commission agrees with AT&T and finds that AT&T’s proposed language accurately reflects changes to the FCC rules. Therefore, the commission agrees to modify the definition of subsection (c)(5) to track the FCC definition.

Subsection (e)

AT&T stated that “Lifeline Service” should be defined as “a non-transferable retail *service* offering” in order to conform to the federal Lifeline rule.

Commission Response

The commission does not agree with AT&T that the “Lifeline Service” definition should be modified. The definition of “Lifeline Service” in subsection (e) mirrors the definition of “Lifeline Service” in PURA §55.015(e). The commission, therefore, declines to adopt the recommendation put forth by AT&T.

Subsection (g)(2)(A)(v)

AT&T proposed language that would amend subsection (g)(2)(A)(v) to clarify that Low Income Discount Administrator (LIDA) provides a “file” of customers who are self-enrolled rather than

LIDA providing a “database” of such customers. AT&T stated that the use of the word “file” mirrors the language of subsection (g)(2)(A)(iii).

Commission Response

The commission agrees with AT&T and finds that its proposed language accurately reflects changes to the FCC rules. Therefore, the commission has replaced the word “database” with the word “file” in subsection (g)(2)(A)(v).

Subsection (g)(2)(D)(ii)

AT&T asserted that although the commission proposes language that would impose a requirement for all Lifeline providers to file a copy of their annual bill message with the commission, the FCC does not impose such a requirement in its Lifeline rule. AT&T further argued that such a requirement would go beyond the stated purpose of this rulemaking, which is to conform the commission’s Lifeline and Link Up rules to the FCC’s Lifeline and Link Up rules. Therefore, AT&T recommended that the proposed new concluding sentence of this subsection not be adopted.

Commission Response

The commission disagrees with AT&T and believes that changes to the federal Lifeline program affected the state program in a manner that now requires the state to impose this requirement on Lifeline providers.

T-Mobile's Comments***Subsection (f)(1)(C) - (E)***

T-Mobile seeks clarification for subsection (f) regarding applicability of the mandated discounts to eligible telecommunications carrier (ETC) and eligible telecommunications provider (ETP) designees. T-Mobile stated that the mandated discounts are intended to apply only to ETP/ETC providers, and not Lifeline-only ETCs. T-Mobile believes that by not making this distinction the rule could be read to require all Lifeline providers, including ETC-only carriers to provide the discount which is related to the Texas State Universal Service Fund (TUSF). T-Mobile further requested that the commission clearly state in the rule that this subsection only applies to Lifeline providers with ETP designation and is not applicable to ETC-only providers.

Commission Response

The commission disagrees with T-Mobile that making the distinction between ETP and ETC providers in this subsection is necessary because a certificated provider, whether it be an ETC or an ETC/ETP must provide Lifeline service as required by PURA §55.015 and §26.412. Therefore, the commission declines to adopt T-Mobile's proposal to clarify that this section is limited to ETPs.

Subsection (g)(2)(C)

T-Mobile stated that the commission should clarify that subsection (g)(2)(C), which imposes monthly reporting obligations on Lifeline providers, is only applicable to ETPs as the reporting obligations are specifically related to ETPs receiving state Lifeline support.

Commission Response

The commission declines to adopt the recommendation by T-Mobile to clarify that the reporting requirements are only for ETPs because the reporting requirements listed in subsection (g)(2)(C) are applicable to all certificated providers, regardless of whether the certificated provider is an ETC or an ETC/ETP.

Subsection (g)(2)(C)(v)

T-Mobile requested that subsection (g)(2)(C)(v) be revised. T-Mobile stated that non-ETPs may be exempt from filing information with the administrator of the Federal Lifeline Program, but argued that this is not necessarily true. To avoid any confusion, T-Mobile suggested that the second sentence in this section be deleted.

Commission Response

The commission agrees with T-Mobile's argument that the second sentence in subsection (g)(2)(C)(v), which states that non-ETPs may be exempt from filing information with the administrator of the Federal Lifeline Program, should be deleted because it is not entirely accurate. Therefore, the commission has deleted the second sentence in subsection (g)(2)(A)(v).

Subsection (g)(2)(D)

T-Mobile requested that changes be made to this section in order to ensure consistency with the federal rules and provide more comprehensive notice to customers. T-Mobile suggested that this

section should be replaced with a reference to and the inclusion of the requirements found in 47 C.F.R. §54.405(b), (c) and (d), which require carriers to:

- (1) publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service;
- (2) indicate that it is a Lifeline service, that Lifeline is a government assistance program, the service is nontransferable, only eligible consumers may enroll in the program, and the program is limited to one discount per household; and
- (3) disclose the name of the ETC on all materials describing the service.

Commission Response

The commission declines to adopt T-Mobile's proposal to modify the rule language. The purpose of this rulemaking project is to conform §26.412 and §26.413 to certain changes in the federal Lifeline program that affected the state Lifeline program and is not intended to change all substantive rule language to mirror the federal language. Therefore, a change of the nature requested by T-Mobile would be outside the scope of this rulemaking.

Subsection (g)(2)(D)

T-Mobile requested that subsection (g)(2)(D), which requires ETPs to provide customers with an annual bill message, be modified in order to allow the annual bill message to be provided in the same format that the customer receives its bill. T-Mobile stated that this will allow for a customer who receives an electronic bill to also receive the annual bill message in electronic form.

Commission Response

The commission declines to adopt T-Mobile's proposal to eliminate the need to have an annual bill message advising customers of the availability of Lifeline service in paper form if that customer has requested electronic billing because a change of this nature would be outside the scope of this rulemaking. The purpose of this rulemaking project is to conform §26.413 to certain changes in the federal Lifeline program that affected the state Lifeline program and is not intended to change all substantive rule language to mirror the federal language.

*§26.413*AT&T Comments*Subsections (a) - (b)*

AT&T recommends that subsections (a) - (b) be revised to reflect the change in the FCC's Link Up rule, which is embodied in 47 C.F.R. §54.413. AT&T stated that as a result of the FCC's 2012 Lifeline and Link Up Reform and Modernization Order, 47 C.F.R. §54.413 now states that Link Up for Tribal Lands is only available to "eligible residents of Tribal lands seeking telecommunications service from a telecommunications carrier *that is receiving high-cost support on Tribal lands*" (emphasis added). AT&T asserted that the italicized language creates an important limitation on the availability of this benefit; however, the commission's proposed amendment to the Link Up rule does not contain this recently added limitation. Therefore, AT&T recommended that subsections (a) - (b) be revised to conform to the language of the FCC's Link Up rule.

Commission Response

The commission finds that AT&T's proposed language accurately reflects changes to the FCC rules. Therefore, the commission has revised subsections (a) - (b) to track the FCC language.

Subsection (c)(3)

AT&T recommends that subsection (c)(3) be revised to reflect the change in the FCC's Link Up rule. AT&T explained that the commission's proposed amendment uses the phrase "living on a reservation," which no longer appears in the FCC's rules. AT&T proposed that the phrase "living on a reservation" be replaced with "living on Tribal lands, as defined in 47 C.F.R. §54.400."

Commission Response

The commission finds that AT&T's proposed language accurately reflects changes to the FCC rules. Therefore, the commission has revised subsection (c)(3) to track the FCC language

Subsection (d)

AT&T asserted that the reference to 47 C.F.R. §54.411 in this subsection should be updated to reflect the correct FCC rule, which is 47 C.F.R. §54.413.

Commission Response

The commission agrees with AT&T and finds that AT&T's proposed language accurately reflects changes to the FCC rules. Therefore, the commission has revised subsection (d) to cite the correct FCC rule.

Subsection (d)(3)

AT&T stated that the reference to "Link Up Service" in this subsection should be amended to read "Link Up for Tribal Lands" to be consistent with other proposed changes to this title.

Commission Response

The commission agrees with AT&T's recommendation to modify subsection (d)(3). Therefore, the commission has changed the reference to "Link Up Service" to read "Link Up for Tribal lands" in subsection (d)(3).

Subsection (f)

AT&T stated that the reference to "Link Up Service" in this subsection should be amended to read "Link Up for Tribal Lands" to be consistent with other proposed changes.

Commission Response

The commission agrees with AT&T's recommendation to modify subsection (f). Therefore, the commission has changed the reference to "Link Up Service" to read "Link Up for Tribal lands" in subsection (f).

T-Mobile Comments***Subsection (b)***

T-Mobile, like AT&T, recommended that this subsection be revised to reflect the change in the FCC's Link Up rule, which only provides Link Up to a telecommunications carrier that is receiving federal high-cost support on Tribal lands.

Commission Response

The commission agrees with T-Mobile and finds that T-Mobile's recommendation, along with AT&T's recommendation, accurately reflects changes to the FCC rules. Therefore, the commission has modified subsection (b) to more closely track the FCC language.

Subsection (d)

T-Mobile, noted that the correct reference in this section is not "qualifying low-income consumer" but is instead "eligible resident of Tribal lands" and therefore recommended this section be revised to more properly reflect the changes to the FCC rules.

Commission Response

The commission agrees with T-Mobile and finds that T-Mobile's recommendation accurately reflects changes to the FCC rules. Therefore, the commission has modified subsection (d) to more closely track the FCC language.

All comments, including any not specifically referenced herein, were fully considered by the commission.

The amendments are adopted under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 2007 and Supp. 2013) (PURA) which provides the commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction, and specifically PURA §§17.007, 55.015, and 56.021, which requires that the commission provide for an integrated eligibility process for customer service discounts, including Lifeline Service, and requires the commission to adopt and enforce rules requiring local exchange companies to establish a universal service fund,

Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 14.052, 17.007, 55.015, and 56.021.

§26.412. Lifeline Service Program.

- (a) **Scope and purpose.** Through this section, the commission seeks to identify and make available Lifeline Service to all qualifying customers and households, establish a procedure for Lifeline Automatic Enrollment and Lifeline Self-Enrollment, and define the responsibilities of all providers of local exchange telephone service that provide Lifeline Service, qualified customers, the Texas Health and Human Services Commission (HHSC), and the Low-Income Discount Administrator (LIDA) Program.
- (b) **Applicability.** This section applies to the following providers of local exchange telephone service collectively referred to in this section as Lifeline providers:
- (1) ETC -- A carrier designated as such by a state commission pursuant to 47 C.F.R. §54.201 and §26.418 of this title (relating to Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds) or a carrier designated as an ETC by the FCC pursuant to 47 C.F.R. §54.201.
 - (2) ETP -- A provider designated as an ETP as defined by §26.417 of this title (relating to Designation as Eligible Telecommunications Providers to Receive Texas Universal Service Funds (TUSF)).
 - (3) Resale ETP (R-ETP) -- A certificated provider that provides local exchange telephone service solely through the resale of an incumbent local exchange carrier's service and that has been designated as a R-ETP as defined by §26.419 of this title (relating to Telecommunication Resale Providers Designation as

Eligible Telecommunications Providers to Receive Texas Universal Service Funds (TUSF) for Lifeline Service).

- (4) Non-ETP/ETC Certificated Provider -- Any certificated provider of local exchange telephone service that chooses not to become an ETP or an ETC as defined by §§26.417, 26.418, or 26.419 of this title.

(c) **Definitions.**

- (1) Qualifying low-income customer -- A customer who meets the qualifications for Lifeline Service, as specified in subsection (d) of this section.
- (2) Toll blocking -- A service provided by Lifeline providers that let customers elect not to allow the completion of outgoing toll calls from their telephone.
- (3) Toll control -- A service provided by Lifeline providers that allow customers to specify a certain amount of toll usage that may be incurred on their telephone account per month or per billing cycle.
- (4) Toll limitation -- Denotes either toll blocking or toll control for Lifeline providers that are incapable of providing both services. For Lifeline providers that are capable of providing both services, "toll limitation" denotes both toll blocking as defined in paragraph (2) of this subsection and toll control as defined in paragraph (3) of this subsection.
- (5) Eligible resident of Tribal lands -- A "qualifying low-income customer," as defined in paragraph (1) of this subsection, living on Tribal lands, as defined in 47 C.F.R. §54.400.

- (6) Income -- As defined in 47 C.F.R. §54.400 includes all income actually received by all members of the household. This includes salary before deductions for taxes, public assistance benefits, social security payments, pensions, unemployment compensation, veteran's benefits, inheritances, alimony, child support payments, worker's compensation benefits, gifts, lottery winnings, and the like. The only exceptions are student financial aid, military housing and cost-of-living allowances, irregular income from occasional small jobs such as baby-sitting or lawn mowing, and the like.
- (d) **Customer Eligibility Requirements.** A customer is eligible for Lifeline Service if they meet one of the criteria of paragraph (1), (2), or (3) of this subsection as determined by the Low-Income Discount Administrator (LIDA). Nothing in this section shall prohibit a customer otherwise eligible to receive Lifeline Service from obtaining and using telecommunications equipment or services designed to aid such customer in utilizing qualifying telecommunications services.
- (1) The customer's household income is at or below 150% of the federal poverty guidelines as published by the United States Department of Health and Human Services and updated annually;
- (2) A customer who receives benefits from or has a child that resides in the customer's household who receives benefits from any of the following programs qualifies for Lifeline Services: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Federal Public Housing Assistance, Low Income Home Energy Assistance Program

(LIHEAP), or health benefits coverage under the State Child Health Plan (CHIP) under Chapter 62, Health and Safety Code, National School Lunch Program -- Free Lunch Program, Temporary Assistance for Needy Families (TANF); or

- (3) A customer is an eligible resident of Tribal lands as defined in subsection (c)(5) of this section. In addition to the programs listed in paragraph (2) of this subsection, residents of Tribal lands may qualify if they are in one of the programs listed in 47 C.F.R. §54.409 (b).

(e) **Lifeline Service Program.** Each Lifeline provider shall provide Lifeline Service as provided by this section. Lifeline Service is a non-transferable retail local exchange telephone service offering available to qualifying low-income customers. Lifeline Service shall be provided according to the following requirements:

- (1) Designated Lifeline services. Lifeline providers shall offer the services or functionalities enumerated in 47 C.F.R. §54.101 (relating to Supported Services for Rural, Insular and High Cost Areas).
- (2) Toll limitation. Lifeline providers shall offer toll limitation to all qualifying low-income customers at the time the customer subscribes to Lifeline Service. If the customer elects to receive toll limitation that service shall become part of the customer's Lifeline Service and the customer's monthly bill will not be increased by otherwise applicable toll limitation charges.
- (3) Disconnection of service.

- (A) Disconnection. A certificated provider of local exchange service shall be prohibited from disconnecting basic network services listed in PURA §58.051 to a customer who receives Lifeline Service because of nonpayment by the customer of charges for other services billed by the provider, including interexchange telecommunications service.
- (B) A certificated provider of local exchange service may block a lifeline service customer's access to all interexchange telecommunications service except toll-free numbers when the customer owes an outstanding amount for that service. The provider shall remove the block without additional cost to the customer on payment of outstanding amount.
- (C) Discontinuance of Lifeline Discounts for customers automatically enrolled. The eligibility period for automatically enrolled customers is the length of their enrollment in HHSC benefits plus a period of 60 days for renewal. Automatically enrolled customers will have an opportunity to renew their HHSC benefits or self-enroll with the LIDA upon the expiration of their automatic enrollment.
- (D) Discontinuance of Lifeline discounts for customers who have self-enrolled. Individuals not receiving benefits through HHSC programs, but who have met Lifeline income qualifications in subsection (d) of this section, are eligible to receive the Lifeline discount for seven months, which includes a period of 60 days during which the customer may renew their eligibility with the LIDA for an additional seven months.

- (4) Number Portability. Consistent with 47 C.F.R. §52.33, Lifeline providers may not charge Lifeline customers a monthly number-portability charge.
 - (5) Service deposit prohibition. If the qualifying low-income customer voluntarily elects toll limitation from the Lifeline provider, the Lifeline provider may not collect a service deposit pursuant to §26.24 of this title (relating to Credit Requirements and Deposits) in order to initiate Lifeline Service.
 - (6) Ancillary services. A Lifeline provider shall provide customers who apply for or receive Lifeline Service access to available vertical services or custom calling features, including caller ID, call waiting, and call blocking, at the same price as other consumers. Lifeline discounts shall only apply to that portion of the bill that is for basic network services.
 - (7) Bundled packages. A Lifeline provider shall provide customers who apply to receive Lifeline Service access to bundled packages at the same price as other consumers less the Lifeline discount that shall only apply to that portion of the bundled package bill that is for basic network service.
- (f) **Lifeline support and recovery of support amounts.**
- (1) **Lifeline discount amounts.** All Lifeline providers shall provide the following Lifeline discounts to all eligible Lifeline customers so long as the total of all the Lifeline discounts combined does not result in a rate of less than zero for a customer's basic local service. Should the total of all Lifeline discounts result in a rate of less than zero on a customer's bill, the Lifeline provider shall only provide

a Lifeline discount amount up to the price a customer is charged for basic local service.

- (A) Federally approved reduction - Up to the federal monthly basic Lifeline support amount outlined in 47 C.F.R. 54.403.
- (B) Additional federal Lifeline reduction for an eligible customer who is a resident of Tribal lands, as defined in 47 C.F.R. §54.400, up to the federal monthly Lifeline amount outlined in 47 C.F.R. §54.403.
- (C) State reduction - A state-approved reduction of up to a maximum of \$3.50 in the monthly amount of intrastate charges.
- (D) Texas High Cost Universal Service Plan (THCUSP) Incumbent Local Exchange Carrier (ILEC) Area Discount --
 - (i) All Lifeline providers operating in the service areas of Southwestern Bell Telephone Company d/b/a AT&T Texas, GTE Southwest Incorporated d/b/a Verizon Southwest, Central Telephone Company d/b/a CenturyLink, United Telephone Company d/b/a CenturyLink, and Windstream Communications Southwest, or their successors, (collectively, THCUSP ILECs) shall provide a reduction (THCUSP ILEC Area Discount) up to 25% of any actual increase by a THCUSP ILEC to its residential basic network service rate that occurs in a THCUSP ILEC's Public Utility Regulatory Act (PURA) Chapter 58 regulated exchanges.
 - (ii) A THCUSP ILEC Area Discount shall be calculated by a THCUSP ILEC on the basis of the weighted average of the Rate Increase(s).

The calculation of the weighted average of the Rate Increase(s) shall use a denominator that is the sum of all PURA Chapter 58 regulated residential lines with Rate Increases, and shall use a numerator that is the sum of each product that results from multiplying the number of PURA Chapter 58 regulated residential lines affected by each discrete Rate Increase times the corresponding Rate Increase. The weighted average of the Rate Increase(s) calculation shall be included in the tariff filing made to implement the THCUSP ILEC Area Discount.

- (iii) A THCUSP ILEC Area Discount shall be provided to all qualifying Lifeline customers who are located in the service area of the THCUSP ILEC that has implemented the corresponding Rate Increase.
- (iv) A THCUSP ILEC shall file with the commission tariffs implementing a THCUSP ILEC Area Discount at the time it files for a rate increase. The effective date of a THCUSP ILEC Area Discount shall have the same effective date as the corresponding rate increase.
- (v) A competitive local exchange carrier (CLEC) Lifeline provider operating in the service area of a THCUSP ILEC shall file with the commission tariffs or price lists implementing the appropriate THCUSP ILEC Area Discount.

- (E) Small and Rural Incumbent Local Exchange Company Universal Service Plan (SRILEC USP) Area Discount -
- (i) Beginning January 1, 2014, all Lifeline providers operating in the service areas of those incumbent local exchange carriers that participate in the SRILEC USP shall provide an increase in the Lifeline service discount up to 25% of any actual increase by a SRILEC USP ILEC to its residential basic network service rate that occurs in a SRILEC USP ILEC's regulated exchanges and is consistent with §26.404 of this title (relating to Small and Rural Incumbent Local Exchange Company (ILEC) Universal Service Plan).
 - (ii) A SRILEC shall file with the commission tariffs implementing a SRILEC USP Area Discount at the time it files for a rate increase. The effective date of a SRILEC USP Area Discount shall have the same effective date as the corresponding rate increase
 - (iii) A CLEC Lifeline provider operating in the service area of a SRILEC shall file with the commission tariffs or price lists implementing the appropriate SRILEC USP Area Discount.
- (2) **Lifeline support amounts.** The following Lifeline providers shall receive support amounts for the Lifeline discounts outlined in paragraph (1) of this subsection. Note: A Lifeline provider shall not receive a support amount greater than the amount it provided to each qualifying Lifeline customer.

- (A) ETC -- Pursuant to 47 C.F.R. §54.403, the federal Lifeline support an ETC shall receive is:
- (i) Federally approved support amount pursuant to 47 C.F.R. §54.403.
 - (ii) Additional federal Lifeline reduction for an eligible resident of Tribal lands, as defined in 47 C.F.R. §54.400 -- up to the federal monthly Lifeline amount outlined in 47 C.F.R. §54.403.
- (B) ETP --
- (i) State support of up to a maximum of \$3.50.
 - (ii) THCUSP ILEC Area support -- Amount calculated pursuant to paragraph (1)(D) of this subsection.
 - (iii) SRILEC USP support -- Amount calculated pursuant to paragraph (1)(E) of this subsection.
 - (iv) If an ETP has been designated as an ETC, then the certificated provider shall also receive support amounts prescribed by subparagraph (A) of this paragraph.
- (C) Resale ETP -- A resale ETP shall receive Lifeline Service support up to or equal to the following state and federal amounts as long as the Lifeline Service was not purchased as a wholesale offering from the ILEC. Any Lifeline Service purchased as a wholesale offering from the ILEC includes the Lifeline Discount and is therefore not eligible to receive an additional discount. The TUSF, regardless of whether the Lifeline Service Discount is state or federally mandated, will provide the Lifeline Service support so long as the total of all the Lifeline

discounts combined does not result in a rate of less than zero for a customer's basic local service. Should the total of all Lifeline discounts result in a rate of less than zero on a customer's bill, the Lifeline provider shall only provide a Lifeline discount amount up to the price a customer is charged for basic local service.

- (i) Federally approved support amount pursuant to 47 C.F.R. §54.403.
- (ii) Additional federal Lifeline reduction for an eligible resident of Tribal lands, as defined in 47 C.F.R. §54.400 -- up to the federal monthly Lifeline amount outlined in 47 C.F.R. §54.403;
- (iii) State support of up to a maximum of \$3.50.
- (iv) THCUSP Area support -- Amount calculated pursuant to paragraph (1)(D) of this subsection.
- (v) SRILEC USP support -- Amount calculated pursuant to paragraph (1)(E) of this subsection.

(D) Non-ETP/ETC -- A Non-ETP/ETC is not eligible to receive any state or federal Lifeline support.

(g) Obligations of the customer and the Lifeline provider.

(1) Obligations of the customer.

(A) Customers who meet the low-income requirement for qualification but do not receive benefits under the programs listed in subsection (d) of this section may provide the LIDA with self-enrollment for Lifeline benefits.

- (B) Customers receiving benefits under the programs listed in subsection (d) of this section and who have telephone service will be subject to the Lifeline automatic enrollment procedures as provided by the LIDA unless they provide the LIDA with a request to be excluded from Lifeline Service.
- (C) Customers receiving benefits under the programs listed in subsection (d) of this section and who do not have telephone service must initiate a request for service from a participating telecommunications carrier providing local service in their area.
- (D) The LIDA shall provide a self-enrollment form by direct mail at the customer's request.
- (E) Opportunity for contest.
 - (i) A customer who believes that their self-enrollment application has been erroneously denied may request in writing that LIDA review the application, and the customer may submit additional information as proof of eligibility.
 - (ii) A customer who is dissatisfied with LIDA's action following a request for review under clause (i) of this subparagraph may request in writing that an informal hearing be conducted by the commission staff.
 - (iii) A customer dissatisfied with the determination after an informal hearing under clause (ii) of this subparagraph may file a formal

complaint pursuant to §22.242(e) of this title (relating to Complaints).

(2) **Obligations of Lifeline providers.**

(A) A Lifeline provider shall only provide Lifeline Service to all eligible customers identified by the LIDA within its service area in accordance with this section.

(i) A Lifeline provider shall identify, on the initial database provided by the LIDA, those customers to whom it is providing telephone service and shall begin reduced billing for those qualifying low-income customers.

(ii) The eligible customer shall not be charged for changes in telephone service arrangements that are made in order to qualify for Lifeline Service, or for service order charges associated with transferring the account into Lifeline Service. If the eligible customer changes the telephone service, the Lifeline provider shall begin reduced billing at the time the change of service becomes effective.

(iii) Monthly, all ETCs, ETPs, RETPs, and certificated providers providing telephone service in Texas must provide a file of its residential customers in a format and date determined by LIDA, for Lifeline processing.

(iv) Upon receipt of the monthly update provided by the LIDA, a Lifeline provider shall begin reduced billing for those qualifying low-income customers subscribing to services within 30 days.

- (v) The LIDA shall maintain customers' self-enrollment forms and provide a file of self-enrolling customers to all Lifeline providers.
- (B) **Tariff Requirement.** Each Lifeline provider shall file a tariff to implement Lifeline Service, or revise its existing tariff for compliance with this section and with applicable law, including subsection (f)(1)(C) of this section.
- (C) **Reporting requirements.** Lifeline providers providing Lifeline Service pursuant to this section shall report information as required by the commission or the TUSF administrator, including but not limited to the following information:
 - (i) Initial reporting requirements. Lifeline providers shall provide the commission and the TUSF administrator with information demonstrating that it meets the requirements of this section.
 - (ii) Monthly reporting requirements. Lifeline providers shall report monthly to the TUSF administrator the total number of qualified low-income customers to whom Lifeline Service was provided for the month by the Lifeline providers. Resale ETPs shall not report any customers whose Lifeline Services were purchased from an ILEC as a wholesale Lifeline Service offering. The ILEC from whom these lines were purchased will include those customers in its total number of qualified low-income customers reported to the TUSF administrator. Non-ETP Lifeline providers are excluded

from this reporting requirement since they have elected not to receive any type of Lifeline support.

- (iii) Quarterly reporting requirements. Non-ETP certificated Lifeline providers shall report to the commission its Lifeline activity as required. Certificated non-ETPs shall use the *Report of Lifeline Service Provided by Non-ETP's* form located on the PUC website to provide this information.
- (iv) Other reporting requirements. Lifeline providers shall report any other information required by the commission or the TUSF administrator, including any information necessary to assess contributions to and disbursements from the TUSF.
- (v) ETPs shall file the following information with the administrator of the Federal Lifeline Program:
 - (I) information demonstrating that the ETP's Lifeline Service plan meets the criteria set forth in 47 C.F.R. Subpart E (relating to Universal Service Support for Low-Income Consumers);
 - (II) the number of qualifying low-income customers served by the ETP;
 - (III) the amount of state assistance; and
 - (IV) other information required by the administrator of the Federal Lifeline Program.

(D) **Notice Requirement.** A Lifeline provider shall provide the following notices of Lifeline Service:

- (i) Notice of Lifeline Service in any directory it distributes to its customers advising customers of the availability of Lifeline Service. In any instance where the Lifeline provider provides bilingual (English and Spanish) information in its directory, the Lifeline provider must also provide its notice regarding Lifeline Service in a bilingual format;
- (ii) An annual bill message-advising customers of the availability of Lifeline Service. In any instance where the Lifeline provider provides bilingual (English and Spanish) information in its annual bill messages, the Lifeline provider must also provide its notice regarding Lifeline Service in a bilingual format. All Lifeline providers are required to file a copy of the annual bill message in the designated project at the commission;
- (iii) Inform all customers both orally and in writing of the existence of the Lifeline Service program when they request or initiate service or change service locations or providers. In any instance where the Lifeline provider provides bilingual (English and Spanish) information in its directory, the Lifeline provider must also provide its notice regarding Lifeline Service in a bilingual format; and
- (iv) Shall publicize the availability of Lifeline Service in a manner reasonably designed to reach those likely to qualify for the service.

- (E) **Confidentiality agreements.** Each Lifeline provider must execute a confidentiality agreement with the LIDA prior to receiving the LIDA's eligibility database. The agreement will specify that client information is released by the LIDA to the Lifeline provider for the sole purpose of providing Lifeline Service to eligible customers and that the information cannot be released by the Lifeline provider or be used by the Lifeline provider for any other purpose.

§26.413. Link Up for Tribal Lands.

- (a) **Scope and purpose.** Through this section, the commission seeks to extend Link Up Service to all eligible residents of Tribal lands seeking telecommunications service from a telecommunications carrier that is receiving federal high-cost support on Tribal lands and define the responsibilities of participating telecommunications carriers and qualified customers.
- (b) **Applicability.** This section applies to designated eligible telecommunications carriers (ETCs) as defined by §26.418 of this title (relating to Designation of Common Carriers as Eligible Telecommunications Carriers to Receive Federal Universal Service Funds) and designated eligible telecommunications providers (ETPs) as defined by §26.417 of this title (relating to Designation as Eligible Telecommunications Providers to Receive Texas Universal Service Funds (TUSF)) that are receiving federal high-cost support on Tribal lands as defined in 47 C.F.R. §54.400, collectively referred to in this section as participating telecommunications carriers.
- (c) **Definitions.**
- (1) **Income** -- As defined in §26.412(c)(6) of this title (relating to Lifeline Service Program).
 - (2) **Eligible resident of Tribal lands** -- A “qualifying low-income customer,” as defined by §26.412(c)(1) of this title, living on Tribal lands, as defined in 47 C.F.R. §54.400.

(d) **Link Up for Tribal Lands.** This is a program certified by the Federal Communications Commission (FCC), pursuant to 47 C.F.R. §54.413, that provides an eligible resident of Tribal lands with the following assistance:

(1) **Services.**

(A) An eligible resident of Tribal lands shall receive a reduction in the participating telecommunications carrier's customary charge for commencing telecommunications service for a primary single line connection at the customer's principal place of residence. The reduction shall be 100 percent of the customary charge or \$100, whichever is less.

(B) An eligible resident of Tribal lands may receive a deferred schedule for payment of the charges assessed for commencing service, for which the eligible resident of Tribal lands does not pay interest. Interest shall be waived for connection charges of up to \$200 that are deferred for a period not to exceed one year. Charges assessed for commencing service include any charges that the carrier customarily assesses to connect subscribers to the network. These charges do not include any permissible security deposit requirements. Deferred payment of these charges will not be subject to late fees or additional service fees.

(2) **Eligible resident of Tribal lands choice.** A qualifying eligible resident of Tribal lands is eligible for both of the services set forth in paragraph (1)(A) and (B) of this subsection.

(3) **Limitation on receipt.** A participating telecommunications carrier's Link Up for Tribal lands shall allow an eligible resident of Tribal lands to receive the benefit

of Link Up for Tribal lands on subsequent occasions only for a principal place of residence with an address different from the residence address at which the Link Up for Tribal lands was provided previously.

- (e) **Obligations of the customer.** Qualified eligible residents of Tribal lands who want Link Up for Tribal lands and do not have telephone service must initiate a request for service from a participating telecommunications carrier providing local service in their area.
- (f) **Obligations of the participating telecommunications carrier.** Participating telecommunications carriers shall provide Link Up for Tribal lands to all eligible residents of Tribal lands in accordance with this section.
 - (1) **Tariff requirement.** Each participating telecommunications carrier shall file a tariff to implement Link Up for Tribal lands, or revise its existing tariff for compliance with this section and with applicable law.
 - (2) **Notice of Link Up for Tribal Lands.** A participating telecommunications carrier shall publicize the availability of Link Up for Tribal lands in a manner reasonably designed to reach those likely to qualify for the service.
 - (3) **Confidentiality agreements.** The confidentiality agreement executed by participating telecommunications carriers with HHSC for Lifeline Service also extends to Link Up Service.

This agency hereby certifies that the adoption has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority. It is therefore ordered by the Public Utility Commission of Texas that §26.412, relating to the Lifeline Service Program and §26.413, relating to the Link Up for Tribal Lands are hereby adopted with changes to the text as proposed.

SIGNED AT AUSTIN, TEXAS on the _____ day of OCTOBER 2013.

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY D. MARTY, COMMISSIONER