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THE FCC'S NEW RULES FOR DOCUMENT RETENTION FOR INITIAL LIFELINE ELIGIBILITY AND FOR A UNIFORM SNAPSHOT DATE FOR REIMBURSEMENTS FOR THE PROVISION OF LIFELINE SUPPORT GO INTO EFFECT AUGUST 13, 2015

On June 22, 2015, the Federal Communications Commission (“FCC”) released the [Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order](#) that changed a few things with regards to the Lifeline program. The Order was subsequently published in the Federal Register and will be effective on August 13, 2015. The following are some of the high-lights from the recent Lifeline Order:

- **Initial Enrollment Eligibility Documentation Retention** – The FCC now requires ETCs to retain initial eligibility supporting documentation for as long as the subscriber receives the Lifeline services from the ETC but no less than three calendar years. Similarly, for carriers who live in states where a State Lifeline Administrator or State Agency reviews eligibility documentation, ETCs must retain any and all documentation received from the Administrator for as long as the subscriber receives the Lifeline services from the ETC but no less than three calendar years. Before this rule change the 2012 Lifeline Order required that ETCs examine either program based and/or income based documentation to determine eligibility and keep accurate records detailing how the consumer demonstrated eligibility but the rules prohibited the ETC from retaining the documentation.

While the FCC recognizes the risks of ETCs retaining sensitive documentation and it noted that the U. S. Government Accountability Office found that ETCs are using protective measures, the FCC “expect[s] that, as a minimum” ETCs must employ the following practices to secure any subscriber information that is stored on a computer connected to a network: firewalls and boundary protections; protective naming conventions; user authentication requirements; and usage restrictions.

- **NLAD Dispute Resolution Documentation Retention** – The National Lifeline Accountability Database (“NLAD”), the national Lifeline duplicates database, has a dispute resolution process that requires ETCs to review additional documentation to verify the identity or information of a subscriber who has failed the third-party identification verification, address or age check. The ETC must retain NLAD dispute resolution documentation for as long as the subscriber receives the Lifeline services

from the ETC but no less than three calendar years. However, the states of California, Oregon, Texas, and Vermont, along with the Territory of Puerto Rico, have opted not to use NLAD. Therefore, ETCs in these locations will continue to follow the applicable rules in their state or territory.

- **FCC Form 497 Snapshot** – ETCs were previously required to select a single snapshot date during the month to determine the number of eligible Lifeline subscribers for which they sought reimbursement for each month. ETCs now will be required to use the first day of each month as the Lifeline subscriber snapshot date for FCC Form 497 reporting purposes. According to the Order, ETCs should transition to using the first date of the month as a snapshot date within 180 days (February 9, 2016) of the Order’s effective date (August 13, 2015). In the interim, ETCs should use the same snapshot date of their choice from month to month.
- **Resale of Retail Lifeline Supported Services** – Only ETCs providing Lifeline service directly to the consumer may seek reimbursement from the Lifeline program for the service provided. The FCC states that they will no longer provide Lifeline reimbursement to carriers for any wholesale services to resellers, and they therefore, forebear from the incumbent LECs’ obligation under Section 251(c)(4) to offer their Lifeline services to resellers. Since the FCC’s new rules effectively eliminate non-ETC resellers, the Order establishes a 180-day transition period (until February 9, 2016) to allow non-ETC resellers to either obtain ETC status or discontinue providing Lifeline-discounted service.
- **Subscriber De-enrollment Procedures** – The FCC is also proposing to adopt procedures to allow subscribers to terminate Lifeline service quick by requiring Lifeline providers to make readily available a 24-hour customer service number allowing subscribers to de-enroll Lifeline service for any reason and to obligate Lifeline providers to implement the subscriber’s request within two business days of the request. The FCC is also seeking comments on whether providers should be required to publicize their 24-hour customer service number in a manner reasonably designed to reach their subscribers, on all material describing the service (print, audio, video, and the web), and that subscribers may cancel or de-enroll themselves from Lifeline services, for any reason without having to submit additional documents. In addition, the FCC is seeking comment on alternative ways to reach the same goals including comments on requiring Lifeline providers to de-enroll subscribers within 5 business days.
- **Other Lifeline Related Proposed Rulemaking** – The FCC proposes to modernize and restructure the Lifeline program, and is seeking comments on a large number of issues. The following is a quick high-level summary of these topics:
 - A. The Establishment of Minimum Service Standards.
 1. Voice.
 2. Broadband.
 3. Service levels.
 - B. Third-Party Eligibility Determination.
 1. National Lifeline Eligibility Verifier.
 2. Coordinated Enrollment With Other Federal and State Programs.
 3. Transferring Lifeline Benefits Directly to the Consumer.
 4. Streamline Eligibility for Lifeline Support.

5. Standards for Eligibility Documentation.
- C. Increasing Competition for Lifeline Customers.
 1. Streamlining the ETC Designation Process.
 2. Creating a New Lifeline Approval Process.
 - D. Modernizing and Enhancing the Program.
 1. Texting as Usage.
 2. Subscriber De-enrollment Procedures.
 3. Wireless Emergency Alerts.
 - E. Efficient Administration of the Program.
 1. Program Evaluation.
 2. Tribal land Support.
 3. E-Sign.
 4. National Lifeline Accountability Data Base: Applications and Processes.
 5. Assumption of ETC Designations, Assignment of Lifeline Subscriber Base and Exiting the Market.
 6. Shortening the Non-Usage Period.
 7. Increasing Public Access to Lifeline Program Disbursements and Subscriber Counts.
 8. Universal Consumer Certification, recertification, and Household Worksheet Forms.
 9. Execution date for Certification and Recertification.
 10. Officer Training Certification.
 11. First Year ETC Audits.

Comments on the above topics and issues are due August 17, 2015 with replies due by September 15, 2015. As always, GVNW will be working with the national associations on these issues and with the preparation of comments and replies.

Please contact your GVNW Consultant or Courtney Spears (830.895.7221, cspears@gvnw.com) or David Cohen (202.236.3947, dcohen@gvnw.com) with any questions or concerns you may have about the new rules for the Lifeline program.