

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1645
of the Nebraska Public Service)
Commission, on its own motion,)
seeking to establish a Lifeline) Request for Comments
and Link Up Plan for the state of)
Nebraska.) Entered: October 15, 1997

BY THE COMMISSION

On May 8, 1997, the Federal Communications Commission (FCC) issued its Universal Service Report and Order, CC Docket 96-45, Order No. 97-157 (Order) implementing the Telecommunications Act of 1996. The Order restructured both the Link Up and Lifeline programs. The Commission hereby opens this docket to establish Lifeline and Link Up Plans for the state of Nebraska, consistent with the FCC's Order. Notice of this docket was published in The Daily Record, October 6, 1997.

O P I N I O N A N D F I N D I N G S

The FCC's Order provides that all telecommunications carriers designated by the state commission as eligible to receive federal universal service support must offer Lifeline and Link Up services to qualified low-income consumers. The Order states that all eligible telecommunications carriers (ETCs) will be permitted to receive federal support for offering Lifeline and Link Up service. The Order restructures the federal Lifeline and Link Up programs to be effective January 1, 1998.

The FCC defines Lifeline as a retail local service offering (1) for which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support and (2) that includes the federal supported universal service.

The FCC defines Link Up as a reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection at a consumer's principal place of residence.

The federal program provides that Lifeline customers will receive \$3.50 per month in federal support. Further, the federal program will provide for additional support in the amount of \$1.75 per month if the state approves a reduction in the intrastate service portion of the Lifeline service rate paid by the end user. Further, there will be an additional federal support equal to one half of any support generated from the intrastate jurisdiction, up to a maximum of \$7.00 in federal support.

Where intrastate support for Lifeline service is provided in addition to the federal support, the Order provides that the state must determine the criteria by which low-income consumers

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may receive Lifeline service. Customer qualification criteria must be based on income or factors directly related to income.

At this time, we do not believe that providing matching intrastate funds to the Lifeline program is necessary. The initial \$3.50 and additional \$1.75 of federal support adequately addresses current Nebraska needs. However, in order to protect the interests of low-income consumers in Nebraska, we propose to adopt the following plan for Lifeline and Link Up services. We tentatively conclude this plan closely follows the FCC's plan for Lifeline and Link Up.

Nebraska Lifeline Plan and Link Up Plan

A. General Terms and Conditions

1. All ETCs shall make available Lifeline and Link Up service to qualifying low-income consumers according to the Nebraska Lifeline and Link Up Plan. ETCs shall be designated by the Commission.

2. ETCs shall file with the Nebraska Public Service Commission, as well as the Universal Service Administrative Company (USAC), information stating:

- a) The carrier's Lifeline plan meets the criteria established by the Nebraska Public Service Commission;
- b) The number, or approximate number of qualified low-income consumers; and
- c) The amount of state assistance.

3. To qualify for Lifeline or Link Up, consumers must be eligible to receive:

- a) Supplemental Security Income (SSI);
- b) Aid to the Aged, Blind or Disabled;
- c) Aid to Dependent Children;
- d) Medicaid;
- e) Energy Assistance; or
- f) Food Stamps

B. Link Up Program

1. Link Up means a reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection at a consumer's principal place of residence.

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2. The Link Up reduction shall be half of the customary connection charges or \$30, whichever is less. ETCs must offer a deferred schedule for payment of the charges assessed for commencing service, for which the consumer does not pay interest. The interest charges not assessed to the consumer shall be for connection charges of up to \$200 that are deferred for a period not to exceed one year.

3. Charges assessed for commencing service include any charges that the carrier automatically assesses to connect subscribers to the network. These charges do not include any permissible security deposit requirements.

4. An ETCs Link Up program shall allow a consumer to receive the benefit of the Link Up program for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link Up assistance was provided previously.

C. Lifeline

1. Lifeline means a retail local service offering for which qualifying low-income consumers pay reduced charges.

2. Lifeline service includes voice-grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance and toll limitation.

3. ETCs shall adjust the monthly universal service bill to qualified low-income customers by waiving the \$3.50 federal subscriber line charge and by reducing the intrastate portion of the bill for monthly universal service by an additional \$1.75.

4. ETCs shall offer toll limitation to all qualifying low-income consumers at the time such subscribe to Lifeline service, if it is available.

5. ETCs shall not collect a service deposit in order to initiate Lifeline service, if the qualifying low-income consumer voluntarily elects toll blocking from the carrier, where available. If toll blocking is unavailable, the carrier may charge a service deposit.

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6. ETCs shall not disconnect Lifeline service for non-payment of toll charges unless a waiver of this requirement is granted by the Public Service Commission for a specific customer.

7. ETCs shall advertise the availability of Lifeline and Link Up services and the charges therefore, using media of general distribution.

The FCC Order provides that the state commission shall file, or require ETCs to file, information with the Administrator regarding Lifeline and Link Up. As noted in Section A(2) above, we tentatively conclude that ETCs should be required to file this information with the USAC. So that benefits can flow to Nebraska's low income subscribers beginning January 1, 1998, all carriers designated as eligible are asked to file such information to the Administrator, no later than December 1, 1997.

Adopting Lifeline and Link Up plans will allow low-income consumers to benefit from the federal universal service program without any apparent adverse affect on an ETC. However, we seek comment on our proposed plan. In order to allow sufficient time for the ETCs to amend existing service tariffs, to establish program administration and to file requisite information with the USAC, it is imperative that the Commission issue an order in this docket in the near future. Therefore, comments on the plan herein are due on or before November 7, 1997. No reply comments will be accepted. In addition to one paper copy, a disk copy (Word or WordPerfect) should also be submitted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1645 be, and it is hereby, opened to establish Link Up and Lifeline programs in Nebraska.

IT IS FURTHER ORDERED that comments on the proposed Nebraska Link Up and Lifeline programs are due on or before November 7, 1997. One paper copy, as well as a disk copy, in either Word or WordPerfect shall be submitted. No reply comments shall be accepted.

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MADE AND ENTERED at Lincoln, Nebraska, this 15th day of October, 1997.

COMMISSIONERS CONCURRING: NEBRASKA PUBLIC SERVICE COMMISSION

Vice Chairman

Ann C. Boyle

//s//Lowell C. Johnson
//s//Frank E. Landis

ATTEST:

Robert R. Logsdon
Executive Director

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CONSUMER ELIGIBILITY

To achieve compliance with the FCC Order, we must make changes to the eligibility criteria set forth in our proposed plan. Specifically, for a consumer to qualify for support, he or she must participate in one of the following programs: Medicaid; food stamps; Supplemental Security Income (SSI); federal public housing assistance; or Low-Income Home Energy Assistance Program (LIHEAP). The named subscriber to the local telecommunications service (not any member of a household) must participate in one of these assistance programs in order for that household to receive support. This is a change to the proposed plan under General Terms and Conditions, Item A.3.

FCC RECONSIDERATION

Several issues that we have addressed herein are presently being reconsidered by the FCC. We will re-examine the Lifeline and Link-Up plans if the FCC takes any action that alters the positions taken herein.

The following plan should be implemented by all ETCs in Nebraska effective January 1, 1998:

NEBRASKA LIFELINE AND LINK-UP PLAN

A. General Terms and Conditions

1. All ETCs shall make available Lifeline and Link-Up service to qualifying low-income consumers according to the Nebraska Lifeline and Link-Up Plan. ETCs shall be designated by the Commission.
2. The Nebraska Public Service Commission will file with the Universal Service Administrative Company (USAC) information stating:
 - a) That all ETCs in Nebraska meet the criteria established by the Nebraska Public Service Commission;
 - b) The number, or approximate number, of qualified low-income consumers; and
 - c) That no state matching funds will be provided to receive additional federal support.

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3. To qualify for Lifeline or Link-Up, consumers must be eligible to receive:
 - a) Medicaid;
 - b) Food Stamps;
 - c) Supplemental Security Income (SSI);
 - d) Federal Public Housing Assistance; or
 - e) Low Income Home Energy Assistance Program (LIHEAP)

B. Link-Up

1. Link-Up means a reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection at a consumer's principal place of residence.
2. The Link-Up reduction shall be half of the customary connection charges or \$30, whichever is less. ETCs must offer a deferred schedule for payment of the charges assessed for commencing service, for which the consumer does not pay interest. The interest charges not assessed shall be for connection only. Charges of up to \$200 may be deferred for a period not to exceed one year.
3. Charges assessed for commencing service includes any charges that the carrier automatically assesses to connect subscribers to the network. These charges do not include any permissible security deposit requirements.
4. The ETC Link-Up program shall allow a consumer to receive the benefit of the Link-Up program for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link-Up assistance was provided previously.

C. Lifeline

1. Lifeline means a retail local service offering for which qualifying low-income consumers pay reduced charges.
2. Lifeline service includes voice-grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent,

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