

April 5, 2006

06-0312

ORIGINAL

SUBJECT: Revisions to 83 Ill. Adm. Code 757

SUMMARY:

Consumer Services Division Staff has drafted proposed revisions to the existing Part 757 (83 Ill. Adm. Code 757), entitled "Telephone Assistance Programs". The amendments Staff proposes are intended to bring the existing rules into compliance with recently promulgated federal rules that are binding on Illinois at this time. Staff recommends that the Commission enter an order to accomplish two tasks: (1) initiate a rulemaking proceeding; and (2) authorize first notice publication of the attached draft amendments.

BACKGROUND:

Lifeline and Link-Up are universal service programs intended to make basic telephone service available to low-income customers. Under the Lifeline program, an eligible customer is entitled to a discount on basic subscriber line service. Under the Link-Up program, an eligible customer is entitled to discounted installation of service. Eligibility for Lifeline and Link-Up has, since their inception, been based upon eligibility for other federally-mandated programs that assist low-income persons, such as Medicaid and food stamps. These programs are referred to as "proxy programs".

On April 29, 2004, the FCC released its *Report and Order and Further Notice of Proposed Rulemaking, In the Matter of Lifeline and Link-Up*, FCC No. 04-087, WC Docket No. 03-109 (hereafter "Lifeline / Link-Up Order"). In the *Lifeline / Link-Up Order*, the FCC amended its rules governing Lifeline and Link-Up to add certain additional proxy programs, and removing one such program.

The *Lifeline / Link-Up Order* further directs state Commissions to adopt rules governing customer certification and verification of eligibility for these programs.

PROCESS:

The Illinois Universal Telephone Assistance Corporation ("UTAC") is a not-for-profit corporation of which all Illinois telecommunications carriers are members, formed under the authority of Section 757.215. In 1993, the Commission authorized the formation of UTAC, and charged it with administration of state

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Lifeline and Link-Up programs.¹ More specifically, the principal purpose of UTAC is to carry out the provisions of Sections 13-301 and 13-301.1 of the Public Utilities Act, as those provisions are implemented by Part 757. All funding for UTSAP comes from voluntary contributions from customers of carriers. The carriers solicit contributions, collect the contributions, and report and transfer these amounts to UTAC. The carriers also report to UTAC any costs they have incurred that are directly related to administration of the program, which they are entitled to recover from UTSAP contributions.

UTAC's Board of Directors is made up of community members and representatives of telecommunications carriers. By rule, there is a designated Staff Liaison to UTAC.

In the period since the FCC's *Lifeline / Link-Up Order's* release, Staff and the UTAC Board have engaged in discussions regarding what, if any, revisions to existing Commission rules are required to bring them into compliance with the *Lifeline / Link-Up Order*. These discussions have resulted in agreement upon the attached draft amendments.

Revisions to Part 757:

Section 757.10 – Definitions

The definitions of the terms "Administrator", "Eligible telecommunications carrier", "Lifeline", "Link Up Program" or "Link Up", "Qualifying low-income subscriber", "Toll Blocking", and "Toll Control" refer to federal regulations, and accordingly are amended to reflect the effective date of the new FCC regulations, which is June 22, 2004.

The definition of the term "Proxy Program(s)" is similarly amended, and is further amended to include new proxy programs added by the new FCC regulations: the National School Lunch Program's free lunch program, and Temporary Assistance for Needy Families. Finally, the term "federal housing assistance is further defined by the addition of the parenthetical term "Section 8".

Section 757.100 – Link-Up Service Requirement

Subsection (a), imposing the Link-Up requirement, refers to federal regulations, and accordingly is amended to reflect the effective date of the new FCC regulations.

Section 757.200 – Service Requirement

¹ Order, The Illinois Telephone Association: Petition for approval of proposed Articles of Incorporation, By-Laws and Initial Members of a Board of Directors for the Universal Telephone Assistance Corporation, ICC Docket No. 93-0067, 1993 Ill. PUC Lexis 155 (April 21, 1993)

Subsection (d)(3)(E), describing the process in which the Commission is to approve of proxy programs, refers to federal regulations, and accordingly is amended to reflect the effective date of the new FCC regulations.

Section 757.400 – Lifeline Service Requirement

Subsection (a), imposing the Lifeline requirement, refers to federal regulations, and accordingly is amended to reflect the effective date of the new FCC regulations.

Subsection (b), setting the support level, is amended to replace the existing support level of \$5.25 per month, with the sum of \$1.75 plus the carriers end user common line charge as set by the FCC. This is a technical amendment unrelated to the rule changes resulting from the Lifeline-Link-Up Order, but which is nonetheless necessary to continue to render Illinois carriers, and thereby Illinois eligible subscribers, eligible to receive federal support pursuant to FCC rule (47 C.F.R. 54.403(a)(2)). The Commission approved this rate in its most recent *UTAC Supplemental Assistance Order*.²

Subsection (d), establishing certain carrier reporting requirements, refers to federal regulations, and accordingly is amended to reflect the effective date of the new FCC regulations.

Subsection (e), prohibiting the imposition of a deposit to initiate Lifeline service if a subscriber toll blocking service, is amended to replace “toll blocking” with “toll limitation”, a term which includes both “toll blocking” and “toll control”.

Subsection (g), prohibiting carriers from assessing Lifeline customers a monthly number-portability charge, is added as a result of the addition of a similar provision in the federal rules.

Section 757 EXHIBIT E - Link Up/Lifeline Programs Certification Form

This sample form is amended to reflect rule changes noted above.

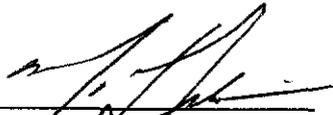
² Order, Universal Telephone Assistance Corporation: Petition for determination of the amount and form of supplemental assistance to be provided by local exchange telecommunications carriers, pursuant to 83 Ill. Adm. Code 757.200(b), ICC Docket No. 05-0418 (August 17, 2005)

RECOMMENDATION:

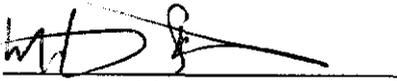
Staff recommends that the Commission initiate a rulemaking proceeding and authorize the submission of the first notice of proposed amendments to the Illinois Secretary of State.



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