ORIGINAL

INDIANA UTILITY REGULATORY COMMISSION

Notice of Proposed Rulemaking

IURC RM #10-01
LSA #10-478

The Indiana Utility Regulatory Commission (the "Commission"), pursuant to IC 8-1-1-3(g) and IC 8-1-36, hereby proposes to add 170 IAC 7-8 establishing the Indiana Lifeline Assistance Program. The Commission shall hear public comments on the attached proposed rule at a date and time to be determined, in Suite 220, of the PNC Center, 101 W. Washington Street, Indianapolis, Indiana.

The Secretary of the Commission is hereby directed to maintain five (5) copies of the proposed rule continuously on file in the Commission Offices for public inspection, and forward copies of the attached proposed rule to the Indiana Legislative Services Agency for publication in the Indiana Register.

James D. Atterholt, Chairman

Kari A.E. Bennett, Commissioner

ABSENT
Larry S. Landis, Commissioner

Carolene Mays, Commissioner

David E. Ziegner, Commissioner

ATTEST:

Brenda A. Howe, Secretary to the Commission

Date: FEB 09 2011

TITLE 170 INDIANA UTILITY REGULATORY COMMISSION

DIGEST

Adds 170 IAC 7-8 to establish the Indiana lifeline assistance program. Effective 30 days after filing with the Publisher.

170 IAC 7-8

SECTION 1. 170 IAC 7-8 IS ADDED TO READ AS FOLLOWS:

Rule 8. Indiana Lifeline Assistance Program

170 IAC 7-8-1 Policy and scope
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 1. (a) The purpose of this rule is to establish the ILAP.

(b) All providers of intrastate telecommunications services in Indiana shall be subject to this rule. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-1)*

170 IAC 7-8-2 Definitions
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 2. The following definitions apply throughout this rule:

(1) "Administrator" means the person or entity that administers the ILAP.

(2) "Anniversary date" means the annual recurrence of the month and day a participant was accepted into the program.

(3) "Basic service" means that portion of the telecommunications services a customer receives that is stand alone telephone exchange service (as defined in 47 U.S.C. 153(47)) provided through the customer's primary line. The discount resulting in reduced monthly charges received by participants in the ILAP apply to the participating customer's basic service as defined herein.

(4) "Carriers subject to the ILAP" mean all telecommunications service providers who provide, and receive revenues from, intrastate retail telecommunications services to customers in Indiana.

(5) "Commission" or "IURC" means the Indiana utility regulatory commission.

(6) "Communications division" means the communications division of the IURC.

(7) "Consumer affairs division" means the consumer affairs division of the IURC.

(8) "Eligible telecommunications carrier" or "ETC" means a local exchange carrier that is designated as an eligible telecommunications carrier by the commission under 47 CFR 54.201. Any duties of an ETC under the ILAP may be performed by its agent. At a minimum, an ETC shall provide the following:

(A) Voice grade access to the public switched telephone network with minimum bandwidth of three hundred (300) to three thousand (3,000) hertz.

(B) Dual tone multifrequency signaling and single party service.

(C) Access to the following:

(i) Emergency services, including access to 911 and enhanced 911 if provided by the local government having jurisdiction in the service area.

(ii) Operator services.

(iii) Local directory assistance.

(iv) Telephone relay services.

(v) Interexchange service.

(D) Toll limitation service (as defined in 47 CFR 54.400(d)) for qualifying low income customers. Toll blocking meets this definition.

(9) "FCC" means the Federal Communications Commission.

(10) "Federal lifeline program" refers to the retail local service offering, as described in 47 CFR 54.401, as follows:

(A) Available only to qualifying consumers (as defined in 47 CFR 54.400(a)).

(B) For which qualifying consumers pay reduced charges as a result of the application of the lifeline support amount described in 47 CFR 54.403.

(C) Which includes the services and functionalities set forth in 47 CFR 54.101(a)(1) through 47 CFR 54.101(a)(9).

(11) "ILAP" means the Indiana lifeline assistance program established by the commission under this rule.

(12) "ILAP implementation date" means the date to be set by the commission via general administrative order on which implementation of the ILAP shall begin.

(13) "Indiana net revenue" means the net intrastate retail telecommunications revenue in Indiana, which equals the billings (or monthly advanced payments in the case of prepaid service) for intrastate retail telecommunications services less uncollectibles.

(14) "OUCC" means the Indiana office of utility consumer counselor.

(15) "Oversight committee" means the oversight committee established in section 14(B) of the settlement agreement approved in "In the Matter of the Investigation on the Commission's Own Motion under Indiana Code § 8-1-2-72, into Any and All Matters Related to the Commission's Mirroring Policy Articulated in Cause No. 40785 and the Effect of the FCC's MAG Order on Such Policy, Access Charge Reform, Universal Service Reform, and High Cost or Universal Service Funding Mechanisms Relative to Telephone and Telecommunications Services within the State of Indiana", Cause No. 42144, 2004 Ind. PUC LEXIS 61, *166-169 (approved March 17, 2004).

(16) "Participant" means an eligible customer who applies for and receives assistance through the program.

(17) "Program" means the ILAP established by the commission under this rule under IC 8-1-36.

(18) "Verification due date" means the:

(A) ILAP participant's anniversary date; or

(B) annual month and day chosen by the ETC for verification of eligibility status; that shall take place not more frequently than annually.

(Indiana Utility Regulatory Commission; 170 IAC 7-8-2)

170 IAC 7-8-3 Eligibility requirements
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 4-4-31-1; IC 8-1-2.6-0.3

Sec. 3. (a) A customer in Indiana is eligible for low income assistance through participation in the ILAP, which is both state and federally funded. Indiana customers qualify for the ILAP if:

(1) the customer's household income (as defined in 47 CFR 54.400(f)) does not exceed one hundred fifty percent (150%) of the federal poverty guidelines; or

(2) any person in the customer's household receives or has a child residing in the customer's household who receives:

(A) Medicaid;
(B) food stamps;
(C) Supplemental Security Income;
(D) federal public housing assistance;
(E) home energy assistance under a program administered by the lieutenant governor under IC 4-4-33-1(3);
(F) assistance under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.); or
(G) free lunches under the national school lunch program.

(b) A customer meeting at least one of the eligibility requirements in subsection (a) shall be eligible even if the customer receives nonbasic telecommunications services as defined in IC 8-1-2.6-0.3.

(c) The low income assistance discount shall only apply to one phone line or handset per household.

(d) The creditworthiness of a customer shall not be an undue barrier to eligibility in the program. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-3)*

170 IAC 7-8-4 Creditworthiness of participant
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 4. (a) This section applies to customers or applicants for residential service who are otherwise eligible for the ILAP. Each ETC shall comply with the creditworthiness requirements of this section regarding such customers or applicants. However, no part of this section shall apply where a customer or applicant elects toll blocking or toll limitation.

(b) Each ETC shall determine the creditworthiness of applicants or customers in an equitable and nondiscriminatory manner:

(1) without regard to the:

(A) race, sex, national origin, or marital status of the applicant or customer; or

(B) the economic character of the area wherein the applicant or customer resides; and

(2) solely upon the credit risk of the applicant or customer without regard to the collective credit reputation of the area in which the applicant or customer resides.

(c) An ETC may not establish creditworthiness requirements for customers or applicants who are eligible for the ILAP that are more stringent than the creditworthiness requirements used for all other residential customers.

(d) Each ETC shall treat customers who have filed bankruptcy under federal law in accordance with the protective provisions of 11 U.S.C. 366. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-4)*

170 IAC 7-8-5 Certification
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 5. (a) To become a participant in the program, a customer must do the following:

(1) Complete a certification form.

(2) If establishing eligibility by income under section 3(a)(1) of this rule, provide income documentation substantiating the customer's household income. Acceptable income documents include the following:

(A) Prior year's state, federal, or tribal tax return.

(B) Current income statement from an employer.

(C) Paycheck stubs for three (3) consecutive months within the last twelve (12) months.

(D) Statement of benefits from any of the following:

(i) The Social Security Administration.

(ii) The Veterans Administration.

(iii) Retirement.

(iv) Pension.

(v) Unemployment.

(vi) Worker's Compensation.

(E) A divorce decree, if applicable to income.

(F) Child support documents.

(G) Other official documents.

(b) The certification form shall:

(1) be created by the:

(A) administrator; or

(B) ETC;

(2) be submitted for approval by the commission; and

(3) for purposes of program eligibility, include a self-certification statement under penalty of perjury by the customer regarding the customer's program eligibility under section 3(a)(2) of this rule.

(c) A customer that is enrolled in the federal lifeline program shall:

(1) automatically be deemed eligible for the ILAP; and

(2) not be required to separately apply in order to receive the additional discount available under the ILAP. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-5)*

170 IAC 7-8-6 Verification
Authority: IC 8-1-1-3; IC 8-1-36

Affected: IC 8-1-36

Sec. 6. (a) On an annual basis, a participant's eligibility to remain in the program shall be verified by the following process:

(1) The ETC shall mail a verification form to the participant not later than thirty (30) days prior to the verification due date.

(2) The participant shall complete and sign the verification form and return it to the ETC with supporting documentation by the verification due date.

(3) If the ETC does not receive the verification form and supporting documentation by the verification due date, the ETC shall notify the customer that the customer will be withdrawn from the program if the signed verification form and supporting documentation are not returned to the ETC within thirty (30) days of the notice.

(4) If the customer fails to provide the signed verification form and supporting documentation within thirty (30) days of the notice in subdivision (3), the customer shall be withdrawn from the program.

(5) If the customer provides the signed verification form and supporting documentation within thirty (30) days of the notice in subdivision (3), the customer shall continue to be a participant in the program without interruption in receipt of the benefits of the program.

(6) If the participant:

(A) has been withdrawn from the program for failure to comply with subdivision (2); and

(B) completes and signs the verification form and returns it to the ETC with supporting documentation, after the thirty (30) day deadline in subdivision (3);

the ETC shall reinstate the participant as of the date of receipt of the form and documentation.

(b) Using the verification process detailed in subsection (a)(1) through (a)(5), an ETC may elect to verify not more frequently than annually the continued eligibility of participants using a statistically valid sample of ILAP participants as detailed in Appendix J of the FCC's Report and Order and Further Notice of Proposed Rulemaking (FCC 04-87) released April 29, 2004 (FR 34600, June 22, 2004). *(Indiana Utility Regulatory Commission; 170 IAC 7-8-6)*

170 IAC 7-8-7 Toll limitation

Authority: IC 8-1-1-3; IC 8-1-36

Affected: IC 8-1-36

Sec. 7. (a) An ETC shall offer toll limitation (as defined in 47 CFR 54.400(d)) to an eligible customer who applies for assistance under the program.

(b) An ETC shall not charge a participant:

(1) an administrative charge; or

(2) any other additional amount;

for toll limitation.

(c) An ETC may apply toll limitation if the participant owes an outstanding amount for toll services.

(d) Without additional cost to the participant, the ETC must remove the toll limitation upon payment of the outstanding amount. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-7)*

170 IAC 7-8-8 Disconnection
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 8. (a) An ETC shall not discontinue a participant's basic service because of nonpayment by the participant of charges for other services billed by the ETC, including interexchange service.

(b) Upon request by an ETC, the commission may, after notice and hearing, exempt the ETC from this requirement where the ETC shows that its service is provisioned in a way that makes compliance technically infeasible or unduly burdensome. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-8)*

170 IAC 7-8-9 ILAP dispute resolution process
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 9. (a) The dispute resolution process of this section applies only to the ILAP.

(b) A customer who believes that their ILAP participation or discounts have been denied or terminated by an ETC in a manner that does not comply with the provisions of this rule may request a dispute resolution process by contacting the consumer affairs division of the commission, after the customer has notified the utility of the customer's dispute:

(1) in person;
(2) by telephone; or
(3) in writing.

(c) Such disputes may be made:

(1) in person;
(2) by telephone;
(3) in writing; or
(4) by completing a form available from the commission, including through its website.

A dispute shall be considered filed upon receipt by the consumer affairs division.

(d) In requesting a dispute resolution, the customer shall state, at a minimum, the:

(1) customer's:
(A) name;
(B) service address; and
(C)telephone number; and
(2) basis for which they believe ILAP eligibility or discounts have been unduly denied by the ETC;

as well as the customer's supporting documentation of eligibility.

(e) Without the customer's permission, the ETC shall not disconnect, remove, or restrict any service that is the subject matter of the dispute while the commission review or investigation is pending. The customer shall continue to:

(1) pay all undisputed charges; and

(2) if already a participant, receive the ILAP discount for basic service.

(f) Upon the filing of a request for dispute resolution under this rule, the:

(1) ETC shall be notified within five (5) business days that a dispute resolution process has been requested;

(2) dispute shall be investigated by the consumer affairs division; and

(3) customer and the ETC shall be notified of the decision made on the dispute by the consumer affairs division in accordance with applicable law within thirty (30) days.

(g) Within fourteen (14) days of a decision under subsection (f), the customer or the ETC may make a written request for an appeal to the consumer affairs division director. The records of the commission relating to the appeal shall be kept in systematic order.

(h) The consumer affairs division director shall conduct a prompt and thorough investigation of the dispute and shall provide a written decision, to be mailed to the customer and the ETC within thirty (30) days after its receipt of the request.

(i) Within fourteen (14) days of an appeal decision under subsection (h), the customer or ETC may make a written request for review by the commission. Prior to entering an order upon the appeal, the commission shall afford the customer and the ETC notice and an opportunity to be heard.

(j) Without the customer's permission, the ETC shall not disconnect, remove, or restrict any disputed service or discontinue ILAP participation as long as the dispute and any appeal of the dispute remains pending.

(k) A customer who:

(1) is not eligible for the program; and

(2) has falsely self-certified and participated in the program;

shall be responsible to pay the difference between the program service rate and the otherwise applicable service rate for the length of time the customer participated in the program and was not eligible. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-9)*

170 IAC 7-8-10 Consumer education and outreach
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 10. (a) In order to advertise the availability of the program to consumers, an ETC shall perform the following consumer education and outreach:

(1) To the extent that an ETC operates one (1) or more offices, open and accessible to the public, that accept and process consumer payments or complaints, the ETC shall:

(A) post conspicuously in each such office:

(i) posters;

(ii) signs;

(iii) brochures; or

(iv) flyers

that explain the program and eligibility requirements; and

(B) make available ILAP application forms or information on the application process.

(2) ETCs shall provide program and eligibility information on their websites. ETCs shall also provide on their websites either an electronic download capability for an ILAP application form or a toll free number to call to complete an ILAP application.

(3) Information about the program and eligibility requirements shall be provided to the ETC's customers during one (1) thirty (30) day period on an annual basis in the form of bill inserts or bill messages.

(4) Whenever an ETC provides a new customer with information regarding new telephone service and the credit information indicates the customer may be eligible for the ILAP, the ETC shall also provide information about the program and eligibility requirements. Upon an indication of interest by a new customer, the ETC shall provide information on the application process to the customer.

(5) To the extent that a customer service representative discusses the parameters of payment arrangements with a consumer, and there is an indication they may be eligible for the ILAP the customer service representative should also advise the consumer about the availability of the ILAP.

(6) If an ETC has an integrated voice response system in place, a forced message regarding the ILAP may be used in lieu of, or in conjunction with, discussing the program and eligibility requirements with the consumer as required in subdivisions (4) and (5) above. In either instance, the ETC shall provide information about the program, eligibility requirements and the application process upon an indication of interest by the consumer.

(7) Information regarding the ILAP and the eligibility requirements shall be made available to customers on all disconnect notices.

(b) The commission shall post information about the program and eligibility requirements on its website along with an explanation of the dispute resolution processes available to ILAP applicants and participants.

(c) The following shall also be available in the Spanish language:

(1) Brochures.

(2) Applications.

(3) Other educational materials.

(d) If funds are available for outreach efforts through the ILAP, an individual ETC, a group of ETCs, or an agent representing an ETC or group of ETCs shall be reimbursed for reasonable expenses incurred to provide any of the following optional outreach methods to qualified consumers on an annual basis:

(1) Information about the program and eligibility requirements contained in a company newsletter.

(2) Brochure and application distributed to school system administrators regarding the eligibility of households participating in the school lunch program.

(3) Paid radio or television, or both, advertisements.

(4) Public service announcements.

(5) Bus signage.

(6) Public access displays (grocery stores, libraries, churches, etc.).

(7) Brochures/flyers provided to community social service agencies, township trustees, and community/senior centers.

(8) Newspaper advertisements on the availability of the program and eligibility requirements for qualified consumers.

(e) An individual ETC, a group of ETCs, or an agent representing an ETC or group of ETCs may submit to the commission alternative outreach efforts in addition to, or in lieu of, the outreach efforts listed in subsections (a) and (d). Alternative outreach efforts may be approved by the commission, after notice and hearing, and upon a determination by the commission that the proposed alternative outreach efforts are likely to be at least as effective as the outreach efforts listed in subsections (a) and (d).

(f) Reasonable expenses incurred by an ETC to comply with this section shall be reimbursed from the ILAP fund under section 12 of this rule.

(g) If an ETC denies an ILAP application, the ETC shall inform the applicant of their rights regarding the commission's dispute resolution procedures available to ILAP applicants. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-10)*

170 IAC 7-8-11 Administration
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 11. (a) At any time while the program is in effect, the commission may elect to perform the functions of the administrator itself. If the commission does not make such an election, the administrator shall be selected by the commission through a request for proposal (RFP) process acceptable to the commission, with the selection to be based upon the following:

(1) Neutrality.

(2) Experience in low income program administration.

(3) Professional qualifications.

(4) The fees charged for administering the program.

(b) The administrator shall be compensated on a monthly basis by the fund for the costs and expenses it incurs in fulfilling its responsibilities for the operation of the ILAP.

(c) The administrator shall comply with the following standards of performance:

(1) The administrator must:

(A) follow written procedures as established by the commission; and

(B) maintain neutrality in its implementation of the procedures and treatment of all telecommunications carriers and interested parties.

(2) The administrator shall be independent from any telecommunications company or provider affected by the program.

(3) The administrator may not require carrier payments to the ILAP in excess of those authorized by the commission. Any earnings realized from the monies collected from the carriers shall be used to reduce subsequent ILAP assessments.

(4) Financial records of the administrator with regard to the operation of the ILAP, shall be:

(A) made available to the commission upon request; and

(B) subject to an audit on an annual basis by an independent accounting firm acceptable to the commission.

(5) The financial records of any telecommunications carrier with regard to its funding obligations for the ILAP, as well as any ETC with regard to its reimbursement costs for lost revenues associated with reduced charges for ILAP support, as well as administration and outreach expenses incurred for the ILAP shall be made available to the commission upon the commission's request. Such information shall be subject to audit as reasonably determined, expedient and necessary by the commission. Appropriate confidentiality protection will be accorded to each carrier for the submission of any competitively sensitive data. In the event a dispute arises over the claimed expenses of a telecommunications carrier, a participating party may obtain access to relevant documents pursuant to an appropriate nondisclosure agreement between such party and the carrier.

(d) The administrator shall perform the following duties:

(1) Manage the daily operations and affairs of the ILAP in an efficient, fair, and competitively neutral manner.

(2) Calculate and collect the proper ILAP contribution assessment amount from every intrastate retail telecommunications provider operating in Indiana.

(3) Ensure that required contributions to the ILAP are:

(A) timely received from each carrier; and

(B) promptly deposited in the ILAP fund.

(4) Disburse the proper ILAP support amounts ensuring that only qualified ETCs receive ILAP funds for qualified expenses.

(5) Perform any periodic audits of the ILAP deemed necessary by the administrator and/or the commission regarding any operations of the ILAP.

(6) Report not less frequently than quarterly to the:

(A) commission; and

(B) OUCC;

as to all receipts and disbursements made from the ILAP fund that it has administered.

(7) Notify the commission of any carriers that are in violation of any requirements to support the ILAP fund.

(8) Compute the anticipated annual funding requirements and administrative costs of the ILAP, including reasonable outreach expenses and account for earnings realized on monies collected from providers.

(9) Establish a reserve for such contingencies as late payments and uncollectibles as deemed appropriate by the commission.

(10) Provide any and all information necessary to support external audits of the ILAP.

(11) Resolve informal assessment disputes with any carrier.

(12) Maintain complete and thorough records of all costs directly and reasonably associated with the operation of the ILAP.

(13) Establish an appropriate true-up methodology for the ILAP assessment.

(14) Maintain and protect the confidentiality of any proprietary information reported to the commission in conjunction with the operation of the ILAP.

(15) Perform any other duties as required by law or as may be ordered by the commission.

(16) Maintain a sufficient surety bond in such amount as required by the RFP process to guarantee the faithful performance of the duties of the administrator with regard to the management and operations of the ILAP.

(17) Provide any and all information to the oversight committee reasonably necessary for such committee to meet its responsibility of ensuring that the:

(A) processes;

(B) funding levels;

(C) size; and

(D) administration and operation;

of the ILAP remain adequate and efficient.

(e) The administrator shall report to the commission not less frequently than on a quarterly basis regarding all of the receipts and disbursements from the ILAP fund that it has administered, in addition to any other information that the commission deems appropriate and necessary for fund operations. This report shall show the total amount of funds collected from each telecommunications carrier, any earnings realized from monies collected from carriers, and the total funds disbursed on a monthly basis to each ETC during that calendar year. All reports shall be filed by the administrator in accordance with the commission's current confidentiality requirements.

(f) The administrator may avail itself of any existing administrative and legal remedies to enforce the remittance obligations of all carriers subject to the ILAP. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-11)*

170 IAC 7-8-12 Funding

Authority: IC 8-1-1-3; IC 8-1-36

Affected: IC 8-1-36

Sec. 12. (a) The ILAP shall fund all costs associated with the following:

(1) Reimbursement of ETCs for lost revenues resulting from reduced charges for telecommunications services under the ILAP.

(2) ILAP administration expenses incurred by the following:

(A) The commission.

(B) The administrator.

(C) The ETCs. Reimbursement for ETCs' administration expenses shall be limited to 2% of their collected ILAP surcharges.

(3) Outreach expenses under:

(A) section 10(d) of this rule; or

(B) outreach methods approved by the commission as an alternative to the outreach methods specified in section(10)(d)(1) through (10)(d)(7) of this rule, if funds are available for outreach efforts through the ILAP.

(C) ETCs shall not be reimbursed by the ILAP for expenses to comply with 47 CFR 54.405.

(b) The funding mechanism for the ILAP shall be as follows:

(1) All carriers subject to the ILAP shall contribute to the ILAP fund pursuant to the ILAP assessment described in this subsection.

(2) ILAP assessments shall be imposed on all carriers subject to the ILAP. The ILAP assessment shall be annually developed as a percentage surcharge by

projecting the total amount necessary to fund the ILAP for the ensuing twelve (12) months, divided by the prior calendar year's total Indiana net revenue. An adjustment factor shall be permitted in the surcharge calculation to account for material changes in the Indiana net revenue. The oversight committee shall determine the methodology for making such adjustments.

(3) The assessment for each carrier subject to the ILAP shall be passed through as a monthly percentage surcharge to the carrier's end user customers who are not ILAP participants. The assessment on each end user customer's bill (whether prepaid or traditional monthly billing) shall be equal to the product of the surcharge percentage multiplied by the amount of the end user's monthly bill (or monthly advanced payment for services in the case of prepaid service) for intrastate retail telecommunications services, excluding applicable taxes and other regulatory fees.

(4) Each carrier subject to the ILAP shall remit its ILAP surcharges collected each month to the administrator less 2% for recovery of administrative expenses.

(5) ILAP assessments may be modified by the administrator upon the approval of the commission up to twice per calendar year as may be necessary in order to maintain sufficient funds required for distributions to ETCs and for payment of ILAP expenses.

(6) Each carrier subject to the ILAP shall commence the issuance of end user surcharges on its customers' bills at least sixty (60) days in advance of the ILAP implementation date, in order to establish a sufficient balance in the ILAP fund for the payment of the initial start-up costs for the administration and operation of the ILAP.

(c) The initial level of reduced monthly charges for the ILAP that are state funded shall be one dollar ($1) per ILAP participant. This reduction will result in an additional monthly discount of one dollar fifty cents ($1.50) to ILAP participants when combined with the fifty percent (50%) federal matching support. The commission may modify the level of reduced charges, after notice and hearing, upon:

(1) its own motion; or

(2) a motion by the:

(A) oversight committee;

(B) administrator; or

(C) OUCC.

(d) Reasonable outreach expenses incurred by an individual ETC, a group of ETCs, or an agent representing an ETC or a group of ETCs in support of section 10(d) of this rule or pursuant to 170 IAC 7-8-12(a)(3)(b) shall be paid from the ILAP fund as follows:

(1) Due to the limited funds available for outreach each year, any party wishing to receive reimbursement for outreach must obtain preapproval for any outreach activity to make sure funds are available to cover projected costs.

(2) The individual ETC, group of ETCs, or agent representing an ETC or group of ETCs must submit a claim for reimbursement of reasonable ILAP outreach expenses to the administrator. The administrator may designate the form and content of a claim for reimbursement.

(3) The claim shall include copies of the ETC's ILAP outreach materials, including scripts used by ETC personnel or technology. At the same time the claim is

submitted to the administrator, a copy of the claim and accompanying materials shall be submitted to the commission for approval.

(e) The ILAP shall be evaluated by the oversight committee twelve (12) months after the ILAP implementation date to ensure that the:

(1) processes;
(2) funding levels;
(3) size;
(4) operation; and
(5) administration;

of the ILAP remain adequate and sufficient. Subsequent similar reviews shall be conducted on a biennial basis by the oversight committee. Notwithstanding the foregoing, the oversight committee, or any member thereof with advance written notice to the other members of that committee, may provide at any time recommendations or any other information as to the ILAP's operation to the commission as deemed appropriate and necessary for the efficient administration and operation of the ILAP fund. *(Indiana Utility Regulatory Commission; 170 IAC 7-8-12)*

170 IAC 7-8-13 Benefits to participants
Authority: IC 8-1-1-3; IC 8-1-36
Affected: IC 8-1-36

Sec. 13. Participants shall receive discounts resulting in reduced monthly rates and line connection charges for basic service on one line or handset per household. The amount of the discount each participant shall receive shall be as follows:

(1) Federally funded waiver of the Federal End User Common Line (EUCL) charge. ETCs shall grant a waiver of the monthly EUCL charge under 47 CFR 54.403(a)(1).
(2) Federally funded one dollar seventy-five cent ($1.75) reduction to monthly rate for basic service. ETCs shall give a reduction of one dollar seventy-five cents ($1.75) in the monthly rate for basic service under 47 CFR 54.403(a)(2).
(3) Additional state funded reduction to monthly rate for basic service. ETCs shall give a state approved reduction, under Section 12(c), of up to a maximum of three dollars fifty cents ($3.50) per month.
(4) Federally funded match to subdivision (3). ETCs shall give the accompanying fifty percent (50%) match of the state funded reduction to the monthly rate for basic service, of up to a maximum of one dollar seventy-five cents ($1.75) per month under 47 CFR 54.403(a)(3).
(5) Federally funded waiver of fifty percent (50%) of the line connection charges for basic service. ETCs shall waive fifty percent (50%) of the line connection charges for basic service, of up to a maximum of thirty dollars ($30). *(Indiana Utility Regulatory Commission; 170 IAC 7-8-13)*