Roads, Beth Krogel

From: bob.wilhelm@cinbell.com
Sent: Tuesday, September 11, 2007 10:51 AM
To: Roads, Beth Krogel
Subject: Re: ILAP Pre-rulemaking Workshop -- Conference Call Bridge

Attachments: PUCO Alt Reg Lifeline Rules.doc; Lifeline Incentive Plan Guidelines 03 06.doc; Lifeline Grant Form Jun 06.doc

PUCO Alt Reg Lifeline Rules.do... Lifeline Incentive Plan Guidel... Lifeline Grant Form Jun 06.doc...

Beth,

This is the follow up material that I promised as part of Friday's conference call. The first attachment contains the PUCO's Lifeline outreach requirements (Ohio Administrative Code) for large ILECs opting into elective alternative regulation. All seven of the large ILECs in Ohio, including Cincinnati Bell, operate under this plan. Parts (8) and (9) of the attached rules address Lifeline outreach/education. Additionally, the PUCO's minimum service standards require LECs to inform new customers of Lifeline availability. For CBT, this is typically done by the service rep on a telephone call. If the customer is interested, CBT mails the appropriate Lifeline materials to the customer along with a postage paid return envelope. Most of CBT's Lifeline enrollments are through this process.

As I mentioned in a previous e-mail, CBT's Lifeline outreach budget in Ohio under this plan (as defined in (9)) has been approximately $50,000 per year. The advisory board in (8) generally oversees and approves the activities under this budget. Contrary to how the rule may appear, CBT proposes how to use this money. I have been the chairman of this board for several years. At the beginning of each budget year, I propose how to allocate the money across different outreach/education efforts. In recent years, this has not required a lot of discussion because the budget generally maintains the status quo. The commission staff has never proposed how to allocate the budget, identified specific projects to include, worked to develop a consensus, or made a final determination when there was no consensus. Over the last couple years, a little more than 60% of the budget went directly to social service agencies to support their Lifeline outreach efforts. About 30% was used for applications/informational brochures and mailings to/from customers - often is response to customer calls for new service as noted above. The remainder was used for miscellaneous expenses such as workshops to explain Lifeline to supporting organizations, TTYs for some low income customers, posters, and Lifeline logo give-away items such as pens and post-it notes.

As I mentioned on the conference call, working with social services organizations has been the most successful approach to promoting Lifeline in recent years. CBT has two programs for these organizations, One, the enrollment incentive program, provides a $25 award to the supporting organization for each Lifeline enrollment and bonuses for reaching certain enrollment totals. Award totals vary quite a bit - ranging from around $100 per year for less active groups to over $5,000 per year for the most active organizations. This program began in 2002 and is the more popular of the two programs. One reason for the popularity of this plan is the direct relationship between money spent and a customer enrolling in Lifeline. Another advantage of this plan is that it increases the incentive for organizations to discuss Lifeline with their clients. While CBT does not have any studies to verify this, both CBT and the social service organizations believe potential Lifeline customers are more receptive to Lifeline when working with social service organizations. The potential customers appear to have more trust in these organizations and believe that they are trying to help the person versus CBT which is viewed as just trying to sell something.

The second program provides grants to organizations for specific outreach projects. CBT formalized the grant program last year but worked informally with social service organizations and paid for special projects, such as mailings to their client bases, for

several years. This program has not been as popular. Typically, CBT's Lifeline budget has included two or three special projects per year. Both CBT's grant program and enrollment incentive program are described in more detail in the attachments.

I have some contact with the Lifeline boards of other ILECs in Ohio, but I do not know much about their education programs. I know that AT&T Ohio has a similar grant program because CBT patterned its grant program after AT&T's when CBT formalized this program last year. I am not aware of any other company with a program similar to the enrollment incentive program.

Finally, you mentioned on the conference call that states with higher percentages of Lifeline customers had some form of automatic enrollment. This is true for CBT. The percentage of CBT's Ohio customers with Lifeline is much higher than in Kentucky, and Ohio has had automatic enrollment while Kentucky has not. The Ohio Department of Jobs and Family Services and Ohio Department of Development (HEAP) had provided data for automatic enrollment but both discontinued the data because of privacy concerns raised by their legal departments. (ODJFS is reconsidering their position.) The reason I mention automatic enrollment is that most of the success came when initially receiving the data. The number of customers auto-enrolled with data updates tended to be fairly small. Specifically, HEAP was the last program to have auto-enrollment. During the last couple years of HEAP auto-enrollment, more customers enrolled in Lifeline through the enrollment incentive program for supporting organizations than through HEAP auto-enrollment. One of the problems with auto-enrollment is matching the data, e.g. the name for the benefits is not the name on the account, addresses are abbreviated differently, people move frequently, and telephone numbers change. Direct mailings do not fix these issues. In 2005, CBT mailed Lifeline information to households where the auto enrollment data did not match CBT's customer records. The results were abysmal. The response rate was less than 1%, and the acquisition cost was approximately $200 per customer based on the cost of the mailing.

If you have questions or would like to discuss any of this information in more detail, please give me a call.

(See attached file: PUCO Alt Reg Lifeline Rules.doc) (See attached file: Lifeline Incentive Plan Guidelines 03 06.doc) (See attached file: Lifeline Grant Form Jun 06.doc)

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OHIO Alt Reg Lifeline Rules

4901:1-4-06 Alternative regulation commitments.

(B) Lifeline assistance

(1) The ILEC must implement a lifeline program that provides eligible residential customers with the maximum contribution of federally available assistance. Eligible lifeline service consists of flat-rate monthly access line service with touch-tone service.

(a) Credits: The ILEC shall credit one hundred per cent of all nonrecurring service order charges for commencing service and a monthly amount that will ensure the maximum federal matching contribution.

(b) Other benefits: Lifeline customers shall receive a waiver of the local exchange service establishment deposit requirements, free blocking of toll and 900/976 dialing patterns, an option to purchase call waiting and an option to purchase other features for medical and/or safety reasons. Requests to purchase vertical features must be signed by the customer certifying that the customer has a legitimate need, either for medical or safety reasons, for the optional feature(s) requested.

(c) Restrictions: The discount will apply to only one access line per household. Optional features, other than call waiting, are prohibited unless the phone company receives a signed statement from the customer self-certifying that the feature is necessary for medical and/or safety reasons. Existing lifeline customers that have optional features prior to the adoption of this plan will be grandfathered into the lifeline program so long as the customer makes no changes whatsoever to their existing local exchange service. Telephone companies are prohibited from marketing vertical services to existing or new lifeline customers.

(2) Lifeline assistance eligibility shall include:

(a) Home energy assistance program (LIHEAP, HEAP, and E-HEAP).
(b) Ohio energy credit program (OECP).
(c) Food stamps.
(d) Supplemental security income-blind and disabled (SSDI).
(e) Supplemental security income-aged (SSI).
(f) General assistance (including disability assistance [DA]).
(g) Medical assistance (medicaid), including any state program that might supplant medicaid.
(h) Federal public housing/section eight.
(i) Ohio works first (formerly AFDC).
(j) National school lunch's free lunch program 42 U.S.C. 1751 to 1769h, as effective on May 1, 2006.
(k) Household income at or below one hundred fifty per cent of the poverty level.

(3) Each ILEC participating in the EARP shall offer a lifeline assistance program to eligible customers throughout the traditional service area of that carrier, in conformance with this rule.

(a) ILECs with fifty thousand or more access lines shall automatically enroll customers into lifeline assistance who participate in a qualifying program. Additionally, such companies must also enroll customers who participate in a qualifying program by using on-line company to agency verification or self-certification.
(b) ILECs with less than fifty thousand access lines may use one or any combination of automatic enrollment, on-line company to agency verification and/or self-certification to enroll customers into lifeline assistance who participate in a qualifying program.
(c) All ILECs must verify customer eligibility consistent with the federal communication commission's requirements in 47 C.F.R. 54, as effective on May 1, 2006, to enroll customers into lifeline assistance who qualify through household income-based requirements.

(4) At no time will the monthly access line discounts cause the local service rates to be less than zero.

(5) Lifeline assistance customers with past due bills for regulated local service charges will be offered special payment arrangements with the initial payment not to exceed twenty-five dollars before service is installed, with the balance for regulated local charges to be paid over six equal monthly payments. Lifeline assistance customers with past due bills for toll service charges will be required to have toll restricted service until such past due toll service charges have been paid or until the customer establishes service with a subsequent toll provider pursuant to the minimum telephone service standards.

(6) Staff will work with the appropriate state agencies, which administer qualifying programs for lifeline assistance, and the ILECs to negotiate and acquire on-line access to the agencies' electronic databases for the purpose of accessing the information necessary to verify a customer's participation in an eligible program, and data necessary to automatically enroll customers into the lifeline program. On-line verification and automatic enrollment will be in place within six months after the effective date of a company's alternative regulation plan.

(7) An ILEC is permitted to perform a verification audit of a customer already on lifeline assistance service.

(8) All lifeline program activities must be coordinated through an advisory board composed of commission staff, the office of the Ohio consumers' counsel, consumer groups representing low-income constituents, and the company. Commission staff will work with the advisory board to reach consensus. However, where consensus is not possible, the commission's staff shall make the final determination. Advisory board decisions on how the program is implemented and the lifeline promotional plan are subject to

commission review. Companies with less than fifty thousand access lines may join with other such companies to form one advisory board.

(9) The ILEC will establish an annual marketing budget for promoting lifeline and performing outreach using ten cents per access line multiplied by the number of residential access lines the company serves. The ILEC shall work with the advisory board to reach a consensus, where possible, regarding how the marketing budget funds will be spent. The marketing budget funds shall only be spent for the promotion and marketing of lifeline service and not for the administrative costs of implementing and operating the lifeline program.

Cincinnati Bell Telephone Lifeline Enrollment Incentive Program for Supporting Agencies/Organizations

March 2006 Guidelines

- Organization receives $25.00 from Cincinnati Bell Telephone (CBT) for each customer who successfully enrolls in Lifeline through the organization's efforts.

- Organization receives a $100.00 bonus after 10 successful enrollments. Additional $100 bonuses will be awarded after totaling 25, 50, 75, 100, etc. successful enrollments. Counts for these bonuses begin October 1, 2003. Successful enrollments prior to October 1, 2003 do not count towards the bonus calculation.

- Additional bonuses may be awarded for other significant accomplishments in support of the enrollment incentive program.

- The total amount an organization may receive is capped at $5,000.00 per budget year. (The cap is indefinitely suspended beginning February 2006.)

- Lifeline enrollment may be either a new customer obtaining Lifeline service or an existing customer converting to Lifeline. Program is limited to successful enrollments of Ohio residential customers served by Cincinnati Bell Telephone.

- Lifeline enrollments will be tracked through coded application forms. Each participating agency/organization will be assigned a unique tracking number that must be shown on the application form to receive credit for the enrollment.

- CBT reserves the right to audit the enrollment applications.

- Organizations must enroll in CBT's enrollment incentive program to receive awards. To enroll, organizations must complete and return the attached Agency/Organization Information Sheet.

- CBT will distribute awards approximately once per quarter.

- Total disbursements will not exceed CBT's annual Lifeline outreach budget less any other outreach expenses included in the budget.

- CBT reserves the right to discontinue, revise, or suspend this enrollment incentive program at any time.

If your organization is interested in participating in CBT's lifeline enrollment incentive program, or if you have questions about the program, please contact Evelyn King at 513-397-1378 or evelyn.king@cinbell.com, or Bob Wilhelm at 513-397-6858 or bob.wilhelm@cinbell.com.

Cincinnati Bell Telephone Lifeline Program
Supporting Agency/Organization Information Sheet
March 2007

Information on this form will be used solely for the purposes of supporting outreach efforts to promote Cincinnati Bell Telephone's (CBT) Lifeline telephone discount programs for low income customers. Agencies/organizations that do not complete this form will not receive informational updates regarding Lifeline and may not participate in the Lifeline Enrollment Incentive Program.

Agency/Organization Name: _____
(Please list the name as it should appear on any checks issued to the agency/organization. Checks will not be issued in the name of a specific individual or title.)

Contact Name(s): _____
(Please list the name(s) and contact information for the individual(s) who should receive updates and other information regarding CBT's Lifeline program such as program changes, invitations to workshops, and available promotional items.)

Contact Address(es): _____

_____

_____

Contact Telephone Number(s): _____

Contact FAX Number(s): _____

Contact e-mail Address(es): _____

- Website Information: CBT's website includes the names, addresses, and telephone numbers of selected agencies/organizations that will provide Lifeline applications and information regarding CBT's Lifeline service to interested consumers. Agencies/organizations that want to be listed on this section of CBT's website must complete the following section with all information exactly as it should appear on the website. **Agencies/organizations that do not want to be listed on the website should leave this section blank.**

Agency/Organization Name: _____

Address: _____

_____

Phone Number (Optional): _____

Cincinnati Bell Telephone Lifeline Program
Supporting Agency/Organization Information Sheet
(Continued)

- Lifeline Enrollment Incentive Program: This program is open to agencies/organizations that promote CBT's Lifeline service and provides monetary awards to supporting agencies/organizations based on the number of customers the agency/organization helps to enroll in Lifeline. (For additional information regarding this program, see the document titled "Cincinnati Bell Telephone Lifeline Enrollment Incentive Program for Supporting Agencies/Organizations - March 2006 Guidelines.)

  Agencies/organizations that want to participate in the Lifeline Enrollment Incentive Program must complete the following information section. If the information below is the same as the contact information one page 1 of this form, please write "same" in the space(s) provided below.

  Agencies/organizations that do not want to participate in the Enrollment Incentive Program should leave this section blank.

  ☐ Please check the box on the left to confirm that the agency/organization named below is enrolling in or is currently enrolled in the Cincinnati Bell Telephone Lifeline Enrollment Incentive Program.

  Agency/Organization Name: _____

  Contact Name: _____
  (Checks will be mailed to the individual named here. Checks will only be made out in the name of the organization. Checks will not be issued to a specific name or title.)

  Mailing Address: _____

  _____

  _____

This form may be returned by U.S. mail, facsimile, or e-mail as follows.

By U.S. Mail: Evelyn King
Cincinnati Bell Telephone
221 East Fourth Street, Room 103-1280
Cincinnati, OH 45202

By FAX: 513-421-1367
Attn: Evelyn King

By e-mail: evelyn.king@cinbell.com

Cincinnati Bell Telephone
Lifeline Telephone Assistance Program
Grant Application for Special Outreach Projects

Overview

The Cincinnati Bell Telephone ("CBT") Lifeline program provides discounted local telephone service to income eligible customers. Qualifying customers in Ohio also receive a waiver of the basic installation charge, a deposit waiver, free toll blocking services, and special payment arrangements.

Grants up to $2,000 are available for special Lifeline outreach projects from non-profit organizations. The primary objective of these outreach projects should be to inform the community about Lifeline discounted local telephone service and to enroll eligible families and individuals, who reside in CBT's Ohio service area, into the CBT Lifeline program. (Grants are not available to promote Lifeline in Kentucky.)

To receive a grant, the requesting organization must complete the attached Grant Application form and submit it to CBT. Organizations receiving grants must also submit the attached Progress/Completion Report, as described on that report. Grant Applications and Progress/Completion Reports may be submitted by mail or e-mail to the following:

Bob Wilhelm
Regulatory Pricing Manager
Cincinnati Bell Telephone
221 East 4th Street, Room 103-1280
Cincinnati, OH 45202
Phone: 513-397-6858
e-mail: bob.wilhelm@cinbell.com

All requests for grants will be reviewed by the CBT Ohio Lifeline Board. This Board coordinates Lifeline outreach and promotional activities in CBT's Ohio service area and is composed of representatives of CBT, the Public Utilities Commission of Ohio (PUCO), the Office of Ohio Consumers' Counsel (OCC), and various social service agencies. All grant applications will be reviewed within one month of submission. Grants will be awarded to organizations meeting all requirements and as approved by the CBT Lifeline Board.

All approved grants will be provided in their entirety, once approved. Please allow approximately three weeks from the date of approval for processing and receipt of the grant.

Cincinnati Bell Telephone
Lifeline Telephone Assistance Program
Grant Application for Special Outreach Projects

Date: _____

Organization Name: _____

Organization Address: _____

City, State, Zip: _____

Organization Telephone Number: _____

Executive Director/CEO: _____

Executive Director E-Mail Address: _____

Contact Person for this project if different from Executive Director: _____

Contact Person's e-mail address: _____

Is Organization a 501(c)(3) Organization? ☐**Yes** ☐**No**

Tax Determination Letter Attached ☐**Yes** ☐**No**

(**MUST** provide IRS 501©(3) Tax Determination Letter or Equivalent with Grant Proposal. **Failure to submit Tax Determination Letter will be considered an incomplete grant proposal.)**

ORGANIZATION MISSION

- **Briefly describe your organization's mission and current programming.**

Cincinnati Bell Telephone
Lifeline Telephone Assistance Program
Grant Application for Special Outreach Projects

REQUESTED GRANT (Dollars): $ _____

SPECIAL PROJECT DESCRIPTION (Attach additional pages, as necessary.)

- **Describe the project for which the grant is being requested, including a description of any promotional materials, e.g. press releases, mailings, or advertisements, that will be created by your organization.**
- **Explain how the project will help to promote Lifeline.**
- **Describe the target audience and the size of this audience.**
- **Provide a time line for the project.**

Cincinnati Bell Telephone
Lifeline Telephone Assistance Program
Grant Application for Special Outreach Projects

SPECIAL PROJECT BUDGET **(Attach additional pages, as necessary.)**

- **Provide the total and itemized budget for the project. (Line items should include expenses for staff, mileage, postage, advertising, printing, copying, office supplies, and any other relevant expenses.)**

CERTIFICATION

I certify that the grant requested in this application will be used only to promote Lifeline telephone service as described in this application, that all status/completion reports will be timely submitted, and that I am authorized to make this certification on behalf of the organization submitting this grant request.

_____	_____	_____
(Signature)	(Title)	(Date)

_____
(Printed Name of Signatory)

Cincinnati Bell Telephone
Lifeline Telephone Assistance Program
Progress/Completion Report - Outreach Grant Project

SPECIAL PROJECT PROGRESS AND COMPLETION REPORT

All organizations receiving grants must complete and return this one page Progress/Completion Report within one month of completing the grant project. For projects lasting longer than three months, the organization must also submit this report quarterly to update the project status. These reports must include the following information.

- **A brief summary of the outreach activities performed with the grant**
- **The dates of these activities**
- **Copies of any Lifeline outreach/promotional materials created by your organization as part of the grant project, e.g. press releases, mailings, or advertisements**
- **An estimate of the number of people reached by the outreach project and/or the number of Lifeline enrollments resulting from the project**