

Embarq Comments on “Strawman” Draft Indiana Lifeline Assistance Program

General Comment – it is the intent of the HEA 1279, the IURC and ETCs to provide Universal service throughout the State of Indiana. Lifeline assistance should be made available to all consumers in the state who qualify. Embarq believes this should be achieved as simply and as cost effectively as possible and to the extent practicable this should be accomplished by allowing ETCs to follow the federal Lifeline guidelines. Federal Lifeline guidelines, however, should not become Indiana specific mandated rules. The Lifeline fund should be managed to a level that does not place a burden on the fund and hence to all consumers in the state of Indiana. Even though the program allows for reimbursement of lost revenue, administrative and outreach expenditures it is the responsibility of all participants to keep these expenses reasonable.

170 IAC 7-8-1 Policy and Scope

No Comments

170 IAC 7-8-2 Definitions

(e) 1 “available only to qualifying low-income consumers”
what about other qualifying programs?

170 IAC 7-8-3 Eligibility Requirements

Embarq believes that subsection (a) needs to be expanded to clarify that the Lifeline discount applies to the rates charged by ETCs for basic local services. Additionally, Embarq clarification needed to assure that the total of all Lifeline discounts provided do not exceed 100% of the rates the ETC charges for basic local services.

Subsection (c) regarding creditworthiness. Embarq believes the creditworthiness of the customer should be based on current credit practices for all customers. To that end, by adding the following sentence to (c), Embarq is convinced the Creditworthiness language contained in Section 4 can be deleted by expanding 7-8-3(c) by adding one sentence “The ETC may apply its general creditworthiness process to Lifeline Applicants”. Allowing ETCs to use a nondiscriminatory process eliminates the need for a complex, convoluted creditworthiness process as presented in proposed rule 7-8-4. Additionally, Embarq believes the requirements for the treatment of customers who have filed bankruptcy under federal law in accordance with the protective provisions of 11 U.S.C. 366 should be moved to this section of the proposed rules.

170 IAC 7-8-4 Creditworthiness of participants: deposit: refunds

Embarq believes this section is outdated, complicated and confusing. Embarq believes by addressing the creditworthiness section as stated in Section 3 it leaves this section for Deposit and refunds. Deposits requirements for Lifeline participants should be based on an ETC’s business needs and should not be any different than deposit

requirements for any other credit challenged customer except as provided by FCC Lifeline guidelines. As drafted, the current proposed rule conflicts with FCC rules that prohibit an ETC from collecting a service deposit, if the qualifying low-income consumer voluntarily elects toll limitation service.

Embarq has provided a redline version of the Deposit; refund section of Section 4 which it believes will accomplish Embarq's recommendations.

170 IAC 7-8-5 Certification

Embarq believes the certification form can be created by the ETC. Today the form is in existence and used in various states. Creating a new form creates additional costs. Embarq would agree that the form can be approved by the commission to assure all requirements are met.

170 IAC 7-8-6 Verification

Embarq believes that 100% annual verification is unnecessary and the statistical valid sample method that is used under the federal guidelines is appropriate. 100% verification can lead to more disconnections of Lifeline subscribers and will add additional administrative costs to the ETCs.

170 IAC 7-8-7 Toll Limitation

No Comments

170 IAC 7-8-8 Block of interexchange service

No Comments

170 IAC 7-8-9 Disconnection

No Comments

170 IAC 7-8-10 Dispute resolution process

Embarq believes this section is somewhat cumbersome and could be simplified. Embarq questions whether such a process should be codified within this proposed rule. Lifeline participants may use the same complaint process as other customers use to bring before the IURC potential abuse by ETCs.

As stated previously it is the intent of ETCs to provide lifeline discounts to those that qualify. The volume of disputes will be minimal and handled more quickly and effectively without such a mandatory process. If the IURC determines later that an ETC is not responsive to Lifeline participants who believe they have been incorrectly denied Lifeline discounts or that the ETC appears to have an excessive number of allegations to this end; then the IURC can work with that offending ETC and or exert influence to change the offending ETC's behavior. Finally, if the IURC believes the telecommunications industry in Indiana is abusive in this area; then it may add to this rule definitive processes designed to address specifically Lifeline disputes.

An example of how disputes have worked in other Embarq states is as follows:

When informed by a customer or a state entity that Embarq has failed to add Lifeline or has removed it in error, Embarq simply puts Lifeline back on the account and retains the documentation from the state. Current documentation from many states is received via email. Within its customer records, Embarq has the ability to change, or back date the effective date on which the Lifeline discount is applied. This would apply Lifeline credits with an effective date equal to the previous removal date. Therefore the customer would have Lifeline going forward and receive credit equal to the amount that would have received if they had remained on Lifeline.

Embarq has provided a redline version which deletes this entire section.

170 IAC 7-8-11 Consumer education

To effectively manage Consumer education and the inherent costs associated with it, Embarq believes Consumer education should be done jointly by the IURC and OUCC and the Administrator of ILAP. If ETCs are required to assume additional consumer education tasks than it does currently; Embarq believes that the marketing and outreach methods employed should be based on the individual markets of the ETCs. The ETC should determine this method based on their experience in order to canvas the most potential lifeline candidates. In addition to reach statewide audiences and programs Embarq believes the IURC and the Administrator of the program should engage in joint statewide advertisement and promotional materials to increase Lifeline penetration. These expenses are reimbursable and it is important to get the biggest bang for the buck.

Embarq believes section 11(b) should be deleted. Again the individual market should dictate the language that materials are provided. To require Spanish language where there is no market adds costs to the fund.

Embarq has provided a redline of this section.

170 IAC 7-8-12 Administration

No Comments

170 IAC 7-8-13 Funding

No Comments

170 IAC 7-8-14 Benefits to Participants

This section seems to open ended. The Cap state discount would be \$3.50. The industry proposed \$1.00 in their ILAP proposal in Cause 43082. The \$1.00 was derived in order to keep the fund manageable at the outset and address the effectiveness of the program via the oversight committee after an 18 month review.