

NOTES

**From Pre-rulemaking Workshop re: Indiana Lifeline Assistance Program (ILAP)
Held on Friday, September 07, 2007 at 9:30 a.m. in IURC Judicial Courtroom 222**

I. Introduction – Beth Krogel Roads, Commission Counsel, IURC

- Record in the related proceeding regarding funding (IURC Cause No. 43082) is closed.
- Rulemaking Timeframe:
 - ILAP rules need to be adopted no later than July 1, 2008.
 - To meet that deadline, the Notice of Intent should be published the beginning of December 2007.
 - Although there is another 30 days after the Notice is published to finalize the language of the proposed rule, the pre-rulemaking workshops and a draft proposed rule need to be completed prior to December 2007.
- Consequently, we need to resume having pre-rulemaking workshops, which will be on issues other than funding until after the order in 43082 is issued. Once the order is issued, we will begin drafting the proposed rule language regarding funding as well.

II. Opening Comments (if any) from Participants -- None

III. Issues / Concerns / Interests / Options – the following is the list developed during the workgroup discussion, in the order discussed:

[Highlighted portions indicate action items for workgroup]

- Credit & collection rules – those in the draft follow the current rules
- Dispute Resolution provision in the draft loosely follows the rules in the Indiana Administrative Code re: complaints to the Consumer Affairs Division of the Commission.
 - This section as drafted is somewhat complex
 - **Industry may bring other examples of language.**
 - Customer should be able to give permission to disconnect
- Sec 7-8-2 – regarding the anniversary date definition as a trigger for re-certification date
 - IT costs of changing system
 - Annual verification sufficient
 - Company should be allowed to work to own schedule
 - Are alternatives OK?
 - Some companies do all customers at once
 - Should flexibility be built into the language?
 - **Need to develop language for proposed rule**
- Verification and re-certification
 - Statistically viable sample vs. 100%
 - Federal guideline is a sampling

- With 100%, more terminations from Lifeline – more disputes – greater administrative costs
- OH/KY had same percentage losses with either process
- Could be more interruption than permanent removal
- Eligibility – Sec 7-8-3 –
 - Difficult to administer if rule allows someone in household other than the social welfare recipient
 - Applicant must be same as social welfare recipient
 - Draft rule used the same language as Indiana Code § 8-1-36-9
 - Customer income (in state statute) vs. household income (in federal program)
 - Define customer to resolve these issues
 - “has a child who receives” – develop language for draft rule
 - Household receives the benefit, not just the child
- ETC -- allow agent to do duties for ETC
- Sec 7-8-5 – administrator – need a definition
- Sec 7-8-4 – credit worthiness –
 - Should allow a Lifeline applicant to accept toll limitation and then not have a deposit, etc.
 - Simplify – just use “undue barrier” standard
 - Keep deposit (federal guidelines)
 - Do not want to have to change current system
 - Same guidelines should apply to all customers
 - Explore company specific credit worthiness processes
 - What are the rules in other states?
- Deposit – billing records
 - Clean up language taken from credit worthiness rules
- Basic service – Sec 7-8-3
 - Lifeline applies to basic service
 - Draft rule clarifies that customer can have other nonbasic services, but receives credit on basic portion of the service.
 - Treatment of bundled services – Lifeline credit
 - Same discount regardless of what services you have
 - Would discount just apply to lowest priced plan, rather than to all plan?
 - Bundle could include services important to even low income customers.
 - Shouldn’t be penalized for trying to save money via bundle.
 - Wireless scenario could be different – not different services – level or number of minutes
 - Bundle – term and conditions – could end up with additional debt, e.g. for early termination
 - Lifeline can be limited to more basic services
 - Research – challenge to early termination fees
 - If going to buy anyway, doesn’t change behavior, just changes cost
 - Definition of basic service (e.g. for universal service) may be changing – should keep flexible
 - Dial tone support for basic residential line

- Check draft language – provide suggestions for changes
- Sec 7-8-11 – Consumer Education
 - Application forms – agent to process (over the telephone) – customer sending in wrong forms, creates administrative problems – get information over the phone, entered into database – mail signature form for verification – is paper process necessary? – phone and follow-up signature found to increase participation
- 7-8-5(b) – certification forms –
 - Companies already have forms for federal program, used across many states –
 - Could carrier submit their own form?
 - Need to make sure certification and verification reflects spirit and intent of Commission approved forms –
 - Need consistency in information and how it’s handled – no additional or artificial requirements – can be confusing to social service agencies if variety of forms
- Problem with having forms out there – on-line or otherwise – and being sent in vs. calling in (via 800 number)
- 7-8-11 – Spanish language
 - Do we need that in the rule? –
 - Language of the market instead?
 - Spanish language materials were prepared and printed, but not used, resulting in needless expense
 - OUCC website has materials including in other languages
- 7-8-11 – Consumer Education
 - Can companies use different advertising efforts?
 - Example: front section of phone book – consumer calls in and rep explains least cost option
 - Concern about advertising requirements – annual/bi-annual bill insert should be sufficient
 - What’s the biggest bang for the buck? Most effective way – phone book – bill insert – annual – is quarterly cost effective? – use of websites, including OUCC website
 - Indiana take rate is among the lowest in the country – whatever we’re doing isn’t good enough – needs to be more than annual
 - Research most effective methods in other states
 - Ohio – effective – work with social service agencies – specific \$ amount per year, but not defined how outreach is done – programs that incent agencies are effective – Cincinnati Bell will provide info
 - Illinois – also works with social service agencies – AT&T will provide info
 - “Other items that are approved by the Commission” – to encourage other innovative ideas
 - How to get to income eligible customers – particularly up to 150% of poverty level, unique to Indiana
 - Need to get state agencies interested and trained

- Get customer service reps involved
- If doing Spanish, also need reps that can speak the language
- Requirement that discuss dispute resolution when have inquiry about setting up payment arrangements and difficulty paying bill
- Wireless – more transient customer – how does this work if customer goes to company in different state
- If customer is obviously not eligible, shouldn't have to tell them about Lifeline.
- “Any time” service or payment arrangements – may be overreaching
- Use credit worthiness determination to help determine if Lifeline eligible
- Ordinary order taking – company makes determination whether to discuss Lifeline or send materials. – “when appropriate”

IV. Next Steps –

- a. Workshop participants to submit written comments by Friday, September 21, 2007, to Commission Counsel, Beth Roads**
 - email address is bkroads@urc.in.gov.
- b. IURC Staff will review comments and distribute a revised strawman draft proposed rule by Friday, October 5, 2007.**
- c. Next workshop will be held on Friday, October 12, 2007 at 10:00 a.m. in the Boardroom at the IURC's offices – National City Center, East Tower, 15th floor.**

Thank you for your participation!