

Service Date: August 16, 2000

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER OF Implementation of	)	UTILITY DIVISION
Changes in the Federal Telecommunications	)	
Low-Income Assistance Programs, Lifeline	)	DOCKET NO. D2000.8.122
and Link Up, Including on Tribal Lands	)	ORDER NO. 6262

PROPOSED ORDER / FINAL ORDER

This matter pertaining to federal low-income assistance programs and eligible telecommunications carriers (ETCs) is primarily initiated by the Public Service Commission (PSC) on its own motion, but also in response to several Montana ETC inquiries and applications. This order is intended to eliminate or mitigate timing concerns and the need for individual ETC rate-change and regulatory-approval applications on the subject, which, without this order would be required. This matter is unlikely to involve disputed facts or contested legal positions.

A similar process having been used without objection in the PSC's next previous implementation of federal telecommunications low-income assistance programs (*PSC Docket No. D97.11.223, Order No. 6028a, December 24, 1997*), the PSC issues this proposed order and allows 7 calendar days from the service date above for interested persons to file objections, if any are deemed necessary. If no objections are received by the PSC by the time allotted, this proposed order becomes the final order on this matter without further action of the PSC.

Federal telecommunications regulation includes Lifeline Assistance (lifeline) and Lifeline Connection Assistance (link up), which are related programs for assistance to low-income consumers served by ETCs. Lifeline provides federal universal service support to reduce monthly service charges paid by qualifying low-income customers. Link up provides federal universal service support to reduce service-connection and line-extension charges paid by qualifying low-income consumers. The Federal Communications Commission (FCC) has

recently issued two orders which affect these programs and may require changes in individual ETC tariffs (regulated ETCs) or pricing policies (unregulated ETCs).

In the FCC's CALLS order (*Matter of Access Charge Reform, Price Cap Performance..., Sixth Report and Order in CC Docket Nos. 96-262 and 94-1..., released May 31, 2000*), in response to anticipated increases in the subscriber line charge which could result from implementation of that order, the FCC approved a corresponding increase (then yet to be determined) in the lifeline first-tier support amount. *CALLS order, para. 216*. The lifeline first-tier amount, which is the baseline support amount, had been \$3.50 per month, which offset the subscriber line charge as then capped at \$3.50 per month. In the FCC's more recent "Promoting Deployment" order (*Matter of Federal-State Joint Board on Universal Service; Promoting Deployment..., Twelfth Report and Order..., CC Docket No. 96-45, released June 30, 2000*) the FCC stated that the first-tier amount would increase "to as much as \$4.35 on July 1, 2000." *Promoting Deployment order, para. 36*. In the same order the FCC later refers to the amount as "ranging from \$3.50 to \$4.35 after July 1, 2000." *Promoting Deployment order, para. 42*. In the FCC's Promoting Deployment order the FCC also adds a new fourth-tier lifeline support amount, referred to as "enhanced lifeline support," which is \$25.00 per month per primary residential connection for qualifying consumers living on tribal lands. *Promoting Deployment order, para. 42*.

Therefore, in regard to lifeline the federal first-tier support has changed and a fourth-tier support has been added for qualifying tribal-land customers. The existing per-month second-tier federal support (\$1.75 non-matching) and third-tier federal support (50 percent, up to \$1.75, matching) and the Montana support (\$3.50) have not changed. For consumers qualifying for the fourth-tier support, if the available per-month support to a customer exceeds the monthly rate (or at least reduces the monthly rate below \$1) the FCC requires that qualifying low-income customers pay a monthly minimum rate of \$1. *Promoting Deployment order, para. 42*.

The FCC Promoting Deployment order also affects the link up assistance program. In the order the FCC allows for up to \$100 of federal support under the link-up program to reduce initial connection charges and line extension charges of qualifying low-income individuals on

tribal lands. This amount is comprised of the present link-up maximum of \$30 (one-half of up to the first \$60), plus \$70 to cover up to 100 percent of any remaining charges associated with initiating service (i.e., any qualifying amount above the initial \$60 and up to \$130). *Promoting Deployment order, para. 59.*

To the extent an ETC regulated by the PSC has not already obtained PSC approval to adjust tariffs to reflect each of the above-referenced changes, authority to do so is hereby granted. Compliance filings reflecting the changes in tariffs must be filed with the PSC. The PSC suggests that an itemized list of bill-credits may be the best approach for tariffing enhanced lifeline support (tribal lands). Following approval of the compliance filings, to the extent any ETC regulated by the PSC must certify to the Universal Service Administration Company (USAC) that non-federal regulatory approvals necessary to implement changes to the first-tier lifeline support amount, the addition of the fourth-tier lifeline support, and changes to link up support have been obtained, carriers may so certify. *See, Promoting Deployment order, para. 65; and 47 C.F.R. 54.401.* The PSC suggests that ETCs proceed with preparing the required certifications in anticipation of PSC approval of compliance filings, as it appears that certification may be required on or before September 1, 2000.

The PSC encourages ETCs to read carefully the provisions of the above FCC orders and resulting rules. This PSC order is not a comprehensive description of the new lifeline and link up requirements and obligations now applying to ETCs. For example, there are expanded requirements regarding publicizing the availability of lifeline and link up. *See, 47 C.F.R. § 54.405.*

Pursuant to 47 C.F.R § 54.401, the PSC may file required information or may require ETCs to file required information with the administrator of the universal service fund (USAC) in accordance with that section. The PSC will not be filing the required information. The PSC hereby requires ETCs to file the required information with USAC. The PSC also requires that a copy of the filing be provided to the PSC.

Done and dated this 15th day of August, 2000, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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DAVE FISHER, Chair

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NANCY MCCAFFREE, Vice Chair

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BOB ANDERSON, Commissioner

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GARY FELAND, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson  
Commission Secretary

(SEAL)