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WALTER L. THOMAS, JR.
SECRETARY

**IN RE: IMPLEMENTATION OF THE
UNIVERSAL SERVICE REQUIREMENTS
OF SECTION 254 OF THE
TELECOMMUNICATIONS ACT OF 1996.**

DOCKET 25980

**ORDER REVISING AND CLARIFYING ELIGIBILITY
CRITERIA AND VERIFICATION REQUIREMENTS**

BY THE COMMISSION:

By Order entered in this cause on June 29, 2006, the Commission expanded the eligibility criteria for Lifeline and Linkup services in Alabama and revised its prior orders regarding verification of a subscriber's continued eligibility for Lifeline. Subsequent to that order, on July 3, 2006, the Wireline Competition Bureau (the "WCB") of the Federal Communications Commission (the "FCC") released a Public Notice requiring Eligible Telecommunications Carriers ("ETCs") in states like Alabama that have crafted their own Lifeline and Linkup programs to certify to the Universal Service Administrative Company ("USAC") on or before August 31, 2006 that such ETCs have verified the continued eligibility of their Lifeline subscribers in compliance with applicable state verification procedures.

In the Public Notice, the WCB purports to recite the requirements imposed by the FCC's *Lifeline/Linkup Order* from 2004.¹ In doing so, the WCB asserts that states must have (1) a mechanism for verifying subscribers' continued eligibility and (2) a provision indicating "to whom the results should be submitted." The Public Notice cites paragraph 37 of the *Lifeline/Linkup Order* as supporting authority. That paragraph provides, in pertinent part:

"States and ETCs will be required to ... implement measures to verify continued eligibility for Lifeline/Link-Up ..."

¹ *Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 03-109 (rel. April 29, 2004) (the FCC's "*Lifeline/Linkup Order*").

Nothing in the language of paragraph 37 of the *Lifeline/Linkup Order* definitively supports the notion that an ETC must submit results to any authority, state or federal. The *Lifeline/Linkup Order* merely requires that states and ETCs “implement measures” aimed at verification. The Commission’s order, as released on June 29, 2006, already accomplishes that objective. However, out of an abundance of caution, the Commission finds it appropriate to amend and clarify its June 29, 2006, Order, as follows.

First, we clarify that the newly expanded eligibility criteria for participation in the Lifeline and Linkup programs established in the Commission’s June 29, 2006 Order will not become effective until September 29, 2006. This delayed implementation schedule will allow for a smoother transition and more orderly compliance with the FCC’s newly established USAC notification requirement.

Because the WCB now requires that an ETC certify to USAC that it has complied with the Commission’s verification procedures, and because such certification must be submitted to USAC by August 31, 2006, the Commission herein amends its June 29, 2006 Order to provide that all Alabama ETCs must also submit the certification required by this Commission noting their compliance with the Commission’s verification procedures by August 31, 2006. The required notification to USAC and the Commission may be filed simultaneously.

We also clarify that an ETC shall not only file the certification with the Commission noting compliance with the Lifeline verification procedures established by the Commission by August 31, 2006, but also the results of the verification efforts undertaken. ETCs that are relying on either of the survey methodologies approved by the Commission in its Order of June 29, 2006 for verification, should submit all results available at the time of certification to the Commission. In the event that an ETC has outstanding replies and/or results at the time of

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certification, the number of outstanding replies should be noted and updated by October 31, 2006.²

In light of the fact that the Commission has deferred implementation of the expanded eligibility criteria for Lifeline and Linkup established in the Commission's June 29, 2006 until September 29, 2006 Order and the fact that ETCs in Alabama must now certify to the Commission that they have complied with the Commission established verification procedures by August 31, 2006, we herein clarify that Alabama's ETCs need only verify a Lifeline subscribers' eligibility for Medicaid for purposes of compliance with the August 31, 2006 deadline discussed herein. We further clarify that any updates to the certification submitted to the Commission on or before August 31, 2006 need only address a subscribers' eligibility for Medicaid.

We also note that for purposes of compliance with the August 31, 2006 deadline established herein, ETCs utilizing a data sharing agreement reached between the ETC and the Alabama Medicaid Agency may submit the results from the data base queries performed by the Alabama Medicaid Agency in lieu of either of the survey methodologies established for verification in the Commission's June 29, 2006 Order³. Further, ETCs may comply with the Commission's revised certification requirements for 2006 by utilizing existing surveys or Alabama Medicaid Agency data base queries that were performed after August 31, 2005.

With respect to the certification requirements for years beyond 2006, the Commission herein amends the annual certification requirements established in the Commission's June 29, 2006 Order to reflect that all ETCs in Alabama shall file certification of

² The results of the verification efforts undertaken may be reported in summary fashion and ETC's need only submit the one update of their verification efforts by the October 31, 2006 deadline.

³ For purposes of future years, carriers that opt to verify by surveying the entirety of their Lifeline/Linkup subscribers may substitute the results of such data sharing arrangements with the Alabama Medicaid Agency in lieu of individually surveying participants who are relying exclusively on their participation in Medicaid for eligibility.

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their compliance with the Commission's verification requirements and the results thereof on or before August 31 of each calendar year. Verification results for future years may be submitted in summary fashion. Any results that are outstanding at the time of such future certifications must be supplemented by October 31 of the calendar year in question. No further supplemental information will be required beyond the October 31 deadline each year. Additionally, the certifications and results submitted in years beyond 2006 shall incorporate the expanded eligibility criteria established in the Commission's June 29, 2006 Order.

IT IS SO ORDERED BY THE COMMISSION.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.

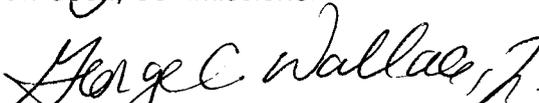
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 13th day of July, 2006.

ALABAMA PUBLIC SERVICE COMMISSION


Jim Sullivan, President


Jan Cook, Commissioner


George C. Wallace, Jr., Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary