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April 29, 2013

Catrice C. Williams, Secretary
Department of Telecommunications & Cable
1000 Washington Street, Suite 820
Boston, Massachusetts 02118-6500

Re: D.T.C. 13-4; Investigation by the Department on its Own Motion into the Implementation in Massachusetts of the Federal Communication Commission's Order Reforming the Lifeline Program

Dear Secretary Williams:

Enclosed herewith for filing in the above proceeding are the Petition of Verizon to Intervene and an Appearance of Counsel.

In addition, Verizon New England Inc., d/b/a Verizon Massachusetts ("Verizon MA") submits the following in lieu of initial comments, pursuant to the Request for Comment & Notice of Public Hearing issued by the Department in this docket on April 1, 2013.

As a general matter, there is no need to impose new regulations on the Lifeline program and Eligible Telecommunications Carriers ("ETCs") as discussed in the Exhibit to Request for Comment & Notice of Public Hearing ("the Exhibit"). The FCC in its *Lifeline Reform Order*¹ promulgated additional regulations governing many aspects of the Lifeline program, including eligibility, re-certification, verification, outreach and reporting obligations on ETCs and state commissions alike. As a result, the program is now largely subject to federal standards, and the need for state rules is nominal. For this reason, at least one state commission has proposed to eliminate its current Lifeline regulations and leave approval of new ETCs to the FCC.²

¹ *In the Matter of Lifeline & Link Up Reform & Modernization, et al.*, WC Docket No. 11-42, et al., *Rep. & Order & Further Notice of Proposed Rulemaking*, FCC 12-11 (February 6, 2012).

² *See Amendment to Lifeline and Link-Up Service Programs (Ch. 294)*, Maine Public Utilities Commission Docket 2013-00221, Notice of Rulemaking (April 9, 2013), a copy of which is attached hereto, making a preliminary finding, at 2, that, "there is no longer any advantage to Maine consumers, financial or otherwise, for the Commission to administer the Lifeline or Link-Up programs or to designate ETCs solely for the purpose of qualifying for Lifeline, Link-Up, or other low-income support."

Moreover, as the Department knows from its recently concluded ETC petition cases and the many cases now before it, there are now five wireless ETCs serving Massachusetts (in addition to landline providers such as Verizon MA) with potentially more on the way. Consequently, there is now a vibrant Lifeline sub-market in the Commonwealth, in which ETCs compete against one another to win and retain Lifeline customers. That competition is more than sufficient to discipline carrier conduct, and there is no basis for costly industry-specific regulations governing such areas as service quality, customer treatment and outreach.

Should the Department nevertheless promulgate new Lifeline rules, which it should not, those rules should not be applied to Verizon MA, which as an ILEC is already subject to similar Department rules and standards on virtually all of the areas addressed in the Exhibit. For example, because the Verizon MA services that support the Lifeline discount – unlimited local exchange and measured rate local exchange service – are tariffed, Verizon MA is required by statute not only to notify the Department of any changes to the rates, terms and conditions of those services but to obtain the Department’s prior approval of such changes, rendering much of section 1 of the Exhibit redundant. And the very purpose of the tariffs is to disclose those rates, terms and conditions to the public, similar to the potential disclosure obligations discussed in section 4 of the Exhibit. In fact, the rates for Verizon MA’s basic exchange services have been frozen for many years under its Alternative Form of Regulation Plan, which also requires specific Department approval of any rate increase. Likewise, Verizon MA reports complaint (and response) statistics to the Department for these services on a monthly basis pursuant to its Retail Service Quality Plan, in far greater detail than would be required by the Exhibit. Verizon MA already includes Department contact information on its customer bills and complies with the other provisions of the Department’s Billing and Termination Rules, including its dispute resolution procedures, and Verizon MA has cooperated with the Department for many years to resolve customer complaints without the need for formal proceedings. Further, FCC regulations require Verizon MA to provide many of the certifications discussed in section 2 of the Exhibit, and state law requires it to meet the 911 and E911 obligations discussed in that section. In addition, Verizon MA is currently subject to outage reporting obligations similar to those discussed in section 4 of the Exhibit pursuant to FCC rules and the Department’s MESO reporting requirements.

Accordingly, Verizon MA and the services it offers in support of Lifeline are already subject to much the same reporting, service and customer treatment obligations on which the Department seeks comment.³ And while Verizon MA’s existing obligations generally encompass services and customers in addition to those covered by the Lifeline program, that very fact helps to ensure that Lifeline customers receive the same quality of service as other customers and are otherwise treated no differently than other customers, a longstanding Department objective. In these circumstances, it would serve no purpose to impose an additional

³ The obvious exception would be the state Lifeline eligibility criteria, to the extent they expand on the FCC’s criteria. With this in mind, Verizon MA states that it has no objection to the proposal in section 3 of the Exhibit to extend the qualifying annual income amount from 135% to 150% of the Federal Poverty Guidelines.

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layer of Lifeline-specific regulations on Verizon MA, and doing so would impose significant new costs on the Company, such as, to cite just one example, the costs of developing systems to distinguish, track and report complaints by Lifeline customers separately from those of other customers.

Verizon MA appreciates the opportunity to submit its views in this proceeding and reserves its rights to file reply comments and testimony and otherwise participate in this docket.

Sincerely,



Alexander W. Moore

Enclosures

cc: Paul Abbott, General Counsel
Karlen Reed, Director
Benedict Dobbs, Deputy Director

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

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| Investigation by the Department on its Own |) | |
| Motion into the Implementation in Massachusetts |) | DTC 13-4 |
| of the Federal Communication Commission's |) | |
| Order Reforming the Lifeline Program |) | |
| _____ |) | |

PETITION OF VERIZON TO INTERVENE

Pursuant to 220 CMR §1.03, Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon MA”) hereby petitions the Department of Telecommunications and Cable (“Department”) for leave to intervene in the above proceeding as a party. As grounds for this petition, Verizon MA states the following:

1. Verizon MA offers a variety of telecommunications services in Massachusetts. Verizon MA is an Eligible Telecommunications Carrier (“ETC”) in the Commonwealth. The Company’s business address is 185 Franklin Street, Boston, Massachusetts 02110.

2. By order dated April 1, 2013, the Department opened this docket “in order to conduct an investigation into the implementation of the FCC’s Lifeline reforms in Massachusetts and any Department requirements necessary to implement these reforms” Order at 2.

3. Accordingly, Verizon MA may be substantially and specifically affected by the Department’s investigation and potentially by the outcome of this proceeding. Verizon MA’s interests cannot be adequately represented without the Department granting this petition.

4. Verizon MA intends to participate fully in the case and will submit written comments, present testimony, conduct discovery, cross-examine witnesses and/or file briefs as necessary to protect its interests.

5. All correspondence and other communications regarding this proceeding should be served on the following:

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Verizon
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Boston, MA 02110
e-mail: alexander.w.moore@verizon.com

Christopher E. Bean
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e-mail: Christopher.e.bean@verizon.com

and

Lisa M. Thorne
6 Springwood Drive
Hooksett, NH 03106
e-mail: lisa.m.thorne@verizon.com

WHEREFORE, Verizon MA respectfully requests leave to intervene in this proceeding with all the rights of a full party.

Respectfully submitted,

VERIZON NEW ENGLAND INC.,

By its attorney



Alexander W. Moore
125 High Street
Oliver Tower, 7th Floor
Boston, Massachusetts 02110
(617) 743-2265

Dated: April 29, 2013

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2013-00221

April 9, 2013

PUBLIC UTILITIES COMMISSION
Amendment to Lifeline and Link-up
Service Programs (Ch. 294)

NOTICE OF RULEMAKING

WELCH, Chairman; LITTELL and VANNOY, Commissioners

I. SUMMARY

The purpose of this proceeding is to amend Chapter 294 of the Commission's rules, which establishes eligibility criteria for Lifeline and Link-Up programs.¹ The rule also addresses the level of discounts for Lifeline customers and verification of eligibility for Lifeline and Link-up benefits. After the rule amendment, the only portion of Chapter 294 that will remain is Section 3(3) which deals with the state discount ETCs are required to offer to Lifeline customers. Eligibility and verification procedures for the state discount will be the same as those established by Federal Communications Commission (FCC) rules for the federal Lifeline benefit. The FCC has eliminated the Link-Up program in all areas of the country except for Tribal Lands, and the amended rule removes all reference to Link-Up; after the rule amendment the FCC will administer the Link-Up program for Tribal Lands in Maine.²

II. PROCEDURAL HISTORY

Chapter 294, adopted by the Commission on February 22, 1999, governs the Commission's administration of the federal Lifeline and Link-Up programs. *Public Utilities Commission, Lifeline and Link Up Service Programs (Chapter 294)*, Docket No 1998-00724, Order Adopting Rule (Feb. 22, 1999). These programs are federally funded and are designed to assist low-income consumers with their purchase of telephone service. Chapter 294 was drafted to permit the Commission to administer the federal programs to maximize the availability of federal assistance for Maine's consumers.

¹ This rule is a routine technical rule as defined in Title 5, chapter 375, subchapter 2-A of the Maine Revised Statutes.

² At the same time as this rulemaking we are issuing separately a Notice of Rulemaking to amend Chapter 206 (Docket No. 2013-00220). Under the proposed amendments to Chapter 206, the Commission will no longer certify carriers that apply for ETC designation for the sole purpose of offering Lifeline, Link-Up, or other low-income program benefits. Going forward, such carriers will apply to the FCC for ETC designation.

On February 6, 2012, the FCC released an order eliminating the Link-Up program except on Tribal Lands. *In the Matter of Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42 et al., Report and Order and Further Notice of Rulemaking*, FCC 12-11, (rel. Feb. 6, 2012) (Report and Order). In addition, the Report and Order eliminated the ability of the Commission to take administrative actions affecting the amount of federal funding for the Lifeline program. Further, the FCC has imposed a number of additional obligations on state Commissions that choose to administer the federal Lifeline program and made substantial changes to the criteria prospective Lifeline recipients must satisfy to receive funding. As a result, Lifeline is now a much more federally-standardized program.

It is the preliminary view of the Commission that there is no longer any advantage to Maine consumers, financial or otherwise, for the Commission to administer the Lifeline or Link-Up programs or to designate ETCs solely for the purpose of qualifying for Lifeline, Link-Up, or other low-income support. The federal programs will continue to benefit Maine consumers through administration by the FCC without the expenditure by the Commission of its own resources. The eligibility for the state discount ETCs are required to offer to Lifeline customers shall follow that established by the FCC in the Report and Order and contained within 47 C.F.R. §§ 54.401, 54.405 and 54.410. Because the eligibility and verification procedures for the state discount will be aligned with the federal program, the annual certifications of compliance with federal Lifeline requirements, to be filed by ETCs with the Administrator of the Universal Service Administrative Company on an annual basis pursuant to 47 C.F.R. § 54.416, will also satisfy the Commission's oversight role with respect to the state program.

The Commission seeks comments on the proposed amendment of Chapter 294, particularly regarding the issue of whether continued administration of the Lifeline program by the Commission, as opposed to the FCC, would result in any benefit to Maine consumers. Pursuant to *In the Matters of Federal-State Joint Board on Universal Service; Promoting Deployment and Subscriberhip in Unserved and Underserved Areas, Including Tribal and Insular Areas, et al., CC Docket No. 96-45, Twelfth Report and Order, Memorandum and Order, and Further Notice of Proposed Rulemaking*, FCC 00-208, ¶ 113 (rel. June 30, 2000), any final order adopting the proposed rule would constitute an "affirmative statement" that the Commission is no longer asserting jurisdiction to designate as ETCs for federal Lifeline purposes carriers that apply for ETC designation for the sole purpose of offering Lifeline, Link-Up, or other low-income program benefits. The affirmative statement will enable the FCC to designate such ETCs pursuant to 47 U.S.C. § 214(e)(6).

III. PROPOSED RULE AMENDMENTS

1. Section 1: Definitions

The proposed rule eliminates the definitions of "Link-Up Service" and "Qualifying Low-Income Customer."

2. Section 2: Eligibility

The proposed rule amends this section to reflect that the eligibility criteria for the state Lifeline discount will be the same as the eligibility criteria for federal Lifeline program under federal rules.

3. Section 3: Enrollment

The proposed rule eliminates this section as there will no longer be any state-specific enrollment criteria for Lifeline, Link-Up, or other low-income programs.

4. Section 4: Discounts

The proposed rule removes references to Link-Up, removes the requirement for ETCs to file Lifeline and Link-Up rate schedules, and sets the state discount ETCs are required to offer to Lifeline customers at \$3.50.

5. Section 5: Verification

The proposed rule specifies that the verification procedures for the state discount ETCs are required to offer to Lifeline customers will be the same as the verification procedures for the federal Lifeline benefit.

6. Section 6: Outreach Efforts

The proposed rule eliminates the requirement that ETCs support efforts to increase awareness of Lifeline and Link-Up service.

7. Section 7: Reporting Requirements

The proposed rule eliminates all state Lifeline reporting requirements.

8. Section 8: Other Carriers

The proposed rule eliminates language concerning carriers other than ETCs offering Lifeline and/or Link-Up service.

IV. PROCEDURES FOR THIS RULEMAKING

This rulemaking will be conducted according to the procedures set forth in 5 M.R.S. § 8051-8064. No public hearing is scheduled, but one will be held if requested by any five interested persons. To request a public hearing, interested persons must notify the Administrative Director, Public Utilities Commission, 18 State House Station, Augusta, Maine 04333-0018.

Please notify the Commission if special accommodations are needed in order to make the hearing, if one is held, accessible to you by calling 207-287-1396 or TTY 1-800-437-1220. Requests for reasonable accommodations must be received at least 48 hours before the scheduled event.

Written comments on the proposal to amend this rule may be filed using the Commission's case management system no later than **Friday, May 17, 2013**.³ All comments will appear in the Commission's case management system which is accessible from our web site. Please refer to the Docket Number of this proceeding, Docket No. 2013-00221, when submitting comments.

In accordance with 5 M.R.S. § 8057-A(1), we expect there to be no fiscal impact from this rulemaking. Further, it is not expected to impose an economic burden on small businesses. The full text of Chapter 294 may be viewed on the Maine Public Utilities Commission website.

IV. ORDERING PARAGRAPHS

In light of the foregoing, we

O R D E R

1. That the Administrative Director shall notify the following of this rulemaking proceeding:
 - a. All Local Exchange Carriers in the State of Maine;
 - b. All Eligible Telecommunications Carriers in Maine;
 - c. The Telephone Association of Maine;
 - d. All people who have filed with the Commission within the past year a written request for any Notice of Rulemaking.
2. That the Administrative Director shall send copies of this Notice of Rulemaking and attached proposed rule to:
 - a. The Secretary of State for publication in accordance with 5 M.R.S. § 8053(5); and
 - b. Executive Director of the Legislative Council, 115 State House Station, Augusta, Maine 04333-0015.

³ Persons without electronic access may mail comments to Administrative Director, Maine public Utilities Commission, 18 State House Station, Augusta, Maine 04333-0018.

Dated at Hallowell, Maine, this 9th day of April, 2013.

BY ORDER OF THE COMMISSION

/s/ Nancy Goodwin

Nancy Goodwin
Acting Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Littell
 Vannoy

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.ch. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.