

On February 6, 2012, the Federal Communications Commission ("FCC") issued a Report and Order and Further Notice of Proposed Rulemaking ("FCC Order"), setting forth significant

changes to the Federal Lifeline program which are applicable to all states, including New Jersey.<sup>1</sup> The FCC Order includes an appendix containing amendments to the FCC's rules, as well as a Further Notice of Proposed Rulemaking.

At paragraphs 170-178 of the FCC Order, the FCC announced that it is limiting automatic enrollment by states and encouraging the use of "coordinated enrollment." Additionally, the FCC directed that "states with automatic enrollment programs must modify those programs, as necessary, to comply with our rules, so that consumers are not automatically enrolled without consumers' express consent."<sup>2</sup> (FCC Order at ¶ 173). The FCC limited automatic enrollment in order "to protect the Fund against duplicative Lifeline support, increase adherence to consumer certification rules, and ensure that all ETCs have an opportunity to compete for subscribers." Ibid.

The FCC Order also contains a Further Notice of Proposed Rulemaking which, among other things, concluded that it is important to accelerate the adoption of a widespread, automated means of verifying eligibility for the Lifeline program. The FCC indicated that, no later than the end of 2013, there be an automated means to determine eligibility for, at a minimum, the three most common programs through which consumers qualify for Lifeline (i.e., Medicaid, Food Stamps and Supplemental Security Income (SSI)). To ensure that the FCC has sufficient information to implement such a solution, it sought comment on a multitude of issues such as costs, privacy, state vs. a national database, who would populate the database, etc. Additionally, the FCC has required the coordination of Lifeline enrollment to ensure that persons are not receiving Lifeline benefits from multiple Eligible Telecommunication Carriers ("ETCs").

As part of Plans for Alternative Regulation ("PARs"), the Board previously required Verizon New Jersey Inc. ("Verizon") (Docket No. TO01020095, August 19, 2003 Decision and Order) and United Telephone Company of New Jersey Inc., d/b/a CenturyLink ("CenturyLink"), f/d/b/a Embarq (Docket No. TO08060451, August 20, 2008 Decision and Order) to develop an automatic enrollment process. This process was intended to rely on data provided by state public assistance agencies. These Board Orders further required the carriers to match data received to current customers of Verizon and CenturyLink to facilitate automatic enrollment in Lifeline.

By separate petitions dated on or about May 11, 2012, Verizon and CenturyLink requested that the Board modify automatic enrollment requirements in their respective PARs. Verizon and CenturyLink served copies of their petitions on all parties to their respective PAR proceedings. Additionally, Board Staff notified these parties that the Board would be considering relief at its May 23, 2012 agenda meeting.

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<sup>1</sup> The FCC Order is available at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-12-11A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-12-11A1.pdf)

<sup>2</sup> Automatic enrollment in the traditional sense entails a state or agent automatically placing an eligible consumer in the Lifeline program without the consumer submitting an application or affirmatively consenting to enrollment. Coordinated enrollment differs in that it permits consumers to enroll in Lifeline at the same time that they are enrolling in a qualifying public assistance program. See, Lifeline Reform Order paragraphs 170-173.

In their petitions, Verizon and CenturyLink state that the automatic enrollment requirements as structured do not comply with new FCC requirements that customers not be enrolled in Lifeline without opt-in consent by certification. The opt-in consent requirement is effective as of June 1, 2012. As such, no person may be newly enrolled in Lifeline after June 1, 2012 without complying with applicable certification requirements. Additionally, they indicated that privacy concerns have prevented the full implementation of the automatic enrollment process originally contemplated by the Board.

To ensure compliance with the FCC Order, the Board has determined that it must temporarily suspend Verizon and CenturyLink's automatic enrollment requirements prior to June 1, 2012. Additionally, the Board has determined that this matter should return to the Board for final determination as to the current automatic enrollment process following an opportunity for comment by any interested party.

Therefore the Board **HEREBY ORDERS** that the current automatic enrollment program requirements for Verizon and CenturyLink are temporarily suspended pending receipt and consideration of comments from interested parties and final action by the Board. This temporary suspension is limited to the automatic enrollment and related processes described in the petitions whereby Verizon and CenturyLink are required to obtain data from state public assistance programs, match the data to current subscribers and automatically enroll eligible recipients in Lifeline. Verizon and CenturyLink are not relieved of their obligations to make appropriate efforts to enroll eligible recipients in Lifeline through other appropriate means, consistent with the FCC Order.

The Board **FURTHER ORDERS** that any interested party who wishes to comment on Verizon and CenturyLink's requests to eliminate automatic enrollment for Lifeline or the Board's temporary suspension of automatic enrollment consistent with the FCC Order shall do so no later than June 21, 2012. Such comments shall be filed with the Secretary of the Board and reference the above Docket Numbers. Comments may be emailed to [board.secretary@bpu.state.nj.us](mailto:board.secretary@bpu.state.nj.us) or mailed to Kristi Izzo, Secretary of the Board, Board of Public Utilities, 44 South Clinton Avenue, 9<sup>th</sup> Floor, Post Office Box 35, Trenton, New Jersey 08525-0350. The Board anticipates final action on whether the automatic enrollment process requirements should be eliminated at its July 18, 2012 agenda meeting.


During the 18 month transition period which will culminate with the process ordered by the FCC, Board Staff will continue to meet and confer with the State Agencies where the program eligibility data resides, to ensure that the Lifeline enrollment procedures are consistent with the requirements set forth by the FCC. The Board directs Board Staff will continue to work with interested parties, including relevant state agencies, to evaluate the implementation of the FCC Order and enrollment in Lifeline in New Jersey. During this process, the Board emphasizes that all ETCs must comply with the FCC Order and applicable regulations, including obtaining certifications of eligibility from all persons as to initial and continuing eligibility for Lifeline service.

The Board **HEREBY ACCEPTS** Verizon's Tariff pages as filed and amended on May 17, 2012 and May 21, 2012 and directs CenturyLink to file newly revised Tariff pages within 20 business days of the effective date of this order.

This Order shall be effective on May 30, 2012.

DATED: 5/23/12

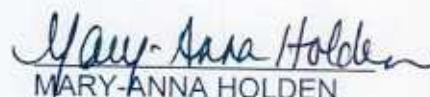
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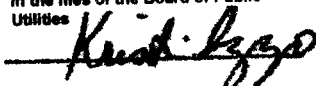
  
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ATTEST:   
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SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
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**IN THE MATTER OF LIFELINE AND LINKUP REFORM –**  
**DOCKET NO. TO12050367**

**IN THE MATTER OF THE APPLICATION OF VERIZON NEW JERSEY, INC. FOR**  
**APPROVAL (I) OF A NEW PLAN FOR AN ALTERNATIVE FORM OF REGULATION AND (II)**  
**TO RECLASSIFY MULTI-LINE RATE REGULATED BUSINESS SERVICES AS**  
**COMPETITIVE SERVICE, AND COMPLIANCE FILING, (“PAR-2”) “DECISION AND ORDER”**  
**– DOCKET NO. TO01020095**

**IN THE MATTER OF APPLICATION OF UNITED TELEPHONE COMPANY OF NEW JERSEY**  
**D/B/A EMBARQ FOR APPROVAL OF PLAN OF ALTERNATIVE REGULATION –**  
**DOCKET NO. TO08060451**

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