



GVNW CONSULTING, INC.

2270 LA MONTANA WAY #100
COLORADO SPRINGS, CO 80918
TEL. 719.594.5800
www.gvnw.com

May 13, 2019

Ms. Lynn M. Retz
Secretary to the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

RE: Docket No. 19-BOWZ-032-KSF
In the Matter of the Audit of Boomerang Wireless, LLC by the Kanas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A 2015 Supp. 66-2010(b) for KUSF Operating Year 21, Fiscal Year March 2017-February 2018

Dear Ms. Retz:

In its August 16, 2018, Order, the Kansas Corporation Commission (KCC) directed GVNW to perform a KUSF carrier audit of Boomerang Wireless, LLC (Boomerang or Company) to ensure that the data submitted to the KUSF via the KUSF CRWs, the assessments paid, and the calculation and application of the flow-through surcharge billed to and collected from Boomerang's customers, if applicable, are appropriate and accurate.

The KCC directed GVNW to file two versions of the audit report with the KCC; one version containing confidential information and one version with the confidential data redacted for public disclosure. Boomerang's audit does not require a separate confidential report; therefore, only the enclosed public audit report for Boomerang is being filed.

Copies of the supporting documentation, including GVNW's audit work papers and information provided by the company, are not included with the audit report, but are available from GVNW upon request.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Smith", is written over a faint, stylized graphic that resembles a triangle or a stylized letter 'A'.

Dennis Smith
Consultant

cc w/encl: Sandy Reams

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of May, 2019, the above Kansas Universal Service Fund Audit Report was e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail and/or U.S. Mail to:

Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604

Nicole Stephens, KUSF Administrator Manager
GVNW Consulting, Inc.
2930 Montvale Dr., Ste. B
Springfield, IL 62704
Email: nstephens@gvnw.com

Judi Ushio, Midwest Division Manager
GVNW Consulting, Inc.
2270 La Montana Way #100
Colorado Springs, CO 80918
jushio@gvnw.com

Walker Hendrix, Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Rd
Topeka, KS 66604
Email: w.hendrix@kcc.ks.gov

Dennis Henderson, CEO
Boomerang Wireless, LLC
955 Kacena Rd., Ste. A
Hiawatha, IA 52233
Email: dhenderson@readywireless.com

A handwritten signature in black ink, appearing to read 'Dennis Smith', is written over a horizontal line.

Dennis Smith

**GVNW Consulting, Inc.
Audit Report for
Boomerang Wireless, LLC**

From: Dennis Smith, Auditor

Company Personnel: Julia Redman-Carter, Regulatory & Compliance Officer
Kim Lehrman, President
Scott Kokotan, Chief Financial Officer

Date: April 25, 2019

On-Site Visit Dates: October 24–25, 2018

KUSF Status: Current with Reporting & Payment Obligations

Re: Docket No. 19-BOWZ-032-KSF

In the Matter of the Audit of Boomerang Wireless, LLC by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 2017 Supp. 66-2010(b) for KUSF Operating Year 21, Fiscal Year March 2017 – February 2018.

EXECUTIVE SUMMARY:

Pursuant to the Kansas Corporation Commission's (KCC or Commission) August 16, 2018 Order,¹ GVNW Consulting, Inc. (GVNW) conducted an audit of Boomerang Wireless, LLC (Boomerang or Company), based on the Kansas Universal Service Fund (KUSF) Carrier Review Procedures adopted for KUSF Operating Year 21.² GVNW identified two (2) findings and a documentation concern resulting from the Company's non-compliance with the Commission's KUSF policies, with a net impact of \$679.10 of assessments paid to the KUSF.

1. Finding 1 – Boomerang did not report low-income subscriber revenue recovered from the Federal Lifeline program as KUSF revenues on its Operating Year 22 Carrier Remittance Worksheets (CRW) and has submitted revisions to correct this finding. The same reporting deficiency existed for the Company's Original Operating Year 21 CRWs and was corrected prior to the audit; and

¹ Order to KUSF to Commence Audit of Boomerang Wireless, LLC and Setting Procedural Schedule, Docket No. 19-BOWZ-032-KSF, August 16, 2018.

² Order Accepting GVNW's KUSF YEAR 21 Audit Selections, Proposed Revisions to Selection Criteria and Audit Review Procedures, Docket No. 17-GIMT-008-GIT (Docket 17-008), July 24, 2018 (17-008 Order).

2. Finding 2 – The Company incorrectly completed Box C on the monthly CRW and the Annual KUSF Assessment True-up for KUSF Operating Years 21 and 22.

Concerns regarding the Company's Federal Lifeline eligibility documentation and verification exist as a result of this Docket and, as discussed later in this Report, clarification regarding the documentation is requested.

GVNW recommends the Commission issue an Order to: (1) adopt this Audit Report and the identified findings; (2) order Boomerang to file revised annual True-ups for Operating Years 21 and 22, report the actual amount of its KUSF assessments collected from subscribers in Box C, and notify GVNW so it may confirm for accuracy; (3) order Boomerang to file, in this Docket, an affidavit executed by an officer of the Company, attesting that it has revised CRWs for the period of March through September 2018 and reported the correct revenue to the KUSF, within 60-days from the date of the Commission's Order; and (4) order Boomerang to file with the Commission an affidavit, executed by an officer of the Company, attesting that procedures were implemented to correctly report the surcharge amount collected from subscribers in Box C of the monthly CRW, within 60-days from the date of the Commission's Order, as well as an explanation of said procedures and date of implementation.

The Commission Order should direct GVNW, within 90-days of the Order, to file a Compliance Report.

BACKGROUND:

During the course of the audit, GVNW issued 29 Data Requests (DRs) to the Company. These included sixteen (16) initial DRs and thirteen (13) additional DRs. GVNW is enclosing four (4) DR Responses as Attachments A, B, E, and F to support its Audit Findings.

Boomerang, a subsidiary of HH Ventures, LLC, is headquartered in Hiawatha, Iowa. The Company is a federal Lifeline-only Eligible Telecommunications Carrier (ETC) in Kansas, therefore, it does offer federal Lifeline service to its subscribers. Boomerang is not an ETC for state Lifeline purposes and, therefore, does not qualify for the Kansas Lifeline Service Program. The Company is a provider of prepaid wireless services to Lifeline subscribers in the state of Kansas, and does not provide services to subscribers outside of the Lifeline Program. Boomerang is required to report its revenue and pay the related assessments to the KUSF on a monthly basis.³

³ Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, January 23, 2006 (06-332 Order).

Boomerang does not collect the KUSF assessment from Lifeline subscribers for the monthly recurring service charge.⁴ Instead, Boomerang pays the related assessment and records it as an expense. The Company does collect its KUSF assessment from subscribers for the revenue earned from “top-up” services, additional data/voice services purchased by Lifeline subscribers.

Pursuant to Commission Order,⁵ GVNW confirmed that Boomerang offers bundled service plans to its Kansas subscribers. The bundled plans include voice, text, and data services. The Company reports revenue and remits assessments to the KUSF based on the voice service revenues subject to the KUSF assessment. To determine the revenue to report for KUSF purposes, Boomerang determines its intrastate revenues by applying a KCC approved⁶ intrastate traffic factor to its total revenue earned in Kansas. Then the Company applies a factor to allocate the total revenue to the voice, text, and data services, with the intrastate voice revenues reported to the KUSF. The Company uses these same allocation methodologies for Federal Universal Service Fund (USF) purposes.⁷

Consistent with a Wireline Competition Bureau-Approved Compliance Plan,⁸ in September 2016, Budget PrePay, Inc. (Budget) transferred to Boomerang several hundred thousand wireless Lifeline subscribers with approximately 1,100 of those subscribers being located in Kansas. All transferred subscribers subscribed to wireless service plans with no international service. Boomerang performed an initial test on a sample of 20% of all of the transferred subscribers to confirm they were eligible for the Lifeline program. After the initial 20% sample was tested, additional Lifeline eligibility testing was conducted on a state-by-state basis, with the overall number of Lifeline subscriber samples per state falling in the range of 17-23%. The final sample for transferred Lifeline subscribers in Kansas was 17.8%, with Boomerang notifying ineligible subscribers of their ineligibility and de-enrolling those subscribers. As a result, Boomerang experienced an increase in its Kansas revenues in September 2016, with subsequent decreases in following months, after ineligible subscribers were de-enrolled.

⁴ Boomerang Response to DR No. 10 (Attachment A).

⁵ Order Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2016.

⁶ Order Approving Traffic Factors for Boomerang Wireless, LLC; Docket 17-008, April 17, 2018.

⁷ Boomerang Response to DR No. 12 (Attachment B).

⁸ Wireline Competition Bureau Approves the Compliance Plans of Birch Communications, Boomerang Wireless, IM Telecom, Q Link Wireless and Tag Mobile, WCB DA 12-1286, August 8, 2012 (Attachment C); and Wireline Competition Bureau Approves the Compliance Plans of American Broadband & Telecommunications, Budget PrePay, Consumer Cellular, Global Connection, Terracom and Total Call, WCB DA 12-828, May 25, 2012 (Attachment D). See also Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinions and Order, ¶ 186, F.C.C. 15-71, June 22, 2015.

FINDINGS AND RECOMMENDATIONS:

1. Companies are to include all local service end-user revenue, including revenue reimbursed by the federal and/or state Lifeline programs, for KUSF purposes.⁹

Boomerang did not report the monthly recurring service revenues reimbursed by the Federal Lifeline Program for the months of March through September 2018;¹⁰ it only reported “top-up” service revenues to the KUSF. Additionally, Boomerang used this same method to report to the KUSF for Operating Year 21, but corrected its reporting in its annual True-up.

The Company self-corrected this finding in October 2018 by filing revised Operating Year 22 CRWs, reporting the intrastate portion of Federal Lifeline subsidies to the KUSF.¹¹ The net impact was \$679.10 in assessments paid to the fund.

GVNW recommends that Boomerang be ordered to file, in this Docket, an affidavit, executed by an officer of the Company, attesting that it revised its CRWs for the period of March through September 2018 and reported the correct revenue to the KUSF, within 60-days from the date of the Commission’s Order.

Management Response

Boomerang and our third-party-vendor, GSA (who prepares and submits the reports) have established a process to capture the Federal USF in the KS filings going forward.

2. A company is to report the amount of its actual KUSF assessments collected from subscribers in Box C of the CRW.¹²

Boomerang did not report the monies actually collected from its subscribers in Box C for Operating Years 21 and 22; instead, it reported the assessment amount it paid to the KUSF.¹³

⁹ Order Accepting and Adopting GVNW Consulting, Inc.’s Audit Report and Recommendations, Docket No. 17-TFWZ-022-KSF, June 22, 2017; Order Accepting and Adopting GVNW Consulting, Inc.’s Audit Report and Recommendations, Docket No. 17-VMBZ-023-KSF, July 11, 2017; and Order Denying Virgin Mobile’s Petition for Reconsideration, Aug. 15, 2017.

¹⁰ Boomerang response to DR No. 17 (Attachment E).

¹¹ Boomerang allocated the revenue reimbursed by the Federal Lifeline program using its intrastate traffic factor, indicating the Company reported the remaining portion as interstate revenue and paid the related Federal USF assessments on the reimbursement. GVNW did not review the Company’s interstate filings to confirm it actually did so. In the event the Company did not report all of the revenue reimbursements, it may need to further revise its KUSF and/or FUSF filings.

¹² Order Adopting Audit Report, Docket No. 19-RWLZ-033-KSF, Jan. 24, 2019. See also, KUSF Carrier Remittance Instructions, Plan Year 2017-2018; Combined LEC and Non-ILEC Instructions (CRW Instructions), II.A.

¹³ Boomerang response to DR No. 29 (Attachment F).

GVNW recommends that Boomerang be ordered to file, in this Docket, an affidavit executed by an officer of the Company, explaining the Company implemented procedures to ensure Box C of the Company's CRWs and Annual True-ups properly reflect the surcharge amount actually collected from subscribers, the date of implementation of such procedures, and attesting the procedures have been implemented, within 60-days from the date of the Commission's Order.

GVNW also recommends the Company file revised annual True-ups for Operating Years 21 and 22, reporting the actual amount of its KUSF assessments collected from subscribers in Box C. After filing, the Company should notify GVNW to allow it to confirm both completion and accuracy of the revisions.

Management Response

Boomerang Wireless became aware of the error on September 24, 2018. On September 25, 2018, the information was shared with the Global Strategic Accountants (GSA), who complete and submit the forms for Boomerang Wireless, LLC.

a) Other Lifeline Eligibility Documentation and Verification Concerns:

Boomerang accepted the Kansas Benefits Card for the Supplemental Nutrition Assistance Program (SNAP) as documentation of Federal Lifeline program-based eligibility,¹⁴ a qualifying program when determining Lifeline eligibility.¹⁵ GVNW's testing noted cases in which Boomerang's documentation included only a copy of the front of the Kansas Benefits card. However, the Kansas Benefits Card does not list the name or address of the recipient or whether the cardholder is currently receiving benefits although the back of the card is to be signed by the card's owner. The Benefits card is an acceptable form of documentation, however, the front of the card only lists the card number. Boomerang did not retain a copy of the back of the card with the owner's signature and this specific form of documentation does not allow the Company to document, nor auditors to validate, the name of the cardholder, the address associated with the benefits recipient, or if the card was valid at the time of the Lifeline application.

GVNW is providing, as an attachment to this Audit Report, a memorandum, prepared by KCC Staff, detailing the specifics of this concern.¹⁶

¹⁴ <https://www.usac.org/res/documents/li/pdf/samples/SNAP-Programs-by-State.pdf> (Attachment G).

¹⁵ <https://www.usac.org/li/program-requirements/verify-eligibility/program-eligibility.aspx>

¹⁶ See Lifeline Documentation and Verification Memorandum (Attachment H).

GVNW recommends the Commission clarify whether this is appropriate documentation to provide proof of eligibility for the Lifeline program and, if so, that the Commission direct the Company, on a going-forward basis, to retain both the front and back of the Kansas Benefits Card when it is presented as proof of eligibility for the Lifeline program in the state of Kansas.

Management Response

Boomerang disagrees with the Staff's position on this concern, because Boomerang complied with the rules at the time of the stated concern. In addition, very soon (by the end of 2019) the National Verifier Standards will be implemented rendering this concern a moot issue going forward.

KUSF Carrier Audit Information Request

Submitted By: Dennis Smith
Submitted To: Julia Redman-Carter
Company Name: Boomerang Wireless, LLC
Docket Number: 19-BOWZ-032-KSF
Request Date: August 22, 2018
Due Date: August 31, 2018

Request No. 10

RE: KUSF Assessment Surcharge

Please provide the following information:

- a. Does your Company collect its KUSF assessment from its customers? If yes, provide a detailed explanation regarding how the surcharge is assessed, including, but not limited to:

1. How the assessment surcharge is calculated;

Response:

Yes prepaid top ups purchased from customer service or the website.

2. Whether it is collected through a separate line item charge on bills; and

Response:

Not applicable – prepaid service only, and company pays all USF on Lifeline subsidies. Only prepaid top ups purchased from customer service or website are collected from the customer.

3. How the Company determines which services to apply the surcharge to.

Response:

A taxing code is associated with each product which determines the applicable taxes. These were determined by working with CSI.

- b. A copy of your Company's internal KUSF policies or procedures regarding the Company's collection of its assessment from customers, to include how the Company monitors the amount collected in comparison to the assessment owed by the Company to ensure it does not over-collect its assessment from subscribers.

Response:

Not applicable – company pays any KUSF on all Lifeline subsidies. There is no collection from the subscriber for Lifeline subsidies.

KUSF Carrier Audit Information Request

- c. In what account or subaccount does the Company record the Kansas USF assessment collected from its customers?

Response:

2370 – tax account

- d. Are any other assessments, taxes, fees, miscellaneous charges, etc., recorded in this account? If yes, identify the type of charge, and how the Company identifies the Kansas USF assessment in the account.

Response:

Yes, all applicable taxes and fees. KUSF is determined based on the USAC lifeline subsidy report for KS, top up charges are based on report out of Rev.io.

- e. Provide the amount of KUSF assessment collected from customer for each of the test months and the general ledger entry or other documentation for each month.

Response:

See **Boom Attachment 9** for the amounts to calculate KUSF for the test months. The Lifeline amounts are based on the monthly 497/LCS which is derived from USAC each month.

NOTE: If for some reason, the above information cannot be provided by the date requested, your Company must submit a Request for Additional Time.

KUSF Carrier Audit Information Request

Verification of Response – DR10

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to GVNW's auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: Lori Allen

Date: 9-6-2018

KUSF Carrier Audit Information Request

Submitted By: Dennis Smith
Submitted To: Julia Redman-Carter
Company Name: Boomerang Wireless, LLC
Docket Number: 19-BOWZ-032-KSF
Request Date: August 22, 2018
Due Date: August 31, 2018

Request No. 12

RE: Contribution Methodology

Please provide the following information:

- a. Provide the Company's internal KUSF reporting policies or procedures, including, but not limited to, how the Company identifies and reports discounts and promotional service revenues, and bundled services to the KUSF.

Response:

Company follows GAAP in how we report internally recognized revenue and discounts. All airtime revenue reported would account for voice, messaging, and data revenue.

- b. If your Company offers assessable and non-assessable services in a bundle, please check the appropriate box below the contribution methodology your Company uses to report revenues to the KUSF:

1. ____ Unbundled service price of the assessable service;
2. ____ The total price of the bundle containing the service; or
3. X An alternative methodology. If the Company uses an alternative methodology to allocate bundled service revenue to the assessable services in a bundle, please provide a detailed description of the allocation methodology, including an example.

Response:

The process is an "optimization" methodology. Optimization method identifies the voice portion of the bundled plan revenues which are subject to determining the USF. All Boomerang plan offerings are bundled plans (voice, text, and data).

- c. If your Company recognizes any end-user, promotional, or other discounts in the revenue reported to the KUSF, please provide:

1. A detailed listing of the types of discounts provided;

Response:

Not Applicable

KUSF Carrier Audit Information Request

2. A detailed explanation regarding how the discounts and revenues are assigned to assessable and non-assessable services if the Company offers bundled services; and

Response:

Discounts not applicable. Boomerang does not have any voice only plans or top ups. Boomerang's voice services portion of the revenue are subject to the USF. For the purpose of KS USF, Boomerang assessable revenues are the voice portion of the Lifeline subsidies received from USAC, top ups and prepaid plans.

For states using NLAD (such as KS), the Lifeline subsidies are pulled by state from the USAC via the LCS report monthly for the previous months data. The voice portion is determined by multiplying the bundled revenue by a factor to eliminate any data or text revenues ("optimization" process). Then the voice revenues are multiplied by the intrastate factor determined from the Boomerang traffic study to determine the assessable revenue. The assessable revenue is then multiplied by the state USF factor to determine the USF remittance for the Lifeline subsidies.

Boomerang top up and plan revenues that are data-only are subtracted from the revenue amount. The remaining revenues go through the same process as described above for the Lifeline revenues.

3. Describe any allocation methodologies used and provide a calculation example.

Response:

All Boomerang Lifeline offerings are bundled plans that include voice, text and data. Boomerang does not offer any voice-only Lifeline plans, prepaid top ups or prepaid plans. Using the 'optimization' process, the revenue from the voice portion of a bundled Lifeline plan, prepaid top ups and prepaid plans are identified. The bundled plan revenue is multiplied by the unbundling factor (the below example is .05558) identifying the voice portion of the revenue which is subject to USF. The voice portion is then multiplied by the intrastate factor (example uses the intrastate percent of 86%), per Boomerang's Traffic Study, to determine the KUSF assessable revenues. The assessable revenues are multiplied by the KS USF Rate to determine the KUSF portion to be submitted.

Bundled Lifeline subsidy =	\$ 9.25
Bundled top ups =	<u>\$10.00</u>
Total Bundled revenue =	\$19.25
Unbundling Factor =	<u>0.5558</u>
Voice Portion =	\$10.70
Boomerang Intrastate Factor =	<u>0.86 %</u>
Assessable Portion =	\$ 9.20
KS USF Rate =	<u>0.0725</u>
USF Fee	\$ 0.67

KUSF Carrier Audit Information Request

- d. Provide a copy of the Company's internal Federal USF and KUSF reporting policies or procedures to support the Company's KUSF contribution methodology is consistent or that it is different than its Federal USF contribution methodology. If the methodologies are not the same, provide a detailed explanation of the differences between the methodologies and why the Company uses separate practices.

Response:

Each month a tax generated file is pulled down out of Revio (3rd party billing software). The file is then reviewed and corrected when or if necessary, then that file is sent off to our 3rd party vendor GSA to process our monthly tax returns related to sales tax and communication taxes. The monthly Lifeline revenues are gathered from the FCC Form 497/LCS form (one per state) generated from USAC each month identifying the number of subscribers and the subsidy amount from the FUSF.

NOTE: If for some reason, the above information cannot be provided by the date requested, your Company must submit a Request for Additional Time.

Verification of Response – DR12

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to GVNW's auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: 

Date: 8/10/18



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 12-1286
Release Date: August 8, 2012

WIRELINE COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF BIRCH COMMUNICATIONS, BOOMERANG WIRELESS, IM TELECOM, Q LINK WIRELESS AND TAG MOBILE

WC Docket Nos. 09-197 and 11-42

The Wireline Competition Bureau (Bureau) approves the compliance plans of five carriers: Birch Communications, Inc. (Birch); Boomerang Wireless, LLC (Boomerang); IM Telecom, LLC (IM); Q Link Wireless, LLC (Q Link); and TAG Mobile, LLC (TAG). The compliance plans were filed pursuant to the *Lifeline Reform Order* as a condition of obtaining forbearance from the facilities requirement of the Communications Act of 1934, as amended (the Act), for the provision of Lifeline service.¹

The Act provides that in order to be designated as an eligible telecommunications carrier for the purpose of universal service support, a carrier must “offer the services that are supported by Federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier’s services”² The Commission recently amended its rules to define voice telephony as the supported service and removed directory assistance and operator services, among other things, from the list of supported services.³ As a result of these amendments, many Lifeline-only ETCs that previously met the facilities requirement by providing operator services, directory assistance or other previously supported services no longer meet the facilities requirement of the Act.⁴ In the *Lifeline Reform Order*, the Commission found that a grant of blanket forbearance of the facilities requirement, subject to certain public safety and compliance obligations, is appropriate for carriers

¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6816-17 at paras. 379-380 (2012) (*Lifeline Reform Order*). A list of the compliance plans approved through this Public Notice can be found in the Appendix to this Public Notice.

² 47 U.S.C. § 214(e)(1)(A).

³ See *Connect America Fund*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17692-93, paras. 77-78, 80 (2011); *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011); *Connect America Fund*, WC Docket No. 10-90 *et al.*, Order on Reconsideration, 26 FCC Rcd 17633, 17634-35, para. 4 (2011) (*USF/ICC Transformation Order on Reconsideration*).

⁴ See *Lifeline Reform Order*, 27 FCC Rcd 6812, at para. 366, App. A; *USF/ICC Transformation Order on Reconsideration* at para. 4. Some ETCs have included language in their compliance plans indicating that they have facilities or plan to acquire facilities in the future. See, e.g., Blanket Forbearance Compliance Plan, WC Docket Nos. 09-197 and 11-42, Q Link Wireless, LLC’s Third Amended Compliance Plan at 4 n. 2 (filed July 30, 2012). To the extent ETCs seek to avail themselves of the conditional forbearance relief established in the *Lifeline Reform Order*, we presume they lack facilities to provide the supported service under section 54.101 and 54.401 of the Commission’s rules. See 47 C.F.R. §§ 54.101 and 54.401. Such ETCs must comply with the compliance plan approved herein in each state or territory where they are designated as an ETC, regardless of their claim of facilities for other purposes, such as eligibility for state universal service funding.

seeking to provide Lifeline-only service.⁵ Therefore, in the *Lifeline Reform Order*, the Commission conditionally granted forbearance from the Act's facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 (E911) public safety requirements; and (2) Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.⁶

The Bureau has reviewed the five plans listed in the Appendix for compliance with the conditions of the *Lifeline Reform Order*, and now approves those five compliance plans.⁷

Filings, including the Compliance Plans identified in the Appendix, and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 448-5563, or via email www.bcpweb.com.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-7400 or TTY (202) 418-0484.

For further information, please contact Divya Shenoy, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

- FCC -

⁵ See *Lifeline Reform Order*, 27 FCC Rcd 6813-6817 at paras. 368-381.

⁶ See *id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 2186 (Wireline Comp. Bur. 2012).

⁷ The Commission has not acted on any pending ETC petitions filed by these carriers, and this Public Notice only approves the compliance plans of the carriers listed above. While these compliance plans contain information on each carrier's Lifeline offering, we leave it to the designating authority to determine whether or not the carrier's Lifeline offerings are sufficient to serve consumers. See *Lifeline Reform Order*, 27 FCC Rcd 6679-80, 6818-19 at paras. 50 and 387.

APPENDIX

Petitioner	Compliance Plans As Captioned by Petitioner	Date of Filing	Docket Numbers
Birch Communications, Inc.	Further Amended Compliance Plan of Birch Communications, Inc.	July 2, 2012	09-197; 11-42
Boomerang Wireless, LLC	Boomerang Wireless, LLC Revised Compliance Plan	July 26, 2012	09-197; 11-42
IM Telecom, LLC	IM Telecom, LLC d/b/a Infiniti Mobile Compliance Plan	July 5, 2012	09-197; 11-42
Q Link Wireless, LLC	Q Link Wireless, LLC's Third Amended Compliance Plan	July 30, 2012	09-197; 11-42
TAG Mobile, LLC	TAG Mobile, LLC Compliance Plan	July 26, 2012	09-197; 11-42



PUBLIC NOTICE

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DA 12-828
Release Date: May 25, 2012

WIRELINE COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF AMERICAN BROADBAND & TELECOMMUNICATIONS, BUDGET PREPAY, CONSUMER CELLULAR, GLOBAL CONNECTION, TERRACOM AND TOTAL CALL

WC Docket Nos. 09-197 and 11-42

The Wireline Competition Bureau (Bureau) approves compliance plans of six telecommunications carriers: American Broadband & Telecommunications; Budget Prepay, Inc.; Consumer Cellular, Inc.; Global Connection, Inc. of America; TerraCom, Inc.; and Total Call Mobile, Inc. filed pursuant to the *Lifeline Reform Order* as a condition of obtaining forbearance from the facilities requirement of the Communications Act of 1934, as amended (the Act), for the provision of Lifeline service.¹

The Act provides that in order to be designated as an eligible telecommunications carrier for the purpose of universal service support, a carrier must “offer the services that are supported by Federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier’s services”² The Commission recently amended its rules to define voice telephony as the supported service and removed directory assistance and operator services, among other things, from the list of supported services.³ As a result of these amendments, many Lifeline-only ETCs that previously met the facilities requirement by relying on operator services, directory assistance or other previously supported services no longer meet the facilities requirement of the Act.⁴ In the *Lifeline Reform Order*, the Commission found that a grant of blanket forbearance of the facilities

¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, at paras. 379-380 (rel. Feb. 6, 2012) (*Lifeline Reform Order*). A list of the compliance plans approved through this Public Notice can be found in the Appendix to this Public Notice.

² 47 U.S.C. § 214(e)(1)(A).

³ See *Connect America Fund*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17692-93, paras. 77-78, 80 (2011) (*USF/ICC Transformation Order*); *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011); *Connect America Fund*, WC Docket No. 10-90 *et al.*, Order on Reconsideration, 26 FCC Rcd 17633, 17634-35, para. 4 (2011) (*USF/ICC Transformation Order on Reconsideration*).

⁴ See *Lifeline Reform Order*, FCC 12-11, at para. 366, App. A; *USF/ICC Transformation Order on Reconsideration* at para. 4. Some ETCs have included language in their compliance plans indicating that they have facilities or plan to acquire facilities in the future. See, e.g., Budget PrePay, Inc. Petition for Designation as an Eligible Telecommunications Carrier, WC Docket Nos. 09-197 and 11-42, Compliance Plan of Budget PrePay, Inc. at 3 n. 6 (filed May 1, 2012). To the extent ETCs seek to avail themselves of the conditional forbearance relief established in the *Lifeline Reform Order*, we presume they lack facilities to provide the supported service under section 54.101 and 54.401 of the Commission’s rules. See 47 C.F.R. §§ 54.101 and 54.401. Such ETCs must comply with the compliance plan approved herein in each state or territory where they are designated as an ETC, regardless of their claim of facilities for other purposes, such as eligibility for state universal service funding.

requirement, subject to certain public safety and compliance obligations, is appropriate for carriers seeking to provide Lifeline-only service.⁵ Therefore, in the *Lifeline Reform Order*, the Commission conditionally granted forbearance from the Act's facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 (E911) public safety requirements; and (2) Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.⁶

The Bureau has reviewed the compliance plans listed in the Appendix for conformance with the *Lifeline Reform Order*, and now approves those six compliance plans.⁷

Filings, including the Compliance Plans identified in the Appendix, and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 448-5563, or via email www.bcpweb.com.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-7400 or TTY (202) 418-0484.

For further information, please contact Divya Shenoy, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

- FCC -

⁵ See *Lifeline Reform Order*, FCC 12-11 at paras. 368-381.

⁶ See *id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 2186 (Wireline Comp. Bur. 2012).

⁷ The Commission has not acted on any pending ETC petitions filed by these carriers, and this Public Notice only approves the compliance plans of the carriers listed above. While these compliance plans contain information on each carrier's Lifeline offering, we leave it to the designating authority to determine whether or not the carrier's Lifeline offerings are sufficient to serve consumers. See *Lifeline Reform Order*, FCC 12-11 at paras. 50 and 387.

Appendix

Petitioner	Compliance Plans As Captioned by Petitioner	Date of Filing	Docket Numbers
American Broadband & Telecommunications	American Broadband & Telecommunications Revised Compliance Plan	April 27, 2012	09-197; 11-42
Budget PrePay, Inc.	Compliance Plan of Budget PrePay, Inc.	May 1, 2012	09-197; 11-42
Consumer Cellular, Inc.	Consumer Cellular Amended Revised Compliance Plan	April 18, 2012	09-197; 11-42
Global Connection, Inc. of America	Global Connection Inc. of America Compliance Plan	April 30, 2012	09-197; 11-42
TerraCom, Inc.	TerraCom, Inc. Second Revised Blanket Forbearance Compliance Plan	May 1, 2012	09-197; 11-42
Total Call Mobile, Inc.	Total Call, Inc. Revised Compliance Plan	May 17, 2012	09-197; 11-42

KUSF Carrier Audit Information Request

Submitted By: Dennis Smith
Submitted To: Julia Redman-Carter
Company Name: Boomerang Wireless, LLC
Docket Number: 19-BOWZ-032-KSF
Request Date: September 18, 2018
Due Date: **September 27, 2018**

Request No. 17

RE: CRW Variances

Please provide an explanation of the following CRW Variances:

1. FY 20 (March 2016 – February 2017) to FY 21 (March 2017 – February 2018)

RESPONSE: The overall variance in FY20 and FY21 is based on the increased number of subscribers primarily due to transfers that began in September-2016.

With consent of the FCC and in coordination with USAC, Boomerang Wireless transferred more than 200 thousand subscribers from Budget Prepay and Total Call Mobile the last 4 months of 2016 with the majority being in September of 2016. Transferring subscribers in states where Boomerang had our ETC designation were transferred in September, October, November and December.

The FCC designated Boomerang as a Lifeline Broadband Provider ("LBP") on December 1, 2016 in all states except for Alaska. The subscribers in states where Boomerang was not designated as an ETC were transferred in December 2016 under Boomerang's LBP designation.

2. FY 21 (March 2017 – February 2018) to FY 22 (current FY)
 - As the current FY is ongoing, amounts have been averaged to determine if a material variance exists.

RESPONSE: Due to some internal staffing adjustments, the manual process of supplying the monthly Lifeline Claims System (LCS) report was not included causing an under-reporting the KS USF. Global Strategic Accountants, LLC (GSA), submitted the USF amounts without considering the revenue from Boomerang Lifeline subsidies collected from Federal Universal Service Fund (FUSF).

Because the Lifeline revenue comes from the monthly 497/LCS report from USAC and Boomerang is not yet on the Suretax system, the function of pulling together the revenue and calculating Boomerang's KUSF fee is handled by Boomerang. Once the revenue is identified and calculation completed, then the information is forwarded to GSA for filing. Because of some of the functional changes, there was a lapse of the communication process.

Currently, Boomerang is working with GSA to arrange for the March – July 2017 KS LCS-2018 reports to refile the first 5 months of FY22 in Kansas. When this is refiled, Boomerang will send a copy of the report to this audit team.

3. February 2017 to March 2017

RESPONSE: The increased variance from February 2017 to March 2017 is a result of rectifying some subscribers that should not have been transferred to Boomerang. Some of the subscribers should have been disconnected for non-usage rather than transferred. Once Boomerang identified the subscribers with non-usage at the time of transfer, Boomerang removed the subscribers from the Lifeline program. It is this rectification that is reflected in the month of March-2017, accounting for the increased churn.

The increased variance from September 2017 to October 2017 is a result of the increased number of transferred subscribers that failed to recertify in addition to the normal churn.

Please see Attachment 1 for details.

Verification of Response – DR 17

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to GVNW's auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____

Julia Reslin Carter

Date: _____

9/27/2018

KUSF Carrier Audit Information Request

Submitted By: Dennis Smith
Submitted To: Julia Redman-Carter
Company Name: Boomerang Wireless, LLC
Docket Number: 19-BOWZ-032-KSF
Request Date: January 18, 2019
Due Date: **January 29, 2019**

Request No. 29

RE: Confirmation of Understanding – CRW Reporting of Block C

Please confirm auditor understanding of the following:

- a) The Company did not report the KUSF surcharge actually collected from customers in Block C of its FY21 annual true-up. Instead the Company listed its KUSF surcharge due to the KUSF in Block C.

RESPONSE: As Boomerang pays the KUSF surcharge for our subscribers, Boomerang does not collect the KUSF surcharge from the subscribers. In error, Boomerang listed the KUSF surcharge due to the KUSF in Block C.

Verification of Response – DR 29

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to GVNW's auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: 

Date: 1/18/2019

Supplemental Nutrition Assistance Programs (SNAP) by State

Docket No. 19-BOW

STATE NAME	STATE	PROGRAM	CARD NAME
Alaska	AK	Food Stamp Program	Alaska Quest
Alabama	AL	Food Assistance Program	Alabama EBT
Arkansas	AR	SNAP	Arkansas EBT
Arizona	AZ	Nutrition Assistance	Arizona Quest
California	CA	CalFresh	Golden State Advantage
Colorado	CO	Food Assistance Program	Colorado Quest Card
Connecticut	CT	SNAP	Connect Card
District of Columbia	DC	SNAP	Capital Access Card
Delaware	DE	Food Supplement Program	Delaware Food First
Florida	FL	Food Assistance Program	State of Florida
Georgia	GA	Food Stamp Program	Georgia EBT
Guam	GU	SNAP	Guam Quest
Hawaii	HI	SNAP	Hawaii EBT
Iowa	IA	Food Assistance Program	Iowa
Idaho	ID	Food Stamp Program	Idaho Quest Card
Illinois	IL	SNAP	Illinois Link
Indiana	IN	SNAP	Hoosier Works
Kansas	KS	Food Assistance Program	Kansas Benefits Card
Kentucky	KY	SNAP	Kentucky Benefit Security Card
Louisiana	LA	SNAP	Louisiana Purchase Automated Benefit Card
Massachusetts	MA	SNAP	Bay State Access
Maryland	MD	Food Supplement Program	MDHR Independence Card
Maine	ME	Food Supplement Program	Maine Pine Tree Card
Michigan	MI	Food Assistance Program	Michigan EBT Bridge Card
Minnesota	MN	SNAP	Minnesota EBT
Missouri	MO	Food Stamp Program	Missouri EBT Card
Mississippi	MS	SNAP	MDHS EBT
Montana	MT	SNAP	Montana Access
North Carolina	NC	Food & Nutrition Services	North Carolina
North Dakota	ND	SNAP	North Dakota
Nebraska	NE	SNAP	Nebraska EBT
New Hampshire	NH	Food Stamp Program	NH EBT
New Jersey	NJ	SNAP	New Jersey EBT Families First Card
New Mexico	NM	SNAP	New Mexico EBT Fiesta Card
Nevada	NV	SNAP	Nevada
New York	NY	SNAP	New York State Benefit Identification Card
Ohio	OH	Food Assistance Program	Ohio Direction Card
Oklahoma	OK	SNAP	Access Oklahoma EBT
Oregon	OR	SNAP	Oregon Trail
Pennsylvania	PA	SNAP	Pennsylvania ACCESS Card
Rhode Island	RI	SNAP	Rhode Island Electronic Benefit Transfer
South Carolina	SC	SNAP	South Carolina EBT
South Dakota	SD	SNAP	South Dakota EBT
Tennessee	TN	SNAP	Benefit Security Card
Texas	TX	SNAP	Lone Star
Utah	UT	Food Stamp Program	Utah Horizon
Virginia	VA	SNAP	Virginia EBT
Virgin Islands	VI	SNAP	Virgin Islands Sun, Sand, and Sea Card
Vermont	VT	3SquaresVT	Vermont Express
Washington	WA	Basic Food Program	Washington Quest
Wisconsin	WI	FoodShare	Wisconsin Quest
West Virginia	WV	SNAP	Mountain State Card
Wyoming	WY	SNAP	Wyoming EBT Card



Utilities Division
1500 SW Arrowhead Road
Topeka, KS 66604-4027

Phone: 785-271-3220
Fax: 785-271-3357
<http://kcc.ks.gov/>

Dwight D. Keen, Chair
Shari Feist Albrecht, Commissioner
Jay Scott Emler, Commissioner

Laura Kelly, Governor

MEMORANDUM

To: Judi Ushio, Division Manager
GVNW Consulting, Inc.

From: Sandy Reams, Assistant Chief of Telecommunications
Christine Aarnes, Chief of Telecommunications

Date: April 9, 2019

Re: Lifeline Documentation and Verification

GVNW seeks background information regarding the required documentation to verify a Kansas subscriber's eligibility for the Kansas Lifeline Service Program (KLSP) and/or the federal Lifeline program.

A consumer must provide proof of identity and participation in a Lifeline-eligible program or that the household meets the income criterion. Proof of identity and eligibility for the Lifeline program are necessary to ensure waste, fraud, and abuse do not occur. A Lifeline provider must maintain records of the verification documentation.¹ If the provider uses an automatic verification process, the agency overseeing the verification program confirms eligibility.² If a provider does not use an automatic verification process, the provider must verify the applicant's eligibility and recertify, annually, that a subscriber remains eligible for the Lifeline program.³

Attachment A, entitled Lifeline Qualifying Criteria, contains a summary of the Kansas Corporation Commission's (KCC) orders regarding eligibility.⁴ Attachment B, entitled Lifeline Identity/Eligibility Documentation, includes a copy of verification documentation relied on by the Universal Service Administrative Company (USAC) for the federal Lifeline program.⁵ The verification documentation is the *minimum* documentation a Lifeline provider must retain to support a subscriber's eligibility.

Absent retention of the required verification documentation, an audit finding should address the concern regarding whether the Lifeline provider properly verified and retained documentation of a subscriber's identity and/or eligibility. The audit recommendation should include that the

¹ 47 C.F.R. 54.417. See also Order, Docket No. 05-GIMT-1039-GIT, May 19, 2005; and Order Determining KUSF Contribution Methodology, ¶ 36, Docket No. 14-GIMT-105-GIT, Oct. 20, 2015.

² See K.S.A. 66-2006. We note the National Lifeline Accountability Database (NLAD) has not yet launched in Kansas.

³ <https://www.usac.org/li/program-requirements/verify-eligibility/process-by-state.aspx>.

⁴ Attachment A has been provided to the KUSF Administrator whenever the Lifeline eligibility criteria has been revised.

⁵ See also USAC, *Third Party Verification Failure Resolution*, <http://www.usac.org/li/tools/nlad/dispute-resolution/tpiv-failure-dr.aspx>, last viewed April 2, 2019.

provider be required to implement written procedures (or modify existing procedures and file an explanation of the procedures or modification to existing procedures) to ensure only eligible subscribers participate in the Lifeline program in the audit docket. The audit recommendation should also include that the audited company file, in the audit docket, an affidavit, executed by an officer of the company, verifying the new procedures (or modified procedures) were implemented and the date of implementation.

Background:

Default / Non-Default State

States and territories with their own Lifeline/Link-Up programs that adopted the federal criteria or that do not have their own state-based low-income programs are federal default states and territories.⁶ Default states and territories must follow the Federal Communications Commission's (FCC) adopted rules and regulations, including the eligible programs and income criteria for the federal Lifeline program.⁷

Kansas is not a default state, meaning a low-income applicant/subscriber must "meet the eligibility criteria established by the state, consistent with sections 54.409 and 54.415 of the Commission's rules."⁸ The identity and eligibility criteria applied to both the KLSP and the federal Lifeline program through November 30, 2016.

Effective December 1, 2016, the FCC required all states to use the FCC's eligibility programs for federal Lifeline program purposes, but allowed states to continue to determine eligibility criteria for their own Lifeline programs.⁹ The eligible programs for the federal Lifeline program were streamlined through the removal of the National School Lunch Program's free lunch program; the Low-Income Home Energy Assistance Program (LIHEAP); and Temporary Assistance for Needy Families (TANF) from the default federal assistance eligibility programs.¹⁰

Proof of Identity

An applicant must provide "proof" of participation in an eligible program.¹¹ This means the provider must verify the identity of the applicant and verify that the applicant participates in an

⁶ 47 C.F.R. § 54.410. See also Report and Order, *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Rel. May 8, 1997, ¶ 376 (First Report and Order); Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 03-109, Rel. April 29, 2004 (April 2004 Report and Order).

⁷ Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, ¶ 5; p. 21 n 106, *In the Matters of Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas; Western Wireless Corporation; Crow Reservation in Montana; Smith Bagley, Inc.; Cheyenne River Sioux Tribe Telephone Authority; Western Wireless Corporation, Wyoming; Cellco Partnership d/b/a/ Bell Atlantic Mobile, Inc.; Petitions for Designation as an Eligible Telecommunications Carrier and for Related Waivers to Provide Universal Service*; CC Docket No. 96-45, Rel. June 20, 2000 (Twelfth Report & Order).

⁸ April 2004 Report and Order, ¶ 7.

⁹ Third Report and Order, Further Report and Order, and Order on Reconsideration, p. 69 n 497, *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No 11-42, rel. April 27, 2016 (2016 Reform Order).

¹⁰ *Id.*, ¶ 167.

¹¹ Order, ¶ 128, Docket No. 190,492-U (94-GIMT-478-GIT, Dec. 27, 1996 (94-478 Order); 2016 Reform Order, ¶ 437.

eligible program or meets the income criteria.¹² For federal Lifeline purposes, an applicant must provide the date of birth and the last four digits of their social security or tribal identification number.¹³ Examples of documentation to verify identity include:¹⁴

- copy of driver's license or other government issued ID;
- copy of a Kansas Medical card;
- copy of a Kansas Benefits card;¹⁵
- state / federal agency award letter;
- utility bill with name and address; and
- social security card.¹⁶

The Kansas Medical card includes the owner's name, member identification number, and date of birth.¹⁷ Persons participating in the Supplemental Nutrition Assistance Program (SNAP) program previously received a Vision card that contained the owner's name. The Vision card was replaced with the Kansas Benefits card, which does not contain the owner's name. While the Benefit card's owner is to sign the back of the card, not all do. The owner's identity must be verified and, in lieu of reliance on a card and other identification, the provider may request an award letter from the agency to verify participation in the SNAP program.¹⁸

Applicants and current subscribers may qualify for the Lifeline program based on income. The Commission adopted the same documentation as that adopted by the FCC to determine income eligibility.

Kansas Orders

In its December 27, 1996 Order, the Commission determined low-income persons participating in the following programs qualify for the KLSP:

- Aid to Dependent Children;
- Food Stamps;
- General Assistance;
- Medicaid;
- Supplemental Security Income (SSI); and
- Food Distribution Program.¹⁹

¹² See K.S.A. 66-2006.

¹³ 2016 Reform Order, ¶ 437.

¹⁴ Recommended Decision, *In the Matter of Federal-State Joint Board on Universal Service Lifeline and Link Up*, CC Docket No. 96-45, WC Docket No. 03-109, Rel. Nov. 4, 2010.

¹⁵ The Vision card was replaced by the Kansas Benefits card. See Staff Memorandum on Lifeline Participation, Docket No. 99-GIMT-326-GIT, Jan. 18, 2000, explaining the Vision card contained the owner's name and, to prove continued eligibility in the program, the owner could provide a receipt showing recent activity.

¹⁶ 2016 Reform Order, p. 161 n 1088.

¹⁷ See https://kmap-state-ks.us/Documents/Content/Provider%20Manuals/Gen%20benefits_090109_973.pdf, last viewed March 28, 2019.

¹⁸ See also USAC, Acceptable Eligibility Documentation, SNAP, <https://www.usac.org/li/program-requirements/verify-eligibility/program-eligibility.aspx>, last viewed April 4, 2019.

¹⁹ 94-478 Order, ¶ 128.

The Commission found that, “1) an applicant must provide the LEC with proof of participation in any of the programs, and 2) the subscriber must not be a dependent (unless 60 years or older).”²⁰

On January 21, 2003, in Docket No 00-GIMT-910-GIT, the KCC issued an Order expanding the eligible programs for low-income subscribers on Tribal Lands:

- Bureau of Indian Affairs general assistance program;
- Tribally-administered Temporary Assistance for Needy Families;
- Head Start (for those meeting its income-qualifying standard); and
- National School Lunch Program's free lunch program.²¹

Pursuant to 47 C.F.R §54.405:

All eligible telecommunications carriers shall:

- (a) Make available Lifeline service, as defined in §54.401k, to qualifying low-income consumers, and
- (b) Publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.²²

The KCC, therefore, reiterated all competitive and incumbent local exchange carriers (LECs) were required to offer the KLSP. The KCC also clarified that only facilities-based ETCs receive reimbursement from the Lifeline programs and that an ETC for both the federal and state Lifeline programs are eligible to receive reimbursement from both programs, but a non-ETC is eligible for reimbursement from the KLSP.²³ The Commission also found that all Kansas LECs are required to promote Lifeline services²⁴ and place a message about the Lifeline program on disconnection bills.²⁵ The KCC also adopted an income criterion of 150% of the federal poverty level for all low-income subscribers.²⁶ The KCC, noting one incumbent LEC's requirement for an applicant to submit copies of his/her federal income tax return, determined an applicant could self-certify eligibility based on the income criterion. To achieve its goals, the KCC directed carriers to develop self-certification forms and encouraged that such forms include unsworn declarations as allowed by K.S.A. 53-601.²⁷

The KCC, in a May 19, 2005 Order in Docket No. 05-GIMT-1039-GIT, expanded the eligibility programs previously applied only on Tribal Lands, to all low-income persons:

²⁰ *Ibid.*

²¹ Order, ¶ 25, Docket No. 00-GIMT-910-GIT, Jan. 23, 2003 (00-910 Order).

²² *Ibid.*, ¶ 30

²³ *Ibid.*, ¶ 26 – 27. Effective December 1, 2016, only designated Lifeline ETCs are eligible to participate in the KLSP, with the exception that Lifeline providers currently offering Lifeline may continue to receive KLSP credits. See Order Modifying Kansas Lifeline Service Program (KLSP) Requirements; Soliciting Further Comment, Docket No. 16-GIMT-575-GIT, Oct. 18, 2016 (16-575 Order).

²⁴ *Id.*

²⁵ *Ibid.*, ¶ 31.

²⁶ *Ibid.*, ¶ 32.

²⁷ *Ibid.*, ¶ 32.

- Temporary Assistance to Needy Families (TANF); and
- National School Lunch Program's Free Lunch Program.

The Commission also adopted the following FCC requirements for an applicant whose Lifeline service eligibility is based on income, determining that, at a minimum, the applicant must provide the following supporting documentation:

- prior year's tax returns;
- current income statement from employer;
- Social Security statement of benefits;
- Veterans Administration statement of benefits;
- retirement/pension statement of benefits;
- Unemployment/Workmen's Compensation statement of benefits;
- federal or tribal notice letter of participation in Bureau of Indian Affairs General Assistance; and/or
- divorce decree, or child support documentation.

If an applicant offers other documentation than an income tax return, such as current paycheck stubs, the applicant must present three (3) consecutive months' of the same type of statements within that calendar year.

All Lifeline subscribers must self-certify, on an annual basis, to the ETC that the subscriber continues to be eligible for the Lifeline program. Effective June 22, 2005, all Lifeline providers must comply with 47 C.F.R. §54.417 Recordkeeping Requirements,²⁸ as follows:

- (a) Eligible telecommunications carriers must maintain records to document compliance with all Commission and state requirements governing the Lifeline and Tribal Link Up program for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request. Eligible telecommunications carriers must maintain the documentation required in §§54.404 (b)(11), 54.410(b), 54.410 (c), 54.410(d), and 54.410(f) for as long as the subscriber receives Lifeline service from that eligible telecommunications carrier, but for no less than the three full preceding calendar years.
- (b) Prior to the effective date of the rules, if an eligible telecommunications carrier provides Lifeline discounted wholesale services to a reseller, it must obtain a certification from that reseller that it is complying with all Commission requirements governing the Lifeline and Tribal Link Up program. Beginning on the effective date of the rules, the eligible telecommunications carrier must retain the reseller certification for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request.
- (c) Non-eligible telecommunications carrier resellers that purchased Lifeline discounted wholesale services to offer discounted services to low-income

²⁸ 47 C.F.R. 54.417 Recordkeeping Requirements were last amended July 2015.

consumers prior to the effective date of the rules, must maintain records to document compliance with all Commission requirements governing the Lifeline and Tribal Link Up program for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request.

In 2011, the KCC again expanded the eligible Lifeline programs to include:

- Low-Income Energy Assistance Program (LIHEAP); and
- Section 8 Housing.²⁹

At that time, the KCC required all Lifeline providers to retain all subscribers' eligibility documentation for Kansas, but the FCC did not require retention of all subscribers' eligibility documentation. The KCC, therefore, eliminated the requirements for providers to retain all subscribers corroborating documentation, but continued to require that each applicant **present such documentation** at the time of application and that the provider **verify** the applicant's identity and eligibility. The KCC also ordered that a Lifeline credit be applied to a subscriber's account as soon as all documentation is received, even if the provider needs to provide a retroactive credit to the subscriber.³⁰

Effective December 1, 2016, the FCC revised its regulations regarding a Lifeline subscriber's eligibility, as set forth in 47 C.F.R. § 54.410. This regulation requires all ETCs to "implement policies and procedures for ensuring that their Lifeline subscribers are eligible to receive Lifeline services" . . . and verify the applicant meets the income or eligible program criteria.

Thus, in October 2016, the KCC revised the KLSP eligibility criteria to mirror those of the federal Lifeline Program, effective December 1, 2016.³¹ Subscribers that were enrolled in a Lifeline program prior to December 1, 2016, were allowed to continue to receive Lifeline discounts under the previous eligibility program through their next annual recertification. The KCC adjusted the date for which Lifeline subscribership numbers are reported for KLSP discount reimbursement purposes from the last day to the first day of the month. The KCC also determined that competitive LECs were not required to participate in the KLSP, and any competitive LEC not already receiving KLSP reimbursements would be required to be designated as an ETC prior to KLSP participation. The KCC reiterated all Lifeline providers must comply with 47 C.F.R. § 54.417; 47 C.F.R. § 54.410; and 47 C.F.R. § 54.405(e).³²

In addition, verification documentation was addressed in Docket No. 05-LCLT-053-KSF (05-053). The National Exchange Carrier Association, Inc. (NECA), a prior KUSF Administrator, identified concerns that KLSP discounts may have been provided to non-qualifying subscribers,

²⁹ Order Addressing Issues Concerning the Kansas Lifeline Service Program, Docket No. 10-GIMT-658-GIT, Aug. 17, 2011 (10-658 Order).

³⁰ Id., ¶ 15-16.

³¹ 16-575 Order.

³² 47 C.F.R. § 54.405(e) addresses a Lifeline provider's requirements for de-enrolling subscribers the provider reasonably believes may no longer qualify for the Lifeline program. The provider must send a written notice of impending termination of the Lifeline service and allow the subscriber 30 days from the date of the impending termination letter to demonstrate continued program eligibility.

including those whose documentation lacked signatures. Specifically, in its Audit Report, dated December 29, 2004, NECA stated,

There are concerns that lifeline assistance credits were provided to customers that were not eligible to receive low-income assistance. The auditors checked to confirm that requirements for offering lifeline were being followed. The commission staff reviewed eligibility certificates. Most documents retained by the company were missing information and lacked signatures. Documentation also showed that the company provided lifeline to customers that did not meet the eligibility requirements. Sample bills were reviewed to confirm that appropriate discounts were applied.³³

Recommended actions: The company should create internal procedures that can be followed by employees when signing up customers for the lifeline programs. Eligibility requirements should be strictly adhered to.

NECA filed an Updated Audit Report, dated February 18, 2005, to provide further information regarding its December 2004 Audit Report.

In March 2005, Staff also provided information regarding the Company's operations.³⁴ With regard to the Lifeline program, Staff advised that the Company lacked documentation supporting a Lifeline program participant's eligibility, including: (1) unsigned applications; (2) accepting ineligible documentation as proof of program eligibility; and (3) allowing an applicant to provide a "copy of the food stamp/vision card to receive service and no other documentation."³⁵ Staff explained that, to help ensure only qualified subscribers enroll in the Lifeline program, the provider was asked to send information to affected subscribers and request the appropriate, signed documentation to verify program eligibility. Staff recommended that the provider should not be reimbursed Lifeline credits for a subscriber whose forms and documentation were incorrect or incomplete; instead, the provider should only receive Lifeline credits for subscribers based on "clear, concise, and convincing evidence that it requested and received the required eligibility supporting documentation."³⁶ Staff also recommended the provider:

be required to provide detailed monthly reports for each eligible Lifeline customer, including dates of the customer's initial connection and disconnection, if applicable. If a customer became ineligible for Lifeline but then later again became eligible, documentation of new connection and disconnection dates is also necessary.³⁷

³³ NECA Audit Report, Docket No. 05-LCLT-053-KSF, Dec. 29, 2004:

(<http://estar.kcc.ks.gov/estar/ViewFile.aspx/20041230131237.pdf?Id=9b762056-1ff0-47fc-8387-0706e75993a9>).

³⁴ Notice of Filing of Report and Recommendation, Docket 05-053, dated March 10, 2005.

³⁵ Filing of Report and Recommendation, Report and Recommendation, p. 24, Docket No. 05-053, March 10, 2005: <http://estar.kcc.ks.gov/estar/ViewFile.aspx/20050314115618.pdf?Id=55f157e2-b774-4588-9553-afcfbeed857c>.

³⁶ Id., p. 26.

³⁷ Ibid.

On February 2, 2006, the KCC issued an Order directing the Company to comply with the audit finding recommendations,³⁸ which it subsequently stayed while it addressed related matters.

Staff subsequently advised the KCC of the lack of appropriate verification documentation maintained by the provider, including:

... a number of the forms were not verified under oath, as required; documentation was not for the account holder; documentation was inconsistent with the eligible criteria chosen on the Lifeline form; Vision cards did not have signatures and the name on the front of the card is "whited" out, allowing a person to qualify for Lifeline based on income even if documentation shows a higher income level; etc.³⁹

In November 2006, the KCC reinstated the February 2, 2006 Order.⁴⁰

Federal Guidance:

In May 1997, the FCC released its First Report and Order, in which it addressed, amongst other issues, modification of the federal Lifeline program. The FCC required carriers in default states to:

obtain customers' signatures on a document certifying under penalty of perjury that the customer is receiving benefits from one of the programs included in the default standard, identifying the program or programs from which the customer receives benefits, and agreeing to notify the carrier if the customer ceases to participate in such program or programs.⁴¹

Due to the numerous decisions made by the FCC to the Lifeline program since 1997, only the more significant decisions are included here.

In June 2000, the FCC released its Twelfth Report and Order in which it, amongst other issues, adopted "measures to promote telecommunications subscribership and infrastructure deployment within American Indian and Alaska Native tribal communities."⁴² Specifically, the FCC adopted the following:

- provided up to \$25 per month of additional federal Lifeline support for qualifying low-income persons living on American Indian and Alaska Native lands to reduce the cost of basic telephone service for such individuals;

³⁸ Order Accepting Audit and Directing Local Phone Services, Inc. to Comply, Docket 05-053, Feb. 2, 2006: <http://estar.kcc.ks.gov/estar/ViewFile.aspx/20060202135348.pdf?Id=cf732710-b865-4f94-a8d2-21148d21cb02>

³⁹ Direct Testimony Prepared by Susan Palmer, p. 27, Docket No. 04-LCLT-835-SHO, Feb. 21, 2006: <http://estar.kcc.ks.gov/estar/ViewFile.aspx/20060221163517.pdf?Id=c0d3f4fd-744b-49bb-a5d8-3b828aae7879>; and Direct Testimony of Sandra K. Reams, p. 31, Docket 04-LCLT-835-SHO, Feb. 21, 2006 (Reams' Direct): <http://estar.kcc.ks.gov/estar/ViewFile.aspx/20060221164928.pdf?Id=39b01ae9-2665-4294-b590-07c8fb32a469>.

⁴⁰ Order on Reconsideration Granting Staff's Motion to Reinstate Commission Order Entered February 2, 2006, Docket 05-053, Nov. 8, 2006 (Reinstatement Order): <http://estar.kcc.ks.gov/estar/ViewFile.aspx/20061108113826.pdf?Id=0cc8bf2c-80e1-430f-b298-84414284256d>.

⁴¹ First Report and Order, ¶ 377.

⁴² Twelfth Report & Order, ¶ 1.

- provided up to \$70 per subscriber in additional Link Up for qualifying low-income individuals living on American Indian and Alaska Native lands to offset the costs of initiating service for those persons;
- broadened the Lifeline and Link Up qualification criteria for low-income subscribers on tribal lands by adding the following programs: Bureau of Indian Affairs (BIA) general assistance program, tribally-administered Temporary Assistance for Needy Families, Head Start (for subscribers meeting the income standards), and the National School Lunch Program's free lunch program;
- required ETCs to publicize Lifeline and Link Up support to promote the programs;
- permitted ETCs not subject to a state's jurisdiction to be reimbursed the Lifeline tier two support (\$1.75) per subscriber for each qualifying subscriber; and
- permitted tribal authorities and ETCs not subject to a state's jurisdiction to be reimbursed the third tier of federal Lifeline support.⁴³

In its April 2004 Report and Order, the FCC expanded the default Lifeline eligibility criteria by adding income-based criterion and additional eligibility programs. To minimize fraud and abuse within the Lifeline program, the FCC adopted certification and verification procedures and required default states to establish such procedures.⁴⁴ Lastly, the FCC adopted guidelines to raise awareness of the Lifeline and Link-Up program.⁴⁵ The major revisions included:

- encouraged, but did not require, states to adopt automatic enrollment as a method to certifying subscriber eligibility for the Lifeline and Link-Up program;⁴⁶
- required all consumers in all states that qualified under the income-based criterion to: (1) self-certify, under penalty of perjury, their eligibility to participate in the Lifeline program and that the documentation presented accurately represents their annual household income; and (2) provide all required documentation;⁴⁷
- retained, for default states, self-certification by subscribers meeting the program-based eligibility criterion;
- authorized non-default states to implement more stringent measures⁴⁸ to allow states flexibility in designing and implementing their own verification procedures for validating a subscriber's continued eligibility;⁴⁹
- required all states to adopt certification procedures for documenting eligibility based on the income-criteria and required, at a minimum, the following documentation: the prior year's state, federal, or tribal tax return; current income statement from an employer or paycheck stub; a Social Security statement of benefits; a Veterans Administration statement of benefits; a retirement/pension statement of benefits; an

⁴³ Id., ¶ 12.

⁴⁴ April 2004 Report and Order, ¶ 5

⁴⁵ Id., ¶ 2.

⁴⁶ Id., ¶ 25.

⁴⁷ Id., ¶ 32.

⁴⁸ Id., ¶ 28-30.

⁴⁹ Id., ¶ 34.

Unemployment/Workmen's Compensation statement of benefits; federal or tribal notice letter of participation in Bureau of Indian Affairs General Assistance; a divorce decree; or child support documentation. If a subscriber provides documentation other than the previous year's tribal, federal, or state income tax return (e.g. current pay stubs), at least three consecutive months' worth of the same type of statements within that calendar year must be provided. Default states were also required to have an officer of the company certify, under penalty of perjury, that the ETC has implemented procedures to review the income documentation and that, to the best of his or her knowledge, the company was presented with documentation that the consumer's household income is at or below 135% of the Federal Poverty Guidelines;⁵⁰ and

- required, in default states, ETCs to annually verify the continued eligibility of a statistically valid sample of their Lifeline subscribers. For a subscriber surveyed directly, the subscriber must provide proof of continued eligibility by self-certifying, under penalty of perjury, continued participation in a qualifying program and presenting in person or sending a copy of their Medicaid card or other Lifeline-qualifying public assistance card. Subscribers subject to verification that qualify based on the income-criteria were required to prove their continued eligibility by providing, under penalty of perjury, the number of individuals in their household and that the documentation provided accurately represents their annual household income, as well as providing the required documentation.⁵¹

In 2011, the FCC adopted rules pertaining to a subscriber receiving more than one Lifeline discount and, specifically, clarified an eligible low-income subscriber may only receive one Lifeline-supported service. The FCC also established procedures to detect and de-enroll subscribers receiving duplicative Lifeline services and directed USAC to implement processes to detect and eliminate duplicative Lifeline support.⁵² The FCC amended § 54.401(a)(1) to define Lifeline in a manner to prevent low-income subscribers from knowingly or inadvertently receiving multiple Lifeline-supported services. Specifically, § 54.401(a)(1) was amended to define Lifeline as,

Lifeline means a retail local service offering . . . [t]hat is available only to qualifying low-income consumers, and no qualifying consumer is permitted to receive more than one Lifeline subsidy concurrently.⁵³

The FCC also amended § 54.405(a) to require:

All eligible telecommunications carriers shall . . . [m]ake available one Lifeline service, as defined in § 54.401, per qualifying low-income consumer that is not currently receiving Lifeline service from that or any other eligible telecommunications carrier.⁵⁴

⁵⁰ Id., ¶ 28-30.

⁵¹ Id., ¶ 35.

⁵² Report and Order, WC Docket No. 11-42, rel. June 21, 2011.

⁵³ Ibid., ¶ 8.

⁵⁴ Id.

The FCC also implemented de-enrollment procedures for a Lifeline ETC to de-enroll a subscriber within five business days of receiving notification from USAC.⁵⁵

In 2012, the FCC adopted various universal service goals for low-income subscribers, including ensuring broadband service availability⁵⁶ and minimizing the contribution burden on consumers and businesses.⁵⁷ To achieve this goal, the FCC declined to distinguish between fixed and mobile services to ensure availability of voice and broadband services to low-income persons.⁵⁸ The FCC modified the “voice telephony” services provided to Lifeline subscribers⁵⁹ and modified the federal Lifeline support amount to \$9.25 per month per low-income subscriber.⁶⁰ The FCC also adopted minimum eligibility and certification requirements to act as “a core set of requirements necessary to make the program more accountable and to ensure that the program operates efficiently and effectively.”⁶¹

The FCC noted that states are authorized to have additional qualifying eligibility criteria and certification requirements to ensure that ETCs are using Lifeline support consistent with federal statutes and FCC regulations.⁶²

The FCC, therefore, implemented the following:

1. required all states to use, at a minimum, the income and program eligibility criteria required for default states;⁶³
2. limited Lifeline support to a single discount per household;⁶⁴
3. allowed, when multiple households (i.e., families) reside at the same address, applicants to demonstrate when enrolling that they are a separate household from other Lifeline recipients residing at the same address;
4. required that, prior to providing service to a subscriber, the Lifeline ETC must obtain the subscriber’s permanent residential address, unless the applicant has a temporary address;
5. codified protections to assist ETCs in verifying an applicant’s continued Lifeline program eligibility when the applicant does not have a permanent residential address; and
6. clarified that Lifeline service is available to eligible low-income subscribers residing in areas zoned as “commercial” provided the applicant certifies at enrollment that the address of record provided is his or her residential address.⁶⁵

In 2013, the Wireline Competition Bureau (WCB) released an Order codifying that an ETC: (1) must verify a Lifeline applicant’s eligibility for Lifeline service prior to activating service; and (2) cannot

⁵⁵ Ibid., ¶ 15.

⁵⁶ Report and Order and Further Notice of Proposed Rulemaking, ¶ 33, WC Docket No 11-42, rel. Feb. 6, 2012.

⁵⁷ Ibid., ¶ 37.

⁵⁸ Ibid., ¶ 38.

⁵⁹ Ibid., ¶ 48.

⁶⁰ Ibid., ¶ 58.

⁶¹ Ibid., ¶ 61.

⁶² Id.

⁶³ Ibid., ¶ 65.

⁶⁴ Ibid., ¶ 60.

⁶⁵ Ibid., ¶ 69.

provide an activated device to an applicant to enable access to the Lifeline service until the applicant's eligibility is fully verified and all enrollment steps are complete.⁶⁶ The WCB also reiterated the FCC's rule that Lifeline is a "non-transferable retail service offering" and required this information to be disclosed to an applicant and included on the Lifeline certification form.⁶⁷

In 2015, the FCC revised the Lifeline program by:

- establishing a "snapshot" date of the first of each month for Lifeline providers to calculate the number of eligible subscribers for reimbursement purposes;
- eliminating the requirement for LECs to resell retail Lifeline-discounted service;
- limiting reimbursement to those customers served directly by the Lifeline provider;
- defining "former reservations in Oklahoma;" and
- waiving the requirement for audits to be performed on two first-year ETCs.⁶⁸

In 2016, the FCC reformed the federal Lifeline program to support both voice and broadband services and established minimum service standards for broadband and mobile voice services.⁶⁹ The FCC noted that the \$9.25 of support was to support the cost of service to ensure affordable (not free service)⁷⁰ and created the National Verifier to help prevent waste, fraud, and abuse.⁷¹ The FCC also modified the programs eligible to qualify for the federal Lifeline program by:

- removing LIHEAP, the National School Lunch Program's free lunch program, and TANF;⁷² and
- adding the Veterans Pension benefit or Survivors Pension benefit.⁷³

The FCC amended its rules to eliminate states from using other low-income programs to determine eligibility for federal Lifeline support.⁷⁴ For subscriber's qualifying under the income-based criteria, the FCC adopted the Internal Revenue Service's definition of gross income⁷⁵ and reiterated that an applicant must:

present the entire household's income, including "salary before deductions for taxes, public assistance benefits, social security payments, pensions, unemployment compensation, veteran's benefits, inheritances, alimony, child support payments, worker's compensation benefits, gifts, lottery winnings, and the like. The only exceptions are for student financial aid, military housing and cost-of-living allowances, and irregular income from occasional small jobs.

⁶⁶ Order, ¶ 2, WC Docket No. 11-42, rel. June 25, 2013 (2013 Order). See also § 54.410(a), and § 54.416(a).

⁶⁷ Id., ¶ 6.

⁶⁸ Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, ¶ 12, WC Docket No. 11-42, rel. June 22, 2015.

⁶⁹ 2016 Reform Order, ¶ 6.

⁷⁰ Ibid., ¶ 116.

⁷¹ Ibid., ¶ 126.

⁷² Ibid., ¶ 167.

⁷³ Ibid., ¶ 173.

⁷⁴ Ibid., ¶ 212.

⁷⁵ Ibid., ¶ 202.

Additionally, the consumer must certify they have presented all income for themselves and their household.⁷⁶

The FCC directed “USAC to propose acceptable documentation for the manual review to the Bureau. (Emphasis added). In particular, USAC shall consider how the National Verifier can address possible misuse of eligibility documentation (e.g. SNAP cards lacking identifying information).”⁷⁷ Furthermore, FCC Chairman Pai expressed his concerns regarding providers’ ability to bypass the checks built into the NLAD:⁷⁸

Whatever good it has done (and it does appear to have reduced duplicate fraud to some extent), the NLAD is still designed to allow carriers to bypass its safeguards. For instance, the NLAD employs a third-party independent verifier to review each Lifeline subscriber’s name, date of birth, and partial Social Security number. But carriers can and do override those checks with a push of a button.²⁶ Postal addresses are similarly checked-and can be overridden.²⁷ And same-household duplicates are checked-and can be overridden.²⁸ Each of these carrier overrides is an opening for fraud, and yet USAC does not verify in real time that these overrides are legitimate because the FCC has not told it to do so. Instead, the honor system rules, even when there’s no reason to think a carrier is being honest.

Or consider the problem of misusing eligibility documentation. Some federal programs, like the Supplemental Nutrition Assistance Program (SNAP), distribute temporary cards that lack identifying participant information on their face.²⁹ Without such information on the card, a carrier can use it to validate anyone as Lifeline-eligible, and start receiving a subsidy for providing service. The Order recognizes the problem but defers action for further study—the Washington way of saying ‘we’re not going to do anything about it.’

USAC subsequently released draft [National Verifier Acceptable Documentation Guidelines](#) to assist states in the initial launch of the NLAD. When a consumer’s eligibility, identity, or address cannot be verified, the guidelines identify the minimum accepted documentation requirements with regard to documentation submitted via NLAD.⁷⁹

KCC Staff discussed the issue of verification documentation with USAC’s Lifeline Program Management division.⁸⁰ USAC advised it provides general information regarding acceptable eligibility documentation for Lifeline-qualifying programs to states in which the National Verifier has not been implemented, including Kansas. Please see USAC’s [Verify Subscriber Eligibility](#) page for more information. One such item listed on this page is SNAP, which

⁷⁶ Ibid., ¶ 201.

⁷⁷ Ibid., p. 49, n 372.

⁷⁸ Ibid., Dissenting Statement of Commissioner Ajit Pai, p. 206-207.

⁷⁹ 2016 Reform Order, ¶ 150, recognizing the diverse documentation used to establish identity and eligibility “across the states, territories, Tribal Nations, and eligibility portals” and directing the National Verifier to “maintain information on acceptable documentation types” and “provide guidance about the types of documentation that are acceptable for establishing identity and eligibility for the Lifeline program.”

⁸⁰ November 30, 2018 2:02 P.M. email from Tiffany Brady, Sr. Program Analyst, Lifeline Program, USAC, to Sandy Reams, Assist Chief of Telecommunications, KCC.

requires the consumer to: “Show a card, letter, or official document, as proof that you participate in one of these programs when you apply for Lifeline.”

USAC’s subscriber eligibility information provides examples of documentation that may be used to verify eligibility, but does not include minimum requirements like those set out for the National Verifier documentation. USAC advises providers and subscribers that additional documentation may be needed to prove a subscriber or household qualifies, including official documentation from a government-qualifying program or annual income. These documents include copies of a state identification card and official documentation from the qualifying program(s) (e.g. SNAP card, Medicaid card, etc.) or paystubs for 3 consecutive months (or other acceptable documentation).

USAC’s Lifeline Program division recognizes that, over time, states have required different documentation and eligibility programs and, therefore, USAC does not “identify specific documentation that will or will not be accepted in each state at a given point in time.” While USAC provides guidelines, “service providers are responsible for reviewing proof of eligibility prior to enrolling a consumer in the Lifeline program.”⁸¹

The FCC rules, at this time, do not specifically require a subscriber’s proof of eligibility documentation to contain a customer’s signature. However, FCC rules require an ETC to “securely retain copies of documentation demonstrating a subscriber’s program-based eligibility for Lifeline, consistent with section 54.417, except to the extent such documentation is retained by the National Verifier.” [47 CFR 54.410(b)(ii), (c)(ii)]. Furthermore, 47 CFR 54.410(c)(i)(B), requires:

Acceptable documentation of program eligibility includes the current or prior year's statement of benefits from a qualifying assistance program, a notice or letter of participation in a qualifying assistance program, program participation documents, or another official document demonstrating that the prospective subscriber, one or more of the prospective subscriber's dependents or the prospective subscriber's household receives benefits from a qualifying assistance program.

Lastly, USAC explained it performs an audit based on FCC rules and program requirements, including the documentation verification validating a Lifeline subscriber’s eligibility. If the auditor cannot validate a Lifeline subscriber’s eligibility, USAC considers the lack of validation an audit exception.

⁸¹ Ibid.

December 27, 1996 Order, Docket No. 94-GIMT-478-GIT (190.492-U):

Aid to Dependent Children (ADC)
Food Stamps
General Assistance (GA)
Medicaid
Supplemental Security Income (SSI)
Food Distribution Program

Other:

Must be offered by all Incumbent and Alternative (Competitive) LECs
Customer must provide proof of participation in any of the eligible programs prior to enrollment in program.

Subscriber must not be a dependent, unless 60 years or older

January 21, 2003 Order, Docket No. 00-GIMT-910-GIT:

Criteria added:

Income Criteria-Household Income must be below 150% of Federal Poverty Guidelines

Bureau of Indian Affairs:

Tribally Administered General Assistance Program
Tribally-Administered Temporary Assistance for Needy Families (TANF)
BIA Head Start (only those meeting income qualification criteria)
BIA National School Free Lunch Program

Other:

Clarified that all local exchange carriers (competitive & incumbent) must offer Lifeline & only facilities based carriers receive reimbursement.
Directed Carriers to develop certification forms for subscribers to self-certify their household income.
Encouraged carriers to adopt language for unsworn declarations, set forth in K.S.A. 53-601.
Directed Carriers to add information about Lifeline program on all disconnection notices.

May 19, 2005 Order, Docket No. 05-GIMT-1039-GIT:

Temporary Assistance to Needy Families (TANF) expanded to all Subscribers
National School Lunch Program's Free Lunch Program expanded to all Subscribers

Other:

Income Criterion: Self-certification must be supported by documentation, including: prior year's tax returns, current income statement from employer, Social Security statement of benefits, Veterans Administration statement of benefits, retirement/pension statement of benefits, Unemployment/Workmen's Compensation statement of benefits, federal or tribal notice letter of participation in Bureau of Indian Affairs General Assistance, divorce decree, or child support documentation. If a consumer offers any documentation other than income tax returns, such as current paycheck stubs, the customer must present three (3) consecutive months' worth of the same type of statements within that calendar year.

An officer of an ETC with Lifeline subscribers will certify, pursuant to FCC rules, that the company is in compliance with state Lifeline income certification procedures.

All Lifeline/Link-Up subscribers must annually self-certify to the company that the customer continues to be eligible for the Lifeline program.

All companies must comply with the 47 C.F.R. §54.417 Recordkeeping Requirements, effective June 22, 2005.

August 17, 2011 Order, Docket No. 10-GIMT-658-GIT:

Carriers must receive customer supporting documentation for verification. Carriers no longer need to maintain such documentation.

Company must now provide a copy of ETC certification submitted to USAC. If company does not file federal form with USAC, must still file the form here.

Expanded Programs to Include Low-Income energy Assistance Program (LiEAP) and Section 8 Housing

The Lifeline credit should begin to be applied to the Customer's account as soon as all documentation is received. The Carrier may need to provide customer credits to achieve this.

Resale Discount: The Resale Discount (21.6%) will be applied prior to the application of the Lifeline discount. To do otherwise does not flow-thru the entire credit to consumers to resale providers.

October 18, 2016 Order, Docket No. 16-GIMT-575-GIT

Revised the KLSP eligibility criteria to mirror the federal Lifeline eligibility criteria, beginning December 1, 2016. Allowed subscribers already enrolled prior to December 1, 2016, under any of the retired eligibility criteria to continue to be eligible until their next recertification.

All mobile Eligible Telecommunications Carriers (ETCs) for Kansas Lifeline purposes must request approval of their calling plans for the KLSP at least 30 days prior to offering such plans and receiving support from the KLSP.

Move the Kansas Universal Service Fund (KUSF) snapshot date from the last day to the first day of the month, effective December 2016

All KLSP providers must abide by the FCC's record retention rules in 47 C.F.R. § 54.417

CLECs are no longer required to participate in the KLSP, and CLECs not currently receiving KLSP must be designated as an ETC in order to provide KLSP.

ETCs are no longer required to utilize the KCC-approved Lifeline form but are authorized ETCs to use an enrollment form of their own design that meets state and federal requirements until the FCC's standardized form becomes mandatory

Adopted the FCC's re-certification rules in 47 C.F.R. § 54.410(±) and de-enrollment rules in 47 C.F.R. § 54.405(e)

47 C.F.R. §54.417 Recordkeeping Requirements:

(a) ETCs must maintain records documenting compliance with all FCC and state Commission requirements governing the Lifeline/Link-Up programs for three (3) full preceding calendar years and provide such documentation upon request. ETCs must maintain the documents required in §§54.409(d) and 54.410(b)(3) as long as the customer receives Lifeline service or until audited by the Administrator. An ETC providing Lifeline discounted wholesale service to a reseller must obtain a certificate from the reseller that it is in compliance with all requirements governing the Lifeline/Link-Up programs.

(b) Non-ETC resellers that purchase Lifeline discounted wholesale services to offer such services to low-income consumers must maintain records documenting compliance with all requirements of the Lifeline/Link-Up programs for three (3) full preceding calendar years and provide such documentation upon request by the Commission or Administrator. To the extent the reseller provides discounted services to low-income consumers, it constitutes the ETC carrier references in §54.405(c), 54.409(d), 54.410, and 54.416.

Verification	DOB	SSN4	*Deceased
Reviewed unexpired driver's license	X		
Reviewed birth certificate	X		
Reviewed W-2 from within the last 2 years		X	
Reviewed prior year's state, federal, or Tribal tax return		X	
Reviewed Social Security card or SSA-1099 (Social Security Benefit Statement)		X	
Reviewed Certificate of Naturalization or Certificate of U.S. Citizenship	X		
Reviewed unexpired Permanent Resident Card or unexpired Permanent Resident Alien Card	X		
Reviewed unexpired United States government, military, state, or Tribal issued ID, which includes date of birth and/or Social Security Number and/or Tribal ID,	X	X	
Reviewed unexpired passport	X		
Reviewed military discharge documentation which includes date of birth and/or Social Security Number and/or Tribal ID	X	X	
Reviewed unexpired weapons permit which includes date of birth and/or Social Security Number	X	X	
Reviewed government assistance program document which includes date of birth and/or Social Security Number and/or Tribal ID	X	X	*X
Reviewed statement of benefits from a qualifying program which includes date of birth and/or Social Security Number and/or Tribal ID	X	X	
Reviewed an unemployment/workers' compensation statement of benefits which includes date of birth and/or Social Security Number and/or Tribal ID	X	X	*X
Reviewed eligibility confirmation from state eligibility database or administrator which includes date of birth and/or last four digits of Social Security Number or Tribal ID	X	X	
Reviewed current utility bill ¹			*X
Reviewed current income statement from an employer, such as a paycheck stub			*X
Reviewed current mortgage or lease statement			*X
Reviewed current retirement/pension statement of benefits			*X
**Reviewed a notarized letter affirming the subscriber's identity and alive status			*X

Notes:

¹The utility bill cannot be a telephone bill generated by the service provider.

*Documentation must be dated within three months of the review date.

**The letter needs to include the subscriber's full name, current mailing address, last four digits of their social security number, date of birth, and a statement that the subscriber is not deceased.

Available for viewing at:

<https://www.usac.org/li/tools/nlad/dispute-resolution/tpiv-failure-dr.aspx>, last viewed April 2, 2019.