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June 7, 2023

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: 2023 Review of All Jurisdictional Fixed Utilities'
Universal Service Programs
Docket No. M-2023-3038944

Dear Secretary Chiavetta:

Enclosed please find Verizon's Comments in the above captioned matter.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

A handwritten signature in blue ink that reads "Suzan D. Paiva". The signature is written in a cursive, flowing style.

Suzan D. Paiva

SDP/sau

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

2023 Review of All Jurisdictional :
Fixed Utilities’ Universal Service : Docket No. M-2023-3038944
Programs :

**COMMENTS OF VERIZON PENNSYLVANIA LLC
AND VERIZON NORTH LLC**

In response to the Commission’s March 27, 2023 Secretarial Letter, Verizon Pennsylvania LLC (“Verizon PA”) and Verizon North LLC (“Verizon North”) (together, “Verizon”) submit these comments relating to universal service programs for communications services.

I. BACKGROUND

The Commission is soliciting comments on how it could improve existing fixed utility universal service programs for low-income customers. Ensuring that all customers have access to service is an important issue, but this Commission review should not include communications services because low-income discount programs for voice and internet are governed by federal law. The rules for eligibility, enrollment, recertification and the other issues raised in the Secretarial Letter are set in Federal Communications Commission (“FCC”) regulations. The FCC administers these programs and continues to examine and update them. While the Commission has a role with certain aspects of these federal programs,¹ it must work within and cannot alter or depart from the federal requirements.²

¹ For example, the Commission is authorized by federal law to designate the eligible telecommunications carriers that may offer Lifeline discounts in Pennsylvania through the federal universal service fund. 47 USC § 214. Also, Chapter 30 of the Public Utility Code sets forth some requirements for the operation of the federal Lifeline program in Pennsylvania. 66 Pa. C.S. § 3019(f).

² See 47 U.S.C. § 254(b); 47 CFR § 54.401, et seq.

Lifeline is a federal program that provides eligible low-income consumers with a discount on monthly bills for voice service, internet service, or a combined telephone/internet service product from a landline or wireless provider, supported by the federal universal service fund.³ It is under the jurisdiction of FCC and is administered by an independent non-profit organization called the Universal Service Administrative Company (“USAC”). Lifeline is competitively and technologically neutral. All companies designated as eligible telecommunications carriers (“ETCs”) in a particular geographic area offer Lifeline discounts. The service can be wireline or wireless.

Customers apply for Lifeline discounts through the National Verifier, which is managed by USAC, the administrator of the federal Lifeline program. Once the National Verifier determines the customer is eligible, then any ETC can provide Lifeline service to that customer. Verizon PA and Verizon North are ETCs that offer Lifeline voice discounts throughout their service territories, as well as Lifeline internet discounts in locations where Fios internet is available. But there are numerous other ETCs that also offer Lifeline service discounts on voice and internet services in the same locations, including Verizon’s wireless ETC affiliate TracFone.

Qualifying low-income customers have the freedom to choose their Lifeline provider and technology and are not required to subscribe to Lifeline from the incumbent landline company or to use a wireline or Commission-regulated service. As indicated by information on the

³ Originally, the Lifeline program only provided discounts for voice service. In 2011 the FCC updated its universal service programs and expanded the Lifeline discount to support voice and broadband, both fixed and mobile. *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17672 ¶ 17 (2011), *aff’d sub nom. In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014). The FCC subsequently determined to phase-out the voice-only discounts. See 47 CFR § 54.403(a)(2). However, at the urging of many parties, including Verizon, the FCC paused the phase-out because “we believe that it is appropriate for the Commission to further examine whether the phase-out in Lifeline support for voice-only services is still the best path forward.” *Lifeline and Link Up Reform and Modernization*, Order, WC Docket No. 11- 42, DA 22-706, at 6-7, paras. 14-17, 2022 FCC LEXIS 4244 (WCB 2022).

Commission’s website, the vast majority of eligible customers choose to use their Lifeline benefit to obtain wireless service rather than service from the incumbent landline provider.⁴ Any changes to the Lifeline rules are made by the FCC, subject to the constraints of the governing federal statute. Pennsylvania law on low-income communications discounts defines Lifeline only by reference to this federal program and explicitly prohibits the imposition of “any new Lifeline service discount that is not fully subsidized by the Federal Universal Service Fund.”⁵ The Commission regularly publishes a fact sheet and pamphlet with details about Lifeline service and the available discounts, which provides additional background.⁶

In addition to the Lifeline discounts, there is a newer federal program, the Affordable Connectivity Program (“ACP”), that was created by Congress as part of the Infrastructure Investments and Jobs Act and implemented by FCC to assist eligible households to pay for internet services. ACP provides subsidies for home (wireline) or mobile (wireless) plans with internet access. While these internet services are not under this Commission’s jurisdiction, the existence of the ACP benefit as a supplement to Lifeline provides useful background information. The ACP program is available from multiple internet service providers and the consumer can choose where to use the discount. It allows tens of millions of eligible American households to receive a subsidy up to \$30/month (or \$75/month on Tribal lands) for high-speed internet service. Providers are not required to be ETCs. Customers that are eligible for Lifeline are automatically also eligible for ACP, and they can use both discounts together. In addition, customers who are at 200% or less of federal poverty guidelines or participate in certain

⁴ https://www.puc.pa.gov/media/1968/lifeline_participation2020-21.pdf

⁵ 66 Pa. C.S. § 3019(f).

⁶ The Commission’s fact sheet and pamphlet and additional information are available here. <https://www.puc.pa.gov/about-the-puc/consumer-education/utility-assistance-programs/>

programs can also be certified for eligibility for ACP even if they do not qualify for Lifeline. The funding for ACP is finite, but Congress is being urged to develop a plan to keep the ACP program funded while also developing long-term reforms to current broadband subsidy programs to ensure they operate efficiently, avoid duplication, and target funding to those who need it most.

Verizon provides an additional company-funded internet service discount for ACP-eligible customers called “Fios Forward.” This low-income internet program is designed to help make high-speed internet with no data caps more accessible to customers who qualify for the ACP and apply the ACP benefit to their Fios Internet Service. Verizon has committed to provide its Fios Forward program to qualifying low-income customers for as long as the ACP remains in place. With Fios Forward together with the ACP some Verizon Fios internet plans are free to qualifying customers.⁷

II. RESPONSES TO COMMISSION QUESTIONS

The following are Verizon’s responses to the specific questions listed in the Secretarial Letter. These responses are limited to discounted programs for communications service.

1. What regulatory barriers are in place that would prevent utilities from having one utility do intake and then having that information provided to other utilities that provide service to that consumer for the purpose of universal service and CAP enrollment?

The intake and eligibility determination for Lifeline service must be made by the National Verifier, based on input from the subscriber to verify eligibility under the criteria in the FCC’s regulations.⁸ New and potential Lifeline consumers receive their initial eligibility determination

⁷ Pricing and other terms for Fios Forward are available here. <https://www.verizon.com/home/acp/free-internet/>

⁸ In its *2016 Lifeline Order*, the FCC established the National Verifier as the entity designated to make the initial eligibility determination regarding a potential Lifeline subscriber. *2016 Lifeline Order*, 31 FCC Rcd 3962, 4007, ¶128 (2016). Eligibility criteria are set forth in the FCC’s regulations. *See, e.g.*, 47 CFR § 54.409 and 54.410.

by signing into CheckLifeline.org from any computer or mobile device to create an account, receive an eligibility decision, and use the list of service providers in their area to contact one to enroll. Consumers can also apply by mail. USAC, the administrator of the federal Lifeline program, manages the National Verifier and its customer service department, the Lifeline Support Center. Before providing Lifeline discounted landline or wireless service to a customer, a provider must first query a national database to verify that the applicant is eligible as determined by the National Verifier.

Given this federally mandated process and eligibility criteria, other utility segments would not be permitted to perform intake for Lifeline service. Also, it seems unlikely that USAC and the National Verifier would become involved in qualifying customers for low-income discount programs for other utility segments.

2. What regulatory barriers or other obstacles exist if an outside provider does the intake on behalf of multiple utilities serving the consumer and what solutions exist to overcome any barriers?

An outside entity, the National Verifier, already does the initial intake and eligibility determination for Lifeline service. This process has the benefit of being efficient and competitively neutral because the customer, once verified, can seek service from any provider (wireless or wireline) that offers Lifeline service in the customer's area and can choose whether to use the benefit for voice, broadband, or a combination of both. Most choose to use their benefit to obtain wireless service rather than service from the incumbent landline provider. This process is required by federal law and the Commission cannot alter it.

3. How can consumer consent be built into the intake process that permits the utility doing the intake to provide the enrollment information to the other utilities serving the consumer?

The National Verifier process has resolved this issue for the communications industry because the National Verifier reviews the customer-specific information that the customer submits and informs the providers of the customer's eligibility.

4. Is an automatic enrollment program feasible where any mechanism through which an electronic exchange of information between a utility and a state social service agency confirms the eligibility of public benefits whether or not the information is expressly authorized by the household? If express authorization is needed, rather than automatic enrollment, can that express authorization be provided one time in a uniform application rather than on a utility-by-utility basis using separate applications?

Automatic enrollment in Lifeline service from a specific provider is not feasible or beneficial for the communications segment because eligible customers have the right to seek discounted service from any provider (wireless or wireline) that offers service in the customer's area and they have the choice whether to use the benefit for voice, broadband, or a combination of both. However, the National Verifier process of confirming eligibility is mechanized to a large extent, which minimizes administrative burdens on the customers, as described on USAC's website.⁹ USAC has data connections with various federal and state agencies to determine participation in qualifying programs. Pennsylvania is one of the states that has a direct connection to the National Verifier to automatically verify enrollment in certain qualifying programs.¹⁰ Manual eligibility verification is only required if the customer's information is not

⁹ <https://www.usac.org/lifeline/national-verifier/eligibility-verification/>

¹⁰ See <https://www.usac.org/about/affordable-connectivity-program/acp-processes/check-consumer-eligibility/database-connections/>

found in the automated queries. As discussed below, recertification can also be accomplished automatically through database queries by the National Verifier.¹¹

- 5. Should CAPs be administered statewide across all utility service territories rather than on a utility-by-utility basis? If so, what are the barriers to accomplishing this and what are the benefits and drawbacks to this approach? If not, what are the benefits and drawbacks of continuing to administer the programs on a utility-by-utility basis?**

As a matter of federal law, Lifeline discounts for communications services must continue to be administered by USAC and the National Verifier. This process is efficient and beneficial to the customers.

- 6. What changes would be required to EDCs' and NGDCs' existing, Commission-approved universal service and energy conservation programs to incorporate improvements and could changes be addressed in a streamlined fashion?**

This question does not apply to Verizon.

- 7. What additional consumer education and outreach could be undertaken to make more low-income consumers aware of the benefits that may be available to them?**

There is already substantial consumer education and outreach regarding low-income discounts for communications services, such as Lifeline. Section 3019(f) of the Public Utility Code requires the following:

- ETCs must explicitly advise a customer subscribing to local exchange service of the availability of Lifeline and make reasonable efforts, where appropriate, to determine whether the customer qualifies for such service and, if so, whether the customer wishes to subscribe to the service.
- ETCs must inform existing customers of the availability of Lifeline service twice annually by bill insert or message.
- The Department of Public Welfare (“DPW”) must automatically notify a person who enrolls in a low-income program that qualifies the person for Lifeline of his or her eligibility for Lifeline service. ETCs must provide DPW with Lifeline service descriptions and subscription forms and contact telephone numbers.

¹¹ The FCC waived certain recertification, reverification, usage, and de-enrollment provisions during the COVID-19 pandemic. *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, 35 FCC Rcd 2729 (WCB 2020).

The FCC’s rules also require the Lifeline provider to “[p]ublicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.”¹² In addition, the Commission provides substantial information about Lifeline on its website, with a detailed informational brochure and a shorter fact sheet, along with links to USAC and lists of providers.¹³

8. Can recertification periods in the existing CAP Policy Statement at Section 69.265(8)(viii) be extended so that otherwise eligible consumers do not lose benefits solely due to the fact that they timely failed to recertify their eligibility?

The CAP Policy Statement does not apply to the communications industry.¹⁴ In any event, requirements for recertification and de-enrollment are mandated by FCC regulations and handled by the National Verifier. FCC regulations require annual recertification for Lifeline.¹⁵ One benefit to customers of having the National Verifier handle this process is that the first step is an automated database check and customers that pass this check do not need to take further action; only customers who fail the automated check need to submit a recertification form.¹⁶

9. Can the default provisions in the existing CAP Policy Statement at Section 69.265(9) be modified to reduce the chances that otherwise eligible consumers do not lose benefits solely due to the failure to comply with one of the articulated default provisions?

The CAP Policy Statement does not apply to the communications industry. The requirements to maintain Lifeline benefits are addressed by FCC regulations.¹⁷

¹² 47 CFR § 54.405(b).

¹³ <https://www.puc.pa.gov/about-the-puc/consumer-education/utility-assistance-programs/>

¹⁴ 52 Pa. Code § 69.261 (“Class A electric utilities and natural gas utilities with gross intrastate annual operating revenue in excess of \$40 million should adopt the guidelines in § § 69.263—69.265 (relating to CAP development; scope of CAPs; and CAP design elements) implementing residential CAPs.”)

¹⁵ 47 CFR § 54.410(f).

¹⁶ The recertification process is described here. <https://www.usac.org/lifeline/national-verifier/recertification/>

¹⁷ The FCC rules provide that “[i]f an eligible telecommunications carrier is unable to re-certify a subscriber or has been notified by the National Verifier, a state Lifeline administrator, or other state agency that it is unable to re-

10. Should utilities be required to develop and use standardized CAP forms and CAP procedures? What are the barriers, if any, of establishing a common application?

The Lifeline application is a standardized form published and required by the FCC.¹⁸

11. What other additions or changes to the existing CAP Policy Statement should be made to increase eligibility, enrollment and maintenance of CAP benefits?

The CAP Policy Statement does not apply to the communications industry.

12. Should the CAP Policy Statement be amended to include jurisdictional water public utilities, and, if so, what barriers if any exist to doing so and how can those barriers be overcome?

This question does not apply to Verizon.

13. If a coordinated enrollment process could be achieved with respect to CAP, could that same process be applied to identify eligibility for a utility's Low Income Usage Reduction Program (LIURP) or eligibility for receipt of hardship fund grants?

This question does not apply to Verizon.

14. What changes are required to the Commission's existing policies or regulations to incorporate improvements?

No changes are required to the Commission's existing policies or regulations with respect to Lifeline service or the communications industry.

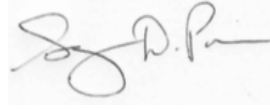
III. CONCLUSION

Verizon thanks the Commission for the opportunity to comment on this important issue. Because Lifeline and other discounted programs for communications services for low-income individuals are governed by federal law and subject to an efficient and robust process through USAC and the National Verifier, the communications industry segment should not be included in this Commission review.

certify a subscriber, the eligible telecommunications carrier must comply with the de-enrollment requirements provided for in § 54.405(e)(4).”

¹⁸ <https://www.usac.org/lifeline/rules-and-requirements/forms/>

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Suzan D. Paiva". The signature is fluid and cursive, with the first name "Suzan" being the most prominent.

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Dated: June 7, 2023