

GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES

Public Services Commission

IN RE:) Docket No. 610
) Order No. 19/2013
Revision of Lifeline Program for the)
Virgin Islands Telephone Company)
_____)

ORDER

WHEREAS, a local Lifeline program applicable to the Virgin Islands Telephone Company (“VITELCO”) had been initiated by Order of the Public Services Commission (“PSC”) on October 3, 1991 in Docket No. 305 and said Order established the amounts of local Lifeline discount and the eligibility requirements for participation in the local Lifeline program;

WHEREAS, the local Lifeline program was intended to complement the federal Lifeline program established by the Federal Communications Commission (“FCC”) and the FCC has made significant changes to the federal Lifeline program several times since the PSC initiated the local Lifeline program, most recently in its *Lifeline Reform Order* in WC Docket No. 11-42, released February 6, 2012;

WHEREAS, the PSC engaged the Georgetown Consulting Group (“GCG”) to conduct an inquiry to determine if any changes to the local Lifeline program were needed to bring it into alignment with the changes ordered by the FCC;

WHEREAS, GCG issued its preliminary report on July 19, 2012 and VITELCO responded on September 17, 2012;

WHEREAS, GCG issued its final report and recommendations on November 10, 2012 and VITELCO responded on December 11, 2012;

WHEREAS, on December 18, 2012, the PSC met in regular session and considered GCG’s report and recommendations and the comments of VITELCO;

NOW THEREFORE, the PSC makes the following determinations and findings of fact:

1. The eligibility criteria used for the existing local Lifeline program should be updated to be in alignment with the rules governing the federal Lifeline program. This will avoid

consumer confusion and minimize certification and verification errors. However, the applicability of certain federal criteria to the Virgin Islands requires clarification from the FCC. VITELCO filed a request for waiver and clarification with the FCC on November 29, 2012. Pending receipt of such clarification, the National School Lunch Program and the Virgin Islands assistance programs under Titles I, X, XIV and XVI of the Social Security Act should not be used to establish Lifeline eligibility.

2. The General Assistance (“GA”) program in the Virgin Islands may be used to determine Lifeline eligibility under both the federal and local Lifeline programs. GA uses the same criteria as the federal Temporary Assistance to Needy Families (“TANF”) program, which is one of the programs used to establish eligibility for the federal Lifeline program. FCC rules allow states to use local assistance programs to establish eligibility for federal Lifeline support as long as eligibility is based exclusively on income or factors related to income.
3. The FCC’s *Lifeline Reform Order* replaced the previous tiered Lifeline discount mechanism with a single \$9.25 monthly federal discount effective April, 2012.
4. Docket No. 305 established two levels of local Lifeline support. All consumers meeting an income test were to receive a basic discount of \$3.50 off monthly local rates while consumers enrolled in certain public assistance programs were to receive an additional monthly discount of \$7.05.
5. Both levels of local Lifeline discount were funded through the rates charged to VITELCO’s non-Lifeline customers.
6. The PSC has not modified the local Lifeline discounts since issuing the October 3, 1991 Order in Docket No. 305.
7. For some time, VITELCO has not been providing the \$3.50 per month in local discount. However, there is no evidence that VITELCO deliberately violated the PSC’s rules.
8. Almost all of VITELCO’s current Lifeline customers meet the PSC’s eligibility criteria for both the basic local discount and the additional discount. Consequently, there is no reason to continue the bifurcated approach established by the PSC in Docket No. 305. All Lifeline customers should receive the total amount of local Lifeline discount previously ordered for both levels of participation.
9. Consumer participation in the Lifeline program is much lower than could be expected based on household incomes in the Virgin Islands. Greater outreach efforts by VITELCO and the Department of Human Services (“DHS”) should be encouraged. At a minimum, VITELCO should continue and expand coordinated enrollment with DHS, the Department of Health and the Housing Authority.
10. Access to high-speed Internet allows all people to participate in economic and social growth and should be made available to Lifeline consumers. At this time, the availability of such access is not a mandatory part of the federal Lifeline program. However, VITELCO should be encouraged to extend Lifeline benefits to otherwise

qualified consumers who subscribe to bundles of services that include basic residential telephone service along with high-speed Internet services.

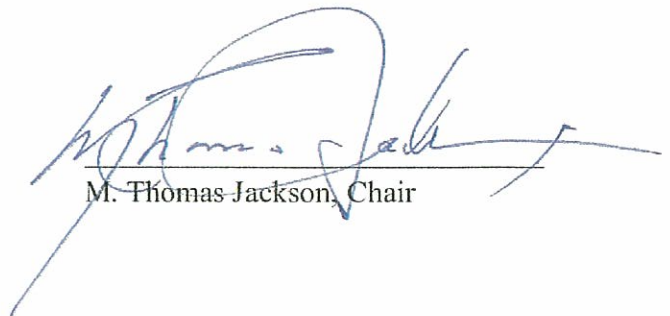
IT IS HEREBY ORDERED:

1. The eligibility requirements for the local Lifeline program shall conform to the eligibility requirements for the federal Lifeline program. Eligibility may be established based either on income or participation in FCC or PSC approved assistance programs.
2. Enrollment in the Virgin Islands General Assistance program may be used to establish consumer eligibility to participate in the Lifeline program.
3. The PSC shall file comments in support of VITELCO's petition with the FCC for waiver and clarification of the rules related to eligibility requirements. Pending the outcome of that petition, the National School Lunch Program and the Virgin Islands assistance programs under Titles I, X, XIV and XVI of the Social Security Act should not be used to establish Lifeline eligibility.
4. Pending clarification of the FCC's Lifeline rules, income-based eligibility should be based on 135% of the Federal Poverty Guidelines for the U.S. Mainland as published by the federal Department of Human Services.
5. VITELCO shall update its Lifeline Application forms to comply with the eligibility criteria ordered above.
6. The distinction between income-based and program-based support in the local Lifeline program is eliminated. Effective April, 2012, all Lifeline consumers shall receive a discount of \$10.55 from monthly residential rates for basic local service in addition to the amount of federal support.
7. VITELCO shall provide a credit of \$3.50 per month retroactive to April 2012 to all existing Lifeline subscribers. No fines or penalties will be assessed to VITELCO for its discontinuation of the basic local discount without PSC approval.
8. No changes to the amount of local Lifeline discount shall be permitted without a written order from the PSC. If the FCC changes its program-based eligibility criteria for the federal discount, VITELCO shall formally bring the changes to the PSC for review.

So Ordered.

For the Commission

Dated: January 3, 2013



M. Thomas Jackson, Chair