



624 North Marine Corps Drive
Tamuning, Guam 96913

May 29, 2012

VIA HAND DELIVERY AND ELECTRONIC MAIL

Public Utilities Commission of Guam
GCIC Building, Suite 207
Hagatna, Guam 96932



**Re: Tariff Transmittal No. 19
General Exchange Tariff No. 1
Telephone Assistance Programs**

TeleGuam Holdings, LLC ("GTA") files this revised tariff page transmittal to adjust the discount for Lifeline Services and to allow for the discontinuance of discounted service order charges, commonly called Link-Up.

- Section 5, Second Revised Page No. 50, Cancelling First Revised Page No. 50
- Section 5, Second Revised Page No. 51, Cancelling First Revised Page No. 54
- Section 5, First Revised Page No. 55.2, Cancelling Original Page 55.2
- Section 5, First Revised Page No. 55.3, Cancelling Original Page 55.3
- Section 5, First Revised Page No. 55.4, Cancelling Original Page 55.4
- Section 5, First Revised Page No. 55.5, Cancelling Original Page 55.5
- Section 5, First Revised Page No. 55.6, Cancelling Original Page 55.6

On January 21, 2012 the Federal Communications Commission ("FCC") issued a Report and Order and Further Notice of Proposed Rulemaking under FCC Order 12-11¹ ("Order") regarding Lifeline and Link-Up Reform. In that Order the FCC adjusted Lifeline credits and removed all federal reimbursements that telecommunications carriers can seek for Link Up Services. That Order was later postponed and Public Notice was issued on May 1, 2012 implementing the Order issued on January 21, 2012.

Since the FCC has changed the Lifeline credits and removed the Link-Up subsidy, GTA respectfully submits for approval discontinuance of any discounts for service ordering charges in conjunction with the federally funded Link-Up program. All other Telephone Assistance Programs remain in effect and are not changed.

¹ Lifeline and Link Up Reform and Modernization, WC Dkt. No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, FCC Order 12-11; Report and Order and Further Notice of Proposed Rulemaking Released January 31, 2012, Released February 6, 2012. See Paragraph 240 for Link Up reforms.



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In accordance with 12 GCA § the notice provisions of Section 12106(b) of the Guam Telecom Act, GTA requests that the Commission approve this filing to be effective 30 days hence, on June 28, 2012. An original and one (1) copy of the tariff revisions are enclosed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Eric N. Votaw", is written over the typed name.

Eric N. Votaw
Vice President, Regulatory

Cc: Fred Horecky, Guam PUC
John Day, PDS
Craig Thompson - Guam Telecom
Enclosure(s)

MISCELLANEOUS SERVICE (cont'd)

XII. TELEPHONE ASSISTANCE PROGRAMS

A. General

1. GTAs Telephone Assistance Programs are federal funded programs established to provide discounted services to low income households, eligible schools and librarians and rural health care providers.
2. Assistance to low income households in the form of:
 - a.
 - b. discounted monthly single line residential rate for the subscribers primary access line.

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B. Definitions

Health care providers: post-secondary educational institutions offering health care instruction, teaching hospitals and medical schools, community health centers, local health departments or agencies, community mental health centers, non-profit hospitals, rural health clinics and consortia of these providers. Rural home care providers are not included.

Librarians: Individual branch libraries, library facilities, library systems and consortia. Libraries include a public library, a public elementary or secondary school library, an academic library and any other institution defined as a library by the Library Services and Technology Act of 1996.

Rural: All of Guam except within the municipal boundaries of Agana.

School: Individual primary or secondary schools, school districts and consortia of schools and/or school districts, excluding colleges and universities. Elementary and secondary schools must meet the definition in the Elementary and Secondary Education Act of 1965.

Urban: Within the municipal boundaries of Hagatna.

MISCELLANEOUS SERVICE (cont'd)

XII. TELEPHONE ASSISTANCE PROGRAMS (cont'd)

C. Lifeline Service

1. Description of Service

- a. The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service to qualifying low income residential subscribers.
- b. Lifeline is supported by the federal universal service support mechanism.
- c. The total Lifeline credit available to an eligible customer on Guam is \$9.25. The amount of credit will not exceed the charge for local service. C

2. Regulations

a. General

- 1.) Lifeline applicants must provide proof that qualification of low income assistance programs identified in sub-paragraph C.2.b.1 or documentation for qualification to meet income tests based on Federal Poverty Guidelines as described in C.2.b.2. C
- 2.) One Lifeline income credit is available per household and one or more of the household members must be a current recipient of any of the low income assistance programs identified in sub-paragraph C.2.b.1 following or meet the income test based on Federal Poverty Guidelines as described in Subsection C.2.b.2 following. The subscriber need not necessarily be a recipient of low income assistance programs or meet the income test. C
- 3.) A Lifeline customer may subscribe to any local service offering available to other residence customers. Since the Lifeline credit is applicable to the primary residential connection only, it may not be applied to a multiple line package local service offering.

MISCELLANEOUS SERVICE (cont'd)

XII. TELEPHONE ASSISTANCE PROGRAMS (cont'd)

C. Lifeline Service

3. Rates and Charges

- a. Lifeline is provided a monthly credit on the eligible residential subscriber's bill for local service.
- b. Service Charges in Section 3.II.A preceding are applicable for installing or changing Lifeline service.
- c.
- d. The secondary service Charge in Section 3.II.A preceding

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MISCELLANEOUS SERVICE (cont'd)

XII. TELEPHONE ASSISTANCE PROGRAMS (cont'd)

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D. Link-Up Service

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MISCELLANEOUS SERVICE (cont'd)

XII. TELEPHONE ASSISTANCE PROGRAMS (cont'd)

D. Link-Up Service

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MISCELLANEOUS SERVICE (cont'd)

XII. TELEPHONE ASSISTANCE PROGRAMS (cont'd)

D. Link-Up Service

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MISCELLANEOUS SERVICE (cont'd)

XII. TELEPHONE ASSISTANCE PROGRAMS (cont'd)

D. Link-Up Service

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PUBLIC NOTICE

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

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>

DA 12-689

Release Date: May, 1, 2012

WIRELINE COMPETITION BUREAU PROVIDES NOTICE REGARDING THE EFFECTIVE DATE OF CERTAIN RULES ADOPTED IN THE LIFELINE REFORM ORDER

WC Docket Nos. 11-42, 03-109, 12-23 and CC Docket No. 96-45

In this Public Notice, the Wireline Competition Bureau (WCB) announces the effective dates of certain rules adopted in the *Lifeline Reform Order*¹ that include information collection provisions and were therefore subject to approval by the Office of Management and Budget (OMB).² As described in more detail below, May 1, 2012 is the effective date for most of the rules containing information collections that were approved by OMB.³ This Public Notice also announces that, with respect to the new \$9.25 basic support amount for Lifeline subscribers, the Bureau is providing Eligible Telecommunications Carriers (ETCs) with additional flexibility to transition to the new support amount over the next three months. Such flexibility will not affect the savings target established in the *Lifeline Reform Order* and the Commission's commitment to fiscal responsibility for the Lifeline program.

Low-Income Support. The *Lifeline Reform Order* established an interim, flat-rate support amount of \$9.25 per line per month beginning with April 2012 disbursements.⁴ ETCs seek Lifeline

¹ See *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Dkt. Nos. 11-42 *et al.*, CC Dkt. No. 96-45, FCC 12-11 (rel. Feb. 6, 2012) (*Lifeline Reform Order*).

² The Federal Communications Commission (Commission) sought and received approval from OMB, for six months, for certain of the information collection requirements adopted as part of the *Lifeline Reform Order*. See Notice of OMB Action, OMB Control Number 3060-0819 (Apr. 13, 2012) (*OMB Notice of Action*). In addition to the rules addressed in this notice, the Commission initially sought, but later withdrew its request for, temporary approval for the biennial audit requirement of 47 C.F.R. § 54.420(a), the temporary address confirmation and recertification requirements of 47 C.F.R. § 54.410(g) and the portion of 47 C.F.R. § 54.405(e)(4) relating to temporary address de-enrollment. In addition, the Commission has not yet sought approval of the portion of 47 C.F.R. § 54.405(c) relating to marketing disclosures describing the service, although OMB has approved similar language on the customer certification form as required by 47 C.F.R. §§ 54.410 and 54.405(c). WCB anticipates that the Commission will seek approval of the remaining information collection provisions arising from the *Lifeline Reform Order* in the near future.

³ See 77 FR 25609, May 1, 2012 (announcing that OMB has approved the information collection requirements of certain rules.)

⁴ *Lifeline Reform Order* at para. 58.

support from USAC using the FCC Form 497. The FCC Form 497 has been revised to reflect new rules adopted in the *Lifeline Reform Order*.⁵ OMB has approved revisions to the FCC Form 497, which includes a reference to the \$9.25 flat-rate basic support amount established by the revised section 54.403(a)(1). To address concerns raised by some parties that it may take additional time for them to implement the new \$9.25 flat-rate support amount,⁶ but also recognizing the fact that some ETCs relied on the *Lifeline Reform Order's* directive to seek \$9.25 in support for April, we now, on our own motion, issue a temporary waiver of the requirement that all ETCs seek \$9.25 flat-rate support on the revised Form 497 to allow this change to be phased in, as discussed below.⁷ For service provided from April 1 through July 31, 2012, ETCs *may*, at their own election, seek support under either the previous Tiers 1-3 structure or the new \$9.25 flat-rate support amount. Regardless of whether an ETC seeks support under the prior Tiers 1-3 structure or the \$9.25 flat-rate support amount, ETCs must use the existing Form 497 posted on USAC's webpage.⁸ For service provided on August 1, 2012 and thereafter, all ETCs *must* utilize the revised FCC Form 497 and seek \$9.25 flat-rate support.

The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.⁹ In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.¹⁰ We find that a temporary waiver to allow ETCs the flexibility to implement the \$9.25 flat-rate support amount is appropriate in this case. Giving ETCs additional time to come into compliance will allow them to make necessary filings, provide customers with sufficient notice, and make changes to their

⁵ See, e.g., section 54.403(a) (setting the basic support amount at \$9.25); section 54.403(c) (support for Toll Limitation Service); section 54.407(d) (requiring ETC certification with each request for reimbursement that the ETC is in compliance of all of the Lifeline rules and has, to the extent necessary, obtained valid certification and recertification forms from each subscriber for whom the ETC is seeking reimbursement).

⁶ For example, incumbent LECs argue that they need time to file the necessary tariffs and notices, provide advance notice to their customers, and modify their billing and other back-office systems in order to transition to a \$9.25 disbursement rate. See generally Petition for Waiver and Clarification of the United States Telecom Association, the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, the Western Telecommunications Alliance, and the Eastern Rural Telecom Association, WC Dkt. Nos. 11-42 *et al.* CC Dkt. No. 96-45 (filed Mar. 9, 2012) (*USTelecom et al., Petition*). Pre-paid wireless carriers also assert that the necessary regulatory requirements and systems modifications will take time to implement. See, e.g., TracFone Comments on *US Telecom et al., Petition* at 3.

⁷ In a March 29, 2012 Public Notice, we explained that we would provide additional time after OMB approval for ETCs to come into compliance with the new \$9.25 flat-rate support amount. Wireline Competition Bureau Provides Guidance Regarding the Effective Date of Certain Rules Adopted in the Lifeline Reform Order, Public Notice, WC Dkt. No. 11-42 *et al.*, CC Dkt. No. 96-45, DA 12-493 (Wireline Comp. Bur. Mar. 29, 2012).

⁸ We direct USAC to provide ETCs with clear instructions on how they can seek \$9.25 in support utilizing the existing Form 497. Regardless of the option chosen by the ETC, the ETC must pass through the full support amount to the Lifeline subscriber. See 47 C.F.R. § 54.403(a)(1). We note that this requirement pre-dates the *Lifeline Reform Order*. See e.g., *Lifeline Reform Order*, paras. 53, 270, n.179.

⁹ *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

¹⁰ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

systems.¹¹ Permitting those ETCs that are ready to transition immediately to the \$9.25 flat-rate support amount to do so, however, will allow those ETCs who moved expeditiously to implement the *Lifeline Reform Order* to implement the new support amount.¹² This temporary waiver of the \$9.25 flat-rate will not affect the Commission's 2012 savings target and its ongoing commitment to fiscal responsibility.¹³

Other Lifeline Rules. OMB also approved the information collection requirements of the following rules adopted or amended in the *Lifeline Reform Order*.¹⁴

54.202(a)	Required Showings For ETC Designation
54.401(d)	Required Filings with Administrator For State ETC Designations
54.403	Lifeline Support Amount
54.404	National Lifeline Accountability Database ¹⁵
54.405	Carrier Obligation to Offer Lifeline (except for portions of section 54.405(c) (Required Disclosures) ¹⁶ and section 54.405(e)(4) (De-enrollment for failure to re-certify)) ¹⁷
54.407	Requirements for Obtaining Reimbursement and Usage Requirement
54.410(a) through (f)	Subscriber Eligibility Determination and Certification
54.416	Annual ETC Certifications
54.417	Recordkeeping Requirements

¹¹ ETCs indicate that most notification and tariff filings require several weeks for preparation and, in most cases, 30 days or less between filing and the effective date, subject to protest. While some ETCs argue that it will take longer than 30 days to modify their systems to implement the new flat-rate support, others believe it will take less time. ETCs estimate that customer notifications will take less than 90 days to prepare and send out. *See, e.g., CenturyLink Comments USTelecom et al., Petition at 3-7; ACS Comments on USTelecom et al., Petition at 3; AT&T Comments on USTelecom et al., Petition at Attach.* We also note that the *Lifeline Reform Order* was released on February 6, 2012. Therefore, ETCs will have well over five months to take steps to transition to the new flat-rate support amount.

¹² *See, e.g., AT&T Comments on USTelecom et al., Petition at n.3* (regarding changes already implemented by AT&T Mobility).

¹³ The savings target established in the *Lifeline Reform Order* is not affected by the level of monthly support because the \$9.25 support amount established in the Order is the nationwide average support level for all non-Tribal Lifeline subscribers as of September 2011. *See Lifeline Reform Order* para 53.

¹⁴ *See OMB Notice of Action.*

¹⁵ ETCs are not obligated to comply with any of the requirements of section 54.404 until the database is operational. ETCs' initial duty under section 54.404 is their obligation to transmit the required subscriber information to the database. As described in the *Lifeline Reform Order*, ETCs must provide this information with respect to new subscribers within 60 days of the Bureau providing notice that the database is ready to accept the data. *See Lifeline Reform Order* at para. 184.

¹⁶ As noted above, the Commission has not yet sought approval for the portion of section 54.405(c) relating to marketing disclosures. OMB has approved similar language on the customer certification form as required by sections 54.410 and 54.405(c).

¹⁷ The portion of section 54.405(e) relating to de-enrollment for subscribers who fail to re-certify their temporary address is not yet effective.

54.420(b)
54.422

Audit Requirements for New ETCs
Annual Reporting Requirements

These rules, with the exception of section 54.410(a)-(f), and except as described herein with regard to phasing in the \$9.25 support amount, are effective May 1, 2012. Section 54.410(a) through (f) will be effective on June 1, 2012.¹⁸

Accordingly, pursuant to sections 1, 4, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154, 254, and sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 1.3, the Wireline Competition Bureau hereby WAIVES paragraph 58 of FCC 12-11 and section 54.403(a)(1) of the Commission's rules, as amended in FCC 12-11, to the extent described above.

Action by the Chief, Wireline Competition Bureau

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

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¹⁸ See Lifeline and Link Up Reform and Modernization, Final Rule, Correction, 77 Fed. Reg. 19,125 (2012).