

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON D.C. 20554**

In the Matter of:	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link Up	)	WC Docket No. 03-109

**Reply Comments of the  
Michigan Public Service Commission**

On March 4, 2011, the Federal Communications Commission (FCC) issued a Notice of Proposed Rulemaking (NPRM) in the above-mentioned dockets regarding Lifeline and Link Up Reform and Modernization. The Michigan Public Service Commission (MPSC) filed initial comments on Sections IV, V (Subsection A) and VII (Subsection B & D) of the NPRM on April 21, 2011. The MPSC files the following reply comments in response to AT&T's comments on one key issue in Section VII (Subsection D) of the NPRM. This issue relates to the establishment of a national database for online certification and verification of low-income households. The MPSC herein reiterates the position taken in its comments filed April 21, 2011.

As stated in the comments filed April 21, the MPSC supports the establishment of a national database for online certification and verification of low-income households as long as the Universal Service Fund (USF) can support the costs and administrative duties required to collect the data and maintain such a system. In addition, the MPSC agrees with comments

submitted by Florida<sup>1</sup>, Indiana<sup>2</sup> and Missouri<sup>3</sup> that the cost burden of a national database should not fall on state governments.

In its April 21 comments to the NPRM, AT&T asserted that "A state (through its designated state entity or other state-approved entities, such as social services agencies) should be responsible for determining whether a particular consumer is eligible for Lifeline support (based on either participation in a certain public assistance program or household income). One of the most significant but also most common sense changes we propose is that the Commission should take Lifeline Providers out of the role of determining whether consumers are eligible for the Lifeline program, as existing Lifeline providers currently are required to do. Instead, states should be given the job of determining whether consumers are eligible for Lifeline benefits . . .” The MPSC sees no reason to change the current structure where providers determine eligibility for lifeline phone services.

If the FCC does take this approach, then there are issues that must be considered. Before states could assist in the development of a national database, other state agencies such as social service agencies would likely need to be involved and this could vary from state to state. To put an additional burden on an existing state agency might require that they be compensated for time spent on the income certification and verification database. The MPSC is not certain where this funding would come from. Under these tight economic times, this could have a detrimental effect on a state’s limited resources. If funds were allocated to cover the cost to these other state agencies that might be involved such as a state social service agency, this could alleviate the financial cost concern. However, if the cost burden falls on the USF, the MPSC can only support a national database if the USF can support it both financially and administratively.

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<sup>1</sup> Comments of the Florida Public Service Commission, Section VII (Subsection D) of the NPRM, p 24.

<sup>2</sup> Comments of the Indiana Utility Regulatory Commission, Section VII (Subsection D) of the NPRM, p 12.

<sup>3</sup> Comments of the Public Service Commission of Missouri, Section VII (Subsection D) of the NPRM, p 18.

Respectfully submitted,

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