

# Alabama Public Service Commission

## Orders

**IN RE: IMPLEMENTATION OF THE DOCKET 25980  
UNIVERSAL SERVICE REQUIREMENTS OF  
SECTION 254 OF THE  
TELECOMMUNICATIONS ACT OF 1996.**

### **FURTHER ORDER**

#### **BY THE COMMISSION:**

Pursuant to our *Fourth Report and Order* entered in this cause on November 25, 1997, we revised the Lifeline Assistance ("Lifeline") and Lifeline Connection Assistance ("Link-up") programs in Alabama in order to reconcile those programs with the rules and regulations promulgated by the Federal Communications Commission ("FCC") in its May 8, 1997 *Universal Service Order*. Our primary objective in conforming the Alabama Lifeline and Link-up plan requirements to those of the FCC was to ensure the availability of additional federal funding for consumers in Alabama who qualified for assistance under those plans.

One of the revisions to the Lifeline plan in Alabama was the adoption of the FCC's requirement prohibiting Eligible Telecommunications Carriers ("ETC's") from disconnecting Lifeline service for nonpayment of toll charges. We found the FCC's rule in that regard to be reasonable and accordingly prohibited carriers in Alabama from disconnecting the Lifeline service of Alabama consumers due to nonpayment of toll charges.

On July 30, 1999, a three judge panel of the United States Court of Appeals for the Fifth Circuit issued a decision affirming in part, remanding in part, and reversing in part the FCC's May 8, 1997 *Universal Service Order*. The FCC's promulgation of the aforementioned no disconnect rule was one of the matters on which the court overturned the FCC. The Fifth Circuit in fact held that the FCC did not have jurisdiction under the Universal Service provisions in §254 of the Telecommunications Act of 1996 to impose the no disconnect rule. The FCC accordingly amended its regulations to eliminate the no disconnect rule pursuant to Order adopted and released on October 8, 1999.

Based on the actions of the FCC and the Fifth Circuit's findings and conclusions, it appears that the decision of whether to prohibit the disconnection of Lifeline service for the nonpayment of toll charges is largely an intrastate matter. In light of our heightened jurisdictional authority concerning this subject, we have revisited the conclusions reached in our *Fourth Report and Order* regarding the no disconnect rule. Although we reaffirm our previous finding that ETC's should not be allowed to disconnect Lifeline service due to the nonpayment of toll bills, we find that ETC's should be allowed to block the toll service of Lifeline customers who have unpaid toll bills that are in excess of thirty (30) days past-due. The affected customers should, however, receive prior notification of the toll blocking that will be imposed upon them in the same manner that they receive notice of termination of other telecommunications services pursuant to the Commission's General Rule 12. We further note that the toll blocking imposed on Lifeline customers must be lifted upon a demonstration that the customers in question have paid all outstanding toll charges.

We also note that the amount of support available to customers who qualify for the Lifeline program has increased as the result of an increase in the federal subscriber line charge. That charge, which is waived for Lifeline customers, increased from \$3.50 to \$4.35 per month on July 1, 2000. The federal subscriber line charge is scheduled for an additional increase in July of 2001. We hereby clarify that all customers eligible for Lifeline assistance in Alabama are entitled to a waiver of the prevailing federal subscriber line charge.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That Eligible Telecommunications Carriers in Alabama shall be allowed to block the toll service of Lifeline customers who have unpaid toll bills that are in excess of thirty (30) days past-due provided the affected customers are given prior notification of such blocking pursuant to the Commission's General Rule 12.

IT IS FURTHER ORDERED BY THE COMMISSION, That the toll blocking imposed on Lifeline customers who have unpaid toll bills shall be lifted upon a demonstration that the affected customers have paid all outstanding toll charges.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 7th day of June, 2001.

ALABAMA PUBLIC SERVICE COMMISSION

Jim Sullivan, President

Jan Cook, Commissioner

George C. Wallace, Jr., Commissioner

ATTEST: A True Copy

Walter L. Thomas, Jr., Secretary

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