

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6657

Investigation into Availability of Lifeline )  
Program for Customers of Competitive )  
Local Exchange Carriers )  
)

Order entered: 3/26/2002

**ORDER OPENING INVESTIGATION**  
**AND NOTICE OF PREHEARING CONFERENCE**

**I. BACKGROUND**

On June 12, 2001, the Vermont Department of Public Service ("Department") filed a petition seeking an investigation into requiring local exchange carriers to provide Lifeline benefits to qualifying Vermont consumers. The Lifeline benefit in Vermont provides eligible telephone customers with reductions in their monthly bills. The reduction amounts to waiver of the federal "subscriber line charge" plus either 50 percent of the monthly basic service charge – including mileage charges and potentially certain usage charges, or \$7.00, whichever is greater. 30 V.S.A. § 218(c)(2). In support of its petition, the Department asserted that all ten incumbent local exchange carriers in Vermont provide Lifeline benefits to their customers and receive federal support. The Department also asserted, however, that other competitive local exchange carriers ("CLECs") do not offer Lifeline, and customers who are eligible for Lifeline thus "are forced to decide between the benefits of receiving [Lifeline] credits and the benefits of competition." Accordingly, the Department asks that "competitive local exchange carriers be required to provide Lifeline credits to qualifying residential consumers in Vermont." The Department also asks that the Board direct that state universal service funds be authorized for that purpose.

**II. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. An investigation is commenced, pursuant to 30 V.S.A. §§ 203(5), 209(a) and 218(c), into whether competitive local exchange carriers should be required to provide Lifeline credits to qualifying residential consumers in Vermont and whether state universal service funds should be authorized for that purpose.

2. Pursuant to 30 V.S.A. § 8, Peter Bluhm, Director of Regulatory Policy, is appointed to serve as the Hearing Officer in this proceeding.

3. Pursuant to 30 V.S.A. § 10, a prehearing conference will be held in this matter on Friday, April 12, 2002, commencing at 9:30 A.M., at the Public Service Board Hearing Room, Third Floor, Chittenden Bank Building, 112 State Street, Montpelier, Vermont.

Dated at Montpelier, Vermont, this 26<sup>th</sup> day of March, 2002.

<u>s/Michael H. Dworkin</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: March 26, 2002

ATTEST: s/Susan M. Hudson

Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or mail) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us)*