

**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R021-14

Docket No. 13-06021

February 13, 2014

EXPLANATION: Matter in *blue bold italics* is new; matter in brackets ~~red omitted materials~~ is material to be omitted; matter in *black italics* is matter modified by LCB in R143-13, PUCN Docket No. 13-06019.

AUTHORITY: §§1-17, NRS 703.025, 704.040, 704.210, 704.6873; §8, NRS 707.490; §13, NRS 704.140.

A REGULATION relating to telecommunications; revision provisions governing the duties of the Eligibility Administrator and Fund Administrator in enforcing the provision of Lifeline telecommunication services; and other matters properly relating thereto.

Section 1. Chapter 704 of NAC, and more specifically NAC 704.6804 to 704.68056 is hereby amended by adding thereto the provisions set forth in Sections 2 to 5, inclusive, and amending existing provisions as set forth in Sections 6 to 17, inclusive.¹

Sec. 2. *“Eligibility Administrator” means the independent Administrator selected by the Commission to perform Lifeline eligibility functions pursuant to NRS 704.040(6).*

Sec. 3. *“Eligibility Responsibility Party” means:*

(1) before the active date set by the Commission pursuant to Section 4 of this regulation, the eligible telecommunications carriers individually, and

(2) after the active date set by the Commission pursuant to Section 4 of this regulation, the Eligibility Administrator.

Sec. 4. *Selection of Eligibility Administrator and Fund Administrator.*

1. The Commission shall select an Eligibility Administrator and a Fund Administrator through the use of open competitive bidding based upon a scope of work issued by the Commission.

2. The Commission may select and contract with the same or separate entities to act as Eligibility Administrator and Fund Administrator.

¹ Sections 13 to 17 contain changes that are being proposed in Docket No. 13-06019 as well as changes being proposed in the present Docket.

- 3. The Commission shall, by order, set the date upon which the Eligibility Administrator process is deemed active, at which point responsibilities for certifying, recertifying and responding to prospective Lifeline subscribers and making eligibility determinations as set forth in Sections 13-17 of this regulation, shall transfer from eligible telecommunications carriers to the Eligibility Administrator.*

Sec. 5. Duties of Eligibility Administrator.

The Eligibility Administrator shall:

- 1. have a duty to maintain confidentiality of all customer and carrier data received;*
- 2. prepare Lifeline certification and recertification forms that comply with the requirements of 47 C.F.R. § 54.410(d) and state law;*
- 3. receive and respond to customer requests for Lifeline service, including providing customers with Lifeline certification forms, and receiving back from the customer completed forms and documentation demonstrating that a prospective subscriber qualifies for Lifeline support under NAC 704.680474;*
- 4. create a database of customers applying for and/or receiving Lifeline service, which database shall include all information required by 47 C.F.R. Section 54.404(b)(6);*
- 5. interact with state and federal agencies with information on program eligibility from the list of programs set forth in NAC 704.680474, to the extent such agencies maintain such information and will provide it to the Eligibility Administrator;*
- 6. query the National Lifeline Accountability Database to verify eligibility for certification of applicants in the state database created pursuant to subsection 5;*
- 7. make the determination whether or not customer applicants are eligible for Lifeline service, and inform the eligible telecommunications carrier selected by the customer and the customer applicant of that determination, including providing the eligible telecommunications carrier with a copy of the certification, if applicable; and*
- 8. recertify continued customer eligibility annually as provided in NAC 704.6804743 and 47 CFR 54.410(f), and inform the eligible telecommunications carrier of record, as determined by the Eligibility Administrator's records and the National Lifeline Accountability Database, as to whether the customer is still eligible, including providing the eligible telecommunications carrier with the information required by Section 15 of this Regulation.*

Sec. 6. NAC 704.68041 is hereby amended to read as follows:

704.68041 “**Fund** Administrator” defined.

“**Fund** Administrator” means the independent Administrator selected by the Commission to administer the fund to maintain the availability of telephone service *pursuant to NRS 704.040(5)*.

Sec. 7. NAC 704.68044 is hereby amended to read as follows:

NAC 704.68044 Duties of **Fund**_Administrator ~~{of fund}~~.

The **Fund** Administrator shall:

1. Conduct periodic audits of contributors to the fund to maintain the availability of telephone service to ensure that the correct payments are being remitted by persons providing intrastate telecommunication service or the functional equivalent of such service through any form of telephony technology, unless the levy and collection of an assessment with regard to a particular form of technology is prohibited by federal law.
2. Verify the qualifications of an applicant who requests support from the fund to maintain the availability of telephone service.
3. Collect assessments from all persons providing intrastate telecommunication service or the functional equivalent of such service through any form of telephony technology, unless the levy and collection of an assessment with regard to a particular form of technology is prohibited by federal law and deposit that money into the fund to maintain the availability of telephone service.
4. Disburse money from the fund to maintain the availability of telephone service to eligible telecommunications carriers who qualify for funding in accordance with NAC 704.6804 to 704.68056, inclusive, and with applicable orders of the Commission.
5. Prepare a quarterly report of all activities of the fund to maintain the availability of telephone service, including:
 - (a) The total quarterly and year-to-date payments into the fund to maintain the availability of telephone service from all persons who provide telecommunication service or the functional equivalent of such service through any form of telephony technology, unless the levy and collection of an assessment with regard to a particular form of technology is prohibited by federal law;

(b) An itemization of all disbursements from the fund to maintain the availability of telephone service to each qualified eligible telecommunications carrier; and

(c) The results of any audits of contributors conducted pursuant to subsection 1.

6. Prepare and submit a request to the Commission to collect money for and disburse money from the fund to maintain the availability of telephone service, which includes:

(a) The estimated amount of money required to support the fund to maintain the availability of telephone service for the following year; and

(b) The percentage rate which must be applied to the intrastate retail revenues derived from telecommunication service of all of the providers of intrastate telecommunication service or the functional equivalent of such service through any form of telephony technology, unless the levy and collection of an assessment with regard to a particular form of technology is prohibited by federal law to raise the estimated amount of money required, as reported in paragraph (a).

Sec. 8. NAC 704.680478 is hereby amended to read as follows:

NAC 704.680478 Request for disbursement from fund to eligible telecommunications carrier for reimbursement of costs of providing discount in rate for Lifeline service.

1. A provider of telecommunication service who is designated as an eligible telecommunications carrier may file directly with the *Fund* Administrator a request for a disbursement of money from the fund to maintain the availability of telephone service for reimbursement of the costs of providing a discount in the rate for Lifeline service pursuant to NAC 704.680475. The amount of reimbursement requested per line per month must not exceed \$3.50 or the difference between the amount of the Lifeline discount offered by the provider pursuant to NAC 704.680475 and the amount of federal universal service support available for the discount pursuant to 47 C.F.R. § 54.403(a), whichever is less.

2. An eligible telecommunications carrier may seek reimbursement from the fund to maintain the availability of telephone service for only \$3.50 per line per month or the portion of the discount in the rate for Lifeline service for which federal universal service support is not available, whichever is less.

3. Not later than 180 days before the beginning of the first period for which the eligible telecommunications carrier may seek reimbursement pursuant to this section, an eligible telecommunications carrier shall submit directly to the *Fund* Administrator a report which provides:

(a) An estimate of the amount of the reimbursement the eligible telecommunications carrier expects to request for the forecasted calendar year;

(b) The expected number of subscribers to the Lifeline service of the eligible telecommunications carrier for each month of the forecasted calendar year; and

(c) The amount of the Lifeline discount per line per month.

4. An eligible telecommunications carrier must file directly with the *Fund* Administrator, not later than 30 days after the close of each calendar quarter, a request for a disbursement from the fund to maintain the availability of telephone service in the amount of \$3.50 per line per month or the difference between the total amount of the Lifeline discount provided by the eligible telecommunications carrier and the total amount of federal universal service support available to the eligible telecommunications carrier pursuant to 47 C.F.R. § 54.403(a), whichever is less. The request must include a statement of:

(a) The average number of subscribers to the Lifeline service provided by the eligible telecommunications carrier in each full month of the quarter;

(b) The amount of the Lifeline discount per line per month; and

(c) The amount of the reimbursement per line per month that the eligible telecommunications carrier will seek beginning with the quarter following the quarter for which the request was filed.

5. An eligible telecommunications carrier may not seek reimbursement from the fund to maintain the availability of telephone service for a Lifeline discount if the customer who subscribes to Lifeline service and who is not an eligible resident of tribal lands is charged a rate of less than \$3.50 per line per month for basic network service or basic network service provided by an alternative technology pursuant to NRS 704.68881.

6. The *Fund* Administrator shall disburse quarterly to eligible telecommunications carriers that satisfy the requirements of this section the reimbursement from the fund to maintain the availability of telephone service for the cost of providing a Lifeline discount. The reimbursement to each eligible telecommunications carrier must not exceed \$3.50 per line per month.

7. This section applies only to the request of an eligible telecommunications carrier for a disbursement of money from the fund to maintain the availability of telephone service to reimburse the eligible telecommunications carrier for the cost of providing a Lifeline discount.

8. As used in this section, “eligible resident of tribal lands” has the meaning ascribed to it in 47 C.F.R. § 54.400.

Sec. 9. NAC 704.68048 is hereby amended to read as follows:

NAC 704.68048 Qualification of small-scale provider of last resort for disbursement from fund; disputes regarding qualification; required return on common equity; audit.

1. To qualify for money from the fund to maintain the availability of telephone service to keep basic service rates at an affordable level pursuant to subsections 1 and 2 of NAC 704.68043, a small-scale provider of last resort must meet the following requirements:

(a) Its rates for interstate and intrastate switched access must be in parity, or the small-scale provider of last resort must agree to carry out a plan approved by the Commission designed to achieve parity for those rates within the time specified by the Commission; and

(b) Its monthly basic recurring flat rates for basic service must be reasonably comparable to rates charged for similar services in urban areas, or the small-scale provider of last resort must agree to carry out a plan approved by the Commission designed to set those rates at levels reasonably comparable to rates charged for similar services in urban areas within the time specified by the Commission.

2. Any disputes regarding the qualification of a small-scale provider of last resort to receive money from the fund to maintain the availability of telephone service will be resolved by the Commission at the request of the *Fund* Administrator or of any other interested party.

3. If a small-scale provider of last resort of basic service is qualified pursuant to this section to receive money from the fund to maintain the availability of telephone service, an opposing party who disputes that determination has the burden of demonstrating that the small-scale provider should not be allowed to receive money to support basic service rates.

4. A small-scale provider of last resort who is qualified pursuant to this section to receive money from the fund to maintain the availability of telephone service shall calculate its overall rate of return by using the common return on equity as determined in NAC 703.27138 and the information relating to the overall rate of return which must be included in an application for a rate change filed pursuant to NAC 703.27132. To be eligible to receive money from the fund pursuant to this section, the level of earnings of the small-scale provider of last resort, as calculated pursuant to subsection 1 of NAC 704.68056, must be below the rate of return authorized for the small-scale provider by the Commission. A request for money from the fund to maintain the availability of telephone service is subject to audit by the *Fund* Administrator or the Commission and its staff.

Sec. 10. NAC 704.6805 is hereby amended to read as follows:

NAC 704.6805 Disbursement from fund to competitive supplier that is provider of last resort.

1. After the Commission has conducted proceedings pursuant to NAC 704.68051, a competitive supplier that is a provider of last resort may file a petition with the Commission to receive money from the fund to maintain the availability of telephone service to keep its rates for basic services at an affordable level. The competitive supplier has the burden of demonstrating that circumstances exist which justify its eligibility to receive money from the fund to maintain the availability of telephone service.

2. The *Fund* Administrator may distribute money from the fund to maintain the availability of telephone service for a competitive supplier that is a provider of last resort pursuant to this section only to the extent authorized by the Commission.

3. A competitive supplier that is a provider of last resort that receives money from the *Fund* Administrator for the purposes set forth in subsection 1 or 2 of NAC 704.68043 shall certify to the Commission annually that the competitive supplier has used the money from the fund to maintain availability of telephone services for the purposes set forth in NAC 704.68043 and 47 U.S.C. § 254. In the case of a monthly per-line reimbursement to recover the cost of providing service determined pursuant to subsection 2 of NAC 704.68051, the competitive supplier shall also provide to the Commission, on a form prescribed by and posted on the website of the Commission, a certification of the number of customers in high-cost areas that the competitive supplier served during each month of the reporting period established by the Commission. A corporate officer of the competitive supplier must affirm that the information submitted pursuant to this subsection is true and accurate by making a notarized attestation.

Sec. 11. NAC 704.68054 is hereby amended to read as follows:

NAC 704.68054 Assessment for support of fund.

1. The Commission will make an annual determination of the total amount of money required to support the fund to maintain the availability of telephone service for the next calendar year based on the recommendation of the *Fund* Administrator and any person given permission to intervene by the Commission. The Commission will then set the assessment based on a percentage rate on anticipated revenues from retail intrastate telecommunication service of all providers of telecommunication service required to recover this amount.

2. The assessment must be remitted to the *Fund* Administrator by a provider of telecommunication service on a quarterly basis.

3. Any shortfall or overage in the fund to maintain the availability of telephone service at the end of the calendar year must be carried forward to the following calendar year and used in establishing the rate for that year.

Sec. 12. NAC 704.68056 is hereby amended to read as follows:

NAC 704.68056 Procedure for disbursement from fund; report of Administrator regarding assessment for fund; deviation from or waiver of deadlines for filings.

1. Upon its initial request for money from the fund to maintain the availability of telephone service, and once every 4 years thereafter, a small-scale provider of last resort shall submit sufficient information to demonstrate its level of earnings pursuant to NAC 703.27116 to 703.27146, inclusive, as appropriate.

2. A provider of telecommunication service does not have to submit information on its earnings or rates if:

(a) The provider is a competitive supplier;

(b) The provider is requesting a one-time disbursement of money from the fund to maintain the availability of telephone service to extend or improve basic service; or

(c) The provider is requesting a disbursement of money from the fund to maintain the availability of telephone service pursuant to NAC 704.68047 or 704.680473.

3. An application for a disbursement of money from the fund to maintain the availability of telephone service by a small-scale provider of last resort to maintain affordable rates for basic service must be submitted directly to the *Fund* Administrator. All other applications must be submitted to the Commission.

4. An application to the *Fund* Administrator must be submitted not later than 180 days before the beginning of the calendar year for which the money is being requested. An application to the Commission must be submitted by a competitive supplier not later than 270 days before the beginning of the calendar year for which the money is being requested.

5. The Commission will issue an order which fully or partially approves or denies an application submitted to it within 120 days after receiving the application.

6. The *Fund* Administrator shall submit a report to the Commission which sets forth the amount of money needed for the fund to maintain the availability of telephone service for the

next calendar year and the recommended percentage rate to be assessed on intrastate retail revenues not later than 120 days before the beginning of the next calendar year. The Commission will issue an order regarding the report filed by the *Fund* Administrator pursuant to this section within 90 days after the date on which the report is filed.

7. The Commission may grant a deviation or waiver from the deadlines for the filings pursuant to NAC 704.6804 to 704.68056, inclusive, to the extent it determines that the deviation or waiver is in the public interest.

Sec. 13. NAC 704.680461 is hereby amended to read as follows:

NAC 704.680461 Requirements for designation as eligible telecommunications carrier; issuance of order by Commission approving or denying application.

1. A provider of telecommunication service who seeks designation as an eligible telecommunications carrier must file with the Commission an application in which the provider affirms that it:

(a) ~~Holds~~ *Except as otherwise provided in subsection 2, holds* a certificate of public convenience and necessity issued by the Commission that authorizes the provider of telecommunication service to provide basic service or is a county telephone line or system.

(b) Offers ~~the~~ *eligible voice telephony* services ~~described in 47 C.F.R. § 54.101~~ throughout the service area for which the provider of telecommunication service seeks designation as an eligible telecommunications carrier. Such services must be provided at rates and in accordance with terms that are nondiscriminatory and may be provided by the provider of telecommunication service using:

(1) Its own facilities, which may include, without limitation, facilities obtained as unbundled network elements from another provider of telecommunication services; or

(2) A combination of its own facilities and resale of the services of another provider of telecommunication service.

(c) At least once every 3 months, advertises throughout the service area for which the provider of telecommunication service seeks designation as an eligible telecommunications carrier the availability of ~~the~~ *eligible voice telephony* services ~~described in 47 C.F.R. § 54.101~~ and the rates and charges applicable to those services through prominent presentation in one or more forms of media of general distribution, including, without limitation, newspapers, television or radio.

2. An ~~{provider of telecommunication service}~~ applicant who seeks designation as an eligible telecommunications carrier is not required to hold a certificate of public convenience and necessity if the provider:

(a) Seeks the designation for the sole purpose of providing Lifeline service to qualifying low-income subscribers; and

(b) Is a provider of commercial mobile radio service that satisfies the requirements of NAC 704.786, 704.7862 and 704.7864.

3. The Commission will issue an order approving or denying an application filed pursuant to subsection 1 within ~~{90}~~ 135 days after receipt of the application.

Sec. 14. NAC 704.680474 is hereby amended to read as follows:

NAC 704.680474 Criteria for eligibility as qualifying low-income subscriber; documentation of qualification.

1. To be eligible as a qualifying low-income subscriber for the purposes of NAC 704.680475 and 704.680477 ~~{}~~, a prospective subscriber must not currently be receiving Lifeline service, there must not be any other person in the prospective subscriber's household who is currently receiving Lifeline service and:

(a) The total household gross income, as defined in 47 C.F.R. § 54.400(f), of the prospective subscriber must not exceed ~~{}~~

~~{(1) One hundred seventy-five}~~ 175 percent of the federally established poverty levels set forth for the number of persons in the household of that prospective subscriber ~~{if a competitive supplier that is an incumbent local exchange carrier provides telecommunication service; or~~

~~{(2) One hundred fifty percent of the federally established poverty levels set forth for the number of persons in the household of that subscriber if telecommunication service is provided by:~~

~~{(I) A small scale provider of last resort;~~
~~{(II) A competitive supplier that is not an incumbent local exchange carrier; or~~
~~{(III) A provider of telecommunication service that has filed with the Commission the information required by NAC 704.7862;}~~ or

(b) The ~~{name of the subscriber must appear on the list provided by the Department of Health and Human Services pursuant to Section 6 NRS 707.470 or the}~~ prospective subscriber ,

one or more of the subscriber's dependents or the prospective subscriber's household must receive benefits from one or more of the following programs of assistance:

- (1) Medicaid;
- (2) ~~{Food stamps;}~~ *Supplemental Nutrition Assistance Program;*
- (3) *The* Supplemental security income ~~{;}~~ *program;*
- (4) Federal public housing assistance;
- (5) *The* Low-Income Home Energy Assistance ~~{;}~~ *program;*
- (6) *The* Temporary Assistance for Needy Families program; ~~{or}~~
- (7) *The* National School Lunch Program;

~~{(c) The residential premises at which the subscriber receives telecommunication service must be the principal place of residence of the subscriber; and~~

~~{(d) The subscriber must have only one telephone line serving his or her residential premises.}~~

(8) Bureau of Indian Affairs general assistance;

(9) Tribally administered Temporary Assistance for Needy Families;

(10) Head Start; or

(11) The Food Distribution Program on Indian Reservations.

2. *For the purposes of subsection 1, there may be more than one household at a single physical address, but a prospective subscriber must affirmatively certify that any other person who receives Lifeline service at the same physical address is not a member of the prospective subscriber's household.*

3. To demonstrate *that he or she meets* the ~~{qualification}~~ *income-eligibility requirements* set forth in paragraph (a) of subsection 1, the *prospective* subscriber must submit to the ~~{provider of telecommunication service that serves the prospective subscriber}~~ *Eligibility Responsibility Party, and the {provider} Eligibility Responsibility Party must review*, documentation which demonstrates *that* the ~~{total household gross income of the subscriber from one or more of the following sources:~~

~~{(a) The subscriber's most recent federal income or tribal tax return for the subscriber's household; or~~

~~{(b) All statements of income, as that term is defined in 47 C.F.R. § 54.400(f), for the subscriber's household for 3 consecutive months within the 12 months preceding the anticipated initiation of service to be provided pursuant to a Lifeline program.~~

~~3~~ *prospective subscriber meets the income-eligibility requirements set forth in paragraph (a) of subsection 1. Such documentation must, at a minimum, cover any period of 3 consecutive months during the 12-month period immediately preceding the date of application, and may include, without limitation:*

(a) State or federal income or tribal tax returns from the year immediately preceding the date of application;

(b) Current income statements from an employer or paycheck stubs;

(c) A statement of benefits from the Social Security Administration;

(d) A statement of benefits from the United States Department of Veterans Affairs;

(e) A statement of benefits from a pension or benefit program;

(f) A statement of benefits from an unemployment or workers' compensation program;

(g) A notice letter of participation in federal or tribal general assistance;

(h) A divorce decree or child support award; or

(i) Any other documentation which contains income information.

4. To demonstrate *compliance with* the ~~{qualifications}~~ *requirements* set forth in ~~{subparagraphs (1) to (7), inclusive, of}~~ paragraph (b) of subsection 1, the *prospective* subscriber must submit to the ~~{provider of telecommunication service that serves the prospective subscriber}~~ *Eligibility Responsibility Party*, and the ~~{provider}~~ *Eligibility Responsibility Party must review*, documentation which provides that the *prospective* subscriber ~~{receives benefits from one or more of the following programs of assistance:~~

~~(a) Medicaid;~~

~~(b) Food stamps;~~

~~(c) Supplemental security income;~~

~~(d) Federal public housing assistance;~~

~~(e) Low Income Home Energy Assistance;~~

~~(f) Temporary Assistance for Needy Families program; or~~

~~(g) National School Lunch Program.~~

~~4. The documentation required pursuant to subsection 2 or 3, as applicable, must be presented to and accepted by the provider of telecommunication service before the provider of telecommunication service may enroll the subscriber in the Lifeline or Link Up services. A provider of telecommunication service shall retain such documentation in accordance with 47~~

~~C.F.R. § 54.417, as that section existed on September 7, 2005.~~ *meets the relevant program-based eligibility requirements for Lifeline service. Such documentation may include, without limitation:*

(a) A statement of benefits from the relevant program of assistance for the year in which the prospective subscriber is applying for Lifeline service or for the year immediately preceding the date of application;

(b) A notice or letter of participation in a qualifying program of assistance; or

(c) Any other official documentation which demonstrates that the prospective subscriber, one or more of the prospective subscriber's dependents or the prospective subscriber's household is receiving benefits from a qualifying program of assistance.

5. ~~Before a provider of telecommunication service determines that a prospective subscriber is eligible to receive Lifeline service and enrolls~~ *an eligible telecommunications carrier may enroll the prospective subscriber in Lifeline service, the provider Eligibility Responsibility Party shall:*

(a) Collect from the prospective subscriber or the Department of Health and Human Services eligible telecommunications carrier, as applicable, the certification form required by 47 C.F.R § 54.410(d); and

(b) Review the information submitted to the provider pursuant to subsection 3 or 4, as applicable.

(c) Query the National Lifeline Accountability Database to ensure the subscriber is not already receiving Lifeline service; and

(d) If the Eligibility Responsibility Party is the Eligibility Administrator, provide to each eligible telecommunications carrier copies of the certifications.

6. ~~A provider of telecommunication service that serves a subscriber~~ *The Eligibility Responsibility Party shall retain copies of the documentation concerning the subscriber's income-based or program-based eligibility for Lifeline service only in accordance with the provisions of this section and 47 C.F.R § 54.410(b)(1)(ii) and 54.410(c)(1)(ii).*

7. ~~A provider of telecommunication service that serves a subscriber~~ *The Eligibility Responsibility Party shall, consistent with the provisions of 47 C.F.R § 54.417, keep and maintain accurate records concerning:*

(a) The source from which the provider obtained the information used to determine the subscriber's income-based or program-based eligibility for Lifeline service; and

(b) The documentation provided by the subscriber to the provider to demonstrate the subscriber's eligibility for Lifeline service.

Sec. 15. NAC 704.6804743 is hereby amended to read as follows:

NAC 704.6804743 ~~{Verification}~~ ***Recertification*** of continued eligibility as qualifying low-income subscriber.

~~{H.}~~ ~~{An eligible telecommunications carrier}~~ ***The Eligibility Responsibility Party*** shall ~~{verify}~~ ***in the manner prescribed in 47 C.F.R. 54.410(f) and 54.410(g), recertify annually*** that each subscriber of the eligible telecommunications carrier who receives Lifeline ~~{or Link Up services}~~ ***service*** remains eligible to receive ~~{those services as follows:~~

~~(a) To verify the continued eligibility of a subscriber who submitted documentation in accordance with subsection 2 of NAC 704.680474 to establish eligibility to receive Lifeline or Link Up services, the Eligible telecommunications carrier shall annually contact the subscriber and request that the subscriber provide to the Eligible telecommunications carrier updated documentation in accordance with subsection 2 of NAC 704.680474 which demonstrates that the subscriber remains eligible to receive Lifeline or Link Up services.~~

~~(b) To verify the continued eligibility of a subscriber who submitted documentation pursuant to subsection 3 of NAC 704.680474 to establish eligibility to receive Lifeline or Link Up services, the Eligible telecommunications carrier shall review the list provided by the Department of Health and Human Services pursuant to NRS 707.470 of persons who are eligible to receive Lifeline or Link Up services. If the name of a subscriber no longer appears on the list, the Eligible telecommunications carrier shall contact the subscriber and request that the subscriber provide to the Eligible telecommunications carrier updated documentation in accordance with subsection 3 of NAC 704.680474 demonstrating that the subscriber remains eligible to receive Lifeline or Link Up services.~~

~~2.—If a subscriber fails to provide the updated documentation pursuant to subsection 1 within 60 days after receiving a request for the documentation, the subscriber shall be deemed to be ineligible to receive Lifeline or Link Up services, and the Eligible telecommunications carrier shall switch the rate for telephone service for the subscriber to the regular rate for telephone } ***that*** service. ~~{An eligible telecommunications carrier may elect to use the services of the~~~~

~~Universal Service Administrative Company to complete the recertification required by this section if such services are available.} If the Eligibility Responsibility Party is the Eligibility Administrator, it shall provide to each eligible telecommunications carrier copies of the recertifications, and/or other information required to allow the eligible telecommunications carrier to comply with 47 C.F.R. 54.416, for each customer for which that carrier is the current carrier of record, and will do so at least thirty (30) days in advance of any required annual federal filings, including FCC Form 555.~~

Sec. 16. NAC 704.6804745 is hereby amended to read as follows:

NAC 704.6804745 Certification of compliance with procedures ~~{for certifying income}~~ established for Lifeline and *Tribal* Link Up programs.

An officer or other authorized representative of an eligible telecommunications carrier shall certify that the eligible telecommunications carrier is in compliance with the procedures ~~{for certifying income established}~~ for the Lifeline and *Tribal* Link Up programs in this State, *and/or has relied upon the Eligibility Administrator to certify eligibility for all new subscribers for the Lifeline and Tribal Link Up programs in this State,* and shall ~~{certify that, to the best of his or her knowledge, documentation of income was presented by each subscriber as required in NAC 704.680474 and 704.6804743. For the purposes of this section, the officer or authorized representative may rely on the information provided by the Department of Health and Human Services as evidence that a subscriber is receiving benefits from a program of assistance described in subsection 3 of NAC 704.680474.}~~ *make and submit to the Commission, under penalty of perjury, the annual certifications required by 47 C.F.R. § 54.416.*

Sec. 17. NAC 704.680476 is hereby amended to read as follows:

NAC 704.680476 *De-enrollment and* Disconnection of Lifeline service; enrollment of subscriber with unpaid toll charges into Lifeline or *Tribal* Link Up program; waiver of requirements.

1. If an eligible telecommunications carrier has a reasonable basis to believe that a subscriber of Lifeline service no longer meets the criteria to be considered a qualifying low-income subscriber, the carrier shall provide to the subscriber, and the Eligibility Responsibility Party, if applicable, written notice of impending termination the Lifeline service. The notice must be written in easily understood language and delivered to the subscriber separate from the subscriber's bill, if one is provided. The eligible

telecommunications carrier shall terminate the Lifeline service provided to the subscriber if the subscriber does not, within 30 days , plus any additional time allowed by federal or state law, after receipt of the notice of impending termination, provide proof of continued eligibility to receive Lifeline service in a manner consistent with the provisions of 47 C.F.R. §§ 54.410(d) governing the certification of initial eligibility.

2. If the Universal Service Administrative Company provides notice to an eligible telecommunications carrier that a subscriber is receiving Lifeline service from another eligible telecommunications carrier or that more than one member of a subscriber's household is receiving Lifeline service, the carrier must disenroll the subscriber from participation in the carrier's Lifeline program within 5 days after receiving such notice from the Universal Service Administrative Company. ~~{A provider of telecommunication service}~~ The eligible telecommunications carrier is not eligible for reimbursement for Lifeline service provided to a disenrolled subscriber on or after the date on which the subscriber is disenrolled.

3. If a subscriber of Lifeline service does not, during any period of 60 consecutive days, use a Lifeline service that does not require an eligible telecommunications carrier to assess or collect a monthly fee from its qualifying low-income subscribers, the carrier must provide to the subscriber written notice that the subscriber's failure to use the Lifeline service within 30 days after receipt of the notice will result in termination of the Lifeline service. The notice must be written in easily understood language and delivered to the subscriber separate from the subscriber's bill, if one is provided. A carrier shall not terminate Lifeline service if a subscriber to whom such notice is provided uses the Lifeline service within the 30-day period specified in the notice. As used in this subsection, "use" has the meaning ascribed to the term "usage" in 47 C.F.R. § 54.407(c)(2).

4. Any recertification request made by ~~{an eligible telecommunications carrier}~~ the Eligibility Responsibility Party to a subscriber of Lifeline service must include notice to the subscriber that failure to respond to the ~~{carrier's}~~ recertification request within 30 days after receipt of the request will result in termination of the Lifeline service provided to the subscriber. The notice must be written in easily understood language and delivered to the subscriber separate from the subscriber's bill, if one is provided. The eligible telecommunications carrier shall, within 5 business days after the expiration of the 30-day period specified in the notice, disenroll a subscriber who does not respond to the ~~{carrier's}~~

Eligibility Responsibility Party's attempts to obtain recertification of the subscriber's continued eligibility to receive Lifeline service within the 30-day period specified in the notice.

5. Except as otherwise provided in subsection ~~13~~ 7, an eligible telecommunications carrier shall not disconnect service provided pursuant to a Lifeline program ~~14~~ *solely on the basis that* the subscriber fails to pay charges for toll calls.

~~12~~ 6. An Eligible telecommunications carrier shall enroll a subscriber who is eligible for the Lifeline program or the *Tribal* Link Up program, or both, but who has outstanding unpaid toll charges if the subscriber agrees to toll blocking *service* and sets up a payment arrangement with the carrier for the payment of the unpaid toll charges. To reestablish toll service, the subscriber must pay the outstanding toll charges in full.

~~13~~ 7. An Eligible telecommunications carrier may file with the Commission an application for a waiver from the requirements of subsections ~~11~~ 5 and ~~12~~ 6.

~~14~~ 8. The Commission will approve an application for such a waiver only upon determining after investigation that the Eligible telecommunications carrier:

(a) Would incur substantial costs to comply with the provisions of subsections ~~11~~ 5 and ~~12~~ 6;

(b) Offers, at no charge, toll limitation *service* to its consumers that qualify as low-income subscribers; and

(c) Provides service within a service area in which the level of telephone subscription among low-income subscribers is equal to or greater than the national average rate of subscription for low-income subscribers.

~~15~~ 9. The Commission will approve or deny an application that is filed pursuant to subsection ~~13~~ 7 within 30 days after receipt of the application.

10. Eligible telecommunications carriers shall notify the Eligibility Administrator within 5 working days of terminating Lifeline service to a customer for any reason or if the carrier receives an eligibility determination from the Universal Service Administrative Company or the National Lifeline Accountability Database that is inconsistent with a determination made by the Eligibility Administrator. The notice need not specify the reason for termination, except in cases where service has been terminated because of information provided by the Universal Service Administrative Company or National Lifeline Accountability Database.

11. In the event of a conflict between an eligibility determination made by the Eligibility Administrator and that made by the Universal Service Administrative Company or National Lifeline Accountability Database, the latter shall prevail and be binding on the carriers as to that customer. If an eligible telecommunications carrier becomes aware of such a conflict, it shall notify the Eligibility Administrator as provided in subsection 10.

12. After the active date set forth in Section 4 of this regulation, eligible telecommunications carriers may refer prospective Lifeline subscribers to the Eligibility Administrator for certification/recertification of eligibility.