

## Memorandum

To: Missouri Public Service Commission Official Case File  
Case No. TW-2014-0012

From: Kari Salsman

Subject: Form 555 Continued Eligibility of Existing Lifeline Subscribers

Date: April 16, 2018

The Lifeline program is a discounted phone service available to qualifying low-income consumers.<sup>1</sup> Each year all existing Lifeline subscribers are required to verify their continued eligibility in the Lifeline program.<sup>2</sup> This annual verification process will de-enroll a Lifeline subscriber for failing to respond to a verification request or if the subscriber responds by indicating they are no longer eligible.

All Lifeline providers must submit their annual Lifeline verification results to the FCC, the federal universal service fund administrator (USAC) and the applicable state commission.<sup>3</sup> Results are submitted using a standardized form developed by the FCC. The FCC labels the form “Form 555”, the “Annual Lifeline Eligibility Telecommunications Carrier Certification Form”. The FCC initiated Form 555 in 2012 and subsequently revised this form in 2013, 2014 and 2017. A significant change with the 2017 form is that recertification results are now reported month-by-month based on the subscriber’s anniversary date, not the yearly aggregate, as in previous years. The 2017 FCC Form 555 does not include data for January to June 2017 to take in account the rolling recertification transition period.

Providers offering Lifeline service with no monthly fee must de-enroll a subscriber if the subscriber fails to use the service within a sixty day time period. De-enrollments due to non-usage are identified on a monthly basis for the calendar year in a Form 555 report of a company offering Lifeline service with no monthly fee. Fifteen Missouri providers were subject to the non-usage requirement in 2017 and the results of the report indicate these companies are de-enrolling subscribers for non-usage.

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<sup>1</sup> For a more detailed explanation about the Lifeline program and how it works in Missouri see *The Lifeline Program* a report compiled by the Missouri Commission Staff and filed in Case No. TW-2014-0012; July 10, 2013.

<sup>2</sup> This requirement is codified at the federal level in 47 CFR §54.410(f).

<sup>3</sup> 47 CFR §54.416(b)

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A total of 47,695 Missouri lifeline subscribers were contacted to verify eligibility in 2017. Among these subscribers 19,392 were de-enrolled resulting in an overall de-enrollment percentage of 41%. The 2016 verification effort de-enrolled 32% with the prior two years having a de-enrollment percentage of 40%.

Form 555 reports filed with the Missouri Commission are maintained within the Commission's Electronic Filing and Information System and are automatically classified as confidential.<sup>4</sup> A total of 65 Form 555 reports were filed with the Missouri Commission for the 2017 recertification process. The deadline for filing Form 555 is January 31. Most companies submit Form 555 results in a timely manner but seven companies failed to file their reports by the prescribed deadline.<sup>5</sup> Results from Form 555 reports for the 2017 verification process are provided in Attachment A.

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<sup>4</sup> The Missouri Commission maintains these reports in EFIS as a non-case related submission.

<sup>5</sup> Staff contacted a company if the company failed to submit the report within three days of the deadline. At this time six of the seven companies have submitted a report resolving their delinquency.