

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO UNIVERSAL SERVICE AND) ADMINISTRATIVE
FUNDING ISSUES) CASE NO. 360

O R D E R

On August 24, 2004, the Commission adopted the Federal Communications Commission's ("FCC") new requirements for Lifeline and Link-Up. On September 13, 2004, BellSouth Telecommunications, Inc. ("BellSouth") filed a motion for reconsideration and clarification of the Commission's Order.

BellSouth requests reconsideration of the following ordering paragraph:

Within 30 days of the date of this Order, Eligible Telecommunications Carriers shall update their tariffs to include the Temporary Assistance to Needy Families program ("TANF") and the National School Lunch's free lunch program ("NSL") for Lifeline and Link-Up eligibility, effective the date of this Order.

BellSouth contends that it must program its billing software to accept orders for the credits and to reflect the credits on the customers' bills. BellSouth estimates that it will take 6 months to make these program changes and, therefore, requests an extension of time until early 2005 to implement these changes.

Given BellSouth's contention that billing software must be reprogrammed, some extension of time to implement the change appears reasonable. BellSouth has not justified the need for 6 months. The Commission fears that the delay of implementation of the changes for the period of time that BellSouth requests will be harmful to those

consumers who would otherwise qualify for the Lifeline or Link-Up program. The FCC issued its order in April 2004, and the FCC had referred this issue to the Joint Board on Universal Service well in advance of that date. BellSouth should have been able to plan for these anticipated changes. BellSouth must complete its billing program changes no later than 90 days from the date of this Order.

BellSouth requests clarification of the mandate for Eligible Telecommunications Carriers to implement annual certification audits to verify eligibility. BellSouth proposes an informal conference to obtain further clarification regarding the requirement to implement annual certification audits to verify eligibility. BellSouth seeks clarification of the Commission's intent to implement a state-specific standard and state-specific audit procedures. It was not the Commission's intent to implement a state-specific process and audit procedures, but rather to continue with the FCC's self-certification process and annual audit procedures.

The Commission will grant BellSouth's request for an informal conference so that the Staff and all Eligible Telecommunications Carriers may meet to discuss the audit procedures. This will allow further technical details to be discussed.

IT IS THEREFORE ORDERED that:

1. BellSouth shall be granted an extension of time up to 90 days from the date of this Order to comply with ordering paragraph 1 of the Commission's August 24, 2004 Order in this proceeding.
2. The Commission's Order of August 24, 2004 is clarified to specify that the FCC's self-certification process and annual audit procedures will be implemented for the Kentucky-specific certification.

3. An informal conference shall be convened at 1:30 p.m., Eastern Daylight Time, on October 27, 2004, in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, to discuss technical issues related to the audit procedures.

Done at Frankfort, Kentucky, this 1st day of October, 2004.

By the Commission

Commissioner W. Gregory Coker did not participate in the deliberations or decision concerning this case.

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director