

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-100, SUB 133f

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Amendment to Commission Rule R9-6 to) ORDER AMENDING
Implement Changes Required by the Lifeline) COMMISSION RULE R9-6
and Link Up Reform and Modernization Order)

BY THE COMMISSION: Lifeline and Link Up are federal low income subsidy programs which are administered by the State of North Carolina. As such, North Carolina policies and practices implementing Lifeline and Linkup subsidy programs must conform to and be consistent with federally mandated requirements.

On January 31, 2012, the FCC issued the Lifeline and Link Up Reform and Modernization Order (the Lifeline Reform Order) which adopted major changes to the Lifeline and Link Up programs. Two changes in particular, i.e., the change in the federal Lifeline amount from \$10.00 or less to \$9.25 or less and Link Up subsidy amount from \$30.00 to zero would result in price increases for North Carolina Lifeline consumers.¹

The changes announced in the Lifeline Reform Order were originally scheduled to become effective on April 2, 2012. Prior to the effective date, however, members of the telecommunications industry petitioned the FCC to delay the effective date of the regulations.² In a letter informing the Commission of this filing and requesting Commission support for the industry petition, the North Carolina Lifeline/Link Up Task Force (Task Force) noted that it would be difficult: (1) to implement the interim flat rate reimbursement amount of \$9.25 in place of the current tiered reimbursement structure; (2) to eliminate the Link-up discount on non-tribal lands; and, (3) to implement changes to the Link-Up discount on Tribal lands by the FCC's April 2, 2012 deadline. See March 16, 2012 letter to the Commission filed in Docket No. P-100, Sub 133f.

On March 29, 2012, the FCC issued a Public Notice which effectively delayed the implementation date for the regulations implementing the changes to the Lifeline program. Thus, no action need be taken at this time to implement changes to the

¹ The Link Up subsidy would be reduced to zero for all consumers except for those subscribers on Tribal lands being served by eligible telecommunications carriers (ETCs) receiving high-cost support. 47 CFR 54.413.

² Petition for Waiver and Clarification of the United States Telecom Association, the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies, the Western Telecommunications Alliance, and the Eastern Rural Telecom Association, WC Dkt. Nos. 11-42 *et al.* CC Dkt. No. 95-45 (filed Mar. 9, 2012).

Lifeline program. The Public Notice was silent, however, as to whether the effective date of the newly enacted Link Up regulations would be delayed. Thus, the effective date of the newly enacted Link Up regulations remained April 2, 2012.

The policies governing the administration of the Link Up program in North Carolina are set forth in Commission Rule R9-6. Commission Rule R9-6 currently does not limit the Link Up subsidy to residents of Tribal lands subscribing to service from an eligible telecommunications carrier that is receiving high-cost support. Therefore, to clarify that the federal Link Up subsidy is only available to residents of Tribal lands, the Commission shall amend Rule R9-6 as follows:

(f) Pursuant to federal regulations, the LUC connection fee subsidy program is only available to residents of Tribal lands subscribing to service from an eligible telecommunications carrier that is receiving high-cost support.

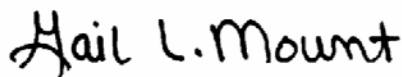
In addition, to accommodate those carriers that have filed tariffs to implement the Link Up changes adopted in the Lifeline Reform Order prior to this date, the effective date of the amendment shall be April 2, 2012.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 3rd day of May 2012 *nunc pro tunc* April 2, 2012.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, flowing style.

Gail L. Mount, Chief Clerk