

(S. B. 1315)

(No. 242)

(Approved October 9, 2002)

## **AN ACT**

To add a new subsection (d) to Section 7 of Chapter III Act No. 213 of September 12, 1996, as amended, known as the Puerto Rico Telecommunications Act of 1996", in order to establish a mechanism that provides for automatic subscription to the Lifeline Service of all telephone service users who participate in the Nutritional Assistance Program (PAN, Spanish acronym) administered by the Socioeconomic Development Administration of the Department of the Family of the Commonwealth of Puerto Rico.

### **STATEMENT OF MOTIVES**

Act 213 of September 12, 1996, as amended, known as the "Puerto Rico Telecommunications Act", has as its public policy the provision of universal services at a fair and reasonable cost accessible to all the citizenry, and to give access to telecommunications services of comparable quality to all the sectors of the citizenry and geographic areas of Puerto Rico. Section 7 of Chapter III of said Act, deals with the Universal Service. Said Universal Service has as its goal to provide telecommunications services of comparable quality to all the sectors of the citizenry and geographic areas of Puerto Rico. Said Section also directs the Telecommunications Regulatory Board to preserve and promote universal service in Puerto Rico through support mechanisms that are predictable, specific and broad. Telecommunications services shall be available in Puerto Rico at fair and reasonable prices, which means that the rates for services in structural areas shall be reasonably comparable with the prices in urban areas. Act 213,

*supra*, provides that one of these mechanisms shall be the constitution of a fund to defray Universal Service in Puerto Rico.

The Telecommunications Regulatory Board has undertaken the task of constituting said fund to subsidize, among other services, the local Lifeline service, which provides certain discounts and subsidies of the monthly telephone services rates to qualifying low-income users. The local Lifeline service complements the support mechanisms established in the Federal ambit. In order to be eligible for this program at the Federal level, the person must submit evidence that he/she is a recipient of one or more of the following programs: Nutritional Assistance Program (PAN, Spanish acronym), Medicaid, Federal Housing Subsidy Program (Plan 8) or the Low-Income Home Energy Assistance Program.

The subsidies provided by the Federal and local Life Line programs are the following:

- Federal subsidy for interstate access charge \$5.00
- Federal subsidy for basic rental of the main residential line \$1.75
- Local subsidy for basic rental of the main residential line \$3.50
- Federal subsidy for matching the local subsidy for the basic rental of the main residential line \$1.75

**Total Subsidy \$12.00**

Those users who qualify may benefit from the aforesaid total subsidy, which shall appear as a credit in the monthly telephone bill. It has been estimated that there are some 450,000 families in Puerto Rico that qualify, yet only a small percent of the total eligible subscribers benefits from these subsidies.

Due to the stated above, and following in the steps of other jurisdictions such as New York, California and Texas, this Legislature deems that it would be of great benefit for the public interest to establish a procedure through which automatic subscription to the Lifeline Service is provided to all subscribers who benefit from the Nutritional Assistance Program (PAN, Spanish acronym), administered by the Department of the Family of the Commonwealth of Puerto Rico. In this manner we reaffirm the statement of public policy of the Commonwealth of Puerto Rico that promotes the establishment of specific and predictable support mechanisms to preserve and develop the Universal Service in our Island.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- A new subsection (d) is hereby added to Section 7 of Chapter III of Act No. 213 of September 12, 1996, as amended, known as the "Puerto Rico Telecommunications Act of 1996", to read as follows:

"Section 7.- Universal Service.-

(a) Principles of Universal Service

...

(b) Determination of eligible telecommunications companies

(c) Universal Service Procedures

...

(d) Lifeline Service Automatic Subscription Program

1. Every telephone service user who is a beneficiary of the Nutritional Assistance Program (PAN, Spanish acronym), administered by the Socioeconomic Development Administration of the Department of the Family shall be subject to automatic subscription to the Lifeline Service contemplated in the Universal Service Regulations adopted by the Board.

2. It shall be the duty of the Board, within a period of fifteen (15) days following the effectiveness of this Act, to provide a list of the telecommunications companies that are eligible for the program, to the Department of the Family.
3. Within a period of thirty (30) days following the effectiveness of this Act, the telecommunications companies shall furnish to the Board for its approval, a draft of its standard affidavit of self-certification for low-income users and drafts of any notice, letter or informational material.
4. Within a period of sixty (60) days following the effectiveness of this Act, the Department of the Family shall provide, to each of the eligible telecommunications companies, an initial list in electronic format of the clients participating in the Nutritional Assistance Program (PAN, Spanish acronym), subject to obtaining the confidentiality agreement mentioned hereinbelow.
5. The list established in subsection number four (4) shall include: the name, address, telephone number, if available, and the Social Security number of the eligible client. The Department of the Family and the eligible telecommunications companies shall agree on the format of the list.
6. The Department of the Family shall provide to the eligible telecommunications companies, on a monthly basis, electronic update of the candidates that qualify in the same format agreed on. The monthly updates shall only include new eligible clients and those that were dropped. The term "dropped" refers to the person or persons that ceased to be eligible or stopped receiving benefits under the Nutritional Assistance Program.
7. Once the list of eligible candidates has been received, the eligible telecommunications company shall begin the process of automatic registration of all subscribers identified as beneficiaries of the Nutritional

Assistance Program who qualify for the Lifeline Services program. The eligible telecommunications company shall provide to its subscriber a form, previously approved by the Board, on which said client may request to be automatically registered in the Lifeline Program, or through a self-certification of the eligible client who states, under penalty of permanent ineligibility, that neither he/she, nor any resident of the family unit possess a second line or a cellular phone or PCS, in addition to the main line of the home. The form provided shall also provide the client the option of being excluded from the automatic registration.

8. The eligible telecommunications companies shall implement the Lifeline Service Automatic Registration Program within one hundred and eighty (180) days following the approval of this Act.

9. On or before March 31 of each year, the eligible telecommunications companies shall file a report before the Board of the total number of eligible clients that were registered in the Lifeline Service Automatic Registration Program during the preceding calendar year.

10. It shall be the obligation of the eligible telecommunications companies to establish a confidentiality agreement with the Department of the Family prior to receiving the register of clients eligible to the Nutritional Assistance program. Said agreement shall establish that the client information furnished by the Department of the Family to the eligible telecommunications companies shall be for the sole purpose of providing the Lifeline Service, and that the use and disclosure of the information shall be limited to those persons related to the implementation of said Program.

11. Upon receipt of a notice from the Department of the Family that a user is no longer eligible for the Nutritional Assistance Program (PAN), the eligible telecommunications companies shall notify the user, by mail, that

his/her subsidy for the Lifeline Service Program shall be discontinued thirty (30) days from the date of the notice, unless the user notifies the eligible telecommunications company that a mistake has been made. If the user notifies the eligible telecommunications company that a mistake has been made, the subscription to the Lifeline Service shall continue for thirty (30) additional days to allow the user sufficient time to correct the records and to obtain a confirmation of eligibility from the Department of the Family. If the user has not obtained a confirmation of eligibility from the Department of the Family at the end of the sixty (60) day period, the Lifeline services shall be discontinued and the billing shall continue at the applicable rates.

12. The Telecommunications Regulatory Board shall promulgate regulations within thirty (30) days from the approval of this Act, in order to implement its provisions. These regulations shall contain, among other things, the penalties to be established in those cases in which the citizens make an attempt to receive benefits to which they are not entitled, through false certifications and similar frauds. Said regulations shall also fix penalties for the irresponsible conduct of the eligible telecommunications companies that include subscribers that are not eligible for the Program. Furthermore, the Department of the Family is empowered to draft regulations or to amend any existing regulations within the following one hundred and eighty (180) days as of the approval of this Act, to the effect of establishing a procedure through which the information requested is furnished without breaching the confidentiality of the participants."

Section 2.- This Act shall take effect immediately after its approval.

**CERTIFICATION**

I hereby certify to the Secretary of State that the following Act No. 242 (S.B. 1315) of the 4<sup>th</sup> Session of the 14<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to add a new subsection (d) to Section 7 of Chapter III Act No. 213 of September 12, 1996, as amended, known as the Puerto Rico Telecommunications Act of 1996", in order to establish a mechanism that provides for automatic subscription to the Lifeline Service of all telephone service users who participate in the Nutritional Assistance Program (PAN, Spanish acronym) administered by the Socio-economic Development Administration of the Department of the Family of the Commonwealth of Puerto Rico,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 13<sup>th</sup> of March of 2003.

Elba Rosa Rodríguez-Fuentes  
Director