

STATE OF FLORIDA

COMMISSIONERS:
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J. TERRY DEASON
LILA A. JABER
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Public Service Commission

August 23, 2004

VIA ELECTRONIC FILING

The Honorable Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: WC Docket No. 03-109, Lifeline and Link-Up

Dear Ms. Dortch:

Forwarded herewith are comments of the Florida Public Service Commission in the above docket with regard to Lifeline and Link-Up.

Sincerely,

/ s /

Cindy B. Miller
Director

CBM:tf

cc: Honorable Michael K. Powell, Chairman
Honorable Kathleen Q. Abernathy
Honorable Michael J. Copps
Honorable Kevin J. Martin
Honorable Jonathan S. Adelstein
Brad Ramsay, NARUC
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**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Lifeline and Link-Up

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WC Docket No. 03-109

**COMMENTS OF THE
FLORIDA PUBLIC SERVICE COMMISSION
IN RESPONSE TO THE FEDERAL COMMUNICATIONS COMMISSION'S
FURTHER NOTICE OF PROPOSED RULEMAKING
REGARDING LIFELINE AND LINK-UP**

CHAIRMAN BRAULIO L. BAEZ

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Introduction

The Florida Public Service Commission (FPSC) submits these comments in response to the Further Notice of Proposed Rulemaking (Notice) released on April 29, 2004. In this Notice (FCC 04-87), the Federal Communications Commission (FCC) seeks comment (a) on whether the income-based criterion in the federal default eligibility criteria should be increased to 150% of the Federal Poverty Guidelines (FPG) to make telephone service affordable to more low-income individuals and families and (b) on whether adoption of rules governing the advertisement of Lifeline and Link-Up would strengthen the programs. We oppose the adoption of the 150% income-based eligibility criterion at this time. We reiterate our support for greater outreach.

Premature to adopt 150%

The FPSC believes it is premature to expand the criterion beyond 135%. The FCC, in its April 29, 2004, Order, explains that adopting a 135% standard represents a reasonable and cautious approach, while exploring further whether to adopt a 150% income standard.¹ The 135% standard has been in effect less than two months. Sufficient time for evaluating the effectiveness of the 135% standard has not passed.

Impact on the Universal Service Fund

Caution should be exercised before drastically increasing the eligibility standard.² The sustainability of the Universal Service Fund could be adversely affected. The overall program has been criticized for inequities, as well as its susceptibility to fraud. Adopting a 150% standard ignores the more fundamental issue that, even within the existing standard, subscribership is

¹ Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Release No. FCC 04-87, (April 29, 2004.), Page 10, Paragraph 12.

² The FPSC notes that telephone penetration is high. The August 2004 FCC Telephone Penetration Report states that the overall nationwide penetration rate in March 2004 was at 94.2%.

extremely low. We are of the opinion that efforts to increase subscribership within the existing standard should occur prior to any discussion of increasing the eligibility standard itself.

Program inequities exist

Data indicate that only a handful of states have participation of more than 50% of eligible households. Only California (at 131.9%), Colorado (at 64.9%), Maine (at 66.5%), North Dakota (at 51%), and Rhode Island (at 59.1%) are above the 50% mark. The vast majority of states are in a similar situation to Florida (13.5% participation rate), with some states having even lower participation rates: Alabama (at 8.5%), Arkansas (at 4.1%), Louisiana (at 7.4%), Maryland (at 7%), Mississippi (at 6.9%), South Carolina (at 7.5%), Virginia (at 6.6%), West Virginia (at 3.3%), and Wyoming (at 7.2%).³ Thus, this program, at current participation rates, is providing a true net benefit to only a few states. Increasing eligibility to 150% of the FPG could exacerbate the inequities across states. We note that the Federal-State Joint Board on Universal Service (Joint Board) expressed concern and recommended that the FCC seek more information regarding these different levels of participation.⁴

Outreach

The FPSC continues to believe that more vigorous outreach efforts will increase Lifeline and Link-Up participation in states that have experienced relatively low take rates thus far. The Joint Board noted that its analysis revealed “that significant differences in low income telephone penetration exist over time and among the states.” While acknowledging that the program has been successful in some states, the Joint Board stated that “Lifeline/Link-Up continues to serve only a small portion of the low income households in this country. Lifeline/Link-Up take rates

³ Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Release No. FCC 04-87, (April 29, 2004), Page K-34, Table 1.A.

⁴ Federal-State Joint Board on Universal Service Recommended Decision, Release No. FCC 03J-2, (April 2, 2003), Page 5, Paragraph 6.

have been highest in states that provide matching funds and engage in proactive targeted efforts such as automatic enrollment, aggressive outreach and intrastate multi-agency cooperation.”

The Joint Board recommended the FCC provide outreach guidelines to states and carriers. The guidelines would provide states and carriers with examples of how to reach those likely to qualify, but would still allow states and carriers to retain authority to determine the most appropriate outreach mechanisms for their consumers. The Joint Board recommended the following guidelines: (1) states and carriers should utilize outreach materials and methods designed to reach households that do not currently have telephone service; (2) states and carriers should develop outreach advertising that can be read or accessed by any sizeable non-English speaking populations within the carrier’s service area; and (3) states and carriers should coordinate their outreach efforts with governmental agencies/tribes that administer any of the relevant government assistance programs.

Lifeline Outreach in Florida

The FPSC continues to make Lifeline and Link-Up outreach a priority and pursues multiple avenues to disseminate information. The FPSC’s Lifeline and Link-Up consumer outreach program began in 1995 following establishment of the Lifeline and Link-Up programs by the Florida Legislature. The focus of the outreach program has been, and continues to be, making consumers aware of the program by getting Lifeline and Link-Up material into the hands of those agencies, organizations, and individuals most likely to come into contact with citizens who qualify for the programs. The FPSC publishes a variety of educational materials, including brochures and posters in English, Spanish, and Haitian Creole.

The FPSC has worked closely with the Florida Department of Children and Families (DCF) on various projects to promote Lifeline and Link-Up, and in 2003, implemented the DCF Lifeline Program. The DCF has modified its procedures so that information about the Lifeline

and Link-Up Florida programs is provided during client interviews and on client eligibility notices. As part of its regular procedures, the DCF provides an eligibility notice to all clients who are determined to be eligible for Medicaid, Food Stamps, or Temporary Assistance for Needy Families. The eligibility notice now includes specific language to inform clients that they are also eligible for Lifeline and Link-Up. The local exchange telecommunications companies (LEC) accept the DCF notice as proof of eligibility for Lifeline and Link-Up.

Further, in May of 2003, the Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 was enacted. The law requires that each state agency providing benefits to persons eligible for Lifeline shall, in cooperation with the FPSC, the DCF, and LECs providing Lifeline service, develop procedures to promote participation in Lifeline and Link-Up.

As a result, in July 2003, the FPSC initiated a joint Lifeline and Link-up project with other state and federal agencies, organizations, and LECs to implement the new statutory requirements. The project participants include the AARP, Agency for Workforce Innovation, Agency for Health Care Administration (AHCA), Department of Children and Families (DCF), Florida Department of Community Affairs, Florida Department of Elder Affairs, Florida Office of the Public Counsel, Federal Social Security Administration-Tallahassee District, Workforce Florida, Inc. (WFI), and a number of Florida's LECs. New procedures currently being implemented include dissemination of Lifeline and Link-Up educational materials to all of Florida's nursing homes through AHCA's Long Term Care Monitoring Program, and to more than 200 One-Stop Career Centers through WFI's 24 regional workforce boards. The FPSC continues to work with the project participants to implement the new procedures and to develop additional procedures to increase awareness of Lifeline and Link-Up.

Thus, outreach needs to be considered from many angles. In a similar manner to the procedures adopted by states, the FCC could work with other Federal agencies to make sure the Lifeline information reaches eligible persons.

Conclusion

In conclusion, while the FPSC supports efforts to raise Lifeline participation rates, we do not support raising the income based eligibility criterion to 150% of the FPG at this time. Expanding eligibility would be premature. Until there is a significant increase in the percentage of eligible customers who sign up for Lifeline, and inequities across states are ameliorated, the FPSC urges the FCC not to adopt an increased standard.

In addition, the FPSC continues to urge greater outreach for this program. Multiple avenues should be considered for providing the information to potential recipients of Lifeline.

Respectfully submitted,

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