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## Public Service Commission

July 15, 2010

### VIA ELECTRONIC FILING

The Honorable Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

**Re: Comments of the Florida Public Service Commission in CC Docket No. 96-45 and WC Docket No. 03-109 regarding Lifeline and Link Up**

Dear Ms. Dortch:

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

Bob Casey at (850) 413-6974 is the primary staff contact on these comments.

Sincerely,

/ s /

Cindy B. Miller  
Senior Attorney

CBM:tf

Cc: James Bradford Ramsay, NARUC

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of:	)	
	)	CC Docket No. 96-45
Lifeline and Link Up	)	WC Docket No. 03-109
	)	

**COMMENTS OF  
THE FLORIDA PUBLIC SERVICE COMMISSION**

**FLORIDA PUBLIC SERVICE COMMISSION**

CHAIRMAN NANCY ARGENZIANO  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER NATHAN A. SKOP

July 15, 2010

## INTRODUCTION AND SUMMARY

The Florida Public Service Commission (FPSC) submits these comments in response to the Public Notice released on June 14, 2010. In this Public Notice (FCC 10J-2), the Federal-State Joint Board on Universal Service (Joint Board) seeks comment on the questions presented in the FCC Lifeline and Link Up Referral Order (*Referral Order*).<sup>1</sup> Specifically, the FCC asked the Joint Board to recommend any changes to the Lifeline and Link Up eligibility, verification, and outreach rules.

The FPSC encourages the FCC to consider the following:

1. The FPSC encourages the FCC to expand the definition of “household” to include residents of group living facilities such as homeless shelters to enable them to obtain prepaid wireless phones. However, being a resident of a homeless shelter should not automatically make a consumer eligible for Lifeline and Link Up. At a minimum, self-certification of participation in a qualifying program, or certification of income should be completed.
2. The FPSC believes additional documentation requirements beyond what a state requires may burden Lifeline-eligible consumers and may hinder the original intent of Lifeline and Link Up, which is to help low-income households obtain and maintain affordable telephone service.
3. The FPSC supports the use of automatic enrollment processes for Lifeline such as are used in Florida. However, the FCC should not impose a mandatory automatic enrollment requirement for Lifeline on states. Each state should have the ability to make a determination

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<sup>1</sup> See Federal-State Joint Board on Universal Service, Lifeline and Link Up, CC Docket No. 96-45, WC Docket No. 03-109, Order FCC 10-72 (released May 4, 2010) (*Referral Order*).

as to whether automatic enrollment would be the most effective means to increase its Lifeline participation rate.

4. The FPSC supports the use of electronic certification and verification for Lifeline such as the computer portal being used in Florida's pilot program.
5. If a national database of Lifeline participants is created to prevent duplication of Lifeline credits and protect against fraud, waste, and abuse of the universal service program, it should be maintained by the Universal Service Fund (USF) administrator under strict confidentiality provisions.
6. The FPSC believes that documentation verifying compliance with federal and state low-income program requirements should be retained for a fixed time period of at least three years to provide states adequate time to complete an audit should they deem it necessary. In addition, Resellers of Lifeline service should also be required to retain documentation to verify compliance for the same period of time as ETCs.
7. The FPSC fully supports the participation of the FCC, NARUC, the state public utility commissions, and the National Association of State Utility Consumer Advocates (NASUCA) in an annual National Lifeline Awareness Week.
8. The FCC should ensure that all Lifeline ETCs advertise the availability of such services and charges and participate in public information campaigns.
9. The FCC should remain committed to improving the success of the Link Up and Lifeline programs. The FCC should encourage state public service commissions to work with their designated social service agencies to develop and maintain Lifeline automatic enrollment processes and distribute Link Up and Lifeline educational materials.

**A. CONSUMER ELIGIBILITY**

**ELIGIBILITY REQUIREMENTS**

According to the Florida Council on Homelessness 2010 Report, there is an estimated homeless population of over 57,000 persons on any given day in Florida.<sup>2</sup> In comments submitted to the FCC on November 13, 2009, the FPSC encouraged the FCC to expand the definition of “household” to include residents of group living facilities such as homeless shelters as long as appropriate safeguards are in place to protect the universal service program from waste, fraud, and abuse.<sup>3</sup>

In the *Referral Order*, the FCC asks the Joint Board to consider whether certain classes of individuals, such as residents of homeless shelters, should be automatically eligible for participation in the low-income programs. Currently, qualifications to receive Lifeline assistance are based solely on income or factors directly related to income. Being a resident of a homeless shelter should not automatically make a consumer eligible for Lifeline and Link Up. At a minimum, self-certification of participation in a qualifying program, or certification of income should be completed. As SafeLink’s April 16, 2010 Ex Parte presentation to the FCC showed, a plan to qualify residents of homeless shelters based on participation in a qualifying program or certification of income can be accomplished.

The *Referral Order* asks for input as to whether a consumer should have to provide additional documentation beyond what is required by the state to prove eligibility for federal low-income programs. The FPSC believes adding requirements for additional documentation

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<sup>2</sup> Council on Homelessness, Florida Department of Children and Families, June 2010 Report .

<sup>3</sup> In the Matter of Lifeline and Link-Up, WC Docket No. 03-109, Joint Comments of the Florida Public Service Commission and the Florida Office of Public Counsel.

would burden Lifeline-eligible consumers and may hinder the original intent of Lifeline and Link Up, which is to help low-income households obtain and maintain affordable telephone service.

#### AUTOMATIC ENROLLMENT

In April 2006, the FPSC added an automatic enrollment option to Florida's Lifeline program. A process was developed whereby potential Lifeline customers, once certified through a Department of Children and Families (DCF) administered program,<sup>4</sup> could automatically receive Lifeline discounts. From the perspective of the client, the automatic enrollment process is seamless, from filling out the DCF web application to receiving Lifeline discounts. The FPSC believes the automatic enrollment process implemented for Florida's Lifeline program is an efficient and effective means of increasing participation in the Lifeline program.

The *Referral Order* asks whether the FCC should now require automatic enrollment in all states in order to participate in the federal low-income programs. Although the FPSC believes the Florida Lifeline automatic enrollment process is an effective means of increasing participation rates, the FPSC believes the FCC should not impose a mandatory automatic enrollment requirement for Lifeline on states. Because of current state budgetary constraints, each state needs to make a determination as to whether automatic enrollment would be the most effective means to increase its Lifeline participation rate.

#### ELECTRONIC CERTIFICATION AND VERIFICATION OF CONSUMER ELIGIBILITY

The FPSC supports the use of electronic certification and verification for Lifeline as long as personal identifying information of Lifeline applicants and customers remains confidential. In

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<sup>4</sup> The Florida Department of Children and Families administers the Food Stamp, TANF and Medicaid programs in Florida.

2007, the Florida Legislature passed a law which requires that all personal identifying information of a participant in a telecommunications carrier's Lifeline Assistance Plan remain confidential.

In 2008, the FPSC and the Florida DCF began working on the concept of a computer portal which would allow ETCs to verify in real-time whether Lifeline applicants are enrolled in a DCF qualifying eligible program. Under the pilot program, the ETC enters the first and last names of the person, the last four digits of their social security number, and their date of birth. DCF's computer automatically replies with information as to whether that person is or is not participating in a DCF qualifying Lifeline program (without identifying the program).

Certification and verification can be accomplished using this process if the applicant, in the case of certification, or an existing Lifeline customer in the case of verification, participates in the Food Stamp, Temporary Assistance for Needy Families (TANF), or Medicaid programs which are administered by the DCF. If a program other than Food Stamps, TANF, or Medicaid is used for certification, the provider would have to turn to the agency administering that program, which could be the Department of Education (free school lunch program), the Social Security Administration (Supplemental Security Income), or a county-level agency (Low-Income Home Energy Assistance Plan). However, FPSC data shows that over ninety percent of applicants using the Lifeline automatic enrollment process use Food Stamps, TANF, or Medicaid for eligibility. The computer portal for Lifeline certification and verification pilot program is now available to all Florida ETCs.

Although the suggestion by one commenter in the National Broadband Plan proceeding that "agencies that determine eligibility could provide qualifying customers with a USAC-

generated personal identification number (PIN)” theoretically may be a solution, it may not prove practical. A number of state and federal agencies qualify Lifeline applicants and it would be difficult, if not impossible, to get all agencies to accept the additional burden/responsibility of issuing PIN numbers. There are also concerns regarding maintaining confidentiality of a Lifeline applicant’s personal identifying information, and how Lifeline applicants using self-certification of program-based criteria for enrollment would receive a PIN number.

#### DUPLICATE CLAIMS FOR LIFELINE SUPPORT

The number of wireless providers offering Lifeline service continues to grow, and with that growth comes concerns that a consumer may be receiving two Lifeline discounts, whether on a landline phone and wireless phone, or on two wireless phones. Because of confidentiality concerns, providers of Lifeline service have no way to cross-check other Lifeline provider databases to determine if that consumer is already receiving Lifeline service. A customer can self-certify that they are only receiving one Lifeline credit, but there is no way for providers to confirm that at the present time.

The FPSC is currently reviewing the Lifeline customer databases of the three major wireline ETCs and one major wireless ETC to determine to what extent duplication exists among wireline and wireless ETCs in Florida. The major hurdle at this point seems to be merging the customer information received from the ETCs. ETCs maintain Lifeline customer information in different formats. As an example, merging a customer name when the first and last names are in one field proves to be difficult. Some ETCs maintain the full social security number of the Lifeline customer, some have just the last four digits, and some don’t have a social security number at all for the customer.



A February 28, 2008, letter from USAC to the FCC suggested that providers claiming low-income reimbursement should provide additional documentation with Form 497. At the present time, all that is required is self-certification by an officer of the company that the data contained in the 497 reimbursement form has been examined and reviewed and is true, accurate, and complete. The ETC simply enters the number of lines and amount of money requested. No backup data is required.

In its letter, USAC proposed that all ETCs claiming Lifeline, Link Up or Toll Limitation Service (TLS) support would submit subscriber listings that validate the number of subscribers claimed for each type of low-income support. If an ETC claims 1,000 Lifeline subscribers in a particular month it would provide a list of 1,000 Lifeline subscribers that received service in that month. In addition, incumbent ETCs that resell Lifeline service to a competitive ETC would provide a list of resold accounts. USAC would compare the lists for duplications through a national database maintained by them. Any national database of Lifeline subscribers/applicants would have to be maintained under strict confidentiality provisions to protect the Lifeline subscribers/applicants personal identifying information. Using this method may not only prevent fraud, waste and abuse of the USF by consumers, but may detect any fraud, waste or abuse by an ETC. USAC would have the ability to review the number and type of lines submitted by ETCs each month.

#### CARRIER DOCUMENTATION RETENTION REQUIREMENTS

The *Referral Order* asks whether the FCC should adopt a consistent set of document retention rules for all ETCs, whether operating in states maintaining their own low-income programs or in federal default states. Currently, all ETCs must retain records documenting their

compliance with federal and state low-income program requirements for the three full preceding calendar years, and ETCs in federal default states must also retain the documentation for as long as the customer receives Lifeline service from that ETC. The FPSC believes that documentation verifying compliance with federal and state low-income program requirements should be retained for a minimum period of at least three years to provide states adequate time to complete an audit of an ETC's books should they deem it necessary.

**B. VERIFICATION**

The *Referral Order* asks whether any changes should be made to the existing verification procedures in the Commission's rules. The FPSC believes that verification procedures for prepaid wireless Lifeline providers who do not use monthly billing should be addressed. Competitive ETCs such as TracFone and Virgin Mobile do not submit monthly bills to their Lifeline customers. Their customers could stop using the TracFone or Virgin Mobile phone after 30 or 60 days without notifying the provider, and TracFone or Virgin Mobile could continue to automatically issue that customer additional minutes each month and count that person as a customer for USF reimbursement purposes for months or even years if only random sampling is used for annual verification.

The FPSC recommends that prepaid providers who do not bill their customers monthly should be required to contact any Lifeline customer with no phone activity after a sixty-day period to determine whether the consumer is still an active Lifeline customer. If no response is received, the phone should be deactivated and the company should cease including that customer when requesting reimbursement from the Universal Service Administrative Company. This process is currently being followed in Florida. As an example, during a six-month period in 2009 for one Florida provider,

these procedures saved the universal service fund \$8,582,760 which equates to an annual savings of over \$17 million.

### **C. OUTREACH**

The FPSC fully supports the participation of the FCC, NARUC and the state public utility commissions, and the National Association of State Utility Consumer Advocates (NASUCA) in an annual National Lifeline Awareness Week. In 2009, for the first time, Lifeline Awareness Week, September 14-20, was recognized nationally. The first Week was promoted through the Lifeline Across America initiative as a nationwide effort to increase consumer awareness of the federal and state Lifeline and Link Up programs. Many states participated in the first National Lifeline Awareness Week by hosting events to raise awareness and help consumers stay connected. Florida would participate in an annual event and would encourage the FCC to take the lead nationally in working with NARUC and NASUCA in keeping the week after Labor Day designated for this important public awareness campaign. This national recognition strengthens support for our statewide Lifeline outreach efforts, which Florida's Governor Crist has endorsed with a recognition letter during Florida's past two Lifeline Awareness Weeks.

The FCC should remain committed to improving the success of the Link Up and Lifeline programs. The FCC should encourage state public service commissions to work with their designated social service agencies to develop and maintain Lifeline automatic enrollment processes and distribute Link Up and Lifeline educational materials.

The *Referral Order* asks the Joint Board to evaluate the effectiveness of the current outreach requirements. The FPSC believes that it may be difficult to evaluate the effectiveness of the current outreach requirements. The Joint Board could recommend that states and

telecommunications carriers continue working together to increase awareness of Lifeline and Link Up programs among public service agencies and consumer groups involved in helping targeted individuals--especially consumers who don't already have telephone service. Perhaps the existing "Lifeline Across America" Working Group could further identify "best practices" -- based on identified successful cooperative efforts to educate consumers on how to apply for assistance--for states to use. The FPSC would also recommend the need to continue publicizing the Lifeline program among non-English-speaking and other diverse communities throughout the states.

The *Referral Order* also asks the Joint Board to consider whether the Commission should adopt mandatory outreach requirements with which all ETCs must comply. The FPSC would not recommend that the FCC adopt mandatory outreach requirements for ETCs' compliance. It might be beneficial, though, for the FCC to establish a Task Force with representatives from the government, industry, and non-profit organizations to help identify effective ways ETCs can use particular media to educate residents about the availability of Lifeline/Link Up discounts for eligible consumers. If solid media strategies can be identified, then ETCs would have a menu of choices that would best fit their states' needs in increasing participation in Lifeline/Link Up programs.

#### CONCLUSION

The FPSC continues to be proactive regarding the Lifeline and Link Up programs to ensure that low-income Florida consumers have the ability to obtain and retain affordable telephone service. Florida's Lifeline participation rate has consistently grown over the past three years. Over fifty-two percent of eligible households in Florida now participate in the Florida

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Lifeline program. The FPSC encourages the FCC to consider the proposed changes to the program administration noted in these comments.

Respectfully submitted,  
/ s /  
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