

A REPORT TO THE
Governor
President of the Senate
Speaker of the House of Representatives

LIFELINE

FLORIDA

LINK-UP

ASSISTANCE

Number of Customers
Subscribing to Lifeline Service
and the Effectiveness of
Procedures to Promote Participation

PREPARED BY

The Florida Public Service Commission

DECEMBER 2010

PREPARED BY
The Florida Public Service Commission
Division of Regulatory Analysis
Office of Public Information

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List of Acronyms

AWI	Agency for Workforce Innovation
CFR	Code of Federal Regulations
CLEC	Competitive Local Exchange Carrier
CMRS	Commercial Mobile Radio Service (Wireless)
DCF	Department of Children and Families
ETC	Eligible Telecommunications Carrier
FAC	Florida Administrative Code
FCC	Federal Communications Commission
FPG	Federal Poverty Guidelines
FPSC	Florida Public Service Commission
ILEC	Incumbent Local Exchange Carrier
LEC	Local Exchange Carrier
LIHEAP	Low-Income Home Energy Assistance Plan
MOU	Memorandum of Understanding
NARUC	National Association of Regulatory Utility Commissioners
NASUCA	National Association of State Utility Consumer Advocates
NCPW	National Consumer Protection Week
NSL	National School Lunch Program's Free Lunch Program
OPC	Office of Public Counsel
SEEM	Self-Effectuating Enforcement Mechanism Plan
SLC	Subscriber Line Charge
SQM	Service Quality Measurement Plan

TLS	Toll Limitation Service
USAC	Universal Service Administrative Company
USF	Universal Service Fund
WFI	Workforce Florida, Inc.

Executive Summary

The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 (the 2003 Act) requires that a statewide cooperative effort be made to support the Lifeline Assistance Program (Lifeline) in Florida, which is part of the federal Universal Service Program (USP) designed to enable low-income households to obtain a \$13.50 discount on their monthly phone bills or the option of receiving a free Lifeline cell phone and monthly minutes. This report presents Lifeline participation data for the July 2009 through June 2010 program year, and evaluates procedures put in place to strengthen the Lifeline program and increase the number of participants.

The number of eligible customers participating in the Lifeline program in Florida grew 3.8 percent during the July 2009 through June 2010 annual review period. As of June 2010, 642,129 eligible customers participated in the Lifeline program. The four companies with the highest Lifeline enrollment, SafeLink, AT&T Florida f/k/a BellSouth (AT&T), Embarq Florida, Inc. d/b/a CenturyLink, and Verizon, all experienced increases in eligible Lifeline customers over the previous 2009 year. As of June 30, 2010, SafeLink had 396,114 Lifeline customers; AT&T had 126,114 Lifeline customers; CenturyLink had 41,593 Lifeline customers, and Verizon had 23,681 Lifeline customers.

Consistent with 2009, the primary reason for the increase in Lifeline participation has been the automatic enrollment process initiated by the Florida Public Service Commission (FPSC or Commission) and the Department of Children and Families (DCF). Enrollment of new Lifeline customers by competitive eligible telecommunications companies (ETCs) continues to have a positive impact. Additionally, staff anticipates that Lifeline enrollment of new customers will continue to grow due to the current economic conditions. In total, non-incumbent local exchange carrier Lifeline enrollment¹ was 440,118 customers, which accounts for 68.5 percent of the Lifeline customers.

Lifeline assistance participation continues to grow in Florida due to the involvement of the FPSC, the DCF, the Office of Public Council (OPC), and other state agencies that determine if a person is eligible for Lifeline service. According to the U.S. Department of Agriculture Report ending June 30, 2010, Florida had 1,422,837 households participating in the Food Stamp Program, compared to the June 30, 2009, figure of 1,070,307. The 32.9 percent² increase in Florida represents the fourth largest percentage increase of all states over the previous year and is indicative of the condition of the economy not only in Florida but across the United States, with the average percentage increase of 20.3 percent for all states. The Food Stamp Program continues as the largest qualifying program for Lifeline assistance in Florida.

Stay Connected, Florida. Get Lifeline Assistance and Save Money on Your Monthly Phone Bill was again the slogan selected by the project participants for Florida's 2010 Lifeline Awareness Week. Governor Charlie Crist wrote a letter commenting on the importance of Florida joining other states in this national outreach effort and indicating how participation in the Lifeline Assistance program has almost tripled in our state. As in past years, the FPSC's Lifeline

¹ Non-ILEC Lifeline enrollment includes competitive ETC and non-ETC reseller enrollment.

² <http://www.fns.usda.gov/pd/30SNAPcurrHH.htm>.

Awareness Week aimed to increase awareness among citizens already receiving assistance from public benefits programs.

The FPSC remains committed to improving the success of the Link-Up and Lifeline program. The Link-Up program helps low-income consumers by reducing the telephone service installation charge and pays one-half (up to a maximum of \$30) of the initial installation fee for a traditional wireline telephone or an activation fee for a wireless telephone. Other improvements are continuing the effectiveness of the FPSC/DCF Lifeline automatic enrollment process; and increasing the public awareness through targeted consumer outreach. This report provides greater detail on these initiatives and developments.

I. Background

The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 (the 2003 Act) became law on May 23, 2003. The 2003 Act requires that each state agency providing benefits to persons eligible for the Lifeline Assistance Program (Lifeline) shall, in cooperation with the Department of Children and Families (DCF), the Florida Public Service Commission (FPSC or Commission), and telecommunications companies providing Lifeline service, develop procedures to promote participation in Lifeline. The 2003 Act further requires the FPSC to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 each year on the number of customers subscribing to Lifeline service and the effectiveness of procedures to promote participation in the program.³ This report is prepared pursuant to the requirements of the 2003 Act.

Key legislation was passed during the 2007 legislative session to increase participation in the Lifeline program through automatic enrollment. The legislation requires any state agency that determines a person is eligible for Lifeline services to forward the information to the FPSC for automatic enrollment in the Lifeline program. Furthermore, the FPSC, the DCF, and the Office of Public Counsel (OPC) entered into a Memorandum of Understanding (MOU) with respect to automatic enrollment.

The FPSC, DCF, OPC, and industry have worked together to successfully continue to improve the automatic enrollment process during 2010. Automatic enrollment has had a positive impact on enrollment, and the FPSC anticipates continued success in the future.

II. Program Support

The Florida Link-Up and Lifeline programs are part of the federal Universal Service Program designed to enable low-income households to obtain and maintain basic local telephone service. Under the Federal Communications Commission's (FCC) rules, there are four tiers of monthly federal Lifeline support.

- The first tier of federal support is a \$6.50 monthly credit for the federal subscriber line charge (SLC), which is available to all eligible subscribers. All 50 states have approved this tier of support.
- The second tier of federal support is a \$1.75 monthly credit that is available to subscribers in those states that have approved the credit. All 50 states have also approved this tier of support.
- The third tier of federal support is one-half the amount of additional state support up to a maximum of \$1.75 in federal support. Because Florida carriers provide an additional \$3.50 credit to Lifeline customers' bills,⁴ Florida Lifeline subscribers currently receive a total monthly credit of at least \$13.50, consisting of \$10.00 (\$6.50,

³ Section 364.10, Florida Statutes.

⁴ Since Florida does not have a state Universal Service Fund, the \$3.50 credit is absorbed by the ETC or Lifeline reseller providing service.

\$1.75, and \$1.75) in federal support and \$3.50 in state support. The telephone subscriber may receive a credit less than \$13.50 if the subscriber's bill for basic local telephone service is less than the maximum available credit.

- The fourth tier of support, available only to eligible subscribers living on tribal lands, provides an additional credit up to \$25.00 per month. This amount is limited so that the credit does not bring the basic local residential rate below \$1.00 per month.

Link-Up, a companion program, provides a 50 percent reduction in the telephone service initial installation charge for a traditional landline phone or activation fee for a wireless phone, up to a maximum \$30 reduction. Eligible residents of tribal lands may receive up to \$100 in discounts on initial connection charges. The \$100 maximum is based on the sum of the federally financed 50 percent discount (up to the \$30 maximum) available to all qualified low-income individuals, plus a dollar-for-dollar match (up to \$70) for connection charges above \$60.

Transitional Lifeline Assistance requires that ETCs provide former Lifeline customers a 30 percent discount off the residential basic local service rate.⁵ Transitional Lifeline Assistance for wireless ETC providers will comply with the requirement of providing a 30 percent monthly discount off its non-discounted Lifeline rate plan, or in the case where a wireless company that offers a free handset and free minutes, the minutes will be at 30 percent of the plan that the customers were receiving at the time of the transition. The customer may receive the subsidy for one year from the date the customer ceases to be qualified for Lifeline.

III. Customer Eligibility

Program-Based

Eligibility for both Link-Up and Lifeline in Florida can be determined by customer enrollment in any one of the following programs:

- Temporary Cash Assistance (TCA)⁶
- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Plan (LIHEAP)
- National School Lunch Program's (NSLP) Free Lunch⁷
- Bureau of Indian Affairs Programs (Tribal Temporary Assistance for Needy Families (TANF), Head Start Subsidy, and NSLP)⁸

⁵ Section 364.105, Florida Statutes.

⁶ Known as Temporary Assistance to Needy Families (TANF) for federal universal service purposes.

⁷ By Order No. PSC-06-0680-PAA-TL, issued August 7, 2006, in Docket No. 040604-TL, the FPSC required all ETCs to adopt the NSL for determining eligibility in the Link-Up and Lifeline programs in Florida.

⁸ Eligible consumers living on tribal lands qualify for Lifeline if they participate in one of the following federal assistance programs: (1) Tribal TANF, (2) National School Lunch Program's Free Lunch Program, or (3) Head Start Subsidy.

Income-Based

In addition to the program-based criteria, customers with annual incomes up to 150 percent of the Federal Poverty Guidelines (FPG) may be eligible to participate in the Florida Link-Up and Lifeline programs. Florida Legislation in 2009 provided that each local exchange telecommunications company that has more than 1 million access lines and is an ETC shall provide Lifeline applicants who meet an income eligibility test of up to 150 percent of the Federal Poverty Guidelines with Lifeline service. In 2010, Section 364.10(3)(a), Florida Statutes, was revised to allow any commercial mobile radio service provider designated as an eligible telecommunications carrier pursuant to 47 U.S.C. §214(e), upon filing a notice of election to do so with the Commission, provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty income guidelines. The U.S. Department of Health and Human Services made a decision to keep the 2010 FPG the same as the 2009 FPG.⁹ The OPC certifies customer eligibility under the income test for customers requesting to be enrolled in the Lifeline program for those local exchange telecommunications companies designated as ETCs that have more than one million access lines as described above. The OPC can also do income certification for wireless ETCs who have filed a notice election to do so with the FPSC.¹⁰

Table 1 shows that residential head of household income is determined by the federal poverty guidelines, which are based on the number of people in the household and the total amount of money received by each member in the household. Customers may be eligible if their income is up to 150 percent of the U.S. poverty guideline.

Table 1. 2010 U.S. Poverty Guidelines

Size of Household (number of people)	U.S. Poverty Guidelines Total Household Annual Income	150% of U.S. Poverty Guidelines Total Household Annual Income	150% of U.S. Poverty Guidelines Total Household Monthly Income
1	\$10,830	\$16,245	\$1,354
2	\$14,570	\$21,855	\$1,821
3	\$18,310	\$27,465	\$2,289
4	\$22,050	\$33,075	\$2,756
5	\$25,790	\$38,685	\$3,224
6	\$29,530	\$44,295	\$3,691
7	\$33,270	\$49,905	\$4,159
8	\$37,010	\$55,515	\$4,626
*For each additional person, add \$5,610 to the 150 percent U.S. Poverty Guidelines Total Annual Household Income.			

Source: Florida OPC Web site, 2010

⁹ Federal Register, Volume 75, No. 148, August 3, 2010, Notices.

¹⁰ See Section 364.10(3)(a), Florida Statutes.

IV. Carrier Eligibility

Section 54.201(b) of the Code of Federal Regulations (CFR) provides that a state commission shall, upon its own motion or upon request, designate a common carrier that meets certain requirements as an eligible telecommunications carrier (ETC) in a nonrural service area. Section 54.201(c) of the CFR provides that a state commission may, as long as the request is consistent with the public interest, convenience, and necessity, designate one or more common carrier(s) as ETC(s) in a rural service area.¹¹

An ETC can be an incumbent local exchange carrier (ILEC), a competitive local exchange carrier (CLEC), or a wireless carrier. A carrier that is granted ETC status is eligible to receive universal service support¹² pursuant to FCC rules.¹³

To qualify as an ETC, a common carrier must offer services that are supported by federal universal service support mechanisms, either using its own facilities or a combination of its own facilities and another carrier's resold service¹⁴ and the carrier must advertise the availability of such services and charges using mass media. Additionally, a company applying and qualifying for designation as an ETC must demonstrate good management and legitimate business practices to successfully administer the Lifeline program, ensuring that granting them ETC status is in the public interest to the citizens in Florida.

¹¹ A state commission also has the authority to rescind the ETC status of any ETC designated by it that does not follow the requirements of the Lifeline Assistance program.

¹² Universal Service Funds are available to ETCs which provide Lifeline service; rendering service to schools and libraries; and provisioning, maintaining, and upgrading facilities and services for rural, insular (islands that are territories or commonwealths of the United States), and high cost areas.

¹³ 47 CFR pt. 54 – Universal Service.

¹⁴ Those services supported by Universal Service include the following: (1) voice grade access to the public switched network, (2) an amount of local minutes of use of local exchange service provided free of charge to end users, (3) dual tone multi-frequency signaling or its functional equivalent, (4) single-party service, (5) access to emergency services, (6) access to operator services, (7) access to interexchange services, (8) access to directory assistance, and (9) toll limitation for qualifying low-income consumers.

The following 24 companies have ETC status in Florida and participate in the Lifeline Program:¹⁵

- BellSouth Telecommunications, Inc. d/b/a AT&T Florida
- American Dial Tone, Inc.
- Budget Prepay, Inc. d/b/a Budget Phone
- dPi Teleconnect, LLC
- Easy Telephone Services Company
- Embarq Florida, Inc. d/b/a CenturyLink
- Express Phone Service, Inc.
- GTC, Inc. d/b/a FairPoint Communications
- FLATEL, Inc.
- Frontier Communications of the South, LLC
- ITS Telecommunications Systems, Inc.
- Knology of Florida, Inc.
- Midwestern Telecommunications, Inc.
- Northeast Florida Telephone Company d/b/a NEFCOM
- Nexus Communications, Inc. d/b/a Nexus Communications TSI, Inc.
- Smart City Telecommunications LLC, d/b/a Smart City Telecom
- Sprint-Nextel
- Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone
- T-Mobile South LLC
- TracFone Wireless, Inc. d/b/a SafeLink Wireless
- Verizon Florida LLC
- Verizon Wireless (former ALLTEL territory)
- Virgin Mobile USA, L.P. d/b/a Assurance Wireless
- Windstream Florida, Inc.

The FCC designated Sprint-Nextel and ALLTEL Communications as ETCs. In approving the designation of Commercial Mobile Radio Service (CMRS) carriers as ETCs, the FCC noted that ETCs must comply with state requirements in states that have Lifeline programs.¹⁶ By Order No. PSC-07-0288-PAA-TP, issued April 3, 2007, the FPSC had authority to consider applications for ETC status by CMRS providers.

¹⁵ The FCC designated Alltel Communications and Sprint Nextel as ETCs. The remaining ETCs were designated by the FPSC. Virgin Mobile USA, L.P. d/b/a Assurance Wireless and T-Mobile South LLC became ETCs subsequent to June 30, 2010 and are not included in any data in this report.

¹⁶ FCC Nextel Order, DA 04-2667, adopted August 25, 2004, footnote 30; FCC ALLTEL Order, DA 04-3046, adopted September 24, 2004, footnote 29; FCC Sprint Order, DA 04-3617, adopted November 18, 2004, footnote 27.

V. Public Interest Determinations

Under Section 214 of the Act, the FCC and state commissions must determine that an ETC designation is consistent with the public interest, convenience and necessity for rural areas. They also must consider whether an ETC designation serves the public interest consistent with Section 254 of the Act. Congress did not establish specific criteria to be applied under the public interest tests in Sections 214 or 254. The public interest benefits of a particular ETC designation must be analyzed in a manner that is consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.¹⁷ The FPSC has determined that before designating a carrier as an ETC, it should make an affirmative determination that such designation is in the public interest, regardless of whether the applicant seeks designation in an area served by a rural or nonrural carrier.¹⁸

Beyond the principles detailed in the Act, the FCC and state commissions have used additional factors to analyze whether the designation of an ETC is in the public interest. A rigorous ETC designation process ensures that only fully qualified applicants receive designation as ETCs and that all ETC designees are prepared to serve all customers within the designated service area.

VI. Subscribership and Participation Rates

A. Lifeline

The number of customers enrolled in Lifeline increased by 23,355 during the July 2009 through June 2010 12-month review period, representing a 3.8 percent increase. The effectiveness of the FPSC/DCF Lifeline automatic enrollment process continues to have a positive impact on participation in 2010.

¹⁷ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order FCC 05-46 (¶40), adopted February 25, 2005, released March 17, 2005.

¹⁸ See Docket No. 090245-TP, In re: Petition for limited designation as eligible telecommunications carrier (ETC) by Virgin Mobile USA, L.P., Order No. PSC-10-0323-PAA-TP, issued May 19, 2010, p. 8; See Docket No. 090337TX, In re: Petition for designation as eligible telecommunications carrier (ETC) by Easy Telephone, Inc., Order No. PSC-10-0125-PAA-TX, issued March 2, 2010, p. 4; See Docket No. 080169-TX, In re: Application for designation as eligible telecommunications carrier (ETC) by Express Phone Service, Inc., Order No. PSC-08-0836-PAA-TX, issued December 24, 2008, p. 4.

Table 2 shows the number of Lifeline subscribers from September 2006 through June 2010. The increase of Lifeline subscribers receiving benefits in 2010 is the result of the continued efforts implementing the FPSC/DCF automatic enrollment process.

Table 2. Florida Lifeline Subscribership

	September 2006	September 2007	June 2008	June 2009	June 2010	% Net Gain 2009-2010
Lifeline Subscribers	145,734	159,028	183,972	618,774	642,129	3.8%

Source: Industry responses to FPSC data requests (2006-2010)

Table 3 shows USAC Lifeline disbursements for Florida for the 12-month period ending September 2010, an all time high which totaled \$83,045,099 and averaged \$6,920,425 per month. These dollars enabled Florida citizens qualifying for Lifeline benefits to receive discounted monthly bills with a credit of \$13.50 or a free Lifeline wireless phone with free minutes per month that would be unavailable without the Lifeline program.

Table 3. USAC Lifeline Disbursements for Florida

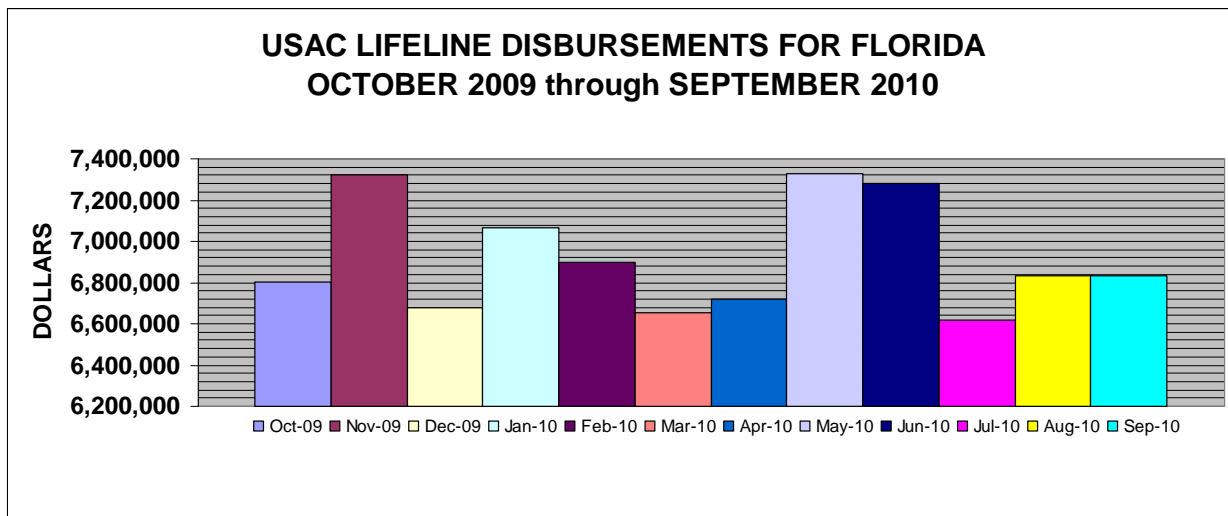


Table 4 shows Lifeline participation rates for September 2007 through June 2010.¹⁹ As of June 2010, the participation rate was 45.1 percent. Although Lifeline Enrollment increased 3.8 percent over the previous year, due to economic conditions, the number of eligible households increased 20 percent over the previous year, causing the participation rate to decrease by 7 percent. Preliminary state figures show Florida’s poverty rate increased from 12 to 13.9 percent in 2009. By comparison, from 1999 to 2007, Florida’s poverty rate increased only 0.3 percent.²⁰

Table 4. Lifeline Participation Rate in Eligible Florida Households

Year	Lifeline Enrollment	Eligible Households	% Participation Rate
June 2010	642,129	1,422,837	45.1%
June 2009	618,774	1,185,516	52.2%
June 2008	183,972	1,186,015	15.5%
September 2007	159,028	1,173,173	13.6%

Sources: Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Order No. FCC 04-87, released April 29, 2004; industry responses to FPSC data requests (2007-2010); Florida Legislature Office of Economic and Demographic Research; and the U.S. Department of Agriculture.

¹⁹ The participation rate is the ratio of enrolled subscribers to the eligible households.

²⁰ “The New Poor”: Poverty Reaches Historic Levels. *Miami Herald*, September 16, 2010.

Table 5 represents the distribution of Lifeline enrollment from September 2006 through June 2010. The data shows a net increase of 3.8 percent in Lifeline subscribers for 2010.

Table 5. Lifeline Net Participation

ETCs	Sept 2006	Sept 2007	Net Growth Rate	June 2008	Net Growth Rate	June 2009	Net Growth Rate	June 2010	Net Growth Rate
SafeLink	N/A	N/A	N/A	N/A	N/A	393,036	N/A	396,114	0.80%
AT&T	87,291	93,337	7%	104,506	12.0%	126,090	20.7%	126,114	0.02%
Embarq/ CenturyLink	23,104	30,016	30%	34,803	15.9%	39,855	14.5%	41,593	4.4%
Verizon	26,428	23,918	- 9%	22,720	- 5.0%	20,916	-7.9%	23,681	13.2%
Windstream	3,533	3,806	8%	4,266	12.1%	4,807	12.7%	5,517	14.8%
American Dial Tone	1,166	1,840	58%	1,847	0.4%	2,862	55.0%	18,127	533.4%
FairPoint	2,002	2,030	1%	2,179	7.3%	2,777	27.4%	3,093	11.4%
Flatel	N/A	N/A	N/A	N/A	N/A	2,279	N/A	1,888	-17.2%
Express	N/A	N/A	N/A	N/A	N/A	2,275	N/A	3,923	72.4%
Budget Phone	134	59	- 56%	565	857.6%	1,134	100.7%	3,099	173.3%
Nexus	0	2037	N/A	2,084	2.3%	1,038	-50.2%	333	-67.9%
TDS Telecom	697	736	6%	735	- 0.1%	845	15.0%	920	8.9%
NEFCOM	588	635	8%	638	0.5%	837	31.2%	769	-8.1%
Knology	64	126	97%	221	75.4%	695	214.5%	959	38.0%
dPi	N/A	N/A	N/A	N/A	N/A	588	N/A	1,273	116.5%
Frontier	118	150	27%	172	14.7%	179	4.1%	159	-11.2%
Sprint-Nextel	28	39	39%	78	100.0%	171	119.2%	191	11.7%
ITS Telecom	27	79	193%	101	27.8%	124	22.8%	147	18.6%
Midwestern	N/A	174	N/A	465	167.2%	107	-77.0%	153	43.0%
Verizon Wireless/ ALLTEL	31	38	23%	32	- 15.8%	66	106.3%	18	-72.7%
Smart City	3	8	167%	9	12.5%	20	122.2%	18	-10.0%
Easy Telephone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	376	N/A
Non-ETC Reseller	N/A	N/A	N/A	8,551	N/A	18,073	121.6%	13,664	-24.4%
Total	145,734	159,028	9.5%	183,972	15.7%	618,774	236.3%	642,129	3.8%

Sources: Industry responses to FPSC data requests (2006-2010)

As presented in Table 6, the 4 ETCs which have the largest number of Lifeline participants had a gain of 7,605 customers.

Table 6. AT&T, SafeLink, Verizon, and Embarq/CenturyLink Lifeline Customer Gain/Loss

Company	June 2010 Customer Participation	Lifeline Customer Gain/Loss
SafeLink	396,114	3,078
AT&T	126,114	24
Embarq/ CenturyLink	41,593	1,738
Verizon	23,681	2,765
Total	587,502	7,605

Source: Industry responses to FPSC data requests (2009-2010)

B. Link-Up

Florida's Link-Up program helps low-income consumers by reducing the telephone service installation charge. This program pays one-half (up to a maximum of \$30) of the initial installation fee for a traditional wireline telephone or activation fee for a wireless telephone. Eligible residents of tribal lands may receive up to \$100 in discounts on initial connection charges. The \$100 maximum is based on the sum of the federally financed 50 percent discount (up to the \$30 maximum) available to all qualified low-income individuals, plus a dollar-for-dollar match (up to \$70) for connection charges above \$60.

Table 7 displays Link-Up program participants for AT&T, Verizon, and Embarq/CenturyLink from September 2007 through June 2010.

Table 7. AT&T, Verizon, and Embarq/CenturyLink Link-Up Participants

Year	AT&T, Verizon, and Embarq Link-Up Customers
June 2010	53,078
June 2009	35,330
June 2008	13,959 ²¹
September 2007	29,849

Source: Industry responses to FPSC data requests (2007-2010)

²¹ This figure represented a nine-month period, October 1, 2007, through June 30, 2008.

C. Transitional Lifeline

In accordance with Section 364.105, Florida Statutes, current customers who no longer meet eligibility criteria and are removed from Lifeline service receive a 30 percent discount off the residential basic local service rate for a period of 12 months after ending Lifeline service. For example, a former Lifeline customer with a phone bill that includes a \$25.00 basic rate would receive a \$7.50 monthly discount for one year. Transitioning from Lifeline service means that the consumer's socio-economic status may have improved, and the customer may have advanced beyond the qualifying eligibility criteria.

Table 8 presents data on Transitional Lifeline customers for AT&T, Verizon, and Embarq/CenturyLink for September 2006 through June 2010.

**Table 8. AT&T, Verizon, and
Embarq/CenturyLink
Transitional Lifeline Participants**

Year	AT&T, Verizon, and Embarq/CenturyLink Participants
June 2010	3,710
June 2009	3,996
June 2008	8,822
September 2007	11,463
September 2006	21,173

Source: Industry responses to FPSC data requests (2006-2010)

D. Lifeline Automatic Enrollment Process

Implementation of the Lifeline automatic enrollment process has been a major success. Staff began formally tracking the number of Lifeline applications filed via the Lifeline automatic enrollment process in October 2006, and as of June 30, 2010, 310,963 Lifeline applications were filed.

The automatic enrollment process entails the DCF client checking a “yes” or “no” box on the DCF Web application, indicating an interest in receiving the Lifeline discount on his or her telephone service. The “no” box provides an option to the applicant not to subscribe to Lifeline. If the client answers in the affirmative, the applicant identifies a telephone service provider from a drop-down box on the application and answers applicable questions. The DCF forwards to the FPSC the necessary information of those clients approved by DCF for benefits who have indicated a desire to receive Lifeline. The FPSC computers sort the information by ETC and place the applications on the FPSC's secure Web site for retrieval by the appropriate ETC.

The FPSC and DCF continue to work together to further streamline the Lifeline Automatic Enrollment process, making the procedure easier and more efficient for applicants. With the increase in additional companies, including wireless, providing Lifeline, the DCF application was modified for clarity by separating ETCs by wireline and wireless providers on the list of Florida ETCs. Additionally, on the FPSC Web site, applicants downloading or accessing a Lifeline application could call a representative to apply or gain information about the company's Lifeline plans or elect to fax or mail in their completed application.

All ETCs are required to enroll the subscriber in the program as soon as practicable, but no later than 60 days from the receipt of the FPSC's automatic e-mail notification. In addition, upon completion of initial enrollment, the ETC is required to credit the subscriber's bill for Lifeline service as of the date the ETC received the FPSC's e-mail notification.

ETCs are required to provide the FPSC, within 20 calendar days of receiving the FPSC's e-mail notification, the names, addresses, telephone numbers, and date of the application for any misdirected applications; any applications for customers currently receiving Lifeline service; or any rejected applicants, including the reason(s) the applicants were rejected as shown in Rule 25-4.0665, F.A.C. The information filed by the ETCs is confidential and exempt from the public records requirement; however, the information contained in the response is disclosed to the Commission, pursuant to the criteria set forth in Section 364.107(3)(a)(4), Florida Statutes.

The implementation of the Lifeline automatic enrollment process has shown promising results; furthermore, with more companies participating in the Lifeline program, the potential to reach significantly greater numbers of eligible customers in coming years exists through automatic enrollment.

VII. Regulatory Actions Impacting Florida's Lifeline Program

Key actions by the Florida Legislature, the FPSC, and the FCC to advance the Link-Up and Lifeline programs continued during 2010. A discussion of these initiatives is presented below.

A. Florida Legislature

1. Revision to Chapter 364.10, Florida Statutes. In 2010, Section 364.10(3)(a), Florida Statutes, was revised to allow any commercial mobile radio service provider designated as an eligible telecommunications carrier pursuant to 47 U.S.C. §214(e), upon filing a notice of election to do so with the Commission, provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty income guidelines. This revision expanded 2009 legislation which revised Section 364.10(3)(a), Florida Statutes, to mandate that each Local Exchange Carrier (LEC) that has more than 1 million access lines and that is designated as an ETC shall provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty income guidelines. The previous income eligibility test was at 135 percent or less of the federal poverty guidelines.

Chapter 364.10, Florida Statutes, was also revised at Section 364.10(3)(h)3 to mandate that by December 31, 2010, the Commission, the Department of Children and Families, the

Office of Public Counsel, and each ETC offering Lifeline and Link-Up services shall convene a Lifeline Work Group to discuss how eligible subscriber information, such as name, date of birth, and service address, will be shared; the obligations of each party with respect to the use of that information; and the procedures to be implemented to increase enrollment and verify eligibility in the programs.

B. Florida Public Service Commission

1. Lifeline Work Group as required by Senate Bill (SB) 814. The initial meeting of the Lifeline Work Group was hosted by the FPSC on August 18, 2010. Representatives from the FPSC, the Department of Children and Families, the Office of Public Counsel, and ETCs participated. Key questions discussed at the meeting included: (1) How should an eligible subscriber's personal identifying information be shared? (2) Should an eligible subscriber's personal identifying information be used by an ETC for marketing purposes? (3) What should be the obligations of each party with respect to the use of an eligible subscriber's personal identifying information? (4) What procedures should be implemented to increase enrollment and verify eligibility in these programs? Formal written comments were requested and received, and another meeting will be planned at a later time.

2. Proposed amendment of Rule 25-4.0665, F.A.C., Lifeline Service. On June 4, 2010, the FPSC formally adopted amendments to Rule 25-4.0665, Florida Administrative Code, relating to Lifeline. This action was the culmination of a multi-year process to establish comprehensive rules to strengthen the Lifeline program. The rules established procedures relating to certification, verification, data reporting, and other key issues related to Lifeline.²²

3. Bundled Packages. Docket No. 080234-TP addresses the application of the Lifeline discount to bundled service packages. A bundled service package combines basic local telecommunication service with nonbasic services to create an enhanced service offering. *Basic local telecommunications service* means voice-grade, single-line, flat-rate residential local exchange service that provides dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multifrequency dialing, and access to the following: emergency services such as "911," all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing. *Nonbasic service* means any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service, a local interconnection arrangement described in Section 364.16, Florida Statutes, or a network access service described in Section 364.163, Florida Statutes. Any combination of basic service along with a nonbasic service or an unregulated service is nonbasic service.

Currently, ETC policies within Florida differ as to whether the Lifeline discount applies to bundled service packages. Some ETCs provide Lifeline consumers with the option to subscribe to any bundled package while others reject the applications of Lifeline consumers subscribing to bundled services. Other ETCs engage in procedures informing consumers of limited plans for Lifeline, giving customers the only option of subscribing to a basic service.

²² Docket No. 090504-TP, Order No. PSC-10-0358-NOR-TP.

The FPSC initiated this docket because Florida consumers who were qualified for the Lifeline program through the FPSC/DCF Lifeline automatic enrollment process were being denied Lifeline service by some providers due to the consumer's choice for a bundled service. By Order No. PSC-08-0417-PAA-TP, issued June 23, 2008, the Commission clarified that pursuant to 47 C.F.R. §54.403(b) and consistent with Chapter 364, Florida Statutes, ETCs are required to apply the Lifeline discount to the basic local service rate or the basic local service rate portion of any service offering which combines both basic and nonbasic service.

Verizon, Sprint-Nextel, and Alltel Communications, LLC (Alltel) each requested a formal proceeding in protest of the FPSC's order. The Office of Public Counsel (OPC) filed a Notice of Intervention in support of the FPSC's order. A formal hearing was held on March 2, 2009.

Verizon entered into a settlement agreement in Docket No. 080278-TL which resolved its protest in Docket No. 080234-TP. Verizon agreed to provide Lifeline discounts to all eligible customers who request the discount and receive regulated telecommunications service packages. Verizon also agreed to contribute \$125,000 to promote the Lifeline and Link-Up programs. The Sprint-Nextel and Alltel Communications, LLC issues are pending before the Commission.

4 Rule Development Concerning the Eligibility Requirements for a Common Carrier Desiring Designation as an Eligible Telecommunications Carrier in Florida (Undocketed). A staff workshop was held on August 11, 2009, to discuss preliminary rule language concerning the eligibility requirements for a common carrier desiring designation as an eligible telecommunication carrier in Florida. Post workshop comments were filed by interested parties on September 14, 2009. FPSC staff continued rule development in 2010.

5. ETC Petitions. Considerable activity continued in 2010 regarding formal ETC petitions filed with the FPSC for consideration. In total, two wireless company ETC petitions were granted, two CLEC ETC petitions were granted, and five CLEC ETC petitions were withdrawn.

6. Expedited Approval of Lifeline Outreach Funding and for Modification of SEEM Penalty Payments. On October 16, 2009, AT&T filed a petition which addresses operations support systems, permanent performance measures for incumbent local exchange telecommunications companies. On August 25, 2010, the FPSC issued Order No. PSC-10-0545-PAA-TP stating that the Settlement Agreement filed on March 22, 2010, is approved and that AT&T shall voluntarily deposit a one-time contribution of \$250,000 into the AT&T Florida CSF.²³

7. The Florida Public Service Commission (FPSC) and the Florida Office of Public Counsel (OPC) Joint Comments in response to the FCC's Public Notice (DA 09-2257) released on October 21, 2009, relating to Lifeline. The FCC sought comment on the provision of Lifeline service to residents of group living facilities such as homeless shelters, nursing homes, assisted-living facilities, apartment buildings, trailer-home communities, halfway houses, and group homes.

²³ Docket No. 000121A-TP

Specifically, the FCC sought comment on:

- The effects of the one-per-household rule for Lifeline support in the context of group living facilities.
- Ways that eligible telecommunication carriers (ETCs) may offer Lifeline service to qualified residents of group living facilities while continuing to comply with the one-per-household rule.
- Whether and how ETCs that provide Lifeline-supported service to homeless individuals who do not use shelters could comply with the one-per-household rule.

In response to the FCC's request, the FPSC and OPC filed joint comments to encourage the FCC to:

- Expand the definition of "household" to include residents of group living facilities.
- Put appropriate safeguards in place if the definition of "household" is expanded in order to protect the universal service program from waste, fraud, and abuse.
- Keep the burden of validating Lifeline customer eligibility for reimbursement from the USF with the ETC providing Lifeline Service to residents of the group living facility.
- Require ETCs to maintain Lifeline eligibility documentation of all Lifeline customers (including residents of group living facilities) as required by 47 C.F.R. §54.417.
- Require TracFone to implement a 60-day inactivity check of Lifeline customers to ensure the USF Fund is only reimbursing TracFone for active Lifeline customers.
- Define the terms homeless, homeless shelters, and other group living facilities.

8. FPSC comments in response to the Public Notice released on June 14, 2010, (FCC 10J-2) by the Federal-State Joint Board on Universal Service (Joint Board) seeking comment on the questions presented in the FCC Lifeline and Link-Up Referral Order. Specifically, the FCC asked the Joint Board to recommend any changes to the Lifeline and Link-Up eligibility, verification, and outreach rules. In response to the request for comments, the FPSC asked the FCC to consider the following:

- 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.

- 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.
- The FPSC supports the use of automatic enrollment processes for Lifeline as 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 as to whether automatic enrollment would be the most effective means to increase its Lifeline participation rate.
- The FPSC supports the use of electronic certification and verification for Lifeline such as the computer portal being used in Florida's pilot program.
- 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, the database should be maintained by the Universal Service Fund (USF) administrator under strict confidentiality provisions.
- 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 if 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.
- The FPSC fully supports the participation of the FCC, National Association of Regulatory Utility Commissioners (NARUC), the state public utility commissions, and the National Association of State Utility Consumer Advocates (NASUCA) in an annual National Lifeline Awareness Week.
- The FCC should ensure that all Lifeline ETCs advertise the availability of such services and charges and participate in public information campaigns.
- 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.

9. Enforcement Action. The FPSC strives to protect the integrity of the Lifeline program in the State of Florida. The FPSC not only has statutory authority to grant ETC designations, but also has authority to revoke ETC status when warranted. The FPSC recognizes that appropriate safeguards ensuring protection against waste, fraud, and abuse in the Lifeline program is contingent upon working, functioning, and developing adequate safeguards to ensure that funds are being disbursed and expended according to state and federal regulations and guidelines. The FPSC recognizes that unlawful and inappropriate disbursements from the USF is inconsistent with public trust, and negatively impacts states like Florida, which contributes more

into the USF than it receives. The FPSC will continue to establish and enforce safeguards to protect waste, fraud, and abuse of the USF in Florida.

Specific actions taken by the FPSC include:

- The monthly monitoring of Link-Up and Lifeline disbursements from the USF to determine if funds are being reported and reimbursed consistent with the number of actual Lifeline customers. Additionally, the FPSC monitors Lifeline customer lines that are purchased from another carrier as “resale” are not being claimed by the ETC for reimbursement, causing overpayment of the USF.
- The FPSC establishment of the National ETC Coordinating Group to monitor prospective and existing ETCs across the country. Florida has been one of the front runners in enforcing safeguards to prevent waste, fraud, and abuse of the USF. This sharing of information has enabled other states in the ETC Coordinating Group to monitor new ETC petitioners and existing ETCs within each respective state to prevent waste, fraud, and abuse of the USF on a national basis.
- Frequent contact and maintaining open lines of communications with the FCC and USAC on Lifeline matters. The FPSC monitors companies that have been issued show-cause actions by the FCC or are under investigation by the FCC or the USAC.
- The prepaid wireless 60-day verification program was initiated by the FPSC to verify that customers that have not used their Lifeline phones in a 60-day period are still valid Lifeline customers. The FPSC discovered that many Lifeline customers provided a free handset and free minutes may discard or not use the phone after a couple months. The prepaid wireless provider would still collect reimbursement from the USF on a monthly basis. The FPSC requires prepaid wireless providers to contact the customer after 60 days of inactivity to verify they are still a valid Lifeline customer. If no reply is received, the wireless provider disconnects service to that customer.

C. Federal Communications Commission

1. TracFone Petition for Rulemaking to Revise Universal Service Support Available to Eligible Telecommunications Carriers (FCC Docket No. 96-45). TracFone Wireless, Inc. filed a petition on March 5, 2009, requesting a rulemaking proceeding for amending the definition of federal Tier One Lifeline support in the amount \$6.50 per month per Lifeline customer. The Tier One support equals the individual state’s subscriber line charge (SLC). In many states, the SLC charged by the largest ILEC in the state is less than \$5.00. Fourteen states have ILECs serving a substantial portion of the states that charge a SLC less than \$6.00, but greater than \$5.00. In only 15 states, plus Puerto Rico and the U.S. Virgin Islands, all ILECs charge the highest permissible SLC rate of \$6.50. The petition is pending at the FCC.

2. TracFone Lifeline Petition to Modify Lifeline Head of Household. A petition filed by TracFone Wireless on April 27, 2009, seeks to have the FCC modify a condition that an ETC must require its Lifeline customers to annually self-certify that he or she is the head of the

household and receives Lifeline-supported service only from one ETC. Specifically, the FCC requirement is intended to prevent Lifeline participants from obtaining multiple Lifeline benefits. TracFone believes that the requirement has an unintended adverse impact on residents of homeless shelters. TracFone requests the FCC clarify that the one-per-household rule does not apply to qualified Lifeline residents of homeless shelters. The company also asks the FCC to provide guidance on how ETCs may enroll residents of shelters in their Lifeline programs without risking violation of the rule. The petition is pending at the FCC.

3. National Broadband Plan. Specific to Lifeline and Link-Up, the National Broadband Plan²⁴ advocates expanding the Lifeline and Link-Up programs by allowing subsidies provided to low-income Americans to be used for broadband. In addition, the plan encourages the licensing of a block of spectrum for wireless with a condition to offer free or low-cost service that would create affordable alternatives for consumers, reducing the burden on USF. Key recommendations in the plan related to Lifeline and Link-Up include:

- The FCC should expand Lifeline and Link-Up to make broadband more affordable for low-income households.
- The FCC should consider free or very low-cost wireless broadband as a means to address the affordability barrier to adoption.
- The FCC should make changes to ensure effective coordination and consultation with Tribes on broadband issues.
- The FCC and states should require ETCs to permit Lifeline customers to apply Lifeline discounts to any service or package that includes basic voice service.
- The FCC should integrate the expanded Lifeline and Link-Up programs with other state and local e-government efforts.

4. Midwestern Telecommunications Inc. (Midwestern) Petition for Forbearance from ETC facilities requirement. Midwestern is an existing ETC in Florida presently providing landline only telecommunications service. Through its petition, Midwestern sought forbearance from the FCC requirement that ETCs provide service, at least in part, over their own facilities. In response to the petition, the FCC released Order FCC 10-134 on July 30, 2010, granting in part and denying in part Midwestern's petition. The order granted Midwestern's petition for relief from the facilities requirement as it relates to Lifeline; however, relief was denied as it applied to Link-Up. On September 10, 2010, Midwestern filed a compliance plan to satisfy conditions imposed by the FCC when it granted Midwestern limited forbearance from the facilities requirement in order to become a wireless ETC providing Lifeline service. Comments regarding this compliance plan are due October 20, 2010, and Reply Comments are due November 4, 2010.

²⁴ The National Broadband Plan was created by the FCC as directed by the United States Congress to ensure that every American has access to broadband to advance consumer welfare, civic participation, public safety and homeland security, community development, health care delivery, energy independence and efficiency, education, employee training, private sector investment, entrepreneurial activity, job creation and economic growth, and other national purposes.

5. High-Cost Universal Service Support, FCC WC Docket No. 05-337; CC Docket No. 96-45. On September 3, 2010, the FCC released an Order and Notice of Proposed Rulemaking addressing how high-cost support should be allocated when the USF support is phased out or eliminated. The Order addresses two specific merger requirements affecting Verizon Wireless/Alltel and Sprint Nextel/Clearwire. In response to the FCC's Order, Sprint filed a notice relinquishing its ETC designation in Florida, North Carolina, and Tennessee. Verizon Wireless provided notice that it will phase down its high-cost support over five years.

VIII. Lifeline Awareness Promotion, Pursuant to Section 364.10, F.S.

Promotional activities in 2010 featured National Lifeline Awareness Week, National Consumer Protection Week, the Connect Florida Campaign, and ongoing "grass roots" efforts to increase awareness and enrollment in the programs.

Lifeline Across America. In 2010, the Lifeline Across America Working Group (FCC, NARUC, and NASUCA representatives) concentrated on finalizing the second annual National Lifeline Awareness Week. The Working Group's efforts were rewarded when 34 state public service commissions throughout the country issued press releases, received gubernatorial proclamations, released television and radio public service announcements, and published letters-to-the-editor to help spread the word about the Lifeline and Link-Up telephone assistance programs. NARUC President David Coen of Vermont participated in a September 13 congressional briefing in the House of Representatives' Rayburn Building to officially kick off the week. Officials from the FCC, NASUCA, and a local social-service organization also shared the stage. The briefing drew a crowd of congressional staff, media, and interested stakeholders. President Coen said Lifeline Awareness Week is a critical outreach effort that will continually help spread the word about these beneficial telephone assistance programs. In 2009, NARUC passed a resolution calling for an annual national outreach campaign to increase consumer knowledge about Lifeline and Link-Up. After the initial event in Washington, D.C., Congresswoman Doris Matsui (D-CA) introduced a House resolution recognizing the week of September 13-19, 2010, as Lifeline Awareness Week. The resolution was cosponsored by Congressman Edward Markey (D-MA). Although Congress did not act on the proposal, the Working Group was pleased that it was introduced, giving the Lifeline Awareness Week national standing.

Also, the technical sub-group (formed in 2007) continued to hold quarterly conference calls to discuss special issues related to the administration of the Link-Up and Lifeline programs. The sub-group includes representatives from the FCC, NARUC, USAC, and state commissions. In 2009, the FPSC shared information about Florida's Lifeline regulations and procedures, SafeLink activities, and Lifeline Awareness Week.

National Lifeline Awareness Week (September 13-19, 2010). *Stay Connected, Florida. Get Lifeline Assistance and Save Money on Your Monthly Phone Bill* was again the slogan selected by the project participants for Florida's 2010 Lifeline Awareness Week. Governor Charlie Crist wrote a letter commenting on the importance of Florida joining other states in this national outreach effort and announcing that participation in the Lifeline Assistance program has almost

tripled in our state (Governor Crist's letter follows on the next page). As in past years, the FPSC's Lifeline Awareness Week aimed to increase awareness among citizens already receiving assistance from public benefits programs.



CHARLIE CRIST
GOVERNOR

September 13, 2010

Dear Friends:

Welcome to the Florida kickoff of National Lifeline Awareness Week! Florida is pleased to join other states in this national outreach effort to increase awareness about the Link-Up and Lifeline Assistance programs.

Link-Up Florida and Lifeline Assistance programs provide discounts on connection fees and on monthly bills for Florida's low-income consumers. Since 2008, participation in the Lifeline Assistance program has almost tripled in Florida. It is important that every citizen in the great State of Florida has access to affordable telephone service to enable them to stay connected to services, businesses, and family. This week will help even more eligible Floridians benefit from the programs.

I want to thank the Public Service Commission, the Office of Public Counsel, other state and federal agencies, and telecommunications companies across the State of Florida for your dedication to providing access to local telephone service.

Best wishes for a successful week helping Floridians to Stay Connected!

Sincerely,

A handwritten signature in black ink that reads "Charlie Crist".

Charlie Crist

The FPSC launched the kickoff event in Apalachicola to help residents affected by the Deepwater Horizon oil spill. Area residents, through the help of Franklin County's Promise Coalition and the City of Apalachicola, learned how to save money annually on their local phone bills through the discounted telephone programs. Events were also held in Macclenny, Pensacola, Ft. Walton Beach, Tampa, and Ft. Lauderdale. Some events included participation and support from local government officials and local social service agencies. Individual assistance was offered to consumers applying for Link-Up or Lifeline.

Linking Solutions (for AT&T, CenturyLink, SafeLink, and Verizon) and Fairpoint Communications were instrumental in obtaining locations and informing citizens about the events. Additional assistance was provided by the OPC, Assurance Wireless, AT&T, CenturyLink, FLATEL, NEFCOM, SafeLink, Sprint-Nextel, T-Mobile, and Verizon. The initial planning phase included all Florida Eligible Telecommunications Carriers. The input and support of these diverse Lifeline Partners were key to the success of this project.

National Consumer Protection Week and Other Community Events. The Lifeline Partners continued to seek existing community events and develop new events where Lifeline educational materials could be distributed and discussed with citizens. National Consumer Protection Week (NCPW), March 7-13, 2010, provided an excellent backdrop for other important 2010 Lifeline outreach activities. NCPW is a coordinated annual consumer education campaign that encourages individuals to take advantage of their consumer rights. For this year's event, the Commission partnered with six senior centers and a public library in North Florida to help Florida's senior residents save money on their telephone and utility bills. The FPSC staff began the week's activities with a presentation to consumers during Senior Days and library visits throughout Tallahassee and Wakulla. In keeping with the national theme, *Dollars and Sense: Rated A for all Ages*—highlighting the importance of using good consumer sense at every stage of life—Commission presentations included information about reducing utility expenses through conservation and applying for Lifeline. One-on-one assistance was provided to consumers wanting to enroll in Link-Up and Lifeline at these events. Utility representatives were also available to offer assistance at some locations.

Other events and locations where Lifeline information was shared included Ambassadors for Aging Day, Active Living Expo, Earth Day at the Capitol, Canal Point Community Day, Volusia County Community Day, Pahokee Community Day, Florida Assisted Living Association's Annual Conference, City of Riviera Beach Community Day, National Employ Older Workers Week, Wakulla Public Library, and senior days in the following communities: Bradfordville, Woodville, Tallahassee (various locations), Ft. Braden, Chaires-Capitola, Miccosukee, and Citrus County. The FPSC also provided Lifeline educational materials for distribution by Florida's 280 public libraries, the Waldo Community Center, The Tamarac Community Day, the 10th Annual Central Florida Kidfest and Family Expo, and the Villa Aida/Goodlet Park Community Day.

Connect Florida Campaign. The Connect Florida Campaign (Campaign), established by Linking Solutions, Inc., OPC, and AT&T in 2004, remains a factor in increasing consumer awareness and participation in Link-Up and Lifeline. During the July 2009 – June 2010 reporting period, Campaign event locations included Tallahassee and Tamarac, and large Lifeline events were planned in Tampa, Hialeah, and Pahokee. AT&T Florida is targeting additional cities throughout the remainder of the year, including Crystal River, Riviera Beach,

and Orlando and is also planning events in Brevard, Duval, Escambia, and Monroe counties, specifically targeting Florida's military families. Also, through Linking Solutions, AT&T will target the National School Lunch Program in certain counties, including Columbia, Dixie, Gilchrist, Levy, and Putnam. From July 2009 – June 2010, the Linking Solutions Campaign held 480 sessions throughout Florida with 61,500 attendees and submitted approximately 4,590 Link-Up and Lifeline applications.

Community Services Block Grant Program. The Florida Department of Community Affairs (DCA) previously modified its procedures in the Community Services Block Grant program to add an indicator to its work plan, allowing the community action agencies to report on the number of clients they help to secure Lifeline services. During the fourth year reporting period of October 1, 2008 – September 30, 2009, an additional 1,632 households were signed up for Lifeline benefits through 15 community action agencies. Data for October 2009 to September 2010 is not available until early 2011.

Income-Based Lifeline Applicants. The OPC continues to provide assistance to consumers applying for Lifeline based upon income, receiving an average of 3,285 calls per month. OPC staff processed over 39,000 calls from potential applicants from July 2009 – June 2010. During that time, OPC also received 22,813 Florida OPC Lifeline applications and approved approximately 8,376 applications for customers of AT&T, CenturyLink, Verizon, and SafeLink. The remaining applications were either denied, pending, or from non AT&T, CenturyLink, Verizon, or SafeLink customers. Applications that were received, but not included in these totals, were from out-of-state customers or were public assistance program-based applications that were forwarded to the appropriate company.

Ongoing Lifeline Outreach. Ensuring easily accessible Lifeline information through the agencies and organizations having regular interaction with eligible consumers is crucial to the Lifeline awareness effort. The Lifeline Partners (listed below) have continued to develop new partnerships, participate in local community events, offer training sessions, provide updates about program changes, and supply brochures and applications as in recent years. The information provided in the Lifeline Reports from 2003 through 2007 offers a detailed historical perspective and serves to illustrate ongoing outreach efforts. Learn more about the Lifeline Partners and valuable assistance they offer in promoting Lifeline by visiting the FPSC's Web site at <http://www.psc.state.fl.us/publications/reports.aspx#tele>.

Lifeline Partners. The following local, state, and federal agencies, organizations, businesses, and telecommunications companies are involved in the collaborative effort to increase awareness and participation in the Link-Up and Lifeline programs. Through a monthly outreach effort, the FPSC is contacting at least two organizations monthly and sending cover letters and informational packets to encourage the groups to continue reaching out to their clients eligible for Lifeline. In an additional outreach effort, the FPSC is attending at least two community events monthly to promote Lifeline.

Local, State, and Federal Agencies, Organizations, and Businesses:

- AARP - Florida Chapter (formerly the American Association of Retired Persons)
- ACCESS Florida Community Network Partners

- Agency for Health Care Administration (AHCA)
- Agency for Workforce Innovation (AWI) and Workforce Florida, Inc. (WFI)
- Area Agencies on Aging
- Big Bend 2-1-1 and other 2-1-1 Agencies
- Braille and Talking Book Library
- Bureau of Indian Affairs Programs
- Capital Area Community Action Agency, Inc. (CACAA)
- Centers for Independent Living
- City and County Consumer Assistance Departments
- City and County Housing Authorities
- Faith Radio Station and other Florida radio stations
- Federal Social Security Administration (SSA) - Tallahassee District
- Florida Alliance for Information and Referral Services (FLAIRS)
- Florida Assisted Living Association
- Florida Association for Community Action (FACA)
- Florida Association of Community Health Centers
- Florida Association of Food Banks (FAFB)
- Florida Coalition for the Homeless
- Florida Council on Aging
- Florida Department of Children and Families (DCF)
- Florida Department of Community Affairs (DCA)
- Florida Department of Education (DOE)
- Florida Department of Elder Affairs (DEA)
- Florida Department of Revenue (DOR)
- Florida Department of Veterans' Affairs (DVA)
- Florida Hospital Association
- Florida Nurses Association
- Florida Office of Public Counsel (OPC)
- Florida Public Libraries
- Florida Public School Districts
- Florida Public Service Commission (FPSC)
- Florida Telecommunications Relay, Inc. (FTRI)
- Florida Voters League
- Habitat for Humanity - Florida
- Leon County School Board
- Linking Solutions, Inc.
- NAACP (Florida Associations)
- Nursing Homes Administrators
- Tallahassee Memorial Hospital (TMH) and other Florida hospitals
- Tallahassee Urban League
- United Way of Florida
- Urban Leagues of Florida
- U.S. Department of Housing and Urban Development (HUD)

Telecommunications Companies:

- BellSouth Telecommunications, Inc. d/b/a AT&T Florida
- American Dial Tone, Inc.
- Budget Prepay, Inc. d/b/a Budget Phone
- dPi Teleconnect, LLC
- Easy Telephone Services Company
- Embarq Florida, Inc. d/b/a CenturyLink
- Express Phone Service, Inc.
- GTC, Inc. d/b/a FairPoint Communications
- FLATEL, Inc.
- Frontier Communications of the South, LLC
- ITS Telecommunications Systems, Inc.
- Knology of Florida, Inc.
- Midwestern Telecommunications, Inc.
- Northeast Florida Telephone Company d/b/a NEFCOM
- Nexus Communications, Inc. d/b/a Nexus Communications TSI, Inc.
- Smart City Telecommunications LLC d/b/a Smart City Telecom
- Sprint-Nextel
- Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone
- T-Mobile South LLC
- TracFone Wireless, Inc. d/b/a SafeLink Wireless
- Verizon Florida LLC
- Verizon Wireless (former ALLTEL territory)
- Virgin Mobile USA, L.P. d/b/a Assurance Wireless
- Windstream Florida, Inc.

IX. Effectiveness of Procedures to Promote Participation

Efforts to increase Link-Up and Lifeline participation can be separated into two categories, consumer outreach and enrollment process.

The FPSC, in cooperation with other state and federal agencies, the OPC, the ILECs, and other organizations, remains engaged in extensive outreach efforts. Because most of these efforts run concurrently, measuring the impact of any single activity on Link-Up and Lifeline participation is difficult. Nevertheless, outreach efforts overall are having a positive outcome and should be continued. Outreach efforts should also be expanded to include more CLEC and wireless ETCs.

The Commission continues to focus on enrollment process issues as a means of increasing participation. As previously discussed in this report, specific enrollment process initiatives include the following:

- Simplified Certification Process
- Lifeline Rulemaking

- FPSC Automated Online Application Process
- FPSC/DCF Automatic Enrollment Process
- DCF Certification/Verification Web Services Interface²⁵

X. Conclusion

The overall net Lifeline growth rate of 3.8 percent during the July 2009 through June 2010 review period continued to grow. As of June 30, 2010, 642,129 eligible customers participated in the Florida Lifeline program. The FPSC attributes the continued growth to the ETC designation of prepaid wireless providers such as SafeLink Wireless and Assurance Wireless. These ETCs provide a free phone and free monthly minutes to the customer. Other contributing factors to the growth include streamlining the enrollment process, refining the FPSC/DCF automated application procedure and the simplified certification process in Florida, so that applying to the Lifeline program is easier and faster than in previous years.

The four ETCs which have the largest number of Lifeline customers in 2010 were SafeLink which had 396,114 Lifeline customers, AT&T with 126,114 customers, Embarq/CenturyLink with 41,593 customers, and Verizon with 23,681 Lifeline customers as of June 30, 2010. All four ETCs experienced increases in eligible Lifeline customers over the previous year. In total, non-incumbent local exchange carrier (ILEC) Lifeline enrollment²⁶ was 440,118 customers of the total Lifeline customers.

National Lifeline Awareness Week (September 13-19, 2010) began the national outreach effort to increase Lifeline customers. *Stay Connected, Florida. Get Lifeline Assistance and Save Money on Your Monthly Phone Bill* was again the slogan selected by the project participants for Florida's 2010 Lifeline Awareness Week. As in past years, the FPSC's Lifeline Awareness Week directed efforts among those Florida citizens already receiving assistance from public benefits programs, who could qualify to receive additional savings by applying and participating in the Lifeline program.

As a result of the continued increase in Florida Lifeline participation, the USAC Lifeline Disbursements for Florida have increased during the most recent 12-month data period, ending September 2010, and totaled \$83,045,099. These dollars enabled Florida citizens qualifying for Lifeline benefits to receive discounted monthly bills or a free Lifeline wireless phone with free minutes per month that are only available with the Lifeline program.

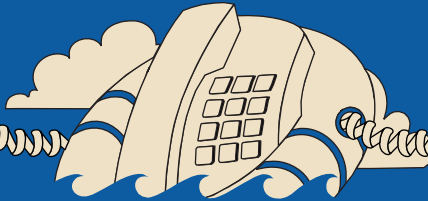
The FPSC will continue to identify and find solutions to barriers that may prevent Lifeline from achieving greater success for the benefit of Florida's low-income consumers. Additionally, staff anticipates that Lifeline enrollment of new customers will continue due to the current economic conditions in the state.

²⁵ The Web services interface allows Florida ETCs a secure gateway into the DCF computer to verify that a Lifeline customer is participating in the Food Stamp, Medicaid, or Temporary Cash Assistance program administered by DCF. The ETC enters the person's first and last name, date of birth, and last four digits of the person's social security number. The DCF computer responds as to whether the person currently participates in one of the DCF programs without identifying the program because of confidentiality.

²⁶ Non-ILEC Lifeline enrollment includes competitive ETC and non-ETC reseller enrollment.

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