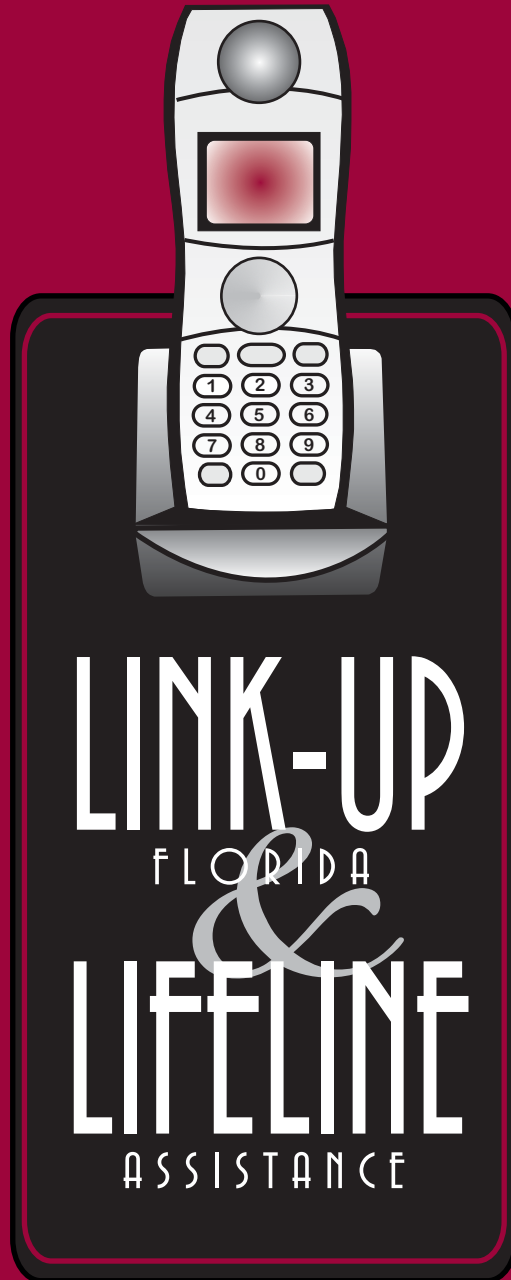


A REPORT TO THE  
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President of the Senate  
Speaker of the House of Representatives

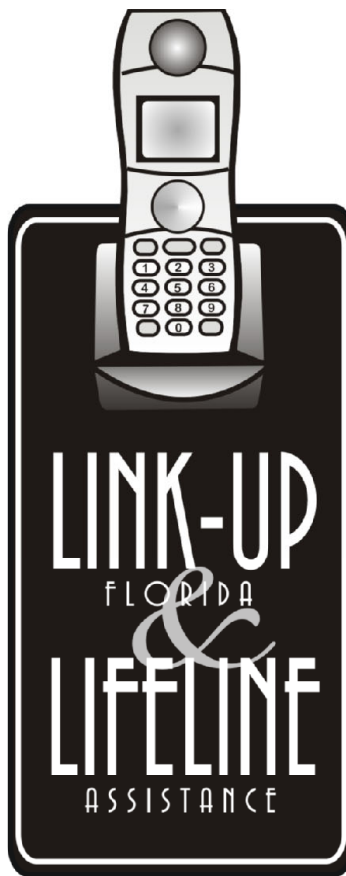


NUMBER OF CUSTOMERS SUBSCRIBING TO LIFELINE SERVICE  
AND THE EFFECTIVENESS OF  
PROCEDURES TO PROMOTE PARTICIPATION

Prepared by the  
Florida Public Service Commission

DECEMBER 2008

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



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## **List of Acronyms**

AHCA	Agency for Health Care Administration
AWI	Agency for Workforce Innovation
CFR	Code of Federal Regulations
CLEC	Competitive Local Exchange Carrier
CSF	Community Service Fund
CMRS	Commercial Mobile Radio Service (Wireless)
CPS	Current Population Survey
DCF	Department of Children and Families
DTV	Digital Television
ETC	Eligible Telecommunications Carrier
FAC	Florida Administrative Code
FCC	Federal Communications Commission
FNPRM	Further Notice of Proposed Rulemaking
FPG	Federal Poverty Guidelines
FPSC	Florida Public Service Commission
ILEC	Incumbent Local Exchange Carrier
LIHEAP	Low-Income Home Energy Assistance Plan
MOU	Memorandum of Understanding
NSL	National School Lunch Program's Free Lunch Program
OPC	Office of Public Counsel
PSAP	Public Safety Answering Point
PURC	Public Utility Research Center

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. This report presents participation data for the 2007-2008 program year. The report also evaluates procedures put in place to strengthen the program and increase the number of participants.

During the 2007 legislative session, Section 364.10(3)(h)(2), Florida Statutes, was modified to require any state agency that determines a person is eligible for Lifeline service to immediately forward the information to the Florida Public Service Commission (FPSC or Commission) to ensure that the person is automatically enrolled in the Lifeline program. In April 2007, the FPSC and the Department of Children and Families (DCF), formally implemented an automatic Lifeline enrollment process. On September 25, 2007, the FPSC approved proposed amendments to Rule 25-4.0665, Florida Administrative Code (F.A.C.), Lifeline Service, to include the Lifeline automatic enrollment process. A Memorandum of Understanding with respect to the Lifeline automatic enrollment procedures was signed by the FPSC, DCF, and the Office of Public Counsel (OPC) on September 27, 2007. The 2007 Legislature also granted a public records exemption for personal identifying information of Lifeline Assistance plan participants.

The number of eligible customers participating in the Lifeline program in Florida grew 11.8 percent during the October 2007 through June 2008 nine-month review period.<sup>1</sup> As of June 2008, 183,972 eligible customers participated in the Lifeline program. Embarq Florida, Inc. (Embarq), and AT&T Florida f/k/a BellSouth (AT&T) experienced the largest increases in Lifeline participation among Florida's ETCs during the 2007-2008 review period. Embarq increased its Lifeline participation by 4,787 customers, while AT&T's participation increased by 11,169 customers. Verizon experienced the largest net loss of Lifeline customers at 1,198.

Consistent with 2007, the primary reason for the increase in Lifeline participation has been the automatic enrollment process initiated by the FPSC and the DCF. Between April 1, 2007, and October 31, 2008, Lifeline applications totaling 268,797 were filed through the FPSC/DCF automatic enrollment process. In addition, enrollment of new Lifeline customers by competitive eligible telecommunications companies (ETC) continues to have a positive impact. In total, non-incumbent local exchange carrier (ILEC) Lifeline enrollment<sup>2</sup> was 13,843 customers, representing 7.5 percent of the total Lifeline customer enrollment as of June 30, 2008.

Furthermore, TracFone Wireless began serving Lifeline customers in Florida on September 8, 2008. Since Lifeline enrollment figures in this report are for a nine-month period ending June 30, 2008, TracFone's Lifeline customers are not included in the total number of Lifeline customers. TracFone enrolled 65,000 new Lifeline customers from September 8, 2008, to November 5, 2008, which brings total Florida Lifeline customers to approximately 250,000,

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<sup>1</sup> The 2008 Lifeline Report uses a nine-month review period to establish an earlier date for data collection. Future reports will return to a twelve-month review period (July 1-June 30).

<sup>2</sup> Non-ILEC Lifeline enrollment includes competitive ETC and non-ETC reseller enrollment.



which would represent approximately 21 percent of all Lifeline eligible households in Florida. TracFone's ETC designation is discussed further on pages 13-14 of this report.

The need for Lifeline assistance continues to grow in Florida. According to a U.S. Department of Agriculture Report, Florida had the largest nationwide increase in households participating in the Food Stamp Program at 21.8 percent from July 2007 to June 2008.<sup>3</sup> The Food Stamp Program is the largest qualifying program for Lifeline assistance.

The FPSC remains committed to improving the success of the Link-Up and Lifeline programs. In addition, efforts to improve the effectiveness of the FPSC/DCF automatic enrollment process will continue, as will efforts to increase public awareness of the Lifeline program through targeted consumer outreach. This report provides greater detail on these and other initiatives and developments.

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<sup>3</sup> <http://www.fns.usda.gov/pd/30fslatehh.htm>

## **I. Background**

The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 (the 2003 Act) became law on May 23, 2003, by the signature of the Governor. 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.<sup>4</sup> This report is prepared pursuant to the requirements of the 2003 Act.

As highlighted in the 2007 Lifeline Report, 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 must 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) were required to enter into a Memorandum of Understanding (MOU) with respect to automatic enrollment.

The FPSC, DCF, OPC, and industry have worked together to successfully implement the automatic enrollment process during 2008. 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, which is available to all eligible subscribers. All fifty 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 fifty 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,<sup>5</sup> Florida Lifeline subscribers

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<sup>4</sup> Section 364.10, Florida Statutes.

<sup>5</sup> Since Florida does not have a state Universal Service Fund, the \$3.50 credit is absorbed by the ETC providing service.

currently receive a total monthly credit of at least \$13.50, consisting of \$10.00 (\$6.50, \$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 to the extent 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 installation charge, 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.<sup>6</sup> 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)<sup>7</sup>
- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Plan (LIHEAP)
- National School Lunch (NSL) Program's Free Lunch Program<sup>8</sup>
- Bureau of Indian Affairs Programs<sup>9</sup>

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<sup>6</sup> Section 364.105, Florida Statutes.

<sup>7</sup> Known as Temporary Assistance to Needy Families (TANF) for federal universal service purposes.

<sup>8</sup> 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.

<sup>9</sup> 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 Free Lunch Program, or (3) Head Start Subsidy.

## Income-Based

In addition to the program-based criteria, customers with annual incomes up to 135 percent of the Federal Poverty Guidelines (FPG) may be eligible to participate in the Florida Link-Up and Lifeline programs. The OPC certifies customer eligibility under the income test for customers requesting to be enrolled in the Lifeline program.<sup>10</sup>

## **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 non-rural 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.<sup>11</sup>

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 support<sup>12</sup> pursuant to FCC rules.<sup>13</sup> 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 service.<sup>14</sup> Additionally, the carrier must advertise the availability of such services and charges using mass media.

The following companies have been granted ETC status in Florida:<sup>15</sup>

- AT&T
- Verizon
- Embarq
- FairPoint Communications (formerly GTC, Inc.)

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<sup>10</sup> See Section 364.10(3)(a), Florida Statutes.

<sup>11</sup> 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.

<sup>12</sup> Universal Service support is provided to ETCs for providing 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.

<sup>13</sup> 47 CFR pt. 54 – Universal Service.

<sup>14</sup> 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.

<sup>15</sup> The FCC designated Alltel Wireless and Sprint Nextel as ETCs. The remaining ETCs were designated by the FPSC. The following Florida ETC petition is pending before the FCC: Southern Communications Services, Inc., d/b/a Southern LINC. The following Florida ETC petitions are pending before the FPSC: Swiftel, LLC.; BLC Management, LLC, d/b/a Angles Communications Solutions; Express Phone Service, Inc.; Image Access, Inc. d/b/a NewPhone; and Tele Circuit Network Corporation.

- Windstream
- TDS Telecom
- NEFCOM
- Frontier
- ITS Telecom
- Smart City
- ALLTEL Wireless
- Sprint-Nextel
- Knology of Florida, Inc.
- Budget Phone, Inc.
- Nexus Communications, Inc.
- Ganoco, Inc. d/b/a American Dial Tone
- Midwestern Telecommunications, Inc.
- dPi Teleconnect, LLC
- TracFone d/b/a SafeLink Wireless
- FLATEL, Inc.

The FCC designated Sprint-Nextel and ALLTEL 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.<sup>16</sup> By Order No. PSC-07-0288-PAA-TP, issued April 3, 2007, the FPSC found that it had authority to consider applications for ETC status by CMRS providers.

## **V. Subscribership and Participation Rates**

### **A. Lifeline**

Table 1 shows the number of Lifeline subscribers from December 2003 through June 2008. The increase in Lifeline subscribers in 2008 is the result of continued successful implementation of the FPSC/DCF automatic enrollment process. The new process is discussed in greater detail in Chapter VI of this report. The decrease in Lifeline subscribers in 2005 was primarily the result of Lifeline customers determined to be ineligible by AT&T as a result of AT&T's implementation of federally mandated annual eligibility verification procedures. In compliance with FCC Order No. 04-87,<sup>17</sup> and Order No. PSC-04-0781-PAA-TL, issued August 10, 2004,<sup>18</sup> all of Florida's ETCs have established Lifeline verification procedures to verify the continued eligibility of consumers.

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<sup>16</sup> 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.

<sup>17</sup> 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, paragraphs 33-34 (released April 29, 2004).

<sup>18</sup> In RE: Adoption of the National School Lunch Program and an income-based criterion at or below 135 percent of the Federal Poverty guidelines as eligibility criteria for the Lifeline and Link-Up programs.

**Table 1. Florida Lifeline Subscribership**

	<b>December 2003</b>	<b>September 2004</b>	<b>September 2005</b>	<b>September 2006</b>	<b>September 2007</b>	<b>June 2008</b>
<b>Lifeline Subscribers</b>	<b>148,905</b>	<b>154,019</b>	<b>139,261</b>	<b>145,734</b>	<b>164,626</b>	<b>183,972<sup>19</sup></b>

The number of customers enrolled in Lifeline increased by 19,346 consumers during the 2007-2008 nine-month review period, representing an 11.8 percent increase. If TracFone’s enrollment numbers were included in Table 1, the increase would be 84,346 consumers, representing a 52 percent increase. The implementation of the FPSC/DCF automatic enrollment process continues to have a positive impact on participation.

Table 2 shows Lifeline participation rates for December 2003 through June 2008.<sup>20</sup> As of June 2008, the participation rate was 15.5 percent. If TracFone enrollment figures were included in Table 2, the participation rate would be 21 percent of eligible households.

**Table 2. Lifeline Participation Rate in Florida**

<b>Year</b>	<b>Lifeline Enrollment</b>	<b>Eligible Households</b>	<b>% Participation Rate Lifeline Enrollment Eligible Households</b>
<b>June 2008</b>	<b>183,972</b>	<b>1,186,015</b>	<b>15.5<sup>21</sup></b>
<b>September 2007</b>	<b>164,626</b>	<b>1,173,173</b>	<b>14.0</b>
<b>September 2006</b>	<b>145,734</b>	<b>1,150,483</b>	<b>12.7</b>
<b>September 2005</b>	<b>139,261</b>	<b>1,122,593</b>	<b>12.4</b>
<b>September 2004</b>	<b>154,019</b>	<b>1,100,000</b>	<b>14.0</b>
<b>December 2003</b>	<b>148,905</b>	<b>819,112</b>	<b>18.2</b>

Sources: FCC’s State-by-State Telephone Revenues and Universal Service Data (September 2003); Department of Children and Families (DCF); 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; Universal Service Administrative Company responses to FPSC data requests (2004); and industry responses to FPSC data requests (2003-2008).

<sup>19</sup> Lifeline subscribership would be 248,972 with the inclusion of TracFone.

<sup>20</sup> The participation rate is the ratio of enrolled subscribers to the eligible population.

<sup>21</sup> The participation rate would be 21 percent with the inclusion of TracFone.

Table 3 represents the distribution of Lifeline enrollment from December 2003 to June 2008. The data show a net increase of 11.8 percent Lifeline subscribers.<sup>22</sup>

**Table 3. Lifeline Net Participation**

ETCs	Dec 2003	Sept 2004	Net Growth Rate	Sept 2005	Net Growth Rate	Sept 2006	Net Growth Rate	Sept 2007	Net Growth Rate	June 2008	Net Growth Rate
AT&T	103,681	104,467	1%	86,408	- 17%	87,291	1%	93,337	7%	104,506	12.0%
Verizon	22,295	23,642	6%	24,433	3%	26,428	8%	23,918	- 9%	22,720	- 5.0%
Embarq	16,736	19,274	15%	21,537	12%	23,104	7%	30,016	30%	34,803	15.9%
FairPoint	2,385	2,304	- 3%	2,096	- 9%	2,002	- 4%	2,030	1%	2,179	7.3%
Windstream	2,670	3,067	15%	3,322	8%	3,533	6%	3,806	8%	4,266	12.1%
TDS Telecom	496	571	15%	657	15%	697	6%	736	6%	735	- 0.1%
NEFCOM	510	561	10%	630	12%	588	- 7%	635	8%	638	0.5%
Frontier	104	104	0%	120	15%	118	- 2%	150	27%	172	14.7%
ITS Telecom	27	27	0%	26	- 4%	27	4%	79	193%	101	27.8%
Smart City	1	2	100%	5	150%	3	- 40%	8	167%	9	12.5%
ALLTEL Wireless	N/A	N/A	N/A	13	N/A	31	138%	38	23%	32	- 15.8%
Sprint Nextel	N/A	N/A	N/A	14	N/A	28	100%	39	39%	78	100.0%
Knology	N/A	N/A	N/A	0	N/A	64	N/A	126	97%	221	75.4%
Budget Phone	N/A	N/A	N/A	N/A	N/A	134	N/A	59	- 56%	565	857.6%
American Dial Tone	N/A	N/A	N/A	N/A	N/A	1,166	N/A	1,840	58%	1,847	0.4%
Nexus	N/A	N/A	N/A	N/A	N/A	0	N/A	2037	N/A	2,084	2.3%
Vilaire	N/A	N/A	N/A	N/A	N/A	520	N/A	5,598	997%	N/A <sup>23</sup>	N/A
Midwestern	N/A	N/A	N/A	N/A	N/A	0	N/A	174	N/A	465	167.2%
Non-ETC Reseller*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,551	N/A
<b>Total</b>	<b>148,905</b>	<b>154,019</b>	<b>3.4%</b>	<b>139,261</b>	<b>-9.6%</b>	<b>145,734</b>	<b>5%</b>	<b>164,626</b>	<b>13%</b>	<b>183,972</b>	<b>11.8%</b>

\* Non-ETC Resellers were previously included within the above ETCs.

Sources: Industry responses to FPSC data requests (2003-2008); Universal Service Administrative Company responses to FPSC data request (2004 and 2005).

<sup>22</sup> The participation decrease in 2005 was primarily the result of AT&T's implementation of verification procedures, which eliminated Lifeline subscribers who could not present proof of eligibility.

<sup>23</sup> Vilaire's certificate to provide service in Florida was canceled by the FPSC in 2008.

AT&T and Embarq experienced the largest increases in Lifeline participation among Florida's ETCs during the 2007-2008 nine-month review period. As presented in Table 4, the three largest ETCs had a net Lifeline customer gain of 14,758.

**Table 4. AT&T, Verizon, and Embarq  
Net Lifeline Customer Gain/Loss  
October 2007 – June 2008**

<b>Company</b>	<b>Net Lifeline Customer Gain/Loss</b>
<b>AT&amp;T</b>	<b>11,169</b>
<b>Verizon</b>	<b>(1,198)</b>
<b>Embarq</b>	<b>4,787</b>
<b>Total</b>	<b>14,758</b>

Source: Industry responses to FPSC data requests (2005-2008).

## **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 5 displays Link-Up program participants for AT&T, Verizon, and Embarq from 2005 through 2008.

**Table 5. AT&T, Verizon, and Embarq  
Link-Up Participants**

<b>Year</b>	<b>AT&amp;T, Verizon, and Embarq Link-Up Customers</b>
<b>September 2005</b>	<b>11,605</b>
<b>September 2006</b>	<b>15,353</b>
<b>September 2007</b>	<b>29,849</b>
<b>June 2008</b>	<b>13,959</b>

Source: Industry responses to FPSC data requests (2005-2008).



### 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 Lifeline service is removed. 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. Progressing 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 6 presents data on Transitional Lifeline customers for AT&T, Verizon, and Embarq for September 2005 through June 2008.

**Table 6. AT&T, Verizon, and Embarq  
Transitional Lifeline Participants**

Year	AT&T, Verizon, and Embarq Participants
September 2005	16,372
September 2006	21,173
September 2007	11,463
June 2008	8,822

Source: Industry responses to FPSC data requests (2005-2008).

## VI. Regulatory Actions Impacting Florida's Lifeline Program

Key regulatory initiatives undertaken by the FPSC, the OPC, and the FCC to promote the Link-Up and Lifeline programs continued during 2008. A discussion on these issues and dockets, including relevant background information, is presented below.

### A. Florida Public Service Commission

**1. Proposed amendment of Rule 25-4.0665, F.A.C., Lifeline Service (Docket No. 070572-TL).** Section 364.10(3)(h)(2), Florida Statutes, as amended during the 2007 Legislative Session, requires any state agency that determines a person is eligible for Lifeline service to immediately forward the information to the FPSC to ensure that the person is automatically enrolled in the Lifeline program. This section required the FPSC to adopt rules by December 31, 2007, creating procedures to automatically enroll eligible customers in Lifeline service.

On September 25, 2007, the FPSC approved proposed amendments to Rule 25-4.0665, F.A.C., Lifeline Service, which were effective December 6, 2007. During 2008, the FPSC continued Lifeline rulemaking to develop additional rules for Florida's Link-Up and Lifeline programs, which include certification, verification, data reporting, and a host of other issues. A rule development workshop was held on November 5, 2008, to address the additional Lifeline rulemaking.

**2. Lifeline Automatic Enrollment Process.** In April 2007, the FPSC and the DCF formally implemented a process whereby the names of potential Lifeline customers, once certified through a DCF program, would be automatically forwarded to the FPSC, and ultimately to the respective ETC for possible enrollment.

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 their desire to receive the Lifeline discount. The FPSC computers electronically sort the information by ETC and place the applications on the FPSC’s secure Web site for retrieval by the appropriate ETC.

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. 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.

Staff began formally tracking the number of Lifeline applications filed via the DCF automatic enrollment process in April 2007, and to date Lifeline applications totaling 268,797 were filed through the FPSC/DCF automatic enrollment process. As presented in Table 7, between April 2007 and October 2008, 175,322 eligible Lifeline applications were filed through the FPSC/DCF automatic enrollment process. However, not all applications result in new Lifeline customers added, and the difference of 93,475 were rejected applications. Several of the more common reasons for rejected applications include: (1) customer already on Lifeline, (2) customer receives service from a non-ETC service provider, and (3) an inaccurate or incomplete application.

The implementation of the Lifeline automatic enrollment process has shown promising results; furthermore, the potential to reach significantly greater numbers of eligible customers through automatic enrollment exists. Considerable staff resources and time have been allocated to implementing the process to date. If the newly implemented system is to reach its full potential, the FPSC believes a sustained effort is necessary.

**Table 7. FPSC/DCF Lifeline Automatic Enrollment Applications per Month  
April 2007 – October 2008**

<b>Month</b>	<b>Applications</b>
<b>October 2008</b>	<b>13,262</b>
<b>September 2008</b>	<b>16,497</b>
<b>August 2008</b>	<b>12,400</b>
<b>July 2008</b>	<b>12,335</b>
<b>June 2008</b>	<b>11,497</b>
<b>May 2008</b>	<b>9,743</b>
<b>April 2008</b>	<b>9,579</b>
<b>March 2008</b>	<b>9,372</b>
<b>February 2008</b>	<b>4,905</b>
<b>January 2008</b>	<b>6,303</b>
<b>December 2007</b>	<b>6,540</b>
<b>November 2007</b>	<b>5,387</b>
<b>October 2007</b>	<b>5,768</b>
<b>September 2007</b>	<b>6,252</b>
<b>August 2007</b>	<b>7,940</b>
<b>July 2007</b>	<b>10,684</b>
<b>June 2007</b>	<b>9,949</b>
<b>May 2007</b>	<b>8,535</b>
<b>April 2007</b>	<b>8,374</b>
<b>Total</b>	<b>175,322</b>

Source: Industry responses to FPSC data requests [2005-2008].

**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 exchange service with nonbasic services to create an enhanced service offering. Nonbasic services include call waiting, call forwarding, voice mail, Internet access, and all other services that may be offered in a bundled package which includes basic 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 their limited plans for Lifeline, giving them the only option of subscribing to a basic service.

The FPSC initiated this action because Florida consumers who have been qualified for the Lifeline program through the FPSC/DCF Lifeline automatic enrollment process are being denied Lifeline service by some providers because of the consumer's choice for a bundled service. As an example, over 7,800 consumers were denied Lifeline service by Verizon because of Verizon's policy of not allowing a Lifeline discount on bundled packages.

Sprint-Nextel and Alltel each offer only one basic package for Lifeline service. Consumers who want to receive the Lifeline discount are not allowed to choose other bundled packages with more features. These two wireless ETCs reported over 3 million customers in Florida, received over 13,000 Lifeline applications through the FPSC/DCF Lifeline automatic enrollment process, but reported only 110 Lifeline customers between them for this report because of their policy of denying a Lifeline discount on all bundled packages.

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 Florida, LLC (Verizon), NPCR, Inc. d/b/a Nextel Partners and Sprint Corporation n/k/a Sprint Nextel Corporation d/b/a Sprint PCS (Sprint Nextel), and Alltel Communications, LLC (Alltel) each filed timely requests for formal proceedings in protest of the FPSC's order. On July 16, 2008, the Office of Public Counsel (OPC) filed a Notice of Intervention in support of the FPSC's order. The matter has been scheduled for a formal hearing **on February 24, 2009.**

**4. Lifeline Research (Docket No. 070567-TL).** On August 22, 2007, AT&T and Embarq filed a Joint Petition requesting that the FPSC clarify the use of Community Service Funds.<sup>24</sup> The Joint Petition requested that monies from this fund be used to retain the Public Utility Research Center (PURC) to conduct research activities on Lifeline participation.

In November 2007, the FPSC decided that in addition to using the Lifeline Community Service Fund (CSF) to educate and promote Link-Up and Lifeline services, the fund can be used to support research activities which are in the public interest and designed to benefit Link-Up and Lifeline service.<sup>25</sup> The PURC report titled "More than a Lifeline: Low-Income Households' Telecommunications Preferences" was issued April 4, 2008, and is discussed in detail in Chapter VII of this report.

**5. TracFone d/b/a Safelink Wireless Application for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service (Docket No. 070586-TP).** By Order No. PSC-08-0418-PAA-TP, issued June 23, 2008, the Commission granted TracFone Wireless statewide ETC status in Florida for the limited purpose of offering Lifeline service to qualified households. The FPSC made the designation contingent on providing certification from each Public Safety Answering Point (PSAP) in Florida to which TracFone has the ability to provide its Lifeline customers with access to basic and E-911 services. On September 8, 2008, TracFone completed its PSAP certification process and became an ETC. TracFone's Lifeline offering includes a free handset and 68 minutes of free airtime. The Lifeline customer's account will be automatically credited with 68 minutes of airtime each

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<sup>24</sup> The FPSC, the OPC, and the ILECs have worked together to create Community Service Funds to be used to educate customers about and promote Lifeline and Link-Up. Through a series of stipulated agreements and settlements, funding mechanisms have been established by AT&T, Embarq, and Windstream to make contributions into the CSF for service quality violations.

<sup>25</sup> Order PSC-07-0919-PAA-TL, issued November 14, 2007, in Docket No. 070567-TL.

month which can carry over to the next month if not completely used.

TracFone has enrolled over 65,000 Florida consumers in its Lifeline program as of November 5, 2008. This number is not included in the total Lifeline Net Participation in Table 3 since the table numbers reflect subscribership through June 30, 2008. However, if TracFone's enrollment numbers were added, total Lifeline customers would be 248,972, and the net growth rate would be 20.99 percent.

**6. FLATEL Application for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service (Docket No. 070683-TX).** By Order No. PSC-08-0631-PAA-TX, issued September 24, 2008, the Commission granted FLATEL, Inc. ETC status in Florida for the limited purpose of offering Lifeline service to qualified households. The designation was granted for the non-rural areas of AT&T and Verizon service territories.

**7. dPi Teleconnect, LLC Application for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service. (Docket No. 080043-TX).** By Order No. PSC-08-0630-PAA-TX, issued September 24, 2008, the Commission granted dPi Teleconnect, LLC ETC status in Florida for the limited purpose of offering Lifeline service to qualified households. The designation was granted for the non-rural areas of AT&T and Verizon service territories.

**8. Investigation of Vilaire Communications, Inc.'s (VCI) Eligible Telecommunications Carrier Status and Competitive Local Exchange Company Certificate Status in the State of Florida (Docket No. 080065-TX).** On May 22, 2006, the FPSC designated VCI as an ETC in AT&T's service area<sup>26</sup> solely to provide Link-Up and Lifeline services to low-income Florida consumers. As part of the FPSC's ongoing effort to monitor Universal Service Funds being distributed to ETCs in Florida, the FPSC reviews the Universal Service Administrative Company's (USAC) disbursement database on a monthly basis. Because of the rapid growth in Lifeline customers served by VCI,<sup>27</sup> and the FPSC's commitment to monitor Universal Service Funds received by ETCs, an investigation of VCI's practices was initiated. The investigation found that VCI was overpaid \$1,319,775 from the federal Universal Service Fund (USF) for Florida through the Link-Up, Lifeline, and toll-limitation service (TLS) programs from August 2006 through December 2007. It was also determined that VCI overcharged Florida consumers by charging excess E-911 fees. The FPSC found that because of VCI's misuse of the federal USF, it was no longer in the public interest to allow VCI to retain ETC designation in Florida and rescinded VCI's ETC status. The Commission ordered a refund of all E-911 overcharges to Florida consumers. The FPSC also forwarded the results of its investigation and a copy of its Order to the USAC, the FCC, and the Department of Justice for further follow-up to recover the federal USF funds obtained by VCI through misrepresentations made to USAC.

In addition, the FPSC found that it was no longer in the public interest to allow VCI to provide telecommunications service in Florida. Given the issues brought to light during the

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<sup>26</sup> Order PSC-06-0436-PAA-TX, issued May 22, 2006, in Docket No. 060144-TX.

<sup>27</sup> VCI's Florida reimbursements from USAC went from \$5,197 in August 2006 to \$80,004 in December 2007 with the highest month being March 2007, with \$157,041 reimbursed.

investigation, the FPSC found that VCI no longer possessed the technical, financial, and managerial capability as required by Section 364.337(3), Florida Statutes, to provide CLEC service in Florida and canceled VCI's CLEC Certificate No. 8611.

To ensure that no Lifeline customers would lose service by this action, the FPSC ordered VCI's underlying carrier, AT&T, to provision service to VCI's customers during a transitional period where former VCI customers could choose to stay with AT&T or select another carrier. AT&T was ordered to provide a seamless transition with the least amount of disruption to the customers, so they would not experience any interruption of service or switching fees. On June 16, 2008, the FPSC sent letters to all VCI customers notifying them that VCI would no longer be providing their service, and that AT&T would provide their service during a transitional period where the customer could choose to stay with AT&T or choose another provider. The FPSC also gave a listing of all ETCs in Florida able to provide Lifeline service should the consumer choose to transfer from AT&T.

Although VCI protested the Commission's Order, the protest was subsequently dismissed due to VCI's refusal to provide responses to discovery and refusal to participate in the formal hearing process. VCI requested a stay of the Commission's Order from the Florida First District Court of Appeals (DCA) and was denied. VCI subsequently withdrew its action from the Florida First DCA, and filed for a stay of the FPSC Order with the United States District Court for the Northern District of Florida which was also denied. On November 25, 2008, in response to VCI's Motion for Voluntary Dismissal, Judge Robert L. Hinkle issued an Order For Dismissal of VCI Company's Amended Complaint in the Northern District Federal Court. The Order dismissed the last court challenge to the FPSC's orders rescinding VCI's CLEC and ETC certifications in Florida.

## **B. Office of Public Counsel**

**1. Automatic Enrollment (Docket No. 060677-TL).** On October 11, 2006, the OPC and AARP (formerly the American Association of Retired Persons) filed a joint petition with the FPSC requesting that the FPSC order local exchange telecommunications companies in Florida to implement practices and procedures with the DCF to automatically enroll eligible customers in the Lifeline program.

OPC proposed that all persons applying for assistance with DCF, once approved, would be automatically enrolled in the Lifeline Assistance program and be given a period of time to opt out of the Lifeline program. This process would have to be set up between DCF and the ETCs in Florida. As discussed in Chapter VI.A.2 of this report, the FPSC has already implemented a similar process with the DCF.

By Order No. PSC-07-0417-PAA-TL, issued May 11, 2007, the FPSC:

- Recognized that because it had already implemented automatic enrollment for Lifeline with the DCF, keeping the docket open was appropriate pending analysis of the results and feedback from the parties of the newly instituted Lifeline automatic enrollment process.
- Directed staff to submit a status report on the automatic enrollment process in six months.

At the FPSC's October 15, 2007, Internal Affairs Meeting, staff submitted the status report to the FPSC. The FPSC expressed support of the process and directed staff to continue with implementation. Furthermore, interested parties did not present any concerns with implementation of the FPSC/DCF process.

By Order No. PSC-08-0130-FOF-TL, issued March 3, 2008, the Commission agreed with the petitioners that the goal of the petition had been met with the existing Lifeline automatic enrollment process and ordered that the docket be closed.

### **C. Federal Communications Commission**

**1. In the Matter of Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petitions for Designation as an Eligible Telecommunications Carrier in the State of Florida (FCC 08-100).** By Order FCC 08-100, released April 11, 2008, the FCC granted ETC designation to TracFone Wireless in ten states and the District of Columbia. The FCC dismissed TracFone's Florida ETC petition stating that "Due to the Florida Public Service Commission's assertion of jurisdiction over wireless ETC designations, we dismiss without prejudice TracFone's petition for designation as an eligible telecommunications carrier in Florida."<sup>28</sup>

The FCC Order continued by stating, "In April of this year, the Florida Public Service Commission found that, due to a change in Florida state law, it 'now ha[s] jurisdiction to consider CMRS applications for ETC designation.'<sup>29</sup> In light of this development, and because Section 214(e)(2) of the Act gives state commissions the primary responsibility for performing ETC designations, we dismiss without prejudice the petition filed by TracFone seeking designation as an ETC in Florida. TracFone may re-file its petition with the Florida Public Service Commission. Should the Florida Public Service Commission consider granting a

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<sup>28</sup> TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida, CC Docket No. 96-45 (filed July 21, 2004).

<sup>29</sup> Petition of Alltel Communications, Inc. for Designation as Eligible Telecommunications Carrier (ETC) in Certain Rural Telephone Company Study Areas Located Partially in Alltel's Licensed Area and for Redefinition of those Study Areas, PSC-07-0288-PAA-TP, Notice of Proposed Agency Action Order Finding Authority to Consider Applications By CMRS Providers For ETC Designation. The April order was a proposed agency action, which was made final by a consummating order on June 7, 2007. See Petition of Alltel Communications, Inc. for Designation as Eligible Telecommunications Carrier (ETC) in Certain Rural Telephone Company Study Areas Located Partially in Alltel's Licensed Area and for Redefinition of those Study Areas, PSC-07-0481A-CO-TP, Amendatory Order.

petition by TracFone for designation as a limited ETC in Florida, we would encourage it to require TracFone to adhere to the compliance plan we approve herein.”<sup>30</sup>

**2. Deadline for Annual Lifeline Verification Surveys and Certifications. DA 08-1847, released August 5, 2008 (WC Docket No. 03-109).** Each year, ETCs are required to verify the continued eligibility of a statistically valid sample of their Lifeline subscribers.<sup>31</sup> This FCC Public Notice served as a reminder that by September 2, 2008, an ETC in a state with its own state-based low-income program must submit a certification, signed by an officer of the company, to USAC attesting that the ETC has complied with the state verification procedures. By Order No. PSC-04-0781-PAA-TL, issued August 10, 2004,<sup>32</sup> the FPSC required Florida ETCs to calculate a statistically valid sample of their Lifeline customers to ensure eligibility standards are being met.

**3. DTV Consumer Education Initiative. FCC 08-56, released March 3, 2008 (MB Docket No. 07-148).** In this Report and Order, the FCC adopted several proposals relating to consumer education about the digital television (DTV) transition which will occur February 17, 2009. As part of the FCC’s outreach education efforts, the FCC ordered that companies participating in the low-income Federal Universal Service Program must provide notice of the transition to their low-income customers and potential customers through a bill stuffer or as part of an information section on the bill itself.

## **VII. External Lifeline Research and Analysis**

The Public Utility Research Center (PURC) conducted a study to investigate reasons for Florida’s low Lifeline participation. The PURC report,<sup>33</sup> released on February 1, 2006, included surveys that attempted to determine why eligible households do or do not participate in the Lifeline program. The PURC report concluded a lack of awareness of the Lifeline program’s existence, as well as a distrust of support programs for low-income individuals. The study found that Lifeline participation rates in Florida would increase with higher local telephone prices, greater Lifeline discounts, higher education levels of the head of household, and higher concentrations of households on public assistance.

On August 22, 2007, AT&T and Embarq filed a Joint Petition requesting that the FPSC expand the use of Community Service Funds to include research activities. The Joint Petition requested that monies from this fund be used to retain the PURC to conduct research that will address four fundamental questions regarding Link-Up and Lifeline enrollment:

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<sup>30</sup> By Order No. PSC-08-0418-PAA-TP, the FPSC required TracFone to adhere to the FCC compliance plan and provide certification from each Public Safety Answering Point in Florida for which TracFone has the ability to provide its Lifeline customers with access to basic and E-911 services.

<sup>31</sup> Federal-State Joint Board on Universal Service Lifeline and Link-Up, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 8302 (2004 Lifeline Order).

<sup>32</sup> Docket No. 040604-TL, In re: Adoption of the National School Lunch Program and an income-based criterion at or below 135% of the Federal Poverty Guidelines as eligibility criteria for the Lifeline and Link-Up programs.

<sup>33</sup> Making Telephone Service Affordable for Low-Income Households: An Analysis of Lifeline and Link-Up Telephone Programs in Florida, February 1, 2006 (Revised March 4, 2006).

<[http://bear.cba.ufl.edu/centers/purc/documents/LifelineFinalReportcorrected3\\_04\\_05.pdf](http://bear.cba.ufl.edu/centers/purc/documents/LifelineFinalReportcorrected3_04_05.pdf)>.



- How do enrollment procedures impact a household’s participation in Lifeline?
- What do eligible households understand from the enrollment efforts?
- How does low-income household use of wireless communications impact enrollment in Lifeline?
- What communication services are low-income consumers in Florida purchasing and/or using?

The FPSC clarified that in addition to using the Lifeline Community Service Fund to educate and promote Link-Up and Lifeline services, the fund can be used to support research activities which are in the public interest and designed to benefit Link-Up and Lifeline service.<sup>34</sup> The FPSC also reiterated that responsibility for approval of specific disbursements from the Community Service Fund should remain with the OPC, AT&T, and Embarq.

On April 4, 2008, PURC published the report, “More than a Lifeline: Low-Income Households’ Telecommunications Preferences.” The goal of the report was to better understand low-income households’ choices with respect to communications services and participation in Lifeline. Key points highlighted in the report include the following:

- Increased popularity and reliance on cellular phones
- The need to decrease emphasis on landline service and to place more emphasis on assisting eligible households obtain discounts on prepaid cellular phones
- The need to further simplify the enrollment process

### **VIII. Lifeline Awareness Promotion, Pursuant to Section 364.10, Florida Statutes**

Promotional activities in 2008 featured 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 Awareness Week (September 8-13, 2008).** “Stay Connected, Florida. Get Lifeline Assistance and Save Money on Your Monthly Phone Bill” was the slogan chosen by the project participants for Florida’s first annual Lifeline Awareness Week. Governor Charlie Crist wrote a much appreciated letter supporting this collaborative outreach effort. The project aimed to increase awareness among citizens receiving Federal Public Housing Assistance. Nine Lifeline events were held September 8-13, 2008, to sign up Florida citizens eligible for Link-Up and Lifeline.

The week began with a kick-off in Tallahassee, followed by events in St. Petersburg, Jacksonville (two events), Orlando, West Palm Beach, Palm Harbor, West Park, and Macclenny.

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<sup>34</sup> Order PSC-07-0919-PAA-TL, issued November 14, 2007, in Docket No. 070567-TL.

Chairman Matthew M. Carter II launched the September 8 event and greeted consumers at the closing event in Macclenny on September 13. Chairman Carter was also featured in film and radio Public Service Announcements issued to media outlets to announce the week's activities. Some events included participation and support from local officials representing city/county commissions and housing authority boards. Individual assistance was offered to consumers applying for Link-Up or Lifeline.

Locations included public housing complexes, community centers, a senior center, and a local Wal-Mart. The following entities were instrumental in obtaining locations and informing citizens about the events: Tallahassee Housing Authority, Orange County Housing and Community Development, Palm Beach County Housing Authority, Pinellas County Justice and Consumer Services, Linking Solutions (for AT&T and Embarq), and NEFCOM. Additional assistance with organizing and conducting the events was provided by representatives from the OPC, Area Agency on Aging of Pasco-Pinellas, AT&T, Embarq, Sprint-Nextel, and Verizon. The initial planning phase also included County Consumer Protection Agency representatives from Broward, Miami-Dade, Palm Beach, and Hillsborough counties; Housing Authority representatives for Broward, Miami-Dade, and Pinellas counties, and Tampa; and all Florida ETCs. The input and support of these diverse Lifeline Partners were key to the success of this project. Efforts are underway to expand this concept to a national level in 2008 through the Lifeline Across America Working Group.

**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 2-8, 2008, played a significant role in the 2008 Lifeline outreach activities. Commission staff gave presentations to more than 800 consumers at 24 senior centers across the state. In keeping with the 2008 national theme, "Financial Literacy: A Sound Investment," presentations included information about reducing utility expenses through conservation and by applying for Lifeline if eligible. One-on-one assistance was provided to consumers desiring to enroll in Link-Up and Lifeline at these events. Utility representatives were also available to offer assistance at some locations.

Efforts were made to hold events in both urban and rural areas within each geographic region of the state. Senior centers in the following cities participated: Daytona Beach, Deerfield, Fort Lauderdale, Fort Walton Beach, Hallandale, Jacksonville, Madison, Maitland, Miami, Miami Gardens, Monticello, Orlando, Panama City, Pensacola, Perry, St. Petersburg, Tallahassee, and Tampa. Examples of other events where Lifeline information was shared include the FPSC's Link-Up and Lifeline Awareness Day held during Black History Month, Ambassadors for Aging Day, Miami-Dade County Community Day, Lincoln Neighborhood Center's Senior Day, and Lauderhill Senior Center's Third Annual Open House.

**Connect Florida Campaign.** The Connect Florida Campaign (Campaign), established by Linking Solutions, Inc., OPC, and AT&T in 2004, remains a significant factor in increasing awareness and participation in Link-Up and Lifeline. During 2008, Campaign event locations included Fort Lauderdale, Miami (Haitian Community), North Miami Beach, Lake Mary/Sanford, and Dade County/Goulds. Some events were attended by more than 250 potential

subscribers. Linking Solutions also held smaller training sessions around the state. Between January 2008 and June 2008, the Campaign held 185 events throughout Florida with approximately 26,570 attendees.

**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 third year reporting period of October 1, 2006 – September 30, 2007, an additional 1,170 households were signed up for Lifeline benefits through the Community Action Agencies. Data for October 2007 to September 2008 will not be available until early 2009.

**Income-Based Lifeline Applicants.** The OPC continues to provide invaluable assistance to consumers applying for Lifeline based upon income, receiving an average of 3,000 calls per month. OPC staff processed over 32,000 calls from potential applicants from October 2007-September 2008. During that time, OPC also received 3,636 Florida OPC Lifeline applications and approved 2,929 applications for customers of AT&T, Embarq, and Verizon. The remaining applications were either denied, pending, or from non AT&T, Embarq, or Verizon customers. Applications that were received, but not included in these totals, were from out-of-state customers or public assistance program-based applications that were forwarded to the respective company. In September 2008, OPC began processing income-based applications for customers of TracFone d/b/a SafeLink Wireless and received 400 applications the first month.

**Lifeline Across America.** In 2008, the Lifeline Across America Working Group (FCC, National Association of Regulatory Utility Commissioners [NARUC], and National Association of State Utility Consumer Advocates [NASUCA] representatives) promoted a “webinar” posted on the [www.lifeline.gov](http://www.lifeline.gov) Web site to provide training to social workers and others who deal directly with program eligible consumers. The Working Group also placed short articles about Link-Up and Lifeline in targeted nonprofit organizations’ publications and attended national trade conferences to discuss the programs. For the remainder of 2008 and early 2009, the Working Group will finalize a national Lifeline Awareness Week plan using Florida’s 2008 Lifeline Awareness Week as a model.

Also, the technical sub-group (formed in 2007) continued to hold quarterly conference calls to discuss technical issues related to administration of the Link-Up and Lifeline programs. The sub-group includes representatives from the FCC, NARUC, USAC, and state commissions. In 2008, the FPSC shared information about Florida’s verification procedures, revocation of VCI’s ETC status, and Lifeline Awareness Week.

**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 historical perspective and serves to illustrate ongoing outreach efforts. More information about the

Lifeline Partners and valuable assistance they offer in promoting Lifeline is available on 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.

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 Agency 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)
- ◆ 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 Association for Community Action (FACA)
- ◆ Florida Association of Community Health Centers
- ◆ Florida Association of Food Banks (FAFB)
- ◆ 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 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.
- ◆ Tallahassee Memorial Hospital (TMH) and other Florida Hospitals
- ◆ Tallahassee Urban League
- ◆ United Way of Florida
- ◆ U.S. Department of Housing and Urban Development (HUD)

Telecommunications Companies:

- ◆ ALLTEL Wireless
- ◆ American Dial Tone
- ◆ AT&T Florida (AT&T f/k/a BellSouth Telecommunications, Inc.)
- ◆ Budget Phone, Inc.
- ◆ Embarq Florida, Inc. (Embarq)
- ◆ FairPoint Communications (formerly GTC, Inc.)
- ◆ Frontier Communications of the South, Inc. (Frontier)
- ◆ ITS Telecommunications Systems, Inc. (ITS)
- ◆ Knology, Inc.
- ◆ Midwestern Telecommunications, Inc.
- ◆ NEFCOM-Northeast (Northeast)
- ◆ Nexus Communications
- ◆ Smart City Telecom (Smart City)
- ◆ Sprint-Nextel
- ◆ TDS Telecom/Quincy (TDS)
- ◆ TracFone d/b/a SafeLink Wireless
- ◆ Verizon Florida, Inc. (Verizon)
- ◆ Windstream Florida, Inc.

#### **IV. Effectiveness of Procedures to Promote Participation**

Efforts to increase Link-Up and Lifeline participation can be separated into two categories, enrollment process and consumer outreach. The Commission continues to focus on enrollment process issues as a means of increasing participation.

Specific enrollment process initiatives include the following:

- Simplified Certification Process
- Lifeline Rulemaking
- FPSC Automated Online Application Process
- FPSC/DCF Automatic 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 are having a positive impact and should be continued. Outreach efforts should also continue to be expanded to include more CLEC and wireless ETCs.

## **X. Conclusion**

The overall net Lifeline customer growth rate of 11.8 percent during the nine-month 2007-2008 review period is positive. As of June 2008, 183,972 eligible customers participated in the Lifeline program. The FPSC attributes this growth primarily to implementation of the FPSC/DCF automatic enrollment process.

Efforts to improve and streamline the enrollment process are having a positive impact on enrollment and should continue to be a primary focus. Outreach efforts contribute to Lifeline awareness and enrollment and should be continued. Key enrollment issues include:

- FPSC/DCF Automatic Enrollment
- FPSC Online Application
- Consumer Awareness

Consistent with 2007, Embarq and AT&T experienced the largest increase in Lifeline participation among Florida's ETCs during the 2007-2008 review period. Embarq increased its Lifeline participation by 4,787, while AT&T's participation increased by 11,169. Verizon experienced the largest net loss of Lifeline customers at 1,198.

Implementation of the FPSC/DCF automatic enrollment process continues to have a significant impact. The FPSC remains committed to improving the success of the Link-Up and Lifeline programs. The FPSC will continue to identify and find solutions to any barriers that may prevent Lifeline from achieving greater success for the benefit of Florida's low-income consumers.