

COMMISSIONERS:
LISA POLAK EDGAR
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

STATE OF FLORIDA



ORIGINAL

OFFICE OF THE GENERAL COUNSEL
MICHAEL G. COOKE
GENERAL COUNSEL
(850) 413-6199

RECEIVED-FPSC
06 OCT -5 PM 1:20

COMMISSION
CLERK

Public Service Commission

October 5, 2006

Mr. Scott Boyd, Executive Director
Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 060607-TP – Proposed adoption of Rule 25-4.0665, F.A.C., Lifeline Service

Dear Mr. Boyd:

Enclosed are the following materials concerning the above-referenced proposed rule:

- 1. A copy of the rule.
- 2. A copy of the F.A.W. notice.
- 3. A statement of facts and circumstances justifying the proposed rule.
- 4. A federal standards statement.
- 5. A statement of estimated regulatory costs

If there are any questions with respect to this rule, please contact me at (850) 413-6202.

Sincerely,

Samantha M. Cibula
Samantha M. Cibula
Associate General Counsel

CMP _____
 COM _____
 CTR _____
 ECR _____
 GCL _____
 OPC _____
 RCA _____
 SCR _____
 SGA _____
 SEC 1 _____
 OTH _____

060607 JAPC.smc.doc

Enclosures

cc: ~~Division of the Commission~~ Clerk
and Administrative Services

1 Rule 25-4.0665 Lifeline Service

2 (1) An eligible telecommunications carrier must provide 60 days written notice prior to the
3 termination of Lifeline service. The notice of pending termination shall contain the telephone
4 number at which the subscriber can obtain information about the subscriber's Lifeline service
5 from the eligible telecommunications carrier. The notice shall also inform the subscriber of
6 the availability, pursuant to Section 364.105, F.S., of discounted residential basic local
7 telecommunications service.

8 (2) If a subscriber's Lifeline service is terminated and the subscriber subsequently presents
9 proof of Lifeline eligibility, the eligible telecommunications carrier shall reinstate the
10 subscriber's Lifeline service as soon as practicable, but no later than 60 days following receipt
11 of proof of eligibility. Irrespective of the date on which the eligible telecommunications
12 carrier reinstates the subscriber's Lifeline service, the subscriber's bill shall be credited for
13 Lifeline service as of the date the eligible telecommunications carrier received the proof of
14 continued Lifeline eligibility.

15 Specific Authority 350.127(2), 364.10(3)(j), FS

16 Law Implemented 364.01(4)(a), 364.10, 364.105, FS

17 History New

18

19

20

21

22

23

24

25

ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Samantha Cibula, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6202.

THE FULL TEXT OF THE PROPOSED RULE IS:

Rule 25-4.0665 Lifeline Service

(1) An eligible telecommunications carrier must provide 60 days written notice prior to the termination of Lifeline service. The notice of pending termination shall contain the telephone number at which the subscriber can obtain information about the subscriber's Lifeline service from the eligible telecommunications carrier. The notice shall also inform the subscriber of the availability, pursuant to Section 364.105, F.S., of discounted residential basic local telecommunications service.

(2) If a subscriber's Lifeline service is terminated and the subscriber subsequently presents proof of Lifeline eligibility, the eligible telecommunications carrier shall reinstate the subscriber's Lifeline service as soon as practicable, but no later than 60 days following receipt of proof of eligibility. Irrespective of the date on which the eligible telecommunications carrier reinstates the subscriber's Lifeline service, the subscriber's bill shall be credited for Lifeline service as of the date the eligible telecommunications carrier received the proof of continued Lifeline eligibility.

Specific Authority 350.127(2), 364.10(3)(j) FS

Law Implemented 364.01(4)(a), 364.10, 364.105, FS

History New

NAME OF PERSON ORIGINATING PROPOSED RULE: Curtis Williams

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: October 3, 2006.

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume 32,
Number 14, April 7, 2006.

STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE

Section 364.10(2)(e), Florida Statutes, requires eligible telecommunications carriers (ETCs) to notify a Lifeline subscriber of the impending termination of Lifeline service. The section requires that this notice be in the form of a letter separate from the subscriber's bill. The section states that the subscriber must be given 60 days to demonstrate continued eligibility.

Section 364.10(2)(e)3. specifically requires the Commission to establish procedures for such notification and termination. Moreover, Section 364.10(3)(j) states that the Commission "shall adopt rules to administer this section." This rule proposal addresses the Legislature's mandate to the Commission to adopt rules to administer this section.

STATEMENT ON FEDERAL STANDARDS

The proposed rule is no more restrictive than the federal standards.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 12, 2006
TO: Samantha M. Cibula , Office of the General Counsel
FROM: Billy R. Dickens, Division of Economic Regulation *BR*
RE: Statement of Estimated Regulatory Costs for Proposed Rule 25-4.0665

SUMMARY OF THE PROPOSED RULE

Proposed Rule 25-4.0665 provides specific requirements that eligible telecommunications carriers (ETC) must follow when Florida residential phone subscribers are terminated under the Lifeline program. The requirements of the rule include, but are not limited to, ETCs offering toll blocking service, toll limitation service and number-portability free of charge. The proposed rule also addresses the requirements for service deposits, timing of the Lifeline credit, distribution of Lifeline information and the conditions for telephone subscribers re-enrolling in Lifeline.

In 1998, the Florida Legislature created Transitional Lifeline (Section 364.105, Florida Statutes). The purpose of this program is to provide discounted phone service for indigent telephone subscribers who no longer qualify for Lifeline. Eligible subscribers receive a 30% discount off their residential basic local rate for one year under this program. The proposed rule would require telephone companies to notify customers, in the event of Lifeline termination, about the availability of Transitional Lifeline benefits.

ESTIMATED NUMBER OF ENTITIES REQUIRED TO COMPLY

Only telecommunication companies that have been granted ETC status by the Florida Public Service Commission (FPSC) will be affected by the proposed rule change. Currently, all ten (10) regulated incumbent local exchange companies in Florida would be expected to be in full compliance with the rule. Telecommunication companies that have received ETC status but are not ILECS would also be expected to comply with the proposed rule as well.

RULE IMPLEMENTATION, ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

The Commission would benefit by experiencing a probable reduction in the number of inquiries from ETCs relating to Lifeline service. There are no expected costs to the FPSC or any other agency if the proposed rule is adopted. The Office of Public Counsel may experience a reduction in inquiries from ETCs relating to Lifeline service.

ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES

Telephone subscribers eligible for Lifeline service will likely experience less difficulty and delay when applying for Lifeline service because the proposed rule codifies current Lifeline requirements and provides specific consumer protection benefits for eligible telephone subscribers seeking reinstatement in Lifeline contingent upon the subscriber producing evidence of eligibility. The carrier shall reinstate the subscriber as soon as practical, but no later than 60 days following proof of eligibility.

Lifeline customers face specific transaction costs which influence participation under the program. The proposed rule clarifies the entry costs for eligible subscribers associated with Lifeline participation. Such entry costs will be determined based on the size of the service deposit for those subscribers who choose not to enroll in toll blocking and the discounted connection cost for those customers who enroll under the Link-Up program. The specific entry costs for both programs will vary according to the ETC providing Lifeline service and customer phone usage.

There will be no additional cost for utilities (ETCs) because these services are currently offered to Lifeline customers free of charge per Order No. PSC-99-2503-PAA-TL. ETCs will gain operating efficiencies by having clear and concise direction from the FPSC regarding implementation of the Lifeline program. However, if the proposed rule results in increased Lifeline enrollment there would be incremental increases in costs because the company would be required to pay \$3.50 (non-recoverable) per enrollee in order to receive the full USF reimbursement.

IMPACT ON SMALL BUSINESSES, SMALL CITIES OR SMALL COUNTIES

There should be no negative impact for small businesses and small state and local government entities resulting from implementation of this rule.

Cc: Mary Andrews Bane
Charles Hill
Curtis Williams
Hurd Reeves