

ORIGINAL

CCA Official Filing

12/6/2004 3:44 PM*****

Matilda Sanders1

Matilda Sanders

From: terry.scobie@verizon.com
Sent: Monday, December 06, 2004 3:41 PM
To: Filings@psc.state.fl.us
Cc: Samantha Cibula; Charles Beck; susan.masterston@mail.sprint.com; Richard Chapkis; Michael Gross; Nancy White; David Christian; demetria.c.watts@verizon.com
Subject: Docket No. 040451-TP - VZ Florida's Post-Workshop Comments 12-6-04



040451 VZ
t-Workshop

The attached filing is submitted in Docket No. 040451-TP on behalf of Verizon Florida Inc. by

Richard A. Chapkis
201 N. Franklin Street, FLTC0007
Tampa, Florida 33602
(813) 483-1256
richard.chapkis@verizon.com

The attached .pdf document contains 14 pages - transmittal letter (1 page), certificate of service (1 page), service list (1 page), and Verizon Florida Inc.'s Post-Workshop Comments (11 pages).

(See attached file: 040451 VZ FL Post-Workshop Comments 12-6-04.pdf)

Terry Scobie
Executive Adm. Assistant
Verizon Legal Department
813-483-2610 (tel)
813-204-8870 (fax)
terry.scobie@verizon.com

CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
RCA _____
SCR _____
SEC 1
OTH kym p.

DOCUMENT NUMBER-DATE
12903 DEC-6 3
FPCO-COMMISSION CLERK

Richard A. Chapkis
Vice President & General Counsel –
Southeast Region

ORIGINAL 

201 North Franklin St., FLTC0717
P.O. Box 110
Tampa, FL 33601

Phone: 813-483-1256
Fax: 813-204-8870
richard.chapkis@verizon.com

December 6, 2004 – VIA ELECTRONIC MAIL

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 040451-TP
Petition by Citizens of Florida to initiate rulemaking that would require local
exchange telecommunications companies to provide Lifeline service within 30
days of certification

Dear Ms. Bayó:

Enclosed for filing are Verizon Florida Inc.'s Post-Workshop Comments in the above-
referenced matter. Service has been made as indicated on the Certificate of Service. If
there are any questions regarding this filing, please contact me at 813-483-1256.

Sincerely,

/s/ Richard A. Chapkis

Richard A. Chapkis

RAC:tas
Enclosures

DOCUMENT NUMBER-DATE
12903 DEC -6 3
FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Post-Workshop Comments in Docket No. 040451-TP were sent via electronic mail and/or U.S. mail on December 6, 2004 to the parties on the attached list.

/s/ Richard A. Chapkis

Richard A. Chapkis

Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Nancy White c/o Nancy Sims
BellSouth Telecomm. Inc.
150 S. Monroe Street, Suite 400
Tallahassee, FL 32301

Susan Langston
233 Pinewood Drive
Tallahassee, FL 32303

Michael Gross
Florida Cable Telecomm. Assn.
246 East 6th Avenue
Tallahassee, FL 32303

Susan Masterton/Charles Rehwinkel
Sprint-Florida
1313 Blairstone Road
MC FLTLHO0107
Tallahassee, FL 32301

Charles J. Beck
Office of Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Citizens of Florida to initiate)
rulemaking that would require local exchange)
telecommunications companies to provide)
Lifeline service within 30 days of certification)
_____)

Docket No. 040451-TP
Filed: December 6, 2004

POST-WORKSHOP COMMENTS OF VERIZON FLORIDA INC.

Verizon Florida Inc. (Verizon) hereby submits its post-workshop comments in the above-referenced matter.

I. INTRODUCTION

The Commission should not adopt the proposed rules put forward by the Office of Public Counsel (OPC). The Commission lacks the power to apply the proposed rules to wireless carriers and CLECs, and it would distort efficient competition to apply this rule to only carriers of last resort. Moreover, the proposed rules are unnecessary because the current Lifeline procedures are working and there is no good reason to burden carriers with additional regulation. Even if the Commission could fairly apply the proposed rules to every carrier class and Lifeline rules were necessary, which is not the case, the Commission should hold this proceeding in abeyance until the Commission determines whether to expand the Lifeline eligibility criteria in Docket No. 040604. It would be a waste of this Commission's limited resources to establish new rules now, because the outcome of that proceeding could necessitate significant modifications to any rules that are adopted here. If the Commission nevertheless decides to adopt new rules, notwithstanding Verizon's recommendation to the contrary, Verizon proposes its own alternative rules that would avoid the pitfalls inherent in OPC's proposed rules, and, as a last resort, Verizon offers modifications to OPC's proposed rules.

DOCUMENT NUMBER-DATE
12903 DEC -6 3
FPSC-COMMISSION CLERK

II. THE COMMISSION SHOULD NOT ADOPT OPC'S PROPOSED LIFELINE RULES

A. The Commission Does Not Have Jurisdiction To Apply The Proposed Lifeline Rules To All Carriers, And Therefore Should Not Adopt Them

The Commission lacks the requisite authority to fairly apply the proposed rules to all carriers, and therefore should not issue them.

Chapter 364.02, Florida Statutes, expressly limits the Commission's jurisdiction over wireless providers. That section makes clear that wireless providers are not "telecommunications companies" within the meaning of the Florida Statutes, and therefore are not subject to regulation by the Commission. Indeed, the Commission itself recently recognized as much in Order No. PSC-03-1063-DS-TP. In that order, the Commission acknowledged that "the Florida Legislature has expressly excluded CMRS providers from the jurisdiction of the Commission." Accordingly, the proposed Lifeline rules could not be applied to wireless carriers.

Moreover, the Florida Statutes do not grant the Commission the necessary authority over CLECs. Section 364.10(2), Florida Statutes, provides that "a telecommunications company serving as a *carrier of last resort* shall provide a Lifeline Assistance Plan to qualified residential subscribers . . ." (Emphasis Added.) That section only speaks to carriers of last resort, and therefore does not give the Commission authority over CLECs. Consequently, the proposed Lifeline rules could not be applied to CLECs either.

Given that the proposed rules cannot apply to a large segment of the market, they are not competitively neutral, and the Commission should not adopt them.

B. Lifeline Rules are Unnecessary

Even if the Commission had jurisdiction to fairly apply the proposed rules to every carrier class, which it does not, the proposed rules are unnecessary. Verizon is committed to providing Lifeline benefits to existing customers and to those who need to establish service, and Verizon has implemented an efficient administrative process to facilitate enrollment. Moreover, Verizon has invested significant resources to promote and enroll eligible customers. Among other things, Verizon has launched a proactive campaign that incorporates bi-lingual ads in local print and radio outlets, community outreach, and education. Verizon has also produced collateral materials such as posters and fliers to be used as promotional tools in the community, and Verizon is presently distributing these materials to community-based organizations throughout its service territory. Verizon also hosted a Lifeline Rally on December 4, 2004 in Tampa.

These rules are unnecessary for two additional related reasons. The legal requirements that apply to ETCs are clear and therefore require no further elaboration. And, there is no need to explain the legal requirements that apply to ETCs to non-ILECs because companies applying for ETC status have an obligation to familiarize themselves with the applicable rules, including the requirement to provide Lifeline assistance to eligible customers.

In short, there is no reason—let alone a compelling reason—to adopt the proposed rules.

C. Even If The Commission Had The Necessary Jurisdiction and Lifeline Rules Were Necessary – Which Is Not The Case – This Docket Should Be Held In Abeyance

Even if the Commission had the power to fairly apply the proposed rules to all carrier classes and there were good reasons to do so, which is not the case, the Commission should delay any further action until Docket No. 040604 has been resolved. The issues in that docket, which address expanding Lifeline eligibility criteria, have a direct bearing on the current proposal. Indeed, as explained below, it will be necessary to alter the proposed rules once the Lifeline eligibility criteria have been finalized. In light of this fact, the Commission should hold this docket in abeyance pending the outcome Docket No. 040604 to avoid the needless waste of finite Commission resources.

D. Verizon's Alternative Proposed Rules

If the Commission decides to adopt a new Lifeline rule, notwithstanding Verizon's recommendation to the contrary, it should adopt the four proposed rules set forth below:

1. All ETCs shall provide Lifeline assistance to any eligible customer who applies with the ETC and meets the eligibility criteria (list eligibility criteria following resolution of Docket No. 040604).

2. All ETCs shall provide Lifeline assistance in the amount of \$13.50 to any eligible and qualified Lifeline customer. Such an amount shall be applied to the customer bill in order that no taxes shall apply to the Lifeline assistance (If the self-certification procedure is adopted as proposed in Docket No. 040604, the rule must reflect the two different benefit amounts).

3. Each ETC providing Lifeline assistance shall provide Lifeline assistance to a new applicant within 30 days of receiving certification of eligibility. If the lifeline applicant does not have service with the ETC when the ETC receives certification of eligibility, from the time the customer initiated service, the ETC shall provide service within the same timeframes applicable to non-Lifeline customers and shall provide Lifeline and Link-Up credit to the customer on the customer's first bill from the ETC.

4. ETCs shall not discontinue lifeline assistance to customers without (a) first determining that the customer is no longer eligible for Lifeline, (b) notifying the customer that the company has determined they are ineligible, and (c) providing a sixty-day period for the customer to provide proof of eligibility to the company.

Verizon recommends that the Commission adopt these proposed rules in lieu of OPC's proposed rules because: (1) they are broad enough to accommodate different company practices and procedures; (2) they require ETCs to offer a standard Lifeline benefit; and (3) they are consistent with the FCC requirements regarding customer grievances and verification of eligibility.

E. Modifications to OPC's Proposed Rules

If the Commission decides to adopt OPC's proposed rules, notwithstanding Verizon's recommendation to the contrary, the Commission should make the following modifications (shown in strike-through format):

(1) Each ~~local exchange telecommunications company~~ ETC providing Lifeline service assistance ~~under an income test~~ shall provide Lifeline service assistance to ~~the customer~~ a new applicant within 30 days of receiving certification of eligibility ~~from the Office of Public Counsel~~. If the lifeline applicant

does not have service with the company when the company receives certification of eligibility, from the time the customer initiated service, ~~from the Office of Public Counsel~~, the company shall provide service within the same timeframes applicable to non-Lifeline customers and shall provide Lifeline and Link-Up credit to the customer on the customer's first bill from the company.

As discussed during the workshop, Verizon understands this language to apply to customers who have not had service previously. This rule is unnecessary because Verizon already applies the Lifeline and Link-Up credits on the customer's first bill. Even if this were not the case, which it is, the rule would still be unnecessary because Verizon applies the credit retroactively to the date the customer was approved for Lifeline service. However, in the interest of consensus, Verizon would accept this language as part of the more broadly worded rule set forth in Section D above.

~~(2) Local exchange telecommunications companies ETCs may shall not refuse Lifeline or Link Up credit to a customer if a customer chooses to purchase optional calling plans or promotional discount packages of services from the company as long as the plan or package includes basic local service.~~

This section is inconsistent with state law. Section 364.025, Florida Statutes, provides that LECs are "required to furnish **basic local exchange telecommunications service** within a reasonable time period to any person requesting such service within the company's service territory." (Emphasis added.) Bundled services are not basic services and therefore fall outside the ambit of Section 364.025.

This section is also inconsistent with federal law. In the *Universal Service First Report and Order*, the Commission defined the "core" services to be supported by

universal service as follows: single-party service; voice grade access to the public switched network; DTMF signaling or its functional equivalent; access to emergency services; access to operator services; access to interexchange services; access to directory assistance; and toll limitation services for qualifying low-income consumers.

This section is also unfair. Requiring Verizon to offer its bundled services at Lifeline discounted rates would have the effect of requiring the company to inappropriately offer a double discount on a non-basic service to the customer.

(3) ~~Local exchange telecommunications companies~~ ETCs may shall not refuse a customer Lifeline or Link-Up credit because the customer purchases more than one line from the company. The customer, however, may only receive Lifeline or Link-Up credit for one line.

This language is consistent with Verizon's current policy, and therefore is unnecessary. Verizon does not prohibit Lifeline customers from purchasing additional lines, but the Lifeline benefit is provided only on one line. Additionally, Verizon's position is consistent with Federal regulation that requires Lifeline discounts for a single telephone line at a principal residence. (see 47 C.F.R. § 54.401(a)(2); *Universal Service Order*, 12 FCC Rcd

(4) No customer shall be required to change the name on his or her account in order to receive Lifeline or Link-Up credit, nor shall any customer be required to provide their social security number to the company in order to receive Lifeline or Link-Up credit. No ETC shall require a customer to provide his social security number, to an extent greater than required for establishment of non-Lifeline service, in order to receive a Lifeline or Link-Up credit.

Because Verizon needs to know with whom it is doing business, it requires the customer of record to be the party named on the account. Therefore, if the spouse of a deceased customer requests Lifeline service, the surviving spouse needs to be certified as eligible. However, Verizon makes every effort to facilitate the transfer of service. Verizon is also sensitive to the security concerns of these customers, and as such, the surviving spouse may choose from a number of options to protect his or her privacy (e.g., opting not to publish his or her name in the directory or changing the directory listing to only include a first initial, rather than listing the first name). Verizon does not require subscribers to provide a social security number however; applicants must provide some proof of their identity. A driver's license, a bill from another company or some other evidence of identity is acceptable.

Although it is imperative that the customer of record be the party named on the account, Verizon places the highest priority on protecting the privacy of its customers. Verizon has developed ten general privacy principles that guide all Verizon companies. These principles and Verizon's customer security policies are available for public review on Verizon's website at www.verizon.com. Moreover, Verizon assiduously complies with the restrictive federal rules governing the protection of customer proprietary network information (CPNI). (see 47 C.F.R. 64.2001-2009.) In light of the foregoing, this proposed rule is unnecessary.

(5) Public Assistance eligibility determination letters, such as those provided for food stamps and Medicaid, and public housing lease agreements are sufficient proof of eligibility for Lifeline and Link-Up enrollment. ~~Each local exchange telecommunications company ETCs shall strive to accept commonly~~

~~used letters or other documents as proof of eligibility for Lifeline and Link-Up enrollment and shall not impose burdensome or unusual additional requirements on customers to prove eligibility for Lifeline or Link-Up.~~

This section is premature in light of the Commission's open proceeding regarding whether to expand the Lifeline eligibility criteria. Verizon's customers can enroll in the Lifeline and/or Lifeline programs without providing any exceptional or non-standard documentation. However, any changes to the standards for eligibility will undoubtedly have an impact on what documentation is required from customers and how the ETC may process that information.

~~(6) Local exchange telecommunications companies ETCs may shall not require recertification of Lifeline customer no more frequently than once each year. The recertification requirements shall not be more rigorous than those required in subsection (5) of this rule.~~

Although Verizon conducts only an annual recertification at this time, Verizon reserves its right to alter its current recertification procedures if there is a change in the eligibility criteria that requires a self-certification process for Lifeline enrollment. This section of the rule should be held in abeyance pending the outcome of Docket No. 040604-TL. Additionally, Verizon has the right to verify the eligibility of customers currently receiving Lifeline to ensure there is limited waste, fraud and abuse of the program.

~~(7) Local exchange telecommunications companies cannot require Lifeline or Link-Up customers to fax documentation to the company in order to prove eligibility and must provide customers the option of mailing documentation~~

~~to the company.~~ Lifeline or Link-Up customers may submit their eligibility documentation to the ETC or the Office of Public Counsel via mail, fax, e-mail or hand delivery if available.

As Verizon has stated above, this section of the rule should be delayed pending the outcome of Docket No. 040604-TL, especially if self-certification is required for ETCs. This proposed language is overly prescriptive. Verizon is currently able to accept documentation of eligibility via mail or fax. Verizon's current administrative process is not set up to accept documentation via hand delivery or email, nor should Verizon be required to do so. There is no need to dictate in rule how a customer should forward eligibility documentation to an ETC. The OPC has not identified any specific facts regarding the barriers to communicating with an ETC. This section also does not recognize the fact that in the future there may be other more efficient means of providing documentation to an ETC.

(8) ~~Local exchange telecommunications companies~~ ETCs may shall not discontinue lifeline assistance to customers without (a) first determining that the customer is no longer eligible for Lifeline, (b) notifying the customer that the company has determined they are ineligible, and (c) providing a sixty day period for the customer to provide proof of eligibility to the company.

This rule is unnecessary because it is consistent with Verizon's current policy, and because federal regulations already apply in this. In Order No. 93-109, the FCC laid out clearly the dispute resolution procedures that all ETCs are to follow.

III. CONCLUSION

For the foregoing reasons, the Commission should adopt the recommendations set forth herein.

Respectfully submitted on December 6, 2004.

By: /s/ Richard A. Chapkis
201 N. Franklin Street, FLTC0717
Tampa, Florida 33602
Tel: 813-483-1256
Fax: 813-204-8870
e-mail: richard.chapkis@verizon.com

Attorney for Verizon Florida Inc.