

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**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**

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**Docket No. 040604-TL**

**REBUTTAL TESTIMONY OF HAROLD E. WEST, III**

**ON BEHALF OF**

**VERIZON FLORIDA INC.**

**DECEMBER 17, 2004**

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1 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS**  
2 **ADDRESS.**

3 A. My name is Harold E. West, III. I am a Director – Regulatory Support for  
4 Verizon Communications Inc. My office is located at 540 Broad Street,  
5 Newark, New Jersey.

6

7 **Q. ARE YOU THE SAME HAROLD E. WEST, III WHO SUBMITTED**  
8 **PREFILED DIRECT TESTIMONY IN THIS PROCEEDING?**

9 A. Yes.

10

11 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

12 A. The purpose of my rebuttal testimony is threefold. First, I rebut Staff  
13 witness John E. Mann, IV's claim that Verizon's current Lifeline  
14 enrollment process is unduly burdensome and therefore impedes  
15 telephone subscribership among low-income subscribers. Second, I  
16 show that the alternative self-certification process described by  
17 BellSouth witness James R. ("Rod") DeYonker is flawed and would not  
18 improve the existing certification process. Third, I demonstrate that  
19 promotion and outreach would be a more effective and efficient means  
20 of increasing telephone subscribership than expanding the eligibility  
21 criteria or liberalizing the enrollment process.

22

23 **1. STAFF'S CRITICISMS OF THE CURRENT LIFELINE**  
24 **ENROLLMENT PROCESS ARE WITHOUT MERIT.**

25

1 Q. DO YOU AGREE WITH MR. MANN (AT 6-7) THAT THE CURRENT  
2 LIFELINE ENROLLMENT PROCESS IS “QUITE LENGTHY AND TIME  
3 CONSUMING”?

4 A. No. The current Lifeline enrollment process is fast, simple and  
5 straightforward. To enroll in the program, a prospective Lifeline  
6 customer merely has to call Verizon's Customer Sales and Support  
7 Center (CSSC) to request a Lifeline application, or walk into one of  
8 Verizon's 17 Phone Mart locations in our Florida service territory. Upon  
9 receiving such a request, Verizon mails the application to the customer  
10 within 48 hours. The application is a half page long and requires only  
11 some basic identifying information and a copy of proof of participation in  
12 a qualifying program. The documents accepted as proof of eligibility are  
13 critical to controlling fraud, waste and abuse, and are not difficult or time  
14 consuming to obtain or fill out and complete. Once the customer  
15 completes the application and returns it -- by either mail or fax -- Verizon  
16 reviews and processes the application within 1-2 days of receipt.  
17 Accordingly, Mr. Mann's characterization of the Lifeline enrollment  
18 process as “lengthy and time consuming” is wrong.

19  
20 Q. WHAT CONSTITUTES PROOF OF ELIGIBILITY IN A QUALIFYING  
21 PROGRAM?

22 A. Verizon accepts copies of forms that verify the customer's participation  
23 in any one of the following programs: Food Stamps, Temporary  
24 Assistance for Needy Families (TANF), Low-Income Home Energy  
25 Assistance Program (LIHEAP), Medicaid, Supplemental Security

1           Income (SSI) or Federal Public Housing Assistance (Section 8). In  
2           addition, Verizon accepts the Department of Children and Family  
3           Services' (DCF) eligibility notice that verifies the customer is eligible for  
4           DCF services and Lifeline.

5

6   **Q.   HOW DOES THE LIFELINE SUBSCRIPTION PROCESS DIFFER**  
7   **FROM THE PROCESS OF SUBSCRIBING TO OTHER FORMS OF**  
8   **RESIDENTIAL SERVICE?**

9   A.   The amount of time that a Lifeline applicant spends with a Verizon  
10   service representative is not much greater than that spent by the typical  
11   residential service applicant. For Lifeline applicants, the Verizon  
12   representative explains the Lifeline (and Link-Up) program, describes  
13   the eligibility requirements, and informs the customer that the bill name  
14   for the account must match the name of the person certified as eligible  
15   for the Lifeline credits. The representative also explains that Lifeline  
16   service will be provided on just one line at the primary residence, offers  
17   the Lifeline customer toll restriction at no charge and addresses any  
18   outstanding balances. Finally, the representative informs the customer  
19   that a Lifeline application will be mailed to the customer's residence, and  
20   the Lifeline credit will be applied to the customer's account once Verizon  
21   receives the completed application and proof of eligibility. These  
22   additional explanatory steps are neither time-consuming nor complex.  
23   Furthermore, activities such as settling outstanding balances (or making  
24   payment arrangements) and establishing the customer of record for a  
25   particular account -- activities that Mr. Mann describes as "lengthy and

1 time-consuming" -- are not burdensome Lifeline requirements but  
2 instead are normal business office activities associated with establishing  
3 any residential service account.

4

5 **Q. WILL THE PROPOSED CHANGES TO THE CURRENT LIFELINE**  
6 **ENROLLMENT PROCESS ADVOCATED BY MR. MANN (AT 8-9)**  
7 **RESULT IN A "STREAMLINED CERTIFICATION PROCESS"?**

8 A. No. As I discuss in my direct testimony, implementing the changes  
9 advocated by Mr. Mann will impose additional costs on the industry, will  
10 open the door to waste, fraud and abuse, will result in increased  
11 monitoring costs to control the abuse, and will lead to customer  
12 dissatisfaction as eligibility issues are resolved after the fact.

13

14 **2. BELLSOUTH'S ALTERNATIVE SELF-CERTIFICATION**  
15 **PROPOSAL IS FLAWED.**

16

17 **Q. WOULD IMPLEMENTING BELLSOUTH'S CERTIFICATION**  
18 **PROPOSAL STREAMLINE THE ENROLLMENT PROCESS AS**  
19 **SUGGESTED BY MR. DEYONKER (AT 10)?**

20 A. No. As discussed above, producing evidence of eligibility is quick and  
21 simple. Substituting a sworn statement for actual proof does little, if  
22 anything, to speed the enrollment process and only serves to delay  
23 resolution of enrollment issues should a discrepancy ultimately be  
24 discovered.

25

1 **Q. WOULD BELLSOUTH'S WEB-BASED VERIFICATION PROCESS**  
2 **STREAMLINE ADMINISTRATION OF LIFELINE BENEFITS?**

3 A. No. In addition to creating potential security and privacy concerns,  
4 BellSouth's web-based verification process would defer, for up to a year,  
5 what is better done up front. By not confronting eligibility issues at the  
6 front end, BellSouth's alternative certification process would facilitate  
7 fraud and could perpetuate customer misunderstandings for up to a  
8 year – an outcome that could leave affected customers angry and  
9 confused as discrepancies are rectified. The fact that a web-based  
10 verification process would establish another link between telephone  
11 companies and state agencies does not counterbalance these  
12 shortcomings. As part of the routine administration of the current  
13 Lifeline program, participating local telephone companies already  
14 exchange subscriber information with the relevant state agencies to  
15 monitor changes in eligibility status. Given that the mechanisms are  
16 already in place to exchange information about Lifeline participants, it is  
17 not clear that setting up yet another link between the telephone  
18 companies and the state agencies adds any value to the administration  
19 process.

20

21 **3. PROMOTION OF THE EXISTING LIFELINE PROGRAM IS THE**  
22 **BEST WAY TO INCREASE TELEPHONE SUBSCRIBERSHIP.**

23

24 **Q. DO YOU AGREE WITH MR. MANN (AT 3-4, AND 7) THAT**  
25 **EXPANDING THE ELIGIBILITY CRITERIA AND ALLOWING SELF-**

1           **CERTIFICATION WITHOUT VERIFICATION WILL INCREASE**  
2           **TELEPHONE SUBSCRIBERSHIP?**

3    A.    No, especially not in the long run. As explained in my direct testimony,  
4           the vast majority of people who would receive Lifeline benefits under  
5           these new proposals are people who already have telephone service,  
6           and thus adopting these proposals would do little, if anything, to  
7           advance the Commission’s goal of increasing telephone subscribership.  
8           Moreover, self-certification without verification will create the potential  
9           for waste, fraud and abuse, and could lead to customer confusion and  
10          misunderstandings, as discussed above. Finally, self-certification  
11          without verification will impose real costs on the industry that may  
12          ultimately be borne by consumers. Given the problems associated with  
13          self-certification without verification, it would be more prudent to leave  
14          the Lifeline program as constituted today alone -- recognizing that the  
15          program is doing a good job of distributing Lifeline benefits to eligible  
16          subscribers -- and emphasize promotional and outreach efforts to  
17          maximize telephone subscribership. Notably, Sprint (Khazraee at 4)  
18          and BellSouth (Morillo at 7-8) agree that promotion and outreach are the  
19          top priorities for a successful Lifeline program.

20

21    **Q.    HOW DOES VERIZON PROMOTE ITS LIFELINE PROGRAM?**

22    A.    Verizon has invested significant resources to promote and enroll eligible  
23          customers. Among other things, Verizon has launched a proactive  
24          campaign that incorporates bi-lingual ads in local print and radio outlets,  
25          community outreach, and education. Verizon has also produced

1 collateral materials such as posters and fliers to be used as promotional  
2 tools in the community, and Verizon is presently distributing these  
3 materials to community-based organizations throughout its service  
4 territory. For example, during the first weekend of December, as the  
5 first of six or seven monthly promotions, Verizon held a Lifeline Rally at  
6 the Lee Davis Community Center in Tampa. In preparation for the  
7 event, Verizon distributed 5,000 direct mail pieces and informed all the  
8 churches in the area prior to the event. As a result, the event was well  
9 attended and Verizon was able to promote Lifeline and sign up a  
10 number of customers on the spot. These promotional activities are a far  
11 more efficient and effective means of enhancing telephone  
12 subscribership than proposals at issue here.

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14 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

15 **A.** Yes.

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