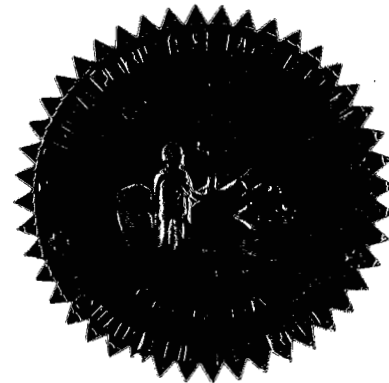


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. UNDOCKETED

In the Matter of
LINK-UP FLORIDA AND LIFELINE
ASSISTANCE WORKSHOP.



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PROCEEDINGS: WORKSHOP

BEFORE: CHAIRMAN LISA POLAK EDGAR
 COMMISSIONER J. TERRY DEASON
 COMMISSIONER ISILIO ARRIAGA
 COMMISSIONER MATTHEW M. CARTER, II
 COMMISSIONER KATRINA J. TEW

DATE: Tuesday, April 11, 2006

TIME: Commenced at 9:00 a.m.
 Concluded at 3:45 p.m.

PLACE: Betty Easley Conference Center
 Room 148
 4075 Esplanade Way
 Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
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P R O C E E D I N G S

1
2 CHAIRMAN EDGAR: Good morning. Thank you all
3 for joining us this morning. Commissioners and audience
4 members and participants, we appreciate you being with us
5 today.

6 As you recall at the February 27th Internal
7 Affairs meeting that we had right here in this room, we
8 had two items on our agenda that dealt with Lifeline and
9 Link-Up. We had a presentation from Mr. Jamison with
10 PURC, who gave us an overview of the report that they had
11 done on these issues, and we also had an agenda item with
12 a staff recommendation that we hold a workshop to delve
13 into some of these issues in more detail, that we take
14 some steps to try to approach these issues with a
15 comprehensive strategy. And at that time there was
16 discussion at the bench and interest from all of us, I
17 believe, in having a Commissioner-attended and participant
18 workshop on these issues, and that's what brings us here
19 today.

20 So I know our staff has put a lot of time into
21 pulling information together for us and has put together a
22 really great agenda. We have a lot of information in
23 front of us. I know that my hope is that we will spend
24 the bulk of our time looking at things that we can do on a
25 go-forward basis rather than just sort of rehashing all

1 the steps that brought us to where we are today, although,
2 of course, some background information is always helpful.

3 We do have a court reporter, and so we will ask
4 that our speakers use the microphone. And we'll take --
5 we'll probably take some breaks, but we will just sort of
6 see where the natural breaking point seems to be in our
7 discussions.

8 And with that, I'm going to ask our staff to
9 read the notice.

10 MS. SCOTT: Pursuant to notice issued March
11 20th, 2006, this time and place has been set for a staff
12 workshop for the purpose of gathering information on
13 current efforts and exploring new initiatives to ensure
14 the success of the Link-Up Florida and Lifeline Assistance
15 programs.

16 CHAIRMAN EDGAR: Thank you.

17 At the beginning of our agenda we have a couple
18 of presentations and discussions from our staff, and then
19 after we move through that, we have got presentations from
20 others. We'll give the opportunity for our presenters to
21 share their information, and then there will be the
22 opportunity to ask questions of each of them. I do want
23 this to be a dialogue and somewhat informal so that we can
24 all take advantage of the information and the speakers
25 that we have here.

1 And Ms. Banks is going to run the agenda for us,
2 and so I will turn it over to her.

3 MS. BULECZA-BANKS: Good morning, everyone.
4 Thank you for coming today. I really appreciate the
5 attendance that we have. A couple of housekeeping chores
6 today is that there is a sign-in sheet that is over here
7 on this end table, and we do ask that you sign in for us
8 so that we have your contact information. Just before you
9 leave today if you will make sure that you've signed that,
10 we would appreciate that.

11 Also, if there is anyone in the room who would
12 like to make a presentation that didn't prefile it with
13 us, but does have some comments or presentation they would
14 like to make, if you would please locate John Mann. John,
15 would you stand for us? And contact him, and we'll make
16 arrangements to put you in the agenda.

17 As a brief background, staff is going to give
18 you some history on Lifeline. Curtis Williams is going to
19 do that for us. And then Martha Golden is going to tell
20 you about what our recent activities have been with
21 outreach activities. Bob Casey will then go over the
22 Lifeline legislation that has been proposed this session.
23 And after that, both Bev DeMello and Bob will go over some
24 options that we are kind of brainstorming and get some
25 ideas and input from that.

1 With that, I'm going to go ahead and let Curtis
2 give you a brief overview of the history of Lifeline.

3 MR. WILLIAMS: Good morning. Again, Curtis
4 Williams on behalf of Commission staff. What we wanted to
5 do as far as the history and the background was to just
6 quickly go through some of the history on the federal side
7 from Congress and the FCC; on the state side, the Florida
8 legislature and the Public Service Commission. I'm not
9 going to go into a lot of detail, because a lot of these
10 specific areas are going to be addressed by many of you
11 and staff is also going to go into more detail on some of
12 these issues. But we first wanted to go back and pinpoint
13 the date of 1984 as the date that the Lifeline program
14 kind of loosely was established or initially established,
15 so as some would say this baby is full grown now, over 20
16 years later.

17 In 1996, the Telecommunications Act of 1996 was
18 passed, which really more formalized the Link-Up Lifeline
19 program and established the ETC designation which we use
20 now in the state. In 1997, the FCC issued its first
21 report and order which really established the formal
22 structure for the program, and established the goal, which
23 is to enable consumers to obtain and retain basic local
24 telephone service at just, reasonable, and affordable
25 rates.

1 In 1994, going to specific state actions, the
2 Commission initially established the Lifeline program in
3 1994 with an order addressing a BellSouth tariff. That
4 order initially established the program with a maximum
5 discount of up to \$7 for customers. In 1995, the
6 Commission issued an order which approved the remaining
7 tariffs for the incumbent local exchange companies. And
8 in years 1997 and '98, applicable orders were passed by
9 the Commission which established the current discount that
10 we use, which is the \$13.50 discount.

11 In 2003, the legislature weighed in heavily and
12 established laws which created the cooperative structure
13 that we have now that we have been working with in terms
14 of having state agencies, specifically the Department of
15 Children and Families, the Department of Education and
16 other agencies, along with the Office of Public Counsel,
17 the Public Service Commission and the industry to work
18 together, encourage us to work together, and we have been
19 doing so and progressing in that effort since 2003. Also,
20 as many of you are aware, that legislation required the
21 PSC to report to the Governor and the Legislature each
22 year on the Lifeline/Link-Up program.

23 In 2005, the Public Service Commission took a
24 little stronger action, and the industry and other parties
25 also stepped forward and we established a simplified

1 Lifeline/Link-Up certification process which has been in
2 effect for a little over a year. And we also adopted the
3 National School Lunch Program and the 135 percent
4 income-based criterion.

5 So that is a quick overview of the history of
6 Lifeline on the federal and state side.

7 MS. BULECZA-BANKS: Martha.

8 MS. GOLDEN: Now we would like to take a few
9 minutes to talk about the PSC's Lifeline Outreach program.
10 We believe that the cornerstone of the program has been
11 building partnerships with other local, state, and federal
12 agencies, organizations and businesses that have contact
13 with eligible individuals. The Outreach partners provide
14 vital assistance in providing Lifeline information to
15 their clients who may be eligible for Lifeline.

16 And I'd like to take this opportunity right now
17 to thank the Outreach partners for all they do to help us.
18 I know some of them are here with us today and some may
19 have called in and are listening in.

20 We, in our day-to-day business, don't come in
21 contact with eligible people, and so we have to rely on
22 their assistance to get this information out to their
23 clients who are eligible for the program. And we just
24 want them to know that we really appreciate their efforts.

25 We would like to talk about a few of the

1 projects that we are working on for 2006. The first one
2 is one that we are really excited about, that is the
3 filming and broadcast of Commissioner Lifeline educational
4 segments in English and Spanish. These, basically, are
5 Commissioner interviews. We have a reporter that asks the
6 Commissioners a series of questions about Lifeline, such
7 as, you know, what are the Lifeline and Link-Up programs?
8 How is a person eligible? How do they apply?

9 The English segment has already been taped.
10 Commissioner Carter is featured in that segment. It's
11 currently being edited and will be broadcast, hopefully,
12 in the near future on public television stations.
13 Commissioner Arriaga will be taping the Spanish segment in
14 the near future.

15 And, you know, going back to this idea of the
16 partners that we have, I would like to mention this has
17 become a joint project on the Spanish segment, because we
18 are receiving assistance from the Office of Public
19 Counsel. We needed a Spanish interviewer, and Ms. Chanel
20 White with the Office of Public Counsel has agreed to do
21 the -- conduct the interview with Commissioner Arriaga,
22 and we really appreciate their help.

23 The next item is we are doing a project on
24 recording and broadcast of Commissioner radio public
25 service announcements, again, in English and Spanish.

1 And, again, Commissioner Carter and Commissioner Arriaga
2 have helped us with this effort. Basically, these are
3 30-second and 60-second public service announcements about
4 Lifeline. They are currently being distributed to radio
5 stations in Florida, and we have already begun to receive
6 some feedback from them confirming that they will run
7 these. At least some of the stations have confirmed they
8 plan to start airing these segments in April. So we're
9 excited about that.

10 Going with back to our Outreach partners, we
11 like to make sure that they have current information about
12 the Lifeline programs. One of the ways we do this is
13 through training presentations at statewide professional
14 conferences. I'll just give you an example of two. In
15 the next couple of months we will be going to the Florida
16 Association of Community Action statewide conference and
17 also to the Florida Telecommunications Relay conference.
18 And this gives us an opportunity to meet with people from
19 throughout the state so they can take this information
20 back to their offices and then share it with their
21 clients.

22 We also like to actually meet with people in the
23 community who may be eligible for Lifeline or who may know
24 people who are eligible. And one of the ways we do this
25 is through educational displays at community events. I

1 will give you just one example. In May we have a series
2 of senior day events that are occurring in this area, and
3 we will be having educational display booths set up at
4 those.

5 Moving on to the next slide. Some of the other
6 projects we're working on. I think most of you are
7 already familiar with the Back to School Lifeline project.
8 This was conducted for the first time last year. This is
9 a project that actually the PSC is not lead on. The
10 companies have taken the lead on this project, and we're
11 working with them and the Office of Public Service, KMR
12 Consultants was involved last year, Linking Solutions this
13 year. This is a good example of how the partnerships
14 work. When we can all come together, we have different
15 things to offer to the project.

16 Just as a reminder, the idea behind the project
17 is that all the school children in Florida receive an
18 informational packet at the beginning of the school year.
19 Lifeline information will be included in those packets for
20 the kids to take home to their parents. And I'm going to
21 leave it at that, because I think this is probably going
22 to be discussed a little bit more later.

23 The Connect Florida campaign, again, I think
24 most of you are aware of that. In this case Linking
25 Solutions takes the lead on that project, arranging for

1 Lifeline events in the community. Sometimes it's senior
2 centers, sometimes at public housing residences, and we
3 participate with them to go out and actually meet with
4 people who will have an opportunity to sign up for the
5 program at that time. The Office of Public Counsel also
6 participates.

7 The next project is one that's new. We're real
8 excited about this. We're working with the Department of
9 Children and Families putting information about Lifeline
10 on their website. For those who may not know, last year
11 the Department of Children and Families implemented a
12 section of their website called Access Florida. And it
13 allows people to apply online for food stamps, Medicaid,
14 and temporary assistance for needy families. In fact,
15 they told us last week that about 80 percent of their
16 applicants now apply for benefits online.

17 So just as a refresher for those who may not
18 have looked at the PSC's website recently, we have
19 information about Lifeline on our website. If you go to
20 our home page, which is at FloridaPSC.com, if you look
21 sort of on the right-hand side, there's a little button,
22 it says, "Need discounted phone service, learn more about
23 Lifeline assistance and Link-Up." And if you click on
24 that, it takes you to our page that has our brochures, our
25 posters, a link to the Office of Public Counsel's site and

1 also Lifeline applications.

2 And so what DCF has agreed to do is to put a
3 similar type button on their website, so that if a person
4 goes to their website looking for information, and they
5 need help with phone service, they will see the button,
6 and they can click on it and come to our website and get
7 the application.

8 Speaking of applications, the most recent
9 addition to our applications is a Haitian-Creole Lifeline
10 application, and this complements our Haitian-Creole
11 brochures that we currently have. Again, it's available
12 on the website on that page.

13 Another project is we are working on a new
14 brochure that will include a Lifeline application. The
15 idea for this actually came from the Back to School
16 project last year. The telephone companies and KMR
17 Consultants designed a brochure specifically for that
18 project that actually included the application in the
19 brochure. And we have received some positive feedback
20 from the Outreach partners about this. They think it's a
21 good idea. It makes it a little bit easier for people to
22 have the information right there in one package. So we
23 are working to try to expand that for other uses so that
24 it can be used for general application.

25 I know some you may be thinking, well, what is

1 the big deal about that, you're just updating a brochure.
2 Let me give you an example of why we think this is
3 important. Some of the people that we have talked to who
4 may be eligible for LifeLine, people that we meet at the
5 Connect Florida events or at community events, a lot of
6 these people have mobility issues. Some of them are
7 walking with a walker. It means both of their hands are
8 on the walker. They may be in a wheelchair. They may
9 have a physical disability. They may be a young mother
10 who has got children to keep up with. And the point is
11 that they don't have a free hand to carry a whole lot of
12 brochures and applications. So the easier we can make it
13 for them, the more likely it is that they will sign up.

14 It's not enough just to make them aware of it.
15 We need to give them a way that it is easy to sign up.
16 And so we are hopeful that by combining the information
17 and the application all in one brochure that this will be
18 just a little bit easier for them.

19 And the last item is that we -- we try to
20 continue to keep our website updated so that consumers who
21 come to our site, as well as the Outreach partners have
22 easy access to updated information on Lifeline.

23 And at this time, I'll turn it back over to
24 Mr. Casey to talk about legislation.

25 MR. CASEY: Thank you.

1 Presently in 2006 there are three bills up at
2 the Legislature regarding Lifeline. Senate Bill 314
3 provides that the Commission shall adopt rules for an
4 automatic enrollment process and also provides that the
5 PSC, DCF, and OPC shall enter into a memo of understanding
6 establishing the duties of each agency.

7 Senate Bill 322 requires monthly reporting of
8 Lifeline subscribers to the PSC, OPC, and Legislature. It
9 also provides that in addition to the federal and state
10 agencies, members of the legislature would be provided
11 applications, brochures, pamphlets, and other materials
12 that contain Lifeline eligibility criteria.

13 Senate Bill 580 adds Lifeline criteria for
14 persons 65 years or older meeting an income eligibility
15 test at 175 percent or less of the federal poverty
16 guidelines. It also provides that at least once each
17 year, carriers must include in the customer's monthly
18 billing envelop the Lifeline brochures, pamphlets, or
19 other materials promoting participation in the program.

20 Going over to the next slide, staff tried to
21 come up with some options, some ideas to put out there of
22 how we can promote Lifeline. The first one, we could
23 partner with DCF for a Lifeline paperless enrollment. We
24 could establish targets for ETCs as goals for their
25 participation. And we also looked at three states that

1 have been very successful in their enrollment methods.
2 And after I go over those, I'll turn it over to Bev
3 DeMello, and she'll talk about some awareness initiatives.

4 First of all, we could partnership with DCF.
5 Once a client has been deemed eligible by them to receive
6 food stamps or some other program, they can be put on a
7 list, and then this list could be forwarded to the
8 carriers, to the ETCs each week and they can be
9 immediately enrolled in Lifeline. And I might add that
10 staff has taken preliminary steps in meetings with DCF to
11 see how this could be accomplished.

12 We could establish targets for the ETCs, either
13 numerical targets by a certain number of people should be
14 added on or we can do a percentage target. We can do it
15 on a yearly basis or long-term. Just things to think
16 about.

17 And we looked at three states that have some
18 type of automatic enrollment process. We kind of prefer
19 paperless enrollment, because there are different
20 variations of this automatic enrollment. In Colorado a
21 person can call an 800 number to the social service
22 agency, tell them that they are interested in Lifeline.
23 They will automatically look at their file and determine
24 eligibility right then, and then they will be put on a
25 list if they are eligible. That list goes to the ETCs

1 each week, and they are automatically put on. Colorado,
2 by the way, has a 64.9 percent participation rate.

3 The Rhode Island process is similar with one
4 little variation. Customers have an option to opt out if
5 they so desire. When they sign up for a social service
6 program, they are given a post card saying that they are
7 eligible, and all they would have to do is drop it in the
8 mail box on the way out. If they choose not to enter the
9 Lifeline program, then they wouldn't have to mail the
10 card. Rhode Island has a 59.1 percent participation rate.

11 Finally, we looked at the New York process. In
12 this case, an agreement was consummated between Verizon
13 and the social service agency in order to overcome
14 confidential problems that we might have -- or that they
15 might incur. And Verizon is given a list of all eligible
16 participants in their different programs. They match it
17 against their client list and automatically enroll the
18 customer. Now, in this case there is a little variation.
19 A customer has 30 days to opt out. They are automatically
20 put on, and then they have 30 days to opt out if they so
21 desire. These are just different variations of the
22 automatic enrollment process that we looked at.

23 Now I would like to turn it over to Bev DeMello
24 to talk about some proposed awareness initiatives in the
25 Outreach.

1 MS. DEMELLO: Commissioners, good morning. Bev
2 DeMello on behalf of staff.

3 COMMISSIONER CARTER: Madam Chair, excuse me.

4 CHAIRMAN EDGAR: Commissioner Carter.

5 COMMISSIONER CARTER: I didn't hear you say the
6 percentage for New York. You gave the percentages for the
7 other two.

8 MR. CASEY: I'm sorry, Commissioner. New York's
9 is 31.07 percent participation.

10 COMMISSIONER CARTER: Thank you.

11 MS. DEMELLO: Good morning. Bev DeMello.

12 I want to share a little quick statistics. Paul
13 Rand in an article for the American Marketing Association
14 said, "In the marketplace today consumers are bombarded
15 daily by 10,000 to 30,000 commercial messages and two
16 hundred or so personalized messages."

17 So you can imagine as consumers, messages hit us
18 all day long. And we all have gadgets and communication
19 devices so we get more messages. The people who qualify
20 for Lifeline may be harder to reach because they don't
21 have a lot of communication devices, and so it requires a
22 different kind of strategy and a different kind of
23 information, and that's one thing I think we all need to
24 be cognizant of.

25 The marketing oversight, and I know Dr. Jamison

1 is going to talk further about this today from his PURC
2 report, but I think it's finding out who your target
3 audience is and then better understanding that target
4 audience. Certainly putting out a brochure is fairly
5 easy, but it's who are you trying to reach, what is the
6 message, and how do you best get that message to your
7 target audience? And it is almost like if I were this
8 public with this background, this situation, how would I
9 read the message that's coming across. So I think that's
10 something that we need to be very mindful of.

11 Public service announcements. Certainly, this
12 is a way to reach a lot of people, and we have done it
13 before here at the Commission. We are doing it right now
14 with some radio public service announcements. But I think
15 it is also in your message. And to give you an example, a
16 media campaign in California ran from February 14th, 2005,
17 to April 23rd, 2005, and broadcast materials were
18 developed around a concept of -- and this was a Lifeline,
19 \$6 or less, and it emphasized the affordability of
20 Lifeline. So, in other words, they were selling the
21 Lifeline program, but they also had a campaign, \$6 or
22 less. And they also used a tag line, connect and save.
23 So I think you can also do things to enhance the message
24 of Lifeline since sometimes it is confusing for people.

25 Grassroots media. I think we have done a great

1 job at reaching the media and really hitting the Lifeline
2 message, but I think we can also utilize some of the
3 smaller papers in Florida, some of the community papers.
4 They are always looking for articles. Perhaps we can
5 develop a media kit with basic materials in English,
6 Spanish and Haitian-Creole.

7 Train the trainer program. I'm sure we have all
8 heard of these, and they have been very successful in
9 other social service agencies. We are currently working
10 on materials how we would train trainers to go out into
11 the community and sell the Lifeline program. Because I
12 think as also Dr. Jamison is going to talk to you about,
13 most information coming from a trusted source, and that's
14 usually the people that work with these folks every day,
15 that they are more apt to hear the message and sign up for
16 Lifeline. So we want to really try to develop a good
17 train the trainer kit, and then go out into these
18 communities.

19 Outreach Advisory Committee. Some states have
20 gone to this, I believe, because this is being suggested.
21 We can develop -- the PSC could actually set up a Lifeline
22 Outreach Advisory Committee comprised of industry
23 representatives, members of the social service agencies,
24 and OPC and other community-based partners. And this
25 committee could meet bimonthly or quarterly to talk about

1 what is the best way to reach folks who need Lifeline, are
2 there educational things we should be doing?

3 Lifeline Awareness Week. The Governor of
4 Michigan proclaimed March 5th through 11th, 2006 as
5 Lifeline week in Michigan. And they used the Lifeline
6 across America theme that's going on with our FCC NARUC
7 working group in their news release. Florida could set
8 aside a day or perhaps a week for this type of awareness
9 campaign. And during this campaign it would be good to
10 have testimonials from people probably who are on the
11 Lifeline. We might even could do some sensitivity
12 training, perhaps even give up our phones for a week. No,
13 I don't think we could do that. But, obviously, we would
14 want to try to promote this awareness week in some way and
15 perhaps get our Governor involved.

16 Strengthen existing and building new
17 partnerships. Martha Golden talked a lot about our
18 partnerships, and we have done very well with them, and
19 maybe we could even develop sort of a best practices of
20 how we could even reach more businesses or partnerships.
21 I know that California is doing a lot trying to find
22 different business partners that can sell the Lifeline
23 message like a supermarket. Here in Florida we could
24 maybe use Publix or something like that.

25 And, finally, the FCC, NARUC, NASUCA working

1 group, and that's on a national front that was established
2 last July, really trying to get Lifeline across America.
3 And you will hear some of the themes today that we are
4 hearing in reports to the FCC. Basically, the media is a
5 good way to get out the message. Consumers are depending
6 on a trusted source. There needs to be more opportunities
7 for collaboration with partnerships and communities and
8 make your message understood.

9 So I would just like to say in this information
10 age overload we are in, we really need to craft the
11 Lifeline message carefully and really tap the expertise
12 and knowledge of organizations that currently serve that
13 targeted population.

14 Thank you.

15 MS. BULECZA-BANKS: That concludes staff's
16 presentation. And right now we are going to go into the
17 parties' presentations. As the Chairman mentioned in her
18 opening comments, we really want to keep this informal and
19 get an open dialogue. So what I'm asking for is your
20 patience as a presenter, that we'd like to interrupt you
21 with questions and not wait to the end. So we'd like
22 to -- whenever anyone has a question, please go ahead and
23 ask that question when you see a natural break in the
24 speaking, and you can also ask questions at the end.

25 I know that both the Commissioners and staff

1 will probably have questions, but I will also encourage
2 anyone in the room that if you have a question, please
3 come up to the mike, and we will move so that those
4 questions can be answered. We really want to have a
5 productive exchange of information today. We all want to
6 learn what's going out there and get some new ideas.

7 With that, I would like to start off the
8 parties' presentations with Dr. Mark Jamison from the
9 Public Utility Research Center.

10 Some of the speakers will be sitting over there
11 to your right, Commissioners, some will take their
12 presentations and will keep where they are sitting right
13 now.

14 MR. JAMISON: Thank you. Commissioners, I'm
15 Mark Jamison. I'm Director of PURC at the University of
16 Florida, and I wanted to do two things. You have heard
17 and most of you have probably seen the research that PURC
18 did in this. I wanted to correct one set of numbers that
19 I had used in my presentation last time. The staff found
20 that one of my pie charts didn't quite work, and they were
21 right. I put the numbers into the spreadsheet
22 incorrectly. I wanted to correct those.

23 CHAIRMAN EDGAR: Mr. Jamison, I'm sorry. I
24 apologize for interrupting, but I think we've got a
25 problem with your mike. Let's pause for a moment and see

1 if we can get that fixed so that we can hear you a little
2 better.

3 MR. JAMISON: Is that better? It echoes more,
4 so it must be better. All right.

5 As I was saying, I want to do two things in the
6 presentation. I wanted to correct some numbers that I
7 used in my presentation last time. The staff found that
8 one of my pie charts didn't quite work, and they were
9 correct. I had entered the numbers incorrectly, so I
10 wanted to update that. And then I wanted to talk about
11 some further research that we have been doing at PURC,
12 thinking about what we can do as kind of a next step in
13 Lifeline. Not addressing necessarily the issues that are
14 before the Commission right now, but what we might look
15 for in the future, knowing the things that we know about
16 Lifeline. And I'm going to skip most of my slides. So I
17 will talk, and then go to the very last -- or go to the --
18 I'll talk and then go to the last slide.

19 This is a slide that I needed to update. It has
20 to do with age of the head of household. We left out the
21 under 25 category, so it made everything else look a
22 little bit bigger. So in correcting those numbers for
23 eligible households, we're looking at their age
24 composition, the age of the head of the household. 27
25 percent of those are 75 years -- excuse me, 74 years of

1 age or 75 years of age or older; 46 percent, 55 to 74; 10
2 percent in the 25 to 54 category; and then 17 percent in
3 the other under 25.

4 Let me talk, then, about the other things that
5 we have been trying to do. In looking at the report and
6 what we learned from the research that went into the
7 report, the problems we identified with Lifeline was
8 primarily awareness and that is what Bev and some of the
9 other staff have already talked about today. And that
10 was, you know, whether or not people even knew about it,
11 were they able to learn from a trusted source, and when
12 they received the information, did it make sense to them.
13 So awareness seemed to be the primary impediment.

14 But we also ran into the question of what kind
15 of impact is Lifeline really having? If 90 percent of the
16 low income households in Florida already have a wireline
17 phone and then there are some additional ones that already
18 have a mobile phone that don't have wireline, what kind of
19 impacts are we really having if only 12 percent are
20 participating in Lifeline? So we wondered about that.

21 And something that struck us in looking at the
22 use of communication services by low income households was
23 that they are trying to push beyond just the voice
24 technology, but Lifeline doesn't really help them with
25 that. In fact, Lifeline kind of holds them back. Because

1 if you think about what they have to give up to move on to
2 another technology, they have to not only pay the extra
3 price of the new technology, they have to give up the
4 Lifeline support. So that actually raises the cost to
5 them of moving on to more advanced technology. So we were
6 worried about that, too.

7 Lastly, we were concerned about the flexibility
8 of a state to try and innovate and do things differently.
9 Since this is a federal program, and it is fairly well
10 defined as a federal program, we thought, well, is there a
11 way that states could innovate, try some different things
12 and learn from each other. And so in looking at that, we
13 have a paper that we are working on. It's the kind of
14 second major bullet point there that talks about, well,
15 could we go to a state-based voucher system.

16 Now, this would violate current FCC rules, so it
17 would require some cooperation with the FCC. But the idea
18 was basically this: Why not allow a state to say, okay,
19 we're happy with the current Lifeline program, we're going
20 to stick with it. Or say, we would like to try something
21 different, and move on to a different system, to opt out
22 of the current federal system.

23 And one way of opting out might be to allow low
24 income households to have a voucher for communication
25 services. Not all of them want a wireline phone, not all

1 necessarily want a post-paid mobile phone. Some like
2 prepaid cards, some like a prepaid mobile phone, maybe
3 they want to move to broadband, what have you. But allow
4 them a voucher that could let them go to whatever vendor
5 they wanted to, whether it be a convenience market to buy
6 a card to use at pay phones, or to sign up for a cable
7 modem, or DSL, or whatever they might want to do, and give
8 them the voucher so they could receive some sort of a
9 price discount for doing that. And this would be
10 something that a state could do.

11 To get by the awareness issue, it's something
12 that could be administered through the existing social
13 agencies. It wouldn't have to be something we would look
14 to Best Buy, or Verizon, or BellSouth, or anyone to
15 actually implement and handle. It could be handled
16 through existing support mechanisms that we have through
17 social agencies today.

18 Part of getting that from a federal program to a
19 state program would be allowing the state to opt out, both
20 in terms of the current system, both in terms of trying to
21 meet the requirements of the current system, but also
22 having to fund the current system. Because this would be
23 a state-funded system as we would see it, and so the state
24 wouldn't have to then contribute to the universal service
25 administrative company to fund other states' Lifeline

1 programs. So that would be a feature that we would have
2 also.

3 Lastly, since it's kind of an experimentation
4 program to try and see, well, you know, things work well
5 for our state, but maybe we could learn something from
6 other states, too. It would be to follow a pattern that's
7 already done within the current federal-state joint board
8 on universal service, have a lot of cross-learning.
9 States would give reports on what they're doing. The
10 joint board would have its workshops, et cetera, so that
11 people could see, you know, what Florida is doing and what
12 New York is doing or what anyone else is doing to see what
13 might work and what might not work for their particular
14 state.

15 So, that's my presentation. I will be glad to
16 answer any questions anyone might have on the report or
17 what I have just said, either one.

18 CHAIRMAN EDGAR: Commissioner Arriaga.

19 COMMISSIONER ARRIAGA: Mr. Jamison, good
20 morning.

21 MR. JAMISON: Good morning.

22 COMMISSIONER ARRIAGA: I'm intrigued with the
23 voucher system, and first I was wondering how can we opt
24 out from the universal service fund? I think it goes
25 beyond an agreement between the state and the FCC or the

1 Commission and the FCC. This is federal law, I believe,
2 isn't it?

3 MR. JAMISON: Well, you would have to check with
4 your lawyers to see exactly how tight it is within federal
5 law. There is a federal statute that says you will do
6 Lifeline, but I don't know how detailed that is. So it
7 might be something where it would require a change in
8 federal statute. There are provisions in the
9 Telecommunications Act that allow the FCC flexibility, but
10 I don't know if they apply to that particular provision or
11 not. They may deal primarily with the competitive rule.
12 Florida could not do it on its own. There would have to
13 be some federal cooperation.

14 COMMISSIONER ARRIAGA: And I'm wondering if this
15 kind of system will take the burden completely away or the
16 collaboration away from the private sector, which is sort
17 of like taking the whole burden on top of the state and
18 allowing the companies just to sit back and do nothing
19 about it. Would that be fair to say?

20 MR. JAMISON: It wouldn't necessarily have to do
21 that. It would take a lot of burden off of the telephone
22 companies in terms of specifically signing people up for
23 Lifeline, because this would be something where it would
24 be a payment system where a customer could use it to buy
25 from any vendor they wanted to, whether it be a telephone

1 company, cable company, a reseller of some sort. They
2 could buy from a lot of people. A telephone company could
3 still engage in a lot of marketing to low income to
4 encourage people to buy from them, but they wouldn't be --
5 they wouldn't have to do that because the customer would
6 already have their system in place for doing it.

7 COMMISSIONER ARRIAGA: Thank you.

8 MS. BULECZA-BANKS: Dr. Jamison, under this
9 proposal, would there --

10 CHAIRMAN EDGAR: Ms. Banks, I'm sorry. Hold on.
11 Commissioner Carter wanted to jump in in front of you.

12 MS. BULECZA-BANKS: I'm sorry.

13 CHAIRMAN EDGAR: Commissioner Carter.

14 COMMISSIONER CARTER: Thank you, Madam Chairman.
15 Dr. Jamison, does Florida currently have enough
16 of a market share, for lack of a better word, to where if
17 we went to this process that Florida could actually fund
18 it?

19 MR. JAMISON: That's probably true. I have not
20 checked those numbers specifically. In general, Florida
21 is a net payer into the federal universal service system,
22 and that includes four major programs, Lifeline/Link-Up
23 being one of those programs. I don't know if Florida is a
24 net payer for that specific -- for the specific
25 Lifeline/Link-Up program. I would guess we probably are,

1 and so the funds would probably be in place for that.

2 CHAIRMAN EDGAR: Commissioner Deason.

3 COMMISSIONER DEASON: Dr. Jamison, I take it
4 from your comments that you believe that there may be a
5 structural impediment to those eligible customers who may
6 wish to utilize alternative forms of communication. Is
7 that correct?

8 MR. JAMISON: Yes. Impediment might be a
9 stronger term than I would choose, but at least there is a
10 disincentive.

11 COMMISSIONER DEASON: Under the current
12 structure, what other types of communication do you have
13 in mind that perhaps there exist a disincentive?

14 MR. JAMISON: Well, my understanding, and
15 perhaps I'm wrong on this, would be that for like prepaid
16 mobile phones and for using payphones and then for using
17 broadband, Lifeline discounts would not apply to those.
18 But in this case with a voucher program where a person
19 could use their voucher to go and purchase cards or
20 whatever to pay for communications services or to buy
21 their DSL, or what have you, then they would be able to do
22 that.

23 COMMISSIONER DEASON: May I follow up. There
24 currently exists Lifeline support for wireless services in
25 limited situations, is that correct?

1 MR. JAMISON: I don't know the details well
2 enough. I'm sure the staff would. I know it applies at
3 least to post-paid mobile, but I don't know about prepaid,
4 which is -- we found a lot of low income households do use
5 the prepaid mobile phones. But I don't know exactly how
6 Lifeline applies to those. Maybe it does, but I just
7 didn't know that for sure.

8 COMMISSIONER DEASON: And then in the case of
9 broadband, for example, DSL, there is not a direct subsidy
10 for DSL service, but to receive DSL service, you do have
11 to have a landline connection, correct? And there is a
12 subsidy for that.

13 MR. JAMISON: I don't know what the companies'
14 policies are on having -- if you have to have a landline
15 phone if you are getting DSL also. That probably wouldn't
16 apply to a cable modem, but it might apply at least for
17 some companies with DSL.

18 COMMISSIONER DEASON: Have you looked at the
19 proposal that we've received earlier, and I think there is
20 going to be a presentation later from the Florida Public
21 Telecommunications Association? Are you familiar with
22 that?

23 MR. JAMISON: I'm not familiar with that, no.

24 COMMISSIONER DEASON: Okay. Thank you.

25 CHAIRMAN EDGAR: Ms. Banks.

1 MS. BULECZA-BANKS: Dr. Jamison, under this
2 proposal how would the vouchers be funded? Would it be
3 from the residents of the state of Florida then would have
4 like a state fund rather than -- or like its own universal
5 service fund?

6 MR. JAMISON: Well, this could be funded a lot
7 of different ways. It could be something that was a fee
8 that could be funded much like it is today, fees assessed
9 against telecommunications services. That is a
10 possibility. The problem is, though, that this -- the
11 voucher then goes towards things that aren't currently
12 counted as telecommunications. So I would expect it would
13 be more efficient to do something that is broader based.
14 Maybe it could come out of a fee against a lot of
15 communications services or it could come out of general
16 tax revenues. So there are many different ways it could
17 be done.

18 MR. CASEY: If I may interject for a second.
19 There was a question regarding whether or not Florida is a
20 net contributor in the low income fund.

21 MR. JAMISON: Yes.

22 MR. CASEY: And Florida is. \$32.9 million is
23 a -- we're a net contributor for that amount. Also, in
24 Florida we have three wireless ETCs right now, Nextel
25 Partners, Sprint Spectrum, and ALLTEL Communications. We

1 don't have a prepaid provider as of yet. However,
2 Tracfone has applied to the FCC for an ETC status in
3 Florida. They have waived the rule to allow prepaid phone
4 provider for Tracfone to come in, but they haven't granted
5 Tracfone an ETC application yet.

6 MR. McLEAN: Madam Chairman, a question.

7 Harold McLean, Public Counsel. Good morning.

8 Two questions, one for Mr. Casey. Did I hear
9 you say that Florida is a net donor of \$39 million, is
10 that correct? Is that what you said?

11 MR. CASEY: For the low income program, it is
12 estimated that Florida is a net contributor of 32.9
13 million.

14 MR. McLEAN: And that's money that leaves
15 Florida and doesn't come back, so far as we know, isn't
16 that correct?

17 MR. CASEY: Yes, sir.

18 MR. McLEAN: Thank you.

19 And a question for Dr. Jamison, if I may. I
20 heard you mention that awareness is a major impediment in
21 getting folks to sign up for Lifeline, is that correct?

22 MR. JAMISON: Yes. That's what we have found.

23 MR. McLEAN: What -- I'm sorry, I interrupted
24 you. I apologize.

25 MR. JAMISON: No. I just said that's what we

1 found.

2 MR. McLEAN: Yes, sir. Automatic enrollment,
3 what does that -- does that not moot out the issue of
4 awareness to a great extent?

5 MR. JAMISON: It would depend, I suppose, on how
6 the automatic enrollment was done. If it was done when a
7 person signed up for a qualifying program like food
8 stamps, or what have you, then it probably would do away
9 with a lot of the awareness issue. I don't know the exact
10 number, because I didn't have anybody calculate it, but
11 from the survey information it would appear that about 80
12 percent of the eligible households could qualify for
13 Lifeline based upon their participation in these
14 qualifying programs, like food stamps, school lunches, et
15 cetera.

16 MR. McLEAN: I'm sorry, I didn't hear. Did you
17 say could or could not?

18 MR. JAMISON: Could.

19 MR. McLEAN: Could.

20 MR. JAMISON: Yes, sir. They could qualify
21 under -- about 80 percent could. You would still have the
22 20 percent that qualify only under the low income criteria
23 and not under these other programs. So there would still
24 be an issue with those.

25 MR. McLEAN: Sure. And we would have to reach

1 those by greater awareness, presumably, or some other
2 means.

3 MR. JAMISON: I would guess so, yes.

4 MR. McLEAN: But with respect to the 80 percent
5 that you say could be signed up with the automatic
6 enrollment, we wouldn't have to reach those with
7 awareness, correct?

8 MR. JAMISON: I would think not. It would
9 depend upon how that was handled.

10 MR. McLEAN: Let me ask you another one. I see
11 that in New York -- in New York state one has to
12 affirmatively opt out of the program. Do you have any
13 idea how many people have actually opted out once assigned
14 to Lifeline?

15 MR. JAMISON: No, I haven't heard of that
16 program before, but that sounded like a really interesting
17 research topic. So we might look into it.

18 MR. McLEAN: There's a Ph.D in there somewhere,
19 right?

20 MR. JAMISON: Yes.

21 MR. McLEAN: Thanks, sir.

22 No further questions.

23 MR. McCABE: I guess I have to call you doctor.
24 I have known Mark for many years. We have gone back
25 working at NARUC. I guess the question I have for you,

1 though, has to do with the issue of awareness. The
2 industry, this Commission, AARP, Office of Public Counsel,
3 has spent hundreds of thousand of dollars bringing
4 Lifeline awareness to the public, yet based on your study
5 it says that only 20 percent are aware. I guess I don't
6 understand how that's occurring. Is it just then we're
7 wasting, you know, millions of dollars in this process of,
8 you know, the activities that we're doing?

9 MR. JAMISON: Well, I can share the frustration
10 with that. I was very amazed at that particular finding.
11 I thought awareness might be somewhat of an issue, but I
12 expected it to be an issue on the margin. So when we were
13 putting together the study, I did some looking around
14 trying to find someone that I thought might be an expert
15 in marketing to low income households and really couldn't
16 find anyone. I didn't push that further because I just
17 did not realize going into the research that was going to
18 be a major finding coming out.

19 But you are correct, in a sense, that the
20 program is proving itself to be fairly expensive if the
21 goal is to accomplish having more low-income households
22 with telecommunications service. Not part of our study,
23 but a study done by the staff of the PSC in Mississippi in
24 collaboration with an academic in Kentucky, I believe is
25 where he is from, they were finding that to add a

1 household to the telephone network using Lifeline was
2 costing about \$2,000 a year. So I found that to be a
3 pretty high number. And I don't know exactly what all
4 went into it, but that proves -- that shows to me that
5 there is some pretty expensive processes.

6 MR. McCABE: Is it possible that in your study
7 that these people are actually aware, but they have just
8 chosen not to take the effort on their part to sign up for
9 Lifeline? I think to me, that -- I feel that we are
10 chasing our tail in this whole process. Because Lifeline
11 has been around for many, many years, and there is this
12 perception that it is the industry that is putting up
13 barriers to enrollment, and things of that nature, when a
14 lot of it is a matter of the customer taking the
15 initiative to do what needs to be done.

16 MR. JAMISON: I can understand what you are
17 thinking there. It is possible that people told us that
18 they weren't aware, but, really they just didn't want to
19 do it. I doubt that that is the case, given the magnitude
20 of the numbers that we saw. We did not find, however, to
21 your last point, we did not find evidence that the
22 telephone companies themselves were impediments to the
23 process. We would have expected to have found different
24 companies having important impacts on participation, that
25 some companies would have been a lot better than others.

1 We found, you know, some statistical significance, but the
2 economic significance was very, very small.

3 The differences in effectiveness of companies
4 was, you know, fairly close to zero. Statistically
5 different than zero, but not very much. So we concluded
6 that the companies really weren't having an impact in a
7 negative way on this.

8 MR. McCABE: Could I ask one more question? In
9 your study that you presented the last time, it indicated
10 that 50 percent of Lifeline customers had both wireline
11 and wireless phones together. Now, when I see something
12 like that, I bring into question is there really a need.
13 And I'm not making this from the standpoint that we're not
14 supporting Lifeline. I'm just bringing to your attention
15 this question in terms of what is the purpose of Lifeline?
16 Is it to provide discounts for end users for communication
17 services so that they can now go out and also purchase
18 wireless services? And I just found it interesting those
19 statistics that you showed.

20 MR. JAMISON: Well, those statistics caused us
21 to ask that question, also, which is one of the reasons
22 why we then, after the study, started pursuing the idea is
23 there something that we could make more general so that
24 customers could apply it to really what they wanted to
25 purchase in terms of communications services as opposed to

1 a fairly specific type of communications service.

2 MR. McLEAN: Madam Chairman -- I'm sorry.

3 CHAIRMAN EDGAR: That's okay. If you will hold
4 that for just a moment, we'll come back to you.

5 Commissioner Arriaga.

6 COMMISSIONER ARRIAGA: I wanted to follow up on
7 this line of questioning between awareness and
8 participation. Could it be possible, Dr. Jamison, or in
9 your research did you follow up with the fact that a
10 person, a potential beneficiary of Lifeline is aware, but
11 it is very burdensome for that person to really sign up,
12 or is the company also motivated to make sure that that
13 person signs up if it is eligible? Because the program
14 seems to be borderline between awareness and
15 participation. Why doesn't a person that can have a
16 benefit take the step to go one step forward?

17 MR. JAMISON: We did not find any situations
18 where a customer was aware and was eligible and did not
19 sign up. Now, that was not a very big part of our study,
20 because that is an pretty expensive thing to do, because
21 you have to talk to individual customers about their
22 individual situation. So we did that through the focus
23 groups, but everyone in the focus group that was not
24 already participating in Lifeline and was eligible, once
25 they became aware they signed up. So we did not find the

1 signing up to be a burden. Now, in general terms, if you
2 look across the U.S., yes, you will find that difficulties
3 in signing up is a barrier, but we did not find that
4 within our study for Florida.

5 CHAIRMAN EDGAR: Commissioner Carter.

6 COMMISSIONER CARTER: Thank you, Madam Chairman.

7 May I be recognized to ask a question of Mr. Casey and
8 then Dr. Jamison?

9 CHAIRMAN EDGAR: Absolutely.

10 COMMISSIONER CARTER: Thank you very much.

11 Mr. Casey, I noticed that in mentioning Colorado
12 and Rhode Island and New York, you talked about the
13 percentage of participation. And even in New York with
14 30-plus percent, it's still more than double what is
15 happening in Florida. What is the process used by these
16 states in signing people up for Lifeline?

17 MR. CASEY: Well, it's basically automatic. In
18 Colorado, they automatically -- you call an 800 number,
19 and they'll do it online. They'll make you eligible, and
20 then they will put you on a list which goes to the
21 carriers once a week. And as soon as that list gets to
22 the carriers, they are enrolled in Lifeline.

23 Now, the other two states, when one state --
24 when you go to a social service agency and sign up, you
25 are given a post card that says you are eligible. And all

1 you have to do is go outside and drop it in a mailbox.
2 That way it gives the consumer a choice of whether or not
3 he wants the program. And the third, New York, they are
4 automatically enrolled, and they have 30 days to opt out.

5 COMMISSIONER CARTER: Well, Madam Chairman, it
6 seems to me that none of these processes have been tried
7 in Florida.

8 Secondly, Dr. Jamison -- Madam Chairman -- is
9 that I noticed in Washington at NARUC you presented a
10 chart of the states around the country, and although you
11 told us not to look at it, but it looked like California
12 was off the chart there.

13 MR. JAMISON: Yes, it was.

14 COMMISSIONER CARTER: Could you tell us the
15 procedure that is used in California?

16 MR. McCABE: I don't know the California
17 procedure very well. It is an automatic process, or was
18 at the time those data were collected. That was 2003, as
19 I recall. And not only that, I'm not sure that in
20 California there was any kind of verification. Staff
21 probably knows the answer to this much better than I do.
22 Anecdotally, I have a friend who was a graduate student in
23 California about that time, and he said he was contacted
24 at least once a year and told to sign up for Lifeline. He
25 never did, because he didn't think he should. But the

1 marketing was pretty aggressive.

2 CHAIRMAN EDGAR: Mr. Casey.

3 MR. CASEY: Yes. Commissioner, in California
4 they did not have a verification process in place. They
5 based it on income. All you'd have to do is call up and
6 say, I'm eligible, put me on the list. It finally caught
7 up with them about a year ago. The FCC caught up with
8 them. Thanks to our staff, too, by the way, participating
9 in the Lifeline and the universal service joint board,
10 they said, "Something is wrong here. California is at 131
11 percent. They are not getting any verification.
12 Something needs to be done."

13 So the FCC did issue an order back in '04 that
14 said from now on income verification has to be done in
15 order to qualify. And California has corrected that now.
16 As of this March, as of last month, they had it corrected.

17 CHAIRMAN EDGAR: Commissioner Carter.

18 COMMISSIONER CARTER: Thank you, Madam Chairman.

19 One final follow-up. Going back to Dr.
20 Jamison's chart in Washington, and I think you also showed
21 us that same chart here at one point in time.

22 MR. JAMISON: That's right.

23 COMMISSIONER CARTER: It seems like to me that
24 Florida is -- let me see how to say it diplomatically.
25 But, anyway, we are even behind North Dakota. And for

1 some strange reason, notwithstanding the supposed money
2 that we are spending here in Florida, we still seem to be
3 at the tail end of the process compared to all the other
4 states. I mean, have you arrived at some conclusion based
5 upon your research in terms of why Florida is at the tail
6 end and the rest of these states are actually making
7 progress, or they're certainly doing more than double what
8 we're doing here in Florida?

9 MR. JAMISON: No, we didn't find anything in the
10 research that indicated why Florida would be significantly
11 different than the other states. In fact, in the
12 statistical study we did of the nation as a whole, Florida
13 fell right exactly where statistically we would have
14 predicted Florida to be, based upon economic and
15 demographic social economic factors in Florida. So there
16 wasn't anything that we could find that said Florida
17 should be higher or lower. It was statistically right
18 where it should have been compared with the rest of the
19 country.

20 CHAIRMAN EDGAR: Mr. McLean, thank you for your
21 patience. Please.

22 MR. McLEAN: Yes, ma'am. Of Dr. Jamison. Well,
23 then, statistically speaking the eligible class in Florida
24 should be similar to the eligible class in other states.
25 Is that what you just said, essentially?

1 MR. JAMISON: No, what I was saying was if you
2 look at statistically the whole country --

3 MR. McLEAN: Yes, sir.

4 MR. JAMISON: -- and then after you have
5 examined what determines the participation rate in states,
6 in general, and then you go back and predict, you know,
7 what would I predict Florida to be? Florida falls into
8 exactly where we would predict it to be. California, of
9 course, you know, comes out way higher. Some states come
10 out way lower. Florida it turns out, just for social
11 economic characteristics, tends to be right where we would
12 expect it to be.

13 MR. McLEAN: I guess I'm a little confused. Are
14 you saying that the current take rate is what you would
15 expect it to be?

16 MR. JAMISON: Based upon social economic
17 characteristics of the population of Florida, yes.

18 MR. McLEAN: And what is our take rate? I
19 don't -- I have heard it discussed as --

20 MR. JAMISON: It's around 12 percent.

21 MR. McLEAN: Sorry, 12 percent?

22 MR. JAMISON: Yes.

23 MR. McLEAN: A little more than one out of ten
24 people. Is that typical of other states in the union?

25 MR. JAMISON: No. No, on average it's lower.

1 MR. McLEAN: It's lower than that?

2 MR. JAMISON: Right. If you take California
3 out, you will end up with an average participation rate
4 across the country of about 19 percent. So we are below
5 that average, but statistically we are where we would
6 expect to be, given the characteristics of the state.

7 MR. McLEAN: I see. Thanks.

8 MR. WILLIAMS: Mr. Jamison, one quick question.
9 Going back to your actual study regarding the voucher
10 system, I just want to go back and get a little
11 clarification on the definition of universal service or
12 Lifeline in particular as an evolving definition. I know
13 the federal government has actually really focused on
14 universal service and Lifeline as an evolving process. Is
15 that something that you're going to include in your study,
16 or do you have a position on that now in terms of what
17 should the definition be? And moving forward with your
18 proposal, is that something that you're going to
19 specifically identify in terms of what the parameters
20 would be?

21 MR. JAMISON: Yes. Let me clarify what we have
22 done. We simply sketched out an idea. It's not
23 necessarily a Mark Jamison proposal or a Lynn Hope
24 proposal, she is my co-author on this, or a PURC proposal.
25 This is an idea of trying to solve some of the problems we

1 have been able to identify. And it's enough -- it's
2 general enough at this point that we have not said here is
3 what universal service should be. In fact, in part what
4 we are doing with this idea is to say that the customer
5 should participate in that definition. By giving them a
6 general voucher, they could decide what it is that they
7 thought was best for them for the communication services
8 that they would like to purchase. So they are providing
9 some of that definition.

10 Now, policymakers would have to decide what
11 qualifies for the vouchers. So there is some sort of
12 thinking about what do we mean by communication services
13 that people could purchase with this voucher. But the
14 customer would be given a great deal of latitude in
15 determining how they would use the monies that they have
16 been provided.

17 CHAIRMAN EDGAR: Commissioner Tew.

18 COMMISSIONER TEW: Thank you. And I'm not sure
19 exactly who to direct this to. So I guess I'll open it up
20 for either our staff or Dr. Jamison. I noticed that the
21 states we have been talking about all have state USF
22 funds, and I just wondered what kind of impact, if any,
23 does that have on the participation or the programs in
24 those states.

25 MR. CASEY: Mr. Mann, as a matter of fact,

1 looked at that very thing just last week to see if there
2 was a correlation between having a state USF fund and
3 participation.

4 John, would you like to make a couple of
5 comments? Would you come to a microphone, please?

6 MR. MANN: There are various states that had
7 state universal service funds. Their average penetration
8 was 27 percent. In 21 states, including the District of
9 Columbia, that didn't have a state universal service fund,
10 their average penetration was 21 percent. So there was a
11 6 percent difference depending on whether or not they had
12 a state universal service fund.

13 MS. BULECZA-BANKS: Does anyone else have any
14 questions for Dr. Jamison? Anyone in the audience who
15 would like to come up? Thank you very much. Oh, excuse
16 me.

17 MS. PARKER: My name is Ava Parker, and I'm with
18 Linking Solutions.

19 Dr. Jamison, I just have one question about --
20 and you may have answered this in previous meetings where
21 I was not present. But in looking at the actual pool of
22 eligible customers, is there any way to, I guess -- is
23 that number just based upon census numbers kind of showing
24 who fits into that income category, or does it have any
25 discount for those who may, for some reason, not be

1 eligible because they live in a place or in a complex
2 where Lifeline is not offered?

3 MR. JAMISON: Okay. We went to the -- the
4 census data was our primary database, and looking at
5 income criteria and then working with DCF to look at their
6 eligibility databases, we were able to pull all of these
7 data together to identify the number of households that
8 participated. We looked at the issue of are there
9 customers -- are there households that because of where
10 they are living might not be eligible. I don't remember
11 the exact conclusion, but it was somewhere between -- that
12 turned out to be a nonissue or turned out to be such a
13 small issue that it wasn't affecting the numbers. I don't
14 remember which way it really turned out.

15 MS. PARKER: Thank you, Madam Chair.

16 MS. BULECZA-BANKS: All right. I would like to
17 thank Dr. Jamison for that presentation. I thought that
18 was a good dialogue and good questions. Right now I would
19 like to go ahead and move on and listen to Chanel White,
20 and she is with the Office of Public Counsel.

21 MS. WHITE: Good morning. I'm Chanel White with
22 the Office of Public Counsel, and I'm the coordinator of
23 the program-based portion of the Lifeline program.

24 Our outreach efforts includes participating in
25 statewide Lifeline events, along with Linking Solutions.

1 And usually what our role is, we'll distribute the
2 information to the participants, and for those who have
3 difficulty reading or filling out the application forms,
4 we will also assist with that as well.

5 We participated in about four press conferences
6 about the Lifeline program, most of which took place in
7 area schools, where we urged parents of the importance of
8 having continuous telephone service in the home to benefit
9 his or her child's education.

10 One of Florida's Link-Up and Lifeline goals
11 should be to expand the service to all companies. We feel
12 that we would better reach the 1.12 million Floridians who
13 are eligible for Lifeline service if it did not matter
14 which telephone company you were a subscriber to. Our
15 office receives maybe 30 calls per week from eligible
16 Floridians who are not with a company that offers the
17 Lifeline program, and in turn they are turned away.

18 Now, although our office usually does not take a
19 position on pending legislation, we do believe that the
20 participation rate would highly increase if Florida
21 participated in automatic enrollment, as stated in Senate
22 Bill 314.

23 And Senate Bill 322 proposes that the telephone
24 companies prepare a monthly report to the Legislature, to
25 the PSC and OPC about Lifeline subscribership. This would

1 be very helpful in keeping the communication open between
2 the company, and particularly our office, as far as
3 knowing who has been signed up or who has been removed.
4 And this will give us a better feel of exactly what is
5 going on month-to-month within the Lifeline program.

6 Senate Bill 580, Lifeline for persons 65 years
7 of age and older based on the 175 percent income
8 guideline. Our experience with people of this age is
9 although they may not meet the current 135 percent poverty
10 guideline, most of their income goes toward rising
11 prescription costs. Therefore, even though they do not
12 qualify, they are left with little money to put toward
13 their telephone bill.

14 Our office receives calls just about every day
15 from people who have attempted to apply for Lifeline,
16 usually through the telephone company, but they become
17 discouraged because of the customer service they receive.
18 Many people feel like they are given the runaround when
19 they try to apply for the program.

20 Unclear correspondence and documentation
21 requests. Some people don't exactly understand what
22 exactly is requested of them to apply for the program.
23 They'll fax in what the application requests, but then
24 they will be denied for the program. And then they will
25 call our office to ask us why the company did not approve

1 their application. And, you know, then we have to have
2 them call the company again. And it's just -- you know,
3 it's a cycle. And eventually people will get frustrated,
4 especially those who are elderly or those who have
5 handicaps. And eventually they will say, you know, it's
6 not worth it. And there we have lost another person who
7 could have been eligible for the program.

8 There are age misconceptions. It is believed
9 that the Lifeline program is only for senior citizens.
10 And also I have received -- our office has received
11 questions about citizenship. A person may not want to
12 apply for the program because they may have someone in
13 their home who is not a U.S. citizen, and they really
14 don't want to bring any extra attention to themselves or
15 to their households.

16 We believe we could increase enrollment by
17 making the program more customer friendly. We could do
18 this if each -- if each company provided a knowledgeable
19 staff to handle Lifeline inquiries. Currently, the Office
20 of Public Counsel is the only office that offers a staff
21 who can answer your questions on whether or not your
22 application has been received, what your application
23 status is, or what further information we need in order to
24 approve you.

25 With the telephone companies it's not that

1 simple. You may speak with the customer service
2 representative, but sometimes that person is not
3 knowledgeable about the program as much as they should be,
4 and they may give false or misleading information.

5 Most successful coverage has been televised.
6 The press conferences that we did last year and one in
7 January, whenever the program is presented on local news
8 we receive a large increase in our telephone calls. The
9 Lifeline Miami event that occurred 2005 in July, generated
10 over 12,000 calls in that month, and that is the most
11 amount of calls we have ever received in one month. And
12 that is just because we went out to Miami, we went to one
13 of the Linking Solutions events and it was televised.

14 Bill inserts have also been successful. We'll
15 receive calls from customers who will say, I received this
16 bill insert, and I want to know more about the program.

17 Radio PSAs have not been as successful as the
18 televised coverage. Last Fall, September, October,
19 November, around that time, there were radio PSAs played,
20 but our office did not receive an increase in our call
21 volume.

22 Underattended Lifeline events, specifically
23 those that are not televised, aren't as successful as the
24 ones that are televised, because we aren't able to reach
25 beyond the people who attend that event. And so we assist

1 those who attend the event, but it does not go further
2 than there on that particular event because it's not
3 televised and it cannot reach a wider audience.

4 Also, at these events there have been trust
5 issues. Consumers have trust issues with the telephone
6 company, and they have trust issues with the government.
7 And so if they see the company or they see me, a
8 representative from the Office of Public Counsel, they
9 become very apprehensive about filling out any type of
10 form we give them.

11 And that concludes my presentation.

12 CHAIRMAN EDGAR: Commissioner Carter.

13 COMMISSIONER CARTER: Good morning, Ms. White.

14 MS. WHITE: Good morning.

15 COMMISSIONER CARTER: You're saying that
16 probably the best way to deal with the lack of
17 participation in Lifeline is for us to go to automatic
18 enrollment.

19 MS. WHITE: Yes.

20 COMMISSIONER CARTER: Is that correct?

21 MS. WHITE: That's correct.

22 COMMISSIONER CARTER: And you heard Dr. Jamison
23 earlier saying that with automatic enrollment that will
24 get us roughly 80 percent participation?

25 MS. WHITE: Yes.

1 COMMISSIONER CARTER: And so what do you think
2 about the other 20 percent, not that the 80 percent is not
3 significant because it is. What are some of the other
4 ideas that you would use for -- okay, automatic enrollment
5 gets us 80 percent. What are some of the things that we
6 would do to get the other 20 percent?

7 MS. WHITE: The other 20 percent, you know, I
8 noticed that participation with this program can also go
9 by word of mouth. If your neighbor next door has had a
10 negative experience with trying to sign up for the
11 program, if they are stressed out and been given the
12 runaround, they will tell their friends, they will tell
13 the neighborhood, and that will affect maybe another 10 or
14 15 people who would have applied, but did not.

15 And so I think if we build a good reputation for
16 the program and make the program more customer friendly
17 that would target the other 20 percent and get everyone on
18 board with this program.

19 MR. McLEAN: Question, Madam Chairman.

20 CHAIRMAN EDGAR: Just a moment. Commissioner
21 Arriaga.

22 COMMISSIONER ARRIAGA: Thank you.

23 Ms. White, welcome. Nice to see you here.

24 MS. WHITE: Nice to see you, too.

25 COMMISSIONER ARRIAGA: I was listening to

1 Dr. Jamison. I was listening to you. And I find the
2 issue of enrollment from awareness participation still
3 intriguing. You have a daily experience with the issue.

4 MS. WHITE: Yes.

5 COMMISSIONER ARRIAGA: And your experience seems
6 to indicate that not enough effort has been done from the
7 announcement, to the awareness, to then the participation.
8 As a matter of fact, I think you said that there was a lot
9 of problems in between that did not allow a person to
10 easily get into the program.

11 One question. Would you think this is because
12 of lack of encouragement or lack of desire from the
13 telephone companies to enroll these people, would you
14 think that? And, two, how does your office define
15 automatic enrollment? Because you see we have three
16 states here, Colorado and Rhode Island and New York, and
17 they have a different definition. How does your office
18 define automatic enrollment?

19 MS. WHITE: Okay. Well, first, I'll go to the
20 second question. We define automatic enrollment, for
21 example, if a person is approved for food stamps,
22 automatically that information would be sent to the
23 corresponding company that this person is eligible for
24 food stamps; therefore, they would automatically be signed
25 up for the program. That is how we look at automatic

1 enrollment.

2 And your first question. With the companies, we
3 believe that if the representatives were just more
4 customer friendly, more knowledgeable, and more helpful
5 when a person was calling to inquire about the program,
6 that it would encourage them to complete the process.
7 Many people stop midway because of not having their
8 questions answered or giving false or misleading
9 information. So I think we just need to have a
10 knowledgeable staff.

11 CHAIRMAN EDGAR: Mr. McLean, do you want to jump
12 in on this?

13 MR. McLEAN: Yes, ma'am.

14 Ms. White, how many thousands of Lifeline calls
15 have you answered since I had the good sense to put you in
16 charge of our program?

17 MS. WHITE: Last year it was about 45,000. So
18 if you include these months over here, maybe 60,000.

19 MR. McLEAN: Okay. My question is how many
20 thousands of calls did you answer?

21 MS. WHITE: Did I answer?

22 MR. McLEAN: Yes, ma'am, personally.

23 MS. WHITE: Oh, personally. Oh. At least,
24 like, I will say maybe 10,000.

25 MR. McLEAN: Okay. Thanks. Do you feel that

1 you are in a good position to relate to this good
2 Commission what the attitude of the people who called you
3 and spoke to you on the phone was when they called?

4 MS. WHITE: Absolutely, 100 percent.

5 MR. McLEAN: And you relied on that this morning
6 when you told the Commission about the difficulties that
7 those people said they encountered, correct?

8 MS. WHITE: Yes, sir. From phone calls or even
9 letters, people will write us letters. They'll write us
10 thank you cards, but they will also write us letters
11 saying, hey, I tried to apply for this program, and we
12 encountered this, that, and the other with the company.
13 Please help me.

14 And so a lot of my time is spent, you know, kind
15 of going back and trying to help them along. And if they
16 are eligible based off income, I'll say, you know what,
17 just apply with us, and we'll get them started.

18 MR. McLEAN: Thank you, ma'am. In a recent
19 conversation you and I had about Bell's recertification
20 program, I believe I asked you how many people Bell kicked
21 off Lifeline lately. What did you say to that question?

22 MS. WHITE: Well, the number of people Bell
23 removed from the program -- now, the number I saw and the
24 number of total people removed from the program was in the
25 upper tens of thousands, maybe 15 through 18, somewhere in

1 between there, which is a large number to kick off in one
2 season.

3 MR. McLEAN: Understood. Thank you very much.
4 I have nothing further.

5 CHAIRMAN EDGAR: Commissioner Arriaga.

6 COMMISSIONER ARRIAGA: Thank you. What specific
7 actions would you recommend to the Commission, the OPC
8 would recommend to this Commission that we take to make it
9 a better program, specific actions that you have in mind?

10 MS. WHITE: Specific actions? Implement
11 automatic enrollment, implement that when someone
12 qualifies for one of the qualifying programs that makes
13 you eligible for Lifeline, that they are automatically
14 enrolled. Second, I believe that any office providing the
15 Lifeline assistance program, any telephone company, needs
16 to have a staff specifically on hand to answer questions,
17 to let people know where their application is, if it's
18 been received, if they are approved. Talk to them and
19 tell them exactly what they need, so there is not much
20 guessing room.

21 CHAIRMAN EDGAR: Commissioner Carter.

22 COMMISSIONER CARTER: Thank you, Madam Chairman.

23 Ms. White, in you and your staff's response to
24 these numerous inquiries, have you been able to ascertain
25 the number of people that may be quantified as either

1 ethnic minorities, language minorities, and senior
2 citizens? I mean, is there some kind of -- been able to
3 quantify that in terms of the demographics of these groups
4 that are coming to your office, calling, trying to get
5 signed up?

6 MS. WHITE: Well, while I do not have specific
7 numbers, I can tell you that the majority of our callers
8 are senior citizens. And I'll say maybe out of 100
9 percent maybe 40 percent, 35 or 40 percent only speak
10 Spanish.

11 COMMISSIONER CARTER: Thank you.

12 CHAIRMAN EDGAR: Commissioner Deason.

13 COMMISSIONER DEASON: Thank you. Of the
14 thousands of inquiries which your office receives, do you
15 know what percentage of those are persons who currently
16 subscribe to some type of communication service and are
17 looking to avail themselves of Lifeline discounts as
18 opposed to individuals who possibly are eligible, but
19 currently do not have any type of communication services?

20 MS. WHITE: I would say maybe 40 percent, maybe
21 45 percent of the people who apply for the program when
22 they speak with us do not currently have telephone
23 service.

24 COMMISSIONER DEASON: Okay. So in that
25 situation, how would automatic enrollment work since

1 they -- because I think you defined automatic enrollment
2 as an individual who, for example, is eligible for a
3 social program, and when they sign up for that social
4 program, that information is automatically sent to the
5 company. If they don't have a company already, how would
6 automatic enrollment work for those individuals?

7 MS. WHITE: Well, hopefully the case worker
8 would be able to educate the clients on the Lifeline
9 program and let them know that you will need to establish
10 telephone service in order to take advantage of the
11 discounts. And so they would need to apply for service
12 first with the telephone company, submit their information
13 and, hopefully, the companies will have some type of file,
14 either matching the social or the name or however it may
15 be done in order to say, okay, this person is
16 Lifeline/Link-Up eligible.

17 COMMISSIONER DEASON: Madam Chairman, may I?

18 Under that situation, how do we do that in a
19 competitively neutral way so it does not appear that a
20 social service agency is promoting one type of telephone
21 service or one telephone company versus another company?

22 MS. WHITE: We can provide a list of telephone
23 service providers in all areas of Florida, and so then the
24 person can look at that list and say, okay, I'm in this
25 area, here are the service providers who I can go to and

1 here are the ones who offer Lifeline. And then they can
2 go ahead and make that decision.

3 MR. McLEAN: Madam Chair, I'm sorry, may I
4 address Commissioner Deason's observation?

5 CHAIRMAN EDGAR: Mr. McLean.

6 MR. McLEAN: You know, you put your finger right
7 on something important to us, the anticompetitive aspects
8 of the situation as it is now. And we do face that on a
9 daily basis. And Dr. Jamison has suggested what I think
10 is an economically sound remedy to that. But,
11 unfortunately, I think that it may take federal
12 legislation, might even take some state legislation to
13 establish that voucher system.

14 And I would sincerely urge whoever wants that
15 done to call it something else. Of course, it would get
16 more press attention. But, seriously, to supplement an
17 eligible person's income is a far less economically
18 distorting remedy than dealing with prices as we do now.

19 But that said, we have an existing situation,
20 existing regimen of laws in Florida now with respect to
21 Lifeline, and I think it does have a slightly, very
22 slightly anticompetitive facet to it. But I would have to
23 say that's a small price to pay for getting folks on the
24 system and letting those who are on it now, on the
25 telecommunications network, to get them on it, and for

1 those already on it to help them remain on it. A small
2 price to pay. But, nonetheless, a price that we should
3 pay some attention to over the long-haul. We have got to
4 deal with what we have now, I think.

5 MR. CHRISTIAN: Commissioner.

6 CHAIRMAN EDGAR: Mr. Christian.

7 MR. CHRISTIAN: I have one quick question. This
8 is directed to Ms. White or Mr. McLean.

9 I'm just curious. With the pending legislation,
10 where under current statutes would the Commission have the
11 authority to implement an automatic enrollment program?

12 MR. McLEAN: I'm not sure. I will be more than
13 happy to defend them if they take that measure.

14 CHAIRMAN EDGAR: Mr. McCabe.

15 MR. McCABE: Let me make one comment regarding
16 the automatic enrollment. Automatic enrollment is not a
17 catch-all. What you have is customers that may go in and
18 sign up for food stamps or something like that, and it may
19 be Maryrose Sirianni that goes in there and is the one
20 that signs up for food stamps. Well, when that
21 information gets sent over to the local exchange company,
22 Maryrose Sirianni is not on the customer -- is not the
23 customer of record. It's her husband. And with that, we
24 are unable to make changes to customer accounts.

25 You know, we have got another proceeding going

1 on right now regarding CPNI information and protecting
2 that CPNI information. That is an issue that creates some
3 problems with respect to automatic enrollment. And, you
4 know, we don't have a position at this point in time with
5 respect to the automatic enrollment. We do see that there
6 are potential problems with it based on the customer of
7 record.

8 MR. McLEAN: Madam Chairman, if I may.

9 CHAIRMAN EDGAR: All right. Commissioner Carter
10 and then Mr. McLean.

11 COMMISSIONER CARTER: I was just intrigued by
12 our discourse so far this morning. It seems to me -- I'm
13 just trying to get my brain around this. Have we really
14 in Florida, staff, or whoever wants to jump out, have we
15 really done everything possible within the current matrix
16 of authority that we have legally or statutorily, have we
17 done everything possible within the current bundle of
18 sticks that we have available to us to go out and try to
19 sign people up for Lifeline?

20 You know, we can talk about what may be, but, I
21 mean, under the context of what is, have we really done it
22 all, or are we just kind of waiting? You know, some
23 people let things go on and say, well, this is just flash
24 in the pan, and it will go away later on. But have we
25 really done all that we could do under the current regimen

1 to sign people up for Lifeline?

2 We know that there is a tremendous number of
3 people in Florida that are in need of this service. We
4 know that it is a very valuable service, particularly for
5 people to contact their doctors, contact their families,
6 or parents to call and check on their children at school.
7 This is a very important thing to do. It's not -- this is
8 no small matter. And the question is have we done
9 everything that we can do under the current authority that
10 we have? And then, you know, before we say what won't
11 work, the new things out there -- I mean, we see about
12 proposed legislation, that may be, but under what is, have
13 we really done all that we can do?

14 MS. SIRIANNI: Commissioner Carter, Maryrose
15 Sirianni with BellSouth. I would say from BellSouth's
16 perspective we have made every effort to attempt to do
17 everything that we think that there is out there. I'm
18 sure that there are some things that have been missed.
19 But, you know, from Linking Solutions with our grassroot
20 efforts, we have been doing that since 2002. Ava Parker
21 with Linking Solutions has gone out throughout the state
22 and done community events, which have been very
23 successful. We have worked with the staff, with the
24 Office of Public Counsel. We have done events throughout
25 the state. This last year, the National School Lunch

1 Program, we sent 2.6 million brochures to all the students
2 in 67 counties, plus four research schools. We did see
3 some increase or spike in enrollment from that. We have
4 done public service announcements. We have done radio
5 announcements.

6 We have attempted to do everything that we can
7 think of. We have incorporated the simplified
8 certification form, which started back in March of 2005,
9 and, basically, a customer just checks the box and signs
10 under penalty of perjury that they do -- they are eligible
11 for a particular program, and that's just the
12 program-based criteria. All they have to do is fax or
13 mail those forms back in. We have increased the income
14 eligibility to 135 percent.

15 You know, if anybody has ideas, you know, we
16 take those in, we look at them. We have been working with
17 the staff. We're working on this year's back to school
18 efforts. We have a subcommittee that has been meeting.
19 We have met twice already to work on those efforts. I
20 know there is probably things out there that we could do
21 that maybe we haven't thought of, but I would like to
22 think that BellSouth and the other companies and working
23 in conjunction with the Office of Public Counsel and the
24 staff, we have taken a lot on.

25 So I don't know if that entirely answers your

1 question, is there anything else out there. I'm sure
2 there is something, but we have -- we have taken a lot of
3 steps.

4 CHAIRMAN EDGAR: Commissioner Carter.

5 COMMISSIONER CARTER: Madam Chairman, thank you
6 very much.

7 It seems to me that what we have basically done
8 is picked all of the low-hanging fruit. And I think that
9 within the confines -- I mean, all of these intelligent
10 people here, both in the industry and the Office of Public
11 Counsel, our staff, and the people of the great state of
12 Florida, I think that with all of our collective energy
13 and creativity, there are some things that we just haven't
14 done yet.

15 I mean, it may just be that we need to do more
16 of the things that we are doing with a greater intensity.
17 But it seems to me that what we have done, basically, is
18 picked all of the low-hanging fruit. It may be time to
19 redouble our efforts and redouble our commitment to the
20 people that are less than the least of us here in Florida.

21 I think Lifeline is a great program. It's a
22 benefit to the people that are in dire need.
23 Communications, reaching out to family and reaching out to
24 your children and reaching out to your doctors, I mean,
25 that's not -- that's no insignificant matter. But I think

1 that we just need to redouble our efforts. And I think we
2 can do this. I think we can do this. I just think
3 that -- let's pat ourselves on the back for the good
4 things we have done. Okay. We have picked all the
5 low-hanging fruit, but there is a lot of fruit on that
6 tree. We need to get us some ladders and get going.

7 CHAIRMAN EDGAR: Mr. McLean.

8 MR. McLEAN: Yes, sir. We have been aware of
9 the sorry, pathetic take rate that we have in this state
10 for a couple of years that I know of, probably about four
11 or five. We have been backsliding. Not only have we not
12 been getting more of the low-hanging fruit, we have been
13 putting some back on the tree. That's pretty sad.

14 Your question, have we done everything we
15 possibly can do under the current regimen of authority, I
16 think the answer is we have done a great deal and there
17 have been some good folks in the program who have put out
18 good faith efforts to make it happen. For whatever
19 reason, a take rate which is scarcely more than one in ten
20 of the deserving citizens of the state of Florida for whom
21 this program was designed is pathetic. And there is
22 nobody in here that can be proud of that number.

23 Some of us believe that the Commission does,
24 indeed, have the authority to order automatic enrollment.
25 And I think it is symptomatic of the attitude of those

1 poor customers who call Chanel White encounter, when Dave
2 Christian, a representative of a major phone company,
3 comes up here and says if you ain't got the authority to
4 do it, we ain't going to do it. Wasn't that the message?
5 What is your statutory authority to make us take on these
6 Lifeline customers? I think that is a pretty sad state of
7 affairs. It is the attitude which I encountered when I
8 came to the Commission, when I came to the Office of
9 Public Counsel, and it hasn't gone away from any of the
10 companies as yet.

11 MR. CHRISTIAN: Madam Chair, could I respond?

12 CHAIRMAN EDGAR: Mr. Christian, yes, in just --

13 MR. CHRISTIAN: Thank you.

14 CHAIRMAN EDGAR: In just a moment. First off,
15 we are information gathering today. And, Mr. Christian, I
16 am going to give you the chance to respond, and then after
17 that it is at about that time. We are going to take a
18 short break.

19 Mr. Christian.

20 MR. CHRISTIAN: Thank you, Madam Chair.

21 Let me just say that Verizon is happy to do
22 Lifeline in the state of Florida. Our numbers are
23 positive year over year in this vein for the last two
24 years. And I take exception if he thinks that we are not
25 paying serious attention to this. We spent serious money

1 and exerted a lot of personal effort to reach out to our
2 community in Tampa. And I have people here with me today
3 that can talk about the outreach efforts we have done.
4 And I just would like to clarify that statement. Thank
5 you.

6 CHAIRMAN EDGAR: And I do note that we have an
7 opportunity on the agenda in just a little bit to hear
8 more directly from the companies.

9 And, Mr. McLean, I hope you will participate in
10 that discussion, as well.

11 And with that, I am going to put us on break
12 until 10:45 by the clock on the wall.

13 (Recess.)

14 CHAIRMAN EDGAR: I think we're going to get
15 started again, and we are going to start with a question
16 from staff.

17 Ms. Banks.

18 MS. BULECZA-BANKS: I believe staff just has a
19 couple of questions for Chanel.

20 Ms. White, you spoke that you have obviously
21 answered several phone calls and have talked to these
22 people directly. When you have heard of them having an
23 issue with them trying to enroll, do you track any of that
24 or the reasons? Do you keep a log or anything of those
25 reasons?

1 MS. WHITE: We do not keep a log, but usually
2 the reasons fall into the same categories. Usually it's
3 either they don't understand if they need to provide any
4 proof of eligibility for the programs, even though the
5 form says that it's not necessary. Another reason, they
6 don't know if their form has been received. They don't
7 know if it has been processed or approved. The third
8 reason is the conversation between them and the customer
9 service rep ultimately discourages them from continuing on
10 with the process. And so our solution is to try to sign
11 them up how we can, based off income.

12 MS. BULECZA-BANKS: Thank you.

13 MR. WILLIAMS: Just one quick follow up to that,
14 on that point, on the service representatives. Can you
15 provide just a little more clarification on what problems
16 the customers have experienced and the problems that they
17 communicate to you regarding their experience with the
18 customer service representatives? And do you have any
19 idea of what percentage of the customers who contact your
20 office may be experiencing that particular problem?

21 MS. WHITE: Okay. I can definitely give you
22 some examples. Customers have been told that the
23 representative will not answer any questions about
24 Lifeline. They have been told that the Office of Public
25 Counsel does not exist. They have been told that their

1 application has been trashed. They have been told that
2 even though they faxed their application to the company --
3 we sometimes have a representative from the company call
4 me, call our office and say, hey, I have Jane Smith on the
5 line who faxed her application to your 800 number in
6 Albany, Georgia.

7 And I will have to tell that representative, no,
8 that application was not sent to our office, that was sent
9 to the telephone company, your company. And so some
10 representatives have hung the phone up on some of these
11 people. And keep in mind, these people are elderly, they
12 are handicapped, they are tired. Once they get to us they
13 are literally in tears, literally in tears and ready to
14 throw in the towel on this and everything else they are
15 trying to pursue.

16 MR. WILLIAMS: Just one quick final question.
17 Your primary contact with the telephone company in terms
18 of addressing questions regarding the application process,
19 is that with a specific person within the customer service
20 department or is that with someone who is not in the
21 customer service department?

22 MS. WHITE: It is with people who are not in the
23 customer service department. For example, I send a
24 spreadsheet over every week to Carlton Ball (phonetic) of
25 Verizon to let him know who we have qualified for the

1 program. He has gone as far as to personally give a
2 client a telephone call if they have had problems applying
3 for Lifeline through the company. And so if ever I
4 address a specific case or a specific person to any of my
5 contacts at the company, MaryRose Sirianni, Sandra
6 Khazraee or Carlton Ball, they definitely look into it for
7 us, and they are definitely a great help.

8 The only problem is you can't do that with each
9 and every one, and for those who do call us with
10 complaints, there are lots who don't call us because they
11 are tired. And so whenever I do have a concern and -- you
12 know, I call them up, they will definitely assist me in
13 whatever ways they can.

14 MR. WILLIAMS: Thank you.

15 MS. SIRIANNI: I just wanted to say one thing to
16 Ms. White, in that, you know, if you have any complaints
17 from customers that are BellSouth customers, if in the
18 future, while you may not know what representative they
19 have spoken to, if you can please let me know that that is
20 happening. Because I'm not aware of our service
21 representatives, at least BellSouth's service
22 representatives, doing any of the items that you have
23 previously listed. I have not heard about it. So if I
24 don't know about it, there is nothing that I can do to
25 make sure it doesn't happen again.

1 So I would just ask you to please, if you can
2 maybe make a log, or something so that you can provide us
3 that information, because I'm not aware of it happening
4 with BellSouth.

5 Thank you.

6 MS. WHITE: We'll provide a log.

7 MR. McCABE: I just wanted to make one comment
8 with respect to faxes. And I can understand where some
9 customers may get frustrated when their Lifeline doesn't
10 show up, but I want to provide you with some experience
11 that we had with respect to the back to school
12 applications that went out there. I received more
13 applications for customers that weren't TDS. I received
14 applications back from customers in Ocala, Panama City,
15 Orlando. And the information in terms of where to fax it
16 to was sitting right at the bottom of the bill -- at the
17 bottom of the brochure.

18 So, you know, we kind of have to have some
19 responsibility on the customer to make sure that they are
20 sending it to the proper phone company as opposed -- and
21 then when they don't, not be frustrated with the local
22 phone company if they didn't sign them up. I mean, that
23 is an experience that we have had. And I did --
24 fortunately, they ended up coming to me, and I was able to
25 identify the companies and sent them over to them.

1 But the delay was certainly great. Because some
2 of those times -- I don't go over to Quincy all the time,
3 and it may have been sitting there for a month before it
4 came to me. Our service representatives, they don't know
5 who these would go to.

6 MS. WHITE: And that could -- and that could
7 very well be the case with many of the applications. But
8 even still, there is another side to that for those who do
9 send the form to the correct location.

10 MS. BULECZA-BANKS: Does anyone else have any
11 questions for Ms. White?

12 Thank you very much, Ms. White. That has been
13 very helpful for me. There was a lot of information that
14 I just gained today that I found very helpful, and I
15 really appreciate you coming here today.

16 MS. WHITE: Thank you.

17 MS. BULECZA-BANKS: The next speaker will be
18 Charles Milsted from the AARP. Welcome, Charles.

19 MR. MILSTED: Thank you. Good morning, Madam
20 Chair and Commissioners. On behalf of the 2.7 million
21 members we have here in the state of Florida, we thank you
22 very much for this opportunity, and we have had a
23 wonderful discussion so far, and we applaud your focused
24 effort. My remarks will be condensed because I don't want
25 to be too redundant, but we have already had a good

1 discussion.

2 We have been working on the Lifeline program
3 since the mid '90s, and our primary concern is for the
4 senior citizens. As Ms. White has said, quite a few of
5 them live on low and fixed incomes. And our concern is if
6 they are having to choose between food, medications, and
7 other necessities, we just hope that the telephone service
8 doesn't drop out.

9 Our major concern there is for the 911 service,
10 for emergency service, and also a concern for those loved
11 ones and relatives who check in with the senior citizen
12 and, therefore, help prevent the isolation that we know is
13 a part of their life. And the more isolation we have from
14 society, we also see they end up in nursing homes earlier,
15 and that sort of thing. So that is a drain on all of us.

16 In 1999, our national office asked us here in
17 Florida if we would pilot a program for Lifeline. There
18 was a study done by AARP and found that the enrollment
19 rate around the country was low and people simply wanted
20 to know why. And they asked if Florida would be happy to
21 do a pilot program. We said certainly we would.

22 One of the first things we did was in 2000 we
23 had a press conference at the Capitol, well-attended. And
24 we had the representatives from all of the major players
25 in Lifeline, FCC, from the PSC, and others. And we really

1 thought this was going to be a simple task. The funding
2 is not a major factor. It helps people out that are in
3 need of help. And all we had to do was get the word out.
4 And yet after years of distributing brochures, we have had
5 events all around the state, many of them televised, and
6 we have reached our members in as many ways as we can. We
7 simply are finding that we're not going to be able to meet
8 the need of increasing the enrollment in Lifeline by
9 small-scale events or by one-on-one.

10 And as we heard a few minutes ago, we do see a
11 spike. When we have had a major event in a large area, we
12 do see a spike in the number of people that are
13 responding. What we don't see, however, is that sustained
14 effort. And, again, this is Commissioner Carter's view of
15 the low-hanging fruit, and we understand that.

16 The people that we are trying to reach seem to
17 be the hardest people to reach. We do have a little bit
18 of difficulty in that around the state we have identity
19 theft seminars that we will conduct for seniors. And one
20 of the things we say is be very careful in the information
21 that you give out to anyone. So we understand that on
22 occasion we are countering what the person needs, to give
23 out information.

24 I will also say I had an experience at one time,
25 and this is not at all representative of what others may

1 have had with the experience, but I sat down with a person
2 from one of the agencies that approves and qualifies a
3 person for public benefit. They are hard-working, they
4 are underpaid, they have a very responsible job. And I
5 said let's pretend that I am applying for food stamps.
6 And there on the application on the computer was a line
7 that said if you are approved for this program, would you
8 like to be signed up for Lifeline. And if the answer is
9 yes -- this person honestly believed that that was
10 transmitted to the telephone company, and that they were
11 signed up from that point on.

12 One of the problems that we see that also
13 Ms. White has mentioned, every time we go to give a
14 presentation, especially to a senior audience, there is
15 some confusion. Some people have shown up at the event
16 and say, yes, my grandmother was one of those. She fell
17 down and couldn't get to the phone. We said, no, this is
18 not that kind of Lifeline. This is the other kind of
19 Lifeline. So some of the people will leave, even though
20 they should have stayed around and listened to the rest of
21 the presentation.

22 The other thing that we always try to emphasize
23 is if you sign up for Lifeline and go through the process,
24 and for any reason you do not receive the benefit, please
25 get back to us and let us know your experience. The

1 concern is we have had very few people come to us and yet,
2 with our enrollment rate, we understand that that is
3 indicative that many people are not getting signed up for
4 whatever reason.

5 Our concern is they go back to their
6 neighborhood, back to their community, and it doesn't take
7 but one person to have had any kind of experience that was
8 not positive for them to get the word around to others.

9 "Hey, I went to a meeting. They told me all about this
10 fine program. I did what they asked me to do, didn't get
11 signed up." And that does probably more harm than all of
12 the benefits, the TV ads, everything that we have tried to
13 do to help those people out.

14 And we have three recommendations that you will
15 see from those of us here in AARP. And the number one is
16 to establish the rules that dictate what must be
17 accomplished by state and community agencies and telephone
18 companies that are obligated by Florida Statute to enroll
19 eligible consumers in the Lifeline program.

20 Number two, extend self-certification to the low
21 income individuals who meet the program's income
22 eligibility requirements alone, not the people that are on
23 the public benefits. And, number three, require state
24 agencies responsible for processing and qualifying
25 individuals for public benefit programs to engage in a

1 memorandum of understanding to establish a confidential
2 message or method for transmitting information to
3 appropriate telecommunication carriers for all individuals
4 who desire enrollment in Lifeline.

5 Automatic enrollment, as we have heard today, is
6 successful in other states, and we simply would like to
7 see Florida explore that.

8 And, again, Madam Chairman, I just thank you for
9 the opportunity and would let you know that AARP stands
10 ready to help anyway we can to improve the enrollment rate
11 for Lifeline. Thank you.

12 CHAIRMAN EDGAR: Thank you.

13 Questions?

14 Commissioner Carter.

15 COMMISSIONER CARTER: Thank you, Madam Chairman.
16 For staff. Have you all had an opportunity to look at
17 their recommendations here, these three recommendations
18 from the AARP?

19 MS. BULECZA-BANKS: Yes, sir, we have.

20 COMMISSIONER CARTER: What is your --

21 Madam Chairman?

22 CHAIRMAN EDGAR: Commissioner Carter.

23 COMMISSIONER CARTER: What is your view on their
24 recommendations, particularly as it relates to one -- if I
25 may, Madam Chair. It may be a little expansive question,

1 but it seems to identify some of the concerns that we have
2 been talking about. Second, it seems to identify some
3 probable ways to alleviate some of the barriers. And,
4 third, it gives their recommendation on automatic
5 enrollment procedures that have been successful in other
6 states. These seem more similar in us -- more similar to
7 us, rather, as a state in the context of population.

8 I know that on one of Dr. Jamison's charts in
9 Washington and earlier here at the Commission, we saw
10 states like North Dakota. I don't think we have a whole
11 lot in common with North Dakota, but certainly these
12 states in terms of the context of their population seem to
13 be closer related to Florida. Did you get my questions in
14 there?

15 MS. BULECZA-BANKS: A lot of them.

16 COMMISSIONER CARTER: Thank you.

17 MS. BULECZA-BANKS: I think there is certainly
18 some merit in the recommendations. A little bit of
19 concern on item two on self-certification, because there
20 is a requirement that that income must be verified by the
21 FCC. So that was the same situation that California was
22 in that, you know, the people would self-certify that they
23 met the income requirement. That one is a little -- may
24 have some issues tied to it because of what happened in
25 the past.

1 CHAIRMAN EDGAR: Ms. Banks. Ms. Banks, just a
2 moment. Commissioner Carter.

3 COMMISSIONER CARTER: I need to interrupt you on
4 that because you have mentioned the self-certification,
5 and I think I heard somebody this morning say that you had
6 to sign a statement under the penalty of perjury.

7 MS. BULECZA-BANKS: Yes, Commissioner.

8 COMMISSIONER CARTER: Right?

9 MS. BULECZA-BANKS: That is for the
10 program-based. If I'm in food stamps or Medicaid or
11 Social Security supplemental income, there are several
12 programs that are program-based that I'm allowed to
13 self-certify.

14 COMMISSIONER CARTER: But I'm saying that if
15 you -- if you sign a statement under the penalty of
16 perjury, I don't know how much more of a
17 self-certification you can get than that, do you? I mean,
18 maybe this is a good question for Legal, right?

19 MS. BULECZA-BANKS: No, sir. I'm just basing it
20 on the FCC's requirement that if you have an income-based
21 program, you have to verify that income. And that's why
22 California who didn't have a verification process for
23 income, it was self-certified, they had to go back and
24 reevaluate and implement a program to validate that. That
25 was one of the issues that came up.

1 COMMISSIONER CARTER: Excuse me, Madam Chairman.

2 But still I think I heard this morning in the
3 context of Florida we're saying that people have to sign a
4 statement under the penalty of perjury, correct? Did I
5 not hear that this morning?

6 MS. BULECZA-BANKS: Yes, sir.

7 COMMISSIONER CARTER: Is that not
8 self-certification?

9 MS. BULECZA-BANKS: Yes, sir. And let me try to
10 get the two distinctions. There are two different routes.
11 There is an income-based route and there is a
12 program-based route. And we allow in Florida the
13 self-certification method. Right now the companies have
14 offered to do this for the program base. So all I do is I
15 check the box that I am in food stamps or I'm on LIHEAP
16 (phonetic); or I'm in one of those programs, and I check
17 the box and I sign the sheet.

18 The FCC has designated two different routes. If
19 you are self-certifying on a program basis, that's fine.
20 You will have to subsequently go back over a period of
21 time and check to make sure they are still on.

22 But on the income-based route, they said, no,
23 you cannot just self-certify that, you have to have proof
24 that you actually have that income. Those are the two
25 different routes. Maybe I'm not making myself very clear.

1 COMMISSIONER CARTER: But you said, did you not,
2 that in Florida we are under the program-based
3 certification, correct? Is that what you just said?

4 MS. BULECZA-BANKS: We have both programs right
5 now, but you can only self-certify under the
6 program-based.

7 COMMISSIONER CARTER: And either methodology is
8 acceptable by the FCC?

9 MS. BULECZA-BANKS: Yes, sir. The income base
10 that we have goes to Public Counsel. That is exactly what
11 they do. If I'm enrolling from an income base from Bell
12 or Sprint or Verizon, my application goes to Public
13 Counsel, and they verify that I meet that income criteria.
14 And then they send over the list to Bell, Sprint, or
15 Verizon to sign up the customers.

16 COMMISSIONER CARTER: And they do the self --
17 Madam Chairman, is that okay?

18 They do the self-certification under the penalty
19 of perjury, right?

20 MS. BULECZA-BANKS: No, sir. The companies do
21 that directly. But if I --

22 COMMISSIONER CARTER: Okay. The companies in
23 Florida.

24 MS. BULECZA-BANKS: Yes, sir.

25 COMMISSIONER CARTER: Okay. Good. That's what

1 I'm trying to -- if the companies in Florida have a person
2 to do a self-certification under the penalty of perjury,
3 then you are saying that gives you the self-certification,
4 correct?

5 MS. BULECZA-BANKS: Yes, sir. For the program
6 basis, the companies do those themselves.

7 COMMISSIONER CARTER: For the program basis?

8 MS. BULECZA-BANKS: Yes, sir.

9 COMMISSIONER CARTER: So, therefore, they have
10 already self-certified, so then we move on to what? What
11 is the next barrier?

12 MS. BULECZA-BANKS: There is no other variable.
13 If I self-certify and the company signs me up. Now,
14 subsequently the company is obligated to go back over time
15 and check to make sure that you are still on. The FCC
16 requires that, that you are still receiving food stamps,
17 like a year down the road.

18 COMMISSIONER CARTER: Madam Chairman, I beg your
19 indulgence, but this is sounding more bureaucratic the
20 more I ask.

21 MS. BULECZA-BANKS: It may just be my responses.

22 COMMISSIONER CARTER: No. I'm understanding
23 where you are coming from, but we started talking about
24 the AARP's recommendation. And under number two you are
25 saying that there was a problem under self-certification.

1 And I said that based upon what I heard this morning,
2 someone -- in Florida the companies require you to sign
3 under the penalty of perjury, and I can't think of any
4 greater certification than that, self-certification than
5 that if you are willing to admit to a crime. I mean, what
6 other penalty can there be, right, self-certification. So
7 I'm trying to understand what the problem is with
8 self-certification under what is recommended by the AARP.
9 That's where I'm coming from.

10 MS. SIRIANNI: Can I try?

11 CHAIRMAN EDGAR: Certainly. Jump right in.

12 MS. SIRIANNI: The difference is what Cheryl,
13 Ms. Banks, is saying is that number two under AARP is
14 saying to extend the self-certification to the
15 income-based criteria, which is administered by the Office
16 of Public Counsel. And what I believe I heard her say,
17 which is correct, is that the FCC's order said that on the
18 income-based portion that you do not use the
19 self-certification. So there is self-certification on the
20 program-based piece. That is in place in Florida. That
21 is being done currently and will continue to be done.

22 The income-based criteria is administered at the
23 Office of Public Counsel's office, and actually -- and,
24 Ms. White, correct if I'm incorrect, but they are
25 currently not doing any verification of the income-based

1 criteria. So once an end user is on the income-based
2 criteria, they pretty much stay on it.

3 COMMISSIONER CARTER: Excuse me, Madam Chairman,
4 could I stay on my wavelength here?

5 CHAIRMAN EDGAR: You may.

6 COMMISSIONER CARTER: The thing about it,
7 though -- I will get back to the point that a person is
8 signing a statement under the penalty of perjury, right?

9 MS. SIRIANNI: That is correct. On the -- if
10 they are signing up for --

11 COMMISSIONER CARTER: No, no, no. Don't get --
12 no. They are signing a statement under the penalty of
13 perjury, correct?

14 MS. SIRIANNI: Correct.

15 COMMISSIONER CARTER: Which is legal.

16 MS. SIRIANNI: Correct.

17 COMMISSIONER CARTER: And then whatever
18 representation they made in that document, if it's false,
19 they subject themselves to criminal penalties, correct?

20 MS. SIRIANNI: Correct.

21 COMMISSIONER CARTER: Okay. Good. So the point
22 that gets back here is if a criminal penalty is okay for a
23 programmatic certification program, it defies logic and
24 common answer that it wouldn't be appropriate for an
25 income. Because a person -- the point is that the person

1 is still liable for the same thing. Whether you call it
2 grapes or cumquats, the person is still liable for the
3 same thing, that I signed a document knowing that this
4 document was false. What greater penalties can the FCC
5 put on you than under the penalty of perjury?

6 MS. SIRIANNI: I understand --

7 COMMISSIONER CARTER: Can somebody help me with
8 that? Do you understand where I'm going?

9 MS. SIRIANNI: I hear what you are saying, and
10 I'm not sure. I would have to go back and look at the FCC
11 order to see exactly why they felt that that criteria
12 should not be used on the income-based.

13 COMMISSIONER CARTER: It defies logic, common
14 sense --

15 MS. SIRIANNI: I don't disagree.

16 COMMISSIONER CARTER: -- and human decency.

17 Madam Chairman, thank you.

18 MR. MILSTED: Madam Chair.

19 CHAIRMAN EDGAR: Mr. Milsted.

20 MR. MILSTED: Thank you very much.

21 Commissioner Carter, we went through the same
22 process, and I appreciate what you are going through here.
23 Two or three years ago when we generated our own
24 application for Lifeline, we had it in two blocks.

25 One block was if you are a beneficiary under

1 food stamps, TANIF, or any of the others accepted, go to
2 this side of the form. And just like you say, you certify
3 that I am receiving food stamps; therefore, I am eligible.

4 For the income side we said, attached to the
5 application, and we collected these in all of the public
6 gatherings we went to, attach to that a copy of your tax
7 return, and that would tell a person that I am below the
8 income level required. And what we found was, there was a
9 time when a person would go to have their income tax
10 filed, and if they did not have sufficient income
11 requiring a filing of an income tax, they received a form,
12 and I think it was form, something like 1545, or something
13 like that, that said until your income increases, you do
14 not have to file an income tax. So they had a letter that
15 they could attach that they were below a certain income
16 level.

17 That form no longer exists. Apparently, the IRS
18 does not submit that form. So a person still has to go in
19 every year and say, yes, see there, my income is still
20 below the level where I don't even have to file for an
21 income tax.

22 So we have tried several ways to find a method
23 for the person to verify that that is my income. It is
24 below the level. There is only one person in the
25 household, so here's the amount, or there are two people

1 in the household, that sort of thing. So we can't come up
2 with the method that says, here is the way to verify that
3 I'm below the income level. If they received that form
4 from the IRS that said you are below a certain income
5 level you do not have to file for income tax, then it
6 would a very simple matter, because that person more than
7 likely is not ever, especially if they are a senior, going
8 to get above that income level that requires them now to
9 discontinue Lifeline because their income has increased.
10 Generally, their income is going to go lower as time goes
11 on.

12 Thank you.

13 CHAIRMAN EDGAR: Commissioner Carter.

14 COMMISSIONER CARTER: Then if that being the
15 case, then you guys don't have a way -- it's virtually --
16 in my opinion, it seems virtually impossible for a poor
17 person or a person below the income requirements to have
18 whatever right form that is stamped under the leap year
19 with the pit of the dog or the mark of bat on there. I
20 mean, how ridiculous is that? The person has signed --
21 you think about it. Perjury is a very serious criminal
22 offense. And a person signing that, I don't know what
23 kind of form is going to be even better than that. I
24 mean -- so what are you guys being able -- what are you
25 able to do for our senior citizens?

1 MR. MILSTED: Very little, sir, other than turn
2 them over to Ms. White. She is the one that has been able
3 to help that percentage of the people that are not on the
4 public benefit program, but simply would qualify by
5 income. It has been frustrating, yes, sir.

6 MR. McCABE: May I?

7 CHAIRMAN EDGAR: Yes.

8 MR. McCABE: We operate in -- TDS operates in
9 California. I will provide a little bit of insight there.
10 And I don't have complete knowledge, but part of the
11 rationale the FCC went to with requiring the verification
12 for income was the result that occurred in California.
13 California had a penetration rate of over 130 percent.
14 Well, that obviously indicates that there was an awful lot
15 of fraud that was going on, that was being involved in the
16 program in California because of the automatic enrollment,
17 the simple certification on income. That is where the FCC
18 came in and said, we have got to change this process. We
19 need to make sure that we have some checks and balances in
20 place to ensure that people that are eligible are
21 receiving those benefits, and those that are not eligible
22 aren't simply just signing a form and receiving them.
23 That was what generated the FCC to implement this part of
24 the order which we are all required to follow.

25 CHAIRMAN EDGAR: Commissioner Carter.

1 COMMISSIONER CARTER: So what you are saying is
2 based upon bureaucratic bungling in California, the entire
3 United States has to go through this hodge-podge of saying
4 we are all guilty until proven innocent when you are
5 dealing with people who can readily verify under the
6 penalty of perjury about their income statement?

7 MR. McCABE: I don't necessarily agree. I mean,
8 I don't know of any social program that exists in the
9 United States in which customers don't have to show some
10 type of eligibility.

11 COMMISSIONER CARTER: Okay. Hold it right
12 there. Excuse me, Madam Chairman.

13 If you are poor, you have never had a job,
14 you've never had a Social Security card, you've never -- I
15 mean, you have been living in poverty all of your life,
16 then what documentation do you have?

17 MR. McCABE: With regard to Lifeline?

18 COMMISSIONER CARTER: No, no, no. You said that
19 you don't know of any program.

20 MR. McCABE: Well, no, I don't. I mean, if --

21 COMMISSIONER CARTER: Well, I'm saying just
22 because you don't know that does not make it so. There
23 are a tremendous number of people in this country that are
24 part of the outcast. They don't have -- I mean, they
25 don't have the American Express card. They don't have a

1 gold card. They don't have a driver's license. They
2 don't have an identification card. They don't have --
3 some of them may not even know where to get a birth
4 certificate from. So this program is designed to help the
5 least of us. And as such I think that we need to be a
6 little bit more concerned and little bit more considerate
7 of the kind of concerns that people like that have.

8 So when we start painting with such a broad
9 brush, it is really simple -- it's not so simple. There
10 are people in this country that are part of the underclass
11 that are in dire need of services. And this is just one
12 program among many that help our seniors, that help our
13 racial minorities, that help our ethnic minorities, that
14 help our language minorities. There are tremendous people
15 in this country that are in dire need of services, so I
16 wouldn't paint with so broad a brush.

17 I am just saying to you that from a legal
18 standpoint, if you are putting a criminal penalty on a
19 person, I can't think of any greater barrier -- I mean, if
20 a person is going to make a statement saying under the
21 penalty of perjury and in the process of making that
22 statement you are going to get the basic demographic
23 information, name, address, location, residence, all of
24 that. You are going to have that. You've created a
25 document.

1 I'm saying that it seems to me an extraordinary
2 burden to put on people to get a service that we say that
3 we have that's available to help those that are less
4 fortunate. That's all I am saying. And I'm saying that
5 there is an underclass of people out there that are in
6 need. And I think we need to be a little bit more
7 sensitive on how we deal with poor people in this country,
8 particularly in this state.

9 CHAIRMAN EDGAR: Commissioner Arriaga, you had a
10 question earlier. Do you still, or did we get it
11 answered?

12 COMMISSIONER ARRIAGA: Just a quick comment.
13 Commissioner Carter, I really want to thank you for your
14 comments. I appreciate them very much. You took the
15 burden away from me because my language limitation would
16 not allow me to say it as clearly as you are expressing
17 yourself. So thank you so much for the comment.

18 A quick question of Mr. Milsted. Wouldn't
19 number three, your recommendation number three, assume
20 that that was supported by staff and the Commission,
21 wouldn't that do away with number two?

22 MR. MILSTED: Yes, sir, it certainly would. As
23 long as the verification still could be a hurdle that we
24 could overcome with a verification. And as Commissioner
25 Carter is saying, a person in the situation that he

1 described, hopefully, is finding one of the public
2 benefits that they are entitled to; and, therefore, would
3 be eligible. And as we heard earlier, I believe it was 80
4 percent of the people that are eligible, all are eligible
5 by virtue of being on a public benefit. So we are only
6 talking about 20 percent of the people.

7 And I do personally know people that are
8 eligible for food stamps, but for one reason or another
9 will not go apply for food stamps, but could be eligible
10 by income alone. So if we had the automatic enrollment,
11 and we got the 80 percent, I think we would have a
12 positive word created around the state of Florida that it
13 would make it easier for us to reach this remaining 20
14 percent that are income eligible only.

15 COMMISSIONER ARRIAGA: Thank you.

16 CHAIRMAN EDGAR: Ms. Banks, are there questions
17 of staff for Mr. Milsted, or on any of this discussion?

18 MS. BULECZA-BANKS: No, Chairman, we don't have
19 any questions for Mr. Milsted.

20 CHAIRMAN EDGAR: Anyone from the audience?

21 Okay. Then I think we can move on.

22 MS. BULECZA-BANKS: Our next speaker will be
23 Michael Gross from the Florida Cable Telecommunications
24 Association.

25 MR. GROSS: Good morning, Madam Chair,

1 Commissioners. I appreciate the opportunity to share the
2 FCTA's comments with everybody who is participating this
3 morning.

4 At the outset, I would like to just make clear
5 that the FCTA wholeheartedly supports the laudable goals
6 of the Lifeline and Link-Up program designed to assure
7 that disadvantaged persons have access to basic telephone
8 service. And we support the Commission's efforts to
9 promote public awareness and enhance participation in the
10 program.

11 There is only one issue that the FCTA is
12 commenting on and that is presentation topic Number 12
13 which states, "Identify whether your company supports the
14 implementation of a state fund." And, under current law,
15 the Commission, in the opinion of the FCTA, is not simply
16 authorized to implement a state fund. And to that extent
17 the FCTA would oppose the implementation of a state fund
18 unless proper procedures were followed.

19 And just to kind of summarize or give an outline
20 of what procedures are already in place, I'm going to just
21 outline that, and then get into a little bit of the
22 history and a more detailed explanation as to how the
23 procedure works.

24 Number one, there is already an interim
25 universal service mechanism in place. The Commission has

1 authority to change that mechanism if a party comes
2 forward and meets the burden of establishing the
3 entitlement to a change in that mechanism. The Commission
4 has no authority to establish a permanent universal
5 service funding mechanism. That authority lies solely
6 with the Legislature under current law.

7 Now, the Commission --

8 COMMISSIONER CARTER: Excuse me for
9 interrupting.

10 CHAIRMAN EDGAR: Commissioner Carter.

11 COMMISSIONER CARTER: This seems to be the
12 appropriate time to ask a question. You heard the
13 presentation this morning by Dr. Jamison about the voucher
14 system?

15 MR. GROSS: Yes.

16 COMMISSIONER CARTER: What is your take on that?

17 MR. GROSS: Well, I would think that, and as I
18 will explain in a few minutes, that with the very precise
19 and limited authority that this Commission has to change
20 the interim universal service mechanism, it would remain
21 to be seen whether a voucher -- whether the Commission
22 would have authority to initiate a voucher program. That
23 may more properly lie within the authority of the
24 Legislature, and it may require some legislative changes
25 in order to implement that type of program.

1 COMMISSIONER CARTER: Madam Chairman, a
2 follow-up, please.

3 You heard Dr. Jamison say that he believes in
4 the context of the voucher program that a person could
5 take this voucher, which is paid for through the universal
6 service program and use it for any communications
7 purchase, right? Did you hear that?

8 MR. GROSS: I did hear that, Commissioner.

9 COMMISSIONER CARTER: And what is your take on
10 that?

11 MR. GROSS: Well, my take on that is that would
12 require a legislative change, because the statutory
13 authority as it currently exists is more limited as to the
14 type of services that would apply.

15 COMMISSIONER CARTER: Madam Chairman, a
16 follow-up, please.

17 CHAIRMAN EDGAR: Commissioner Carter.

18 COMMISSIONER CARTER: Let's assume that all of
19 us on the Commission know that this would require a
20 legislative change. Now what is your take on it? Give us
21 the benefit of the doubt that we know the voucher system
22 is going to -- now what is your take on it?

23 MR. GROSS: Well, let me just qualify what I'm
24 about to say, because the FCTA has only authorized me to
25 take a position on this one issue, but -- so I'm kind of

1 expressing my own personal opinion on this, which is that
2 the existing interim mechanism is sufficient for universal
3 service funding purposes, and that there is no need to
4 change that at this time.

5 COMMISSIONER CARTER: So, basically, you think
6 it is kind of a harebrained idea?

7 MR. GROSS: Well, not the -- I hope I'm not
8 misunderstanding you, but the voucher?

9 COMMISSIONER CARTER: Yes. I am just trying to
10 get your opinion on it. I mean, we are sitting -- this is
11 a workshop. We're not -- this is not a formal proceeding
12 where we are busting anybody's chops or anything like
13 that. This is a workshop where we're trying to get
14 information. You sat here. Dr. Jamison went through this
15 presentation, and he said here is something that we think
16 would be a good idea. And in the process of this voucher,
17 he's saying that you can use this voucher system where
18 people are paying through the universal service program
19 and use it for any communications perspective, cable. Do
20 you follow me now?

21 MR. GROSS: Yes, I do. And the FCC, to my
22 knowledge, has not determined -- in fact, they are
23 currently deliberating, as is Congress, as to whether, for
24 example, high-speed data services, such as DSL and cable
25 modem service should be assessed and contribute to the

1 universal service fund. So that has not been established
2 yet. The federal fund has not been extended to high-speed
3 services.

4 COMMISSIONER CARTER: Excuse me for cutting you
5 off, Madam Chairman.

6 CHAIRMAN EDGAR: You have the floor,
7 Commissioner Carter.

8 COMMISSIONER CARTER: So, basically, you have no
9 opinion is what you are saying, right?

10 MR. GROSS: Well --

11 COMMISSIONER CARTER: I mean, this is a
12 workshop, and in a workshop we gather information from the
13 industry. We gather information from staff. We gather
14 information from the Office of Public Counsel. We gather
15 information from the public at large.

16 MR. GROSS: Well, I would say my opinion would
17 be that the universal service funding should not be
18 extended to high-speed services, that the FCC's annual
19 reports have consistently concluded that broadband is
20 being deployed in a reasonable and timely fashion, and
21 that there isn't any need for any special funding
22 mechanism to speed up that deployment.

23 COMMISSIONER CARTER: Staff, Madam Chairman.

24 CHAIRMAN EDGAR: Question to staff, Commissioner
25 Carter?

1 COMMISSIONER CARTER: Staff, you guys heard
2 Dr. Jamison -- thank you. You heard Dr. Jamison speak of
3 this voucher program, remember, this morning?

4 MS. BULECZA-BANKS: Yes, sir.

5 COMMISSIONER CARTER: And he said that what you
6 would you do is you would take the voucher in lieu of the
7 Lifeline, and that person who is eligible could use that
8 voucher for any communications vehicle. Am I quoting him
9 correctly?

10 MS. BULECZA-BANKS: I believe so.

11 COMMISSIONER CARTER: And my question was,
12 basically -- I mean, I guess I'm asking who would have the
13 opinion, who has an opinion on this idea of whether or not
14 this process -- maybe I should ask BellSouth or you guys,
15 Verizon. What do you guys think about that? Have you all
16 got an opinion on this deal here?

17 MR. McCABE: I have opinions on everything,
18 trust me. (Laughter.)

19 COMMISSIONER CARTER: I should hope so.

20 CHAIRMAN EDGAR: So we'll start with Mr. McCabe.

21 MR. McCABE: I think the concept of a funding
22 mechanism is appropriate. I think the issue of vouchers
23 creates a lot of difficulties in an administration
24 standpoint of things. I don't know -- I don't necessarily
25 disagree with it. I don't know how practical it is in

1 application.

2 The FCC has looked at trying to develop a
3 voucher program. It has been discussed throughout the
4 past ten years, probably, with respect to universal
5 service in which customers can then take their universal
6 service, whether it is low income or high-cost support,
7 bring that to other carriers in which those funds would
8 go. And I think you talk about bureaucratic issues. I
9 think that there is a lot of that that comes from
10 vouchers. And I'm sure that Mr. Jamison in all of his
11 fine work that he does will somehow figure out a way to
12 address and solve those problems.

13 But with respect to Lifeline, I do think that
14 being that it is a social program, and I will discuss it a
15 little bit more later, that it should be borne by all
16 communication providers. It should not be limited to one
17 group of customers. I think the concern -- one of the
18 issues that you have, though, with vouchers is how do you
19 develop the funding mechanism.

20 Now, is it going to be a government program,
21 such as food stamps or something of that nature where it
22 is governed through that; or is it going to somehow circle
23 back around to the Public Service Commission, in which
24 they would no longer be drawing money from the federal
25 fund, but now having to replace the ten dollars that they

1 currently get from that fund and an additional 3.50. So
2 there are just -- there are a lot of complexities
3 associated with it that I think would take quite a bit of
4 time to fix, but I don't think we disagree.

5 COMMISSIONER CARTER: Madam Chairman.

6 CHAIRMAN EDGAR: Commissioner Carter.

7 COMMISSIONER CARTER: I am really, really only
8 asking a simple question. I mean, I appreciate your
9 response, but I think you're in the high trees. I'm down
10 to the, you know -- you're in the tall grass. I am really
11 down to the lawn's perspective here. Is that when
12 Dr. Jamison made his presentation about the voucher
13 system, and I'm going to use that. That's
14 his terminology, not mine. He said that you could use
15 this system to purchase any communications process or
16 product or service.

17 I'm merely asking the question. I mean, no
18 matter, we can talk until we are blue in the face, which
19 may be a short trip for me, about what the FCC may or may
20 not do, but that is not what I'm asking. I'm merely
21 asking your opinion about the propriety of whether or not
22 you would use a system where you take funding from one
23 group of entities and apply it across the board to the
24 entire universe of communication services. That's really
25 all I'm asking. I mean, if you guys can't get that, then,

1 you know, maybe you all didn't have breakfast this
2 morning.

3 CHAIRMAN EDGAR: Mr. Christian, I know you had
4 made a move to the microphone. Do you want to jump in
5 there, or have we moved beyond?

6 MR. CHRISTIAN: Dr. Jamison's proposal of the
7 voucher system is, as one Commissioner used the word,
8 intriguing in my mind. The concerns that Mr. McCabe
9 raised are valid concerns when we talk about how this is
10 funded. I think there is another answer that I will
11 explain later on today. And, again, in a perfect world if
12 legislation was passed that would provide for those types
13 of services being funded, we would have to look at some
14 equitable way for that to occur.

15 We know in Florida that consumers are using
16 alternative forms of communication at astounding rates.
17 If you look at the number of access lines from the FCC's
18 recent report, we are steadily declining at a rapid rate.
19 It is now 9.3 million telephones lines in the state of
20 Florida. Just four short years ago it was over 11
21 million. Wireless subscription rates are peaking, and
22 they are going up and up and up. At some point they will
23 level off, but still a tremendous growth is going on.

24 With our new network technology being deployed
25 in Tampa, we are going to be competing head-to-head with

1 cable providers, not just for television services, but for
2 a bundled offering, and soon with a triple play. Those
3 are where things are happening in the marketplace.

4 If there was a way to allow customers to vote
5 with their feet, so to speak, and it was an equitably
6 funded way of doing that, and I mean by we don't assess a
7 tax on customers, and if the Legislature decided that it
8 was in the best interest of consumers to fund this out of
9 a general revenue source, and we would hand either the
10 company the money to apply the credit for that customer,
11 or we would give the voucher to the customer, I think
12 those are goals that we would like to pursue, if we could
13 get beyond the current hurdle, which is, I believe, an
14 equitable funding mechanism so that all communication
15 technologies can compete on a level playing field.

16 Today we are saddling ETCs with the obligation
17 of providing Lifeline assistance in Florida. The
18 Commission in a report in 1999 said that this may not be
19 the best way to fund Lifeline in a competitive
20 environment. And I think we need to look at other
21 alternative mechanisms. If that means going to the
22 Legislature for creating a larger idea of what Lifeline
23 is, I think we are interested in that discussion. It has
24 to include funding. We can talk about where that funding
25 comes from. As long as we are on a level playing field

1 with the companies that we are competing against, I think
2 that discussion can be had.

3 CHAIRMAN EDGAR: Mr. Gross, did you have other
4 comments?

5 MR. GROSS: I do have a few more comments. And
6 I would concur with Mr. Christian's suggestion that if
7 there were to be some funding based on some legislative
8 changes, that the FCTA could go along with funding out of
9 general revenue funds.

10 COMMISSIONER CARTER: Madam --

11 CHAIRMAN EDGAR: Commissioner Carter.

12 COMMISSIONER CARTER: Thank you for your
13 indulgence and to my fellow Commissioners, also. Madam
14 Chairman, I apologize to you for that. I was just
15 really -- I mean, we know what the Legislature can do. I
16 have spent five years over there. I'm fairly familiar
17 with what their authorities are. I was merely asking an
18 opinion based upon a presentation that was presented to
19 the Commission this morning in the context of a workshop
20 so that we could have a -- you know, get greater research
21 on how to deal with this very serious problem where we
22 have a program that is designed to benefit people, but for
23 some reason we are not benefitting the people that need it
24 most.

25 I mean, we are not -- I mean, I'm not advocating

1 Dr. Jamison's position by no stretch of the imagination.
2 I was just asking an opinion of it. And I guess the
3 opinion of what Dr. Jamison proposed is that if we go to
4 the Legislature and ask them to write another check, then
5 maybe we can get more people on Lifeline. But let me just
6 say this, Madam Chairman, thank you for your indulgence.
7 Please forgive me.

8 CHAIRMAN EDGAR: Thank you for your comments,
9 but we are going to have to be moving along.

10 Mr. Gross.

11 MR. GROSS: Thank you.

12 I would just like to explain how the current
13 funding mechanism works, and just to remind the Commission
14 that this funding mechanism is in place, and it would have
15 to be changed if it is not satisfactory.

16 But in the 1995 legislative session, the Florida
17 Legislature modified a number of provisions of Chapter
18 364. And in addition to allowing ILECs to opt for price
19 regulation and authorizing competition by CLECs, the
20 Legislature created Section 364.025, Florida Statutes,
21 dealing with universal service. And in this section, and
22 I'm going to quote from this, 364.025, Subsection 2: For
23 a transitional period not to exceed January 1st, 2000 --
24 that has been extended by the current enactment of this
25 section to January 1st of 2009 -- so not to exceed January

1 1st, 2009, an interim mechanism for maintaining universal
2 service objectives and funding carrier of last resort
3 obligations shall be established by the Commission pending
4 implementation of a permanent mechanism. And the interim
5 mechanism shall be implemented no later than January 1st,
6 1996.

7 In anticipation of this January 1st, 1996, this
8 new legislation, the effective date of the new
9 legislation, the Commission on December 27th, 1995, issued
10 a final order determining the appropriate interim
11 universal service mechanism and carrier of last resort
12 mechanism. The Commission found that the appropriate
13 interim mechanism should consist of two parts.

14 First, the Commission found that the ILECs
15 should continue to fund their universal service
16 obligations through markups on the services they offer.
17 And, second, the Commission found that, however, if an
18 ILEC finds that its ability to sustain universal service
19 and carrier of last resort obligations has, in fact, been
20 eroded due to competitive pressures, it may file a
21 petition for company-specific universal service relief.

22 And that petition would be handled on a
23 expedited basis, and it must specifically demonstrate that
24 competitive entry has eroded the ILEC's ability to sustain
25 its universal service and carrier of last resort

1 obligations. They would have to specifically quantify the
2 alleged shortfall that is due to competitive entry, submit
3 incremental cost data to justify the amount of its
4 universal service subsidy, as well as calculations of the
5 amount of net contribution lost that had been supporting
6 the universal service subsidy.

7 In no case will an ILEC receive universal
8 service or COLR funding in excess of the amount of its
9 identified subsidy, and it is the ILEC's burden to
10 demonstrate the appropriateness of any amount requested
11 and the reasonableness of the proposed method to recover
12 that amount. This is existing law. That was the
13 Commission's order as directed by the Legislature.

14 The new legislation in conjunction with that
15 order states that if any party prior to January 1st, now
16 it's 2009, believes that circumstances have changed
17 substantially to warrant a change in the interim
18 mechanism, that party may petition the Commission for a
19 change, but the Commission shall grant such petition only
20 after an opportunity for a hearing and a compelling
21 showing of changed circumstances. No Florida ILEC has
22 ever availed itself of this procedure.

23 Accordingly, the interim mechanism, it's the
24 sole mechanism for obtaining universal service relief
25 until the Legislature changes that law and establishes, if

1 they do at all, a permanent universal service mechanism.

2 And that's the only point that the FCTA wanted
3 to make at this hearing, that there is an existing funding
4 mechanism, it has explicit procedures, and it does spell
5 out the Commission's authority. And if any particular
6 ILEC or ETC feels the need to establish a fund to recover
7 the cost of its Lifeline and Link-Up contribution, there
8 is a mechanism in place as we speak.

9 Thank you very much.

10 CHAIRMAN EDGAR: Thank you, Mr. Gross.

11 Ms. Banks, questions from staff.

12 MS. BULECZA-BANKS: No, Chairman.

13 CHAIRMAN EDGAR: Okay. Mr. Christian.

14 MR. CHRISTIAN: Thank you, Madam Chairman.

15 A friendly question to Mr. Gross. Mr. Gross, do
16 cable companies in Florida that provide telephone service,
17 do they contribute to the federal universal service fund?

18 MR. GROSS: Yes, they do.

19 MR. CHRISTIAN: Is that on the interstate
20 portion of long distance or is that on local service?

21 MR. GROSS: I think they are complying across
22 the board. That is my understanding, to the federal fund.

23 MR. CHRISTIAN: Right. It is on their long
24 distance revenues?

25 MR. GROSS: That's my understanding.

1 MR. CHRISTIAN: Okay. Thanks.

2 CHAIRMAN EDGAR: Thank you.

3 MS. BULECZA-BANKS: Thank you, Mr. Gross.

4 Chairman, is it your pleasure to continue at
5 this moment?

6 CHAIRMAN EDGAR: I, for one, am getting hungry.
7 However, it does look to me on the agenda like a more
8 natural break may to be hear from Mr. Renard and from
9 Ms. Dilworth and then perhaps to take a lunch break. So
10 let's see. And, Mr. Renard, I'm not trying to shorten
11 your comments. We appreciate you being here, and we
12 certainly do want to hear from you. But I do point out
13 that you are standing between us and lunch, and I say that
14 in a very friendly way. Let's see if we can have some
15 good discussion on these two items, and then perhaps take
16 a lunch break after that.

17 Mr. Renard.

18 MR. RENARD: Thank you, Madam Chair. I have
19 some crackers with me in the bag if that will help. I'll
20 be happy to share them.

21 CHAIRMAN EDGAR: And if I could take them from
22 you, I would.

23 MR. RENARD: Oh, that's right. I forgot.

24 Sorry.

25 In all seriousness, I really appreciate the

1 Commission and staff making it possible for us to be here
2 today to present to you. I'm Bruce Renard, the Executive
3 Director of the Florida Public Telecommunications
4 Association, and we represent most of the pay telephone
5 providers in the state of Florida today. And we just
6 applaud the Commission's holding this workshop in the
7 broader sense on universal service and Lifeline issues.
8 This is, obviously, a critical program, and the comments
9 of Commissioner Carter, seconded by Commissioner Arriaga,
10 really speak to the essence of what is at issue here,
11 which is helping those that need it the most.

12 We are very sensitive to that in the payphone
13 world, because the customers today using pay telephones
14 primarily are those folks. Most of us here probably have
15 cell phones, use cell phones, may not use payphones that
16 much anymore. But there are still hundreds of thousands,
17 or millions really, of Floridians that rely on payphones
18 every single day.

19 Just to give you a little bit of background on
20 the association, who we are. We are a not-for-profit
21 trade association. We represent about 85 companies
22 providing payphone service in Florida. Those range from
23 the very small mom and pop companies with a handful of
24 phones up to companies with thousands of phones. We also
25 represent the vendors to that industry, which include a

1 whole range of telecommunications providers that provide
2 services that are needed to make a payphone work out there
3 today.

4 And in recent years there have been a lot of
5 changes in the industry. As the Commission is probably
6 aware, not too long ago our largest payphone provider in
7 the state of Florida walked away from the business.
8 BellSouth used to be our largest payphone provider, and in
9 2002 they simply exited that business. They are not the
10 only RBOC to have done that. In recent years Qwest sold
11 their payphones off, as well. Verizon and Smart City and
12 a few other companies in Florida still do provide some
13 payphone service, but it is on a much more streamlined
14 basis than was BellSouth. As a result of these changes,
15 the independent payphone providers are really your
16 providers of last resort for public communications service
17 in the state of Florida today. We're it.

18 The growth in wireless, as mentioned earlier,
19 has obviously had a significant adverse impact on the
20 payphone industry. More and more people have used
21 wireless post-paid and more recently prepaid wireless, as
22 noted in Dr. Jamison's study. And this has resulted in a
23 fairly dramatic drop in payphone usage.

24 With that said, there are still a million
25 payphones in America and probably a billion-plus payphone

1 calls made every year on those phones. So there is
2 still -- although there has been a significant drop, there
3 is still a dramatic need for the service. Florida has
4 seen itself a very significant drop in available public
5 communications. Based on FCC statistics back in '99 we
6 had over 120,000 phones in the state. When they last
7 released their statistics in March of '04, that number had
8 dropped more than in half, down to 56,000 phones. And we
9 would guesstimate that number is probably under 50 today
10 and maybe closer to 40,000 phones in the state.

11 With this situation, we're here to express to
12 the Commission our strong belief that payphones are a key
13 component of universal service and of Lifeline service to
14 our citizens on many different bases. If we look at some
15 of the core things that payphones are doing out there
16 today -- well, obviously, they are serving folks that are
17 homeless. Our homeless population absolutely relies on
18 payphones every day for basic communications. We have had
19 a number of agencies that deal with the homeless tell us
20 how critical and write to you all and to the FCC about how
21 critical phones are for their constituents to be able to
22 communicate with them.

23 And add to the homeless, of course, the
24 significant number of Floridians without a home phone. As
25 we have heard today and seen in many reports, there are

1 still many, many folks in Florida that do not have a home
2 phone. And many of those, as you might imagine, do not
3 have a cell phone either. And they are relying on
4 payphones as their Lifeline form of communications. That
5 is the reality out there today.

6 In Florida, of course, with our large tourist
7 population, those folks come here, if they had a cell
8 phone back from home, it doesn't work here. And if they
9 didn't -- they are just out to try to use a payphone to
10 communicate. So from many different perspectives
11 payphones, we think, remain very vital to the state. We
12 have a representative here from AARP. I've personally
13 gotten a lot of feedback over the years in this industry
14 that the elderly appreciate payphones. A lot of them may
15 not be comfortable with cell phones, the newer technology,
16 and they are very comfortable making payphone calls. So
17 that segment of our society we've gotten a good amount of
18 feedback relies on payphones, as well.

19 What are payphones doing for folks in the state
20 today in the sense of Lifeline? Well, they are providing
21 free access to make an 800 call. The one study that we
22 have seen on this that was done in Chicago several years
23 ago looked at the type of 800 calls that were made on
24 payphones, and they found that the absolute top call
25 categories were calls to social service agencies. Calls

1 for food stamps, Medicare questions, the whole range of
2 social service agencies that you would imagine would be
3 reachable on an 800 basis. That's where the 800 calls
4 were mostly going to from payphones that are out there
5 today.

6 Payphones are providing, we think, good value
7 still for callers. We have ten-cents a minute call
8 anywhere in America, and some other pretty attractive
9 programs for callers that represent a good value today.
10 And, of course, payphone providers are forced to do that
11 in the face of wireless competition. We have to be a good
12 value now.

13 So, you know, what is the problem here and how
14 does this tie in with Lifeline? Essentially, our feeling
15 is is that payphones should be Lifeline eligible, and what
16 do we mean by that? Payphones today pay into the
17 universal service fund. Payphone providers are
18 contributors. They either pay on their phone bills or
19 they pay directly into the universal service fund.
20 However, no funding whatsoever comes back to payphones
21 today.

22 And, unfortunately, we are now at a point where
23 the payphone industry and our remaining providers need the
24 kind of Lifeline help that Lifeline is intended to offer
25 to serve the needy out there. And what I'm telling you is

1 without some form of help we are not going to have any
2 payphones left, virtually, in the state of Florida or
3 anywhere else in very short order.

4 If I had sat before you a year ago, I might have
5 projected that might have been a five to ten-year time
6 horizon. Based on current statistics, you know, what has
7 happened in the last year, it is now looking more like a
8 two or three-year time horizon. We have folks who have
9 been in the business and in the industry for a very long
10 time that are just hurting terribly out there. And so you
11 say, well, I guess we don't really need payphones. And,
12 unfortunately, that is not the case because the phones
13 that are coming out of the ground in Florida and elsewhere
14 in the country still are doing calls. These phones may do
15 two, three, four calls a day, but that is no longer enough
16 to sustain the labor intensive and the cost intensive
17 installation of that payphone to serve the public, so
18 those phones are coming out.

19 In addition to the service that they are
20 providing directly to the underprivileged, to the
21 homeless, visitors to the state, payphones have also
22 proven themselves recently to be a very significant part
23 of our emergency communications capabilities. I
24 personally was running a company that provided service in
25 lower Manhattan when 9/11 took place, and I'm here to tell

1 you that without payphones in lower Manhattan that crisis
2 for those individuals directly affected would have been
3 even more horrible than it was.

4 I mean, folks were lined up around the block to
5 use the phones. The cell phones were down. The office
6 and business phones surrounding it were down, and not all,
7 but many of the payphones were working. And we actually
8 gave away free calls to a lot of those folks for months
9 after that took place.

10 A year and a half later the nation had, as you
11 well recall, the northeast, great northeast blackout I
12 call it. And, again, during that experience we found that
13 cell networks went down, home phones and businesses were
14 down and payphones were working. I could give you a dozen
15 articles from major papers that all wrote up about how the
16 flashlight and the payphone were the things that came
17 through in that crisis to save people and allow people to
18 communicate essential communications.

19 Most recently in Florida and Louisiana and the
20 Gulf Coast in the last couple of years payphones have
21 proven themselves once again in the face of the hurricanes
22 that happened. Again, I am here to tell you that in South
23 Florida if we didn't have a good payphone base down there,
24 it would have been a horrible situation. Payphones have
25 saved lives in those situations because, once again, when

1 the hurricanes hit, cell service was down, home and
2 businesses were knocked out, and folks were lining up
3 around the block at payphones.

4 I talked to one of our board members in the last
5 couple of days. He was telling me that he had one phone
6 down in Fort Lauderdale that did almost \$140 in coins in
7 one day after the hurricane, and that was fairly
8 indicative.

9 So what we have seen is in these emergency
10 situations it's the good old, often forgotten, old
11 technology payphone that has come to the rescue in the
12 truest sense of the word. And with all of these
13 considerations, we're sitting here in what looks to be a
14 precipice of losing the phones. Many folks come to me now
15 in my business and say we've been looking for a payphone
16 in an area, and we can't even find them. They are getting
17 harder and harder to find, and yet they are very needed.
18 As needed as ever for many of our most important citizens
19 that are often overlooked.

20 So what can we do in this situation? Well, we
21 stepped back and said, you know, the same goals that
22 Lifeline has tried to address in providing an essential
23 communications link for the people who can't afford it
24 otherwise, are met, are being met by payphones today. And
25 it's our feeling, and we would urge the Commission to give

1 consideration to the wisdom of a public policy position
2 that says we need to keep payphones out there, and we need
3 to consider extending Lifeline type support on payphone
4 lines the same way that it is extended on residential
5 lines to make this happen.

6 A payphone is serving many, many more
7 individuals than a single residential line. I mean, the
8 same goals that you are trying to reach in the Lifeline
9 program are really there. It is being lived out every day
10 on the streets of our cities and rural areas throughout
11 the state.

12 And so we've asked the staff and the Commission
13 and are asking you here to consider working with the
14 industry, giving us guidance or feedback on how we can
15 have the Lifeline program extended to payphone lines. In
16 the state of Florida you would be doing a tremendous
17 services to the citizens of the state on an everyday
18 basis, certainly on an emergency basis. You would be
19 bringing dollars back into the state and help some of that
20 imbalance of the tremendous funds that we are sending out
21 of the state now, get them back here and put them to use.
22 And not just on one residential line, but one line that
23 can serve thousands of people that may not have a home, or
24 if they do, cannot afford a home phone even with Lifeline.

25 I think the examples given by staff in the other

1 states that have used the automatic enrollment process are
2 telling you that, you know, in New York you have 30
3 percent and these other states you have 50 percent. I
4 would like to believe 80 percent can happen here, but I
5 think realistically we're going to find even by doing all
6 the good things that have been laid out to you, there's
7 still going to be a number of folks that are not going to
8 be served by the traditional extension of Lifeline. And
9 this is another way to get to those folks. This is a way
10 to provide a communications outlet for the most needy, the
11 truly needy, as well as all of us here when we get into an
12 emergency situation.

13 So I again thank you for your consideration of
14 this and welcome any questions or suggestions from you, or
15 staff, or the parties on how to address what we think is a
16 very serious and real problem. Thank you.

17 CHAIRMAN EDGAR: Thank you, Mr. Renard.

18 Commissioner Arriaga.

19 COMMISSIONER ARRIAGA: Thank you, Mr. Renard.

20 A quick question to staff. Do you foresee what
21 is being proposed as a possibility? I understand that one
22 of the issues that we will have to first do is get ETC
23 certification, which is what we can issue here at the
24 Commission. Is it possible to analyze what has been
25 proposed just now?

1 MR. WILLIAMS: Commissioner, just on the initial
2 surface, staff would say, yes, it is worthy of pursuing.

3 COMMISSIONER ARRIAGA: Would they still need ETC
4 certification?

5 MR. WILLIAMS: Yes, they would. They would need
6 to be designated as an eligible telecommunications carrier
7 based on the FCC's requirement.

8 COMMISSIONER ARRIAGA: And that is usually given
9 to an individual company, not to an association, or is it
10 possible to grant to an association? This is very small
11 companies.

12 MR. WILLIAMS: It's normally targeted at a
13 particular company. We have never had ETC designation to
14 anything broader than a company.

15 COMMISSIONER ARRIAGA: Would it be worthwhile
16 analyzing the possibility of going through the
17 association?

18 MR. WILLIAMS: Yes.

19 COMMISSIONER ARRIAGA: As part of the exercises
20 you are going to do when you go back to reviewing all of
21 your documentation on that.

22 MS. BULECZA-BANKS: Certainly, we'll go back and
23 look at all the possibilities on basically everything that
24 was addressed here today and evaluate that.

25 COMMISSIONER ARRIAGA: Thank you, Ms. Banks.

1 Thank you, Mr. Renard.

2 MR. RENARD: Thank you, Commissioner.

3 CHAIRMAN EDGAR: Mr. McCabe.

4 MR. McCABE: Mr. Renard, one question. Are you
5 requesting that all payphone lines, the 250 or so that are
6 sitting in the airport, be qualified as a Lifeline phone?

7 MR. RENARD: Yes, Tom, I am. And what used to
8 be 250 in the airport are now about two in the airport if
9 you go back there. But, yes. And, you know, in the past
10 there have been proposals loosely termed public interest
11 phone proposals. And those were situations in the old
12 days when we had lots of phones, and we were just trying
13 to get that phone at the little league field or in another
14 select location. You would try to look at having some
15 support for just a phone here or there.

16 The situation today is just way, way beyond
17 that. We are talking about keeping any phones out there
18 as a practical matter today in any meaningful sense of
19 availability to the society. And our feeling is that, you
20 know, the phone in the -- and I have used this example
21 before, in the Ritz Carlton in Naples, you know, folks
22 say, well, how could we offer a Lifeline to that phone?
23 You know, that's serving the upper class. And my response
24 is, no, it's not. I mean, yes, it may be, but the single
25 mother, poor single mother who is cleaning the rooms in

1 that hotel, that may be the only phone she has to call and
2 check on her child at day care. And so to go in and say,
3 this phone is eligible and that isn't, we think is just a
4 wrong exercise. And it is not really going to address the
5 problem.

6 So, yes, I mean, we think the phones are down to
7 a few enough level now that this should be something that
8 if you are certified by the Commission and you are using a
9 certified payphone line, which makes it, we think, very
10 administratable, you should be able to get a Lifeline
11 credit, if you want to keep the phones out there. I mean,
12 if we are going to sit by and let the phones go away as a
13 base of communications in the state, then we'll let nature
14 take its course. Or try to, you know, get into a very
15 bureaucratic, you know, pick a phone, justify a single
16 phone situation. We think that's not the right way to go,
17 and that is not really going to solve the problem.

18 CHAIRMAN EDGAR: Commissioner Tew.

19 COMMISSIONER TEW: Thank you, Mr. Renard. I
20 just have a question about the 3.50. And as I understand
21 it, to get the full \$10 from the federal government we
22 have to have somewhere -- somewhere we have to come up
23 with the 3.50 to get that last \$1.75, I believe that's
24 correct.

25 MS. BULECZA-BANKS: That is correct.

1 COMMISSIONER TEW: Under your proposal, who
2 would pay the 3.50?

3 MR. RENARD: Commissioner Tew, that's an
4 excellent question. I've struggled with that some.
5 Because we are not really in here saying, you know, the
6 phone companies should have to dip into their revenues to
7 keep our payphones out here. You know, to the extent we
8 don't have a Lifeline fund in Florida to help the
9 companies fund that, we would be very amenable to working
10 with the Commission and the companies to have an amount or
11 a structure that is applicable here that would not put the
12 phone companies in that position.

13 And, you know, ten dollars on our line bill
14 would go a long way to keeping payphones available in the
15 public. So we're, you know, open to amounts and
16 mechanisms. We are here really to tell you this is a real
17 problem. We need your help to do something. If we don't,
18 none of us are going to like the result of it in a couple
19 of years. So we would be open to that.

20 If I can tie that in, Commissioner Tew, with
21 Commissioner Arriaga's point. We may have to go the route
22 of becoming an ETC. We had hoped to maybe sidestep that
23 by saying, essentially, we are an end user. And payphone
24 providers, even though we are certified by the Commission
25 and treated as a telephone company here, we are not

1 certified by the FCC, and in many cases the FCC has
2 considered us an end user. In fact, we pay into the
3 universal service fund as an end user.

4 So the thought was, you know, why shouldn't we
5 be an end user for eligibility purposes, as well? And
6 possibly we can sidestep that morass. But, again, we're
7 open. If that is the way to solve our problem here, we
8 are open to exploring ETC status as well with staff.

9 CHAIRMAN EDGAR: Commissioner Tew.

10 COMMISSIONER TEW: Just one follow-up to that.
11 If you were to sidestep that ETC process, would you have
12 to go to the FCC and seek permission to do that, or do you
13 think there is a way that you can legally do that now?

14 MR. RENARD: We would like to explore our
15 ability under the statutes. I don't have a definitive
16 response, Commissioner Tew. We would like to explore. If
17 we don't need to go to the FCC, and we don't need to
18 create, you know, hurdles to make something happen, we
19 would like to avoid it. On the other hand, if we have to
20 go to the FCC, I think, you know, with the Chairman's role
21 in the universal joint board, I think this Commission has
22 a unique pathway to get the FCC and the joint board to do
23 something about this issue, if we have to.

24 And I believe they will. I mean, they looked at
25 this a couple of years ago and were kind of open to it.

1 Things were not as dire at that point as they are now. So
2 I would hope that, you know, the current environment, even
3 if we did have to involve the FCC or the joint board,
4 there would be an openness to it, because it is sound
5 public policy now on a lot of bases.

6 CHAIRMAN EDGAR: Ms. White.

7 MS. WHITE: Thank you, Chairman. OPC believes
8 that Mr. Renard's position is worth pursuing. I can
9 quickly state that we have received calls via payphone
10 from people inquiring about the Lifeline program. And
11 payphones are the only mode of communication for some of
12 these people. I think it is very important we try to keep
13 them around.

14 MR. RENARD: Thank you, Ms. White.

15 Madam Chairman, if I can, I'm going to leave a
16 notebook with you here which has, we think, a lot of good
17 background materials on this, and it also does have some
18 correspondence from really a number of social service
19 groups and stuff that bear out really what Chanel had just
20 said in terms of who is relying and who is using the
21 payphones today. So if we can, we'll leave that with you.

22 CHAIRMAN EDGAR: If you will get it to Ms.
23 Banks, and then she will take it from there. Thank you.

24 MR. RENARD: Thank you, again, Madam Chairman.

25 CHAIRMAN EDGAR: Commissioners? Commissioner

1 Carter? No.

2 I will throw it open. Is it your pleasure to
3 forge on or to take a break at this time?

4 You want to go through? Okay. Ms. Dilworth.

5 MS. DILWORTH: Thank you, Madam Chairperson,
6 Commissioners, staff of PSC. We are very delighted to be
7 here today as a local KMR Consultant, as a local general
8 management company, and we are here pleased to address the
9 five questions that were posed by the staff for companies
10 that are not telephone companies, that is.

11 In addressing the Commission today, I do so with
12 a previous life as an assistant secretary at the
13 Department of Children and Families for economic
14 self-sufficiency. So some of my comments will be based on
15 my experiences there in managing the economic
16 self-sufficiency eligibility programs for food stamps,
17 Medicaid, TANIF, et cetera, as well as consulting
18 opportunities that we have had in the Lifeline area.

19 And the heat is on here, so I'm going to try to
20 get through this as quickly as I can in addressing these
21 questions so that I do not stand between you and the lunch
22 counter.

23 The first question asking what opinion would the
24 company have on what Florida's Lifeline and Link-Up
25 Lifeline goals should be, KMR believes that there should

1 be possibly two goals. The first goal of which increasing
2 public awareness of Lifeline and Link-Up telephone
3 assistance. And I say that with the background of having
4 partnered personally with you back in 1998 as the program
5 was launched. And during that time, the manner in which
6 we launched it was to do mass mailings to the clientele of
7 the eligibility food stamp, TANIF, et cetera, to get the
8 system or the Lifeline program pretty much jump-started.
9 And from that point to now, in dealing with not only the
10 clients that we dealt with then, but even in talking to
11 many of the school board systems, there seems to still be
12 a need for additional efforts as far as public awareness
13 is concerned about Lifeline and Link-Up.

14 The second goal that we believe should be
15 perhaps targeted would be to engage effective outreach
16 initiatives that would reach Florida's eligibles with a
17 target perhaps of reaching the national average of
18 Lifeline participation in terms of level and that level
19 now being approximately 33.7 percent. So looking at where
20 the state is now from 12.2 percent in terms of Lifeline
21 penetration, we believe, in terms of KMR's opinion, the
22 goal might be the national average.

23 Moving on to efforts that our company has
24 performed, again, I'm speaking from contracted
25 opportunities that we have recently had. Our company, KMR

1 Consultants, actually launched in the state of Florida
2 last year the Lifeline/Link-Up National School Lunch
3 Program, and this was done in all 67 counties with
4 coordinated placement of 2.6 million brochures in the
5 back-to-school backpackets of students of the public
6 schools. And not only was it the 67 school districts, but
7 it also included the four developmental research schools
8 that are at the various universities. I'm sure you are
9 familiar with those at Florida A&M University, Florida
10 State University, University of Florida, and there is also
11 one at -- I think it's FIC.

12 In doing that, we designed the brochure that was
13 used for that campaign. And here is the results, we
14 believe, and, again, we believe that there has not been
15 enough time to really test the proof of the concept. But
16 we can tell you that we started this initiative in March
17 of 2005, and it took from March until June to design the
18 actual process that we used. And then starting in June,
19 you will note from June to August was when our process in
20 terms of putting brochures out occurred.

21 And something happened. We can't validate or
22 verify exactly what, but, again, we are here and
23 encouraging that continued effort be given to the National
24 School Lunch Program outfit to be able to determine what
25 impact and the degree to which that program assists in

1 enrollment for Lifeline and Link-Up.

2 Other initiatives or efforts performed by our
3 company included follow-up in terms of the school
4 districts, and that was necessary because with any kind of
5 initiative you put the information out and not everybody
6 does what they are supposed to do. So from that
7 perspective we were able to go back and for those counties
8 that had not placed the school district brochures in the
9 backpacks, we were able to give some urging to that.

10 We were also able to identify and coordinate
11 distribution of brochures for the national school lunch
12 program in about an additional 11,000 governmental human
13 service agencies for clients. And we were talking here
14 about clients such as domestic violence clients, boys and
15 girls clubs, there were various that were placed in that
16 manner.

17 Moving on, and I think some of these initiatives
18 have already been discussed to some degree, but we also
19 coordinated four national school lunch program media
20 events. One was a statewide press conference, and
21 Commissioner Deason participated in that, and we were also
22 graced with the participation of some of the staff. There
23 were also press conferences held in Marion County, Leon
24 County here locally, and Walton County. And I think you
25 heard Ms. White speak earlier to the fact that after these

1 press conferences there was an obvious response in terms
2 of enrollment or interest in enrolling in the Lifeline
3 program.

4 In addition, we wrote and placed Lifeline
5 education and awareness pieces in minority newspapers, and
6 this included African-American newspapers as well as
7 Hispanic newspapers. And I might go back and add that
8 these were PSAs which meant that it was up to the
9 discretion of the publisher in terms of how frequent and
10 if they would even be published.

11 I move now to your third question, which asked
12 about the barriers that discourage or prevent people from
13 enrolling in Lifeline. And, again, this is based on the
14 experiences that I have, not only with the eligibility
15 programs at DCF, but also with the experiences that we
16 saw.

17 First of all, we agree with many others who have
18 discussed the clients, many of them that are eligible for
19 Lifeline, and they are from low-income families, that they
20 are unaware of Lifeline and Link-Up telephone assistance
21 programs. So, obviously, more awareness initiatives would
22 help there.

23 Also, there is a distrust of not only the
24 government, and I think this has been mentioned. I mean,
25 of course, when you go in, the first thought is, sure, you

1 are the government, and you are here to help if you are
2 going from a government perspective. But we also
3 experienced when you mention Lifeline from the telephone
4 industry perspective, the first thing that persons, be it
5 the low income that we spoke with, or be it just the
6 school districts, they initially thought that there must
7 be some benefit here for the telephone industry as opposed
8 to there to provide a benefit for the client. So they had
9 to be convinced. And in some instances they had decided
10 that they would not be interested or willing to consider
11 any Lifeline initiative, but after explaining and giving a
12 little bit more education and awareness in terms of what
13 Lifeline is and isn't, there was more susceptibility to
14 participation.

15 There is also -- and this, again, is from my
16 experience in DCF -- the perception of low-income
17 consumers that in many cases, because of their financial
18 situation, their credit is not the best that it could
19 possibly be. And so they believe they don't even qualify
20 for a telephone service. So in many instances or some
21 instances, I guess I should say, they are a little
22 hesitant about pursuing anything that would encumber or
23 tie them to a telephone service.

24 And then last but not least, and this also is
25 from my previous life at DCF, Link-Up and Lifeline program

1 enrollment access challenges in rural and small
2 communities. I say this because what we find here is in
3 small communities and rural communities everybody knows
4 everybody. And so there is a hesitancy to go in and apply
5 when you walk in the door -- and I have literally been in
6 the food stamp offices or the Medicaid office, and every
7 person that walks in you know not only Mrs. Jones, but her
8 husband and the kids. And there is a hesitancy about the
9 lack of an anonymous process in going in and applying if
10 there is not an access route that gives a little bit more
11 discretion to the applicant for Lifeline.

12 Suggestions on how to increase enrollment I
13 think was your fourth question, and we do have a few
14 suggestions. We're suggesting more aggressive consumer
15 communication and education to increase statewide Link-Up
16 and Lifeline program awareness. We've already talked
17 about many communication media, and I think Ms. White also
18 mentioned the impact of television and how that goes a
19 long way. This pretty much just agrees with what she has
20 already said.

21 Further work, we purport, with schools to reach
22 families through the National School Free Breakfast and
23 Free Lunch Program, which is the back-to-school program to
24 determine that program's participation and benefit when
25 linked or integrated with Lifeline. Thirdly, development

1 of an online or an electronic means of enrollment and
2 verification to minimize the burden on telephone companies
3 and applicant households. We believe that perhaps if they
4 might be able to do this electronically it might make the
5 enrollment process a little easier and less burdensome, if
6 any, for companies and the constituents here.

7 Next, deploy electronic sharing of Lifeline
8 enrollment information between telecoms and a third-party
9 administrator to further identify households eligible for
10 enrollment. Now, in our research, KMR found has been
11 deployed by the state of Texas. And we understand that
12 this along with other strategies that were used, they were
13 able to get their penetration rate in terms of Lifeline,
14 now up to 34 percent is what we understand it to be
15 currently.

16 Develop more intimate Lifeline enrollment
17 working relationships with Florida Department of Elder
18 Affairs and Department of Revenue and Child Support
19 Enforcement. And our rationale here goes back to the PURC
20 report. When you look at the demographics, 75 percent,
21 almost, of your eligibles are 55 and older. So in looking
22 at that population, the agency that would have a lot of
23 one-to-one personal contact with those eligibles would be
24 Department of Elder Affairs. So we do make that as a
25 recommendation along with also looking at the need for

1 children to have access to their parents for emergencies,
2 et cetera, Child Support Enforcement.

3 And then last but not least, we recommend
4 sharing Lifeline program information electronically with
5 the state agencies that operate low income assistance
6 programs. And you're already doing that to some degree
7 where you are doing links. But in our discussions with
8 various school boards and others, there was an interest in
9 being able to place links to sign up, if possible, for
10 Lifeline on these various websites, so we are recommending
11 that, as well.

12 Specific successes or failures regarding
13 Lifeline outreach, successful outreach initiatives, some
14 of which here I was personally involved in. The mass
15 mailing assisting Lifeline program launching which,
16 obviously, placed thousands initially on the Lifeline
17 rolls back in 1998. I believe that that was successful.
18 I was also at DCF when we implemented in 1998 and was
19 funded in 2000. We worked in conjunction with the Public
20 Service Commission to get an appropriation of some
21 \$500,000. And we used that \$500,000 to do the client
22 notice modification, to let clients know when they got
23 their notice of eligibility for food stamps, et cetera,
24 that they were also eligible for Lifeline.

25 We believe that that was a successful

1 initiative, and hoped, since my departure, that there has
2 been much success in clients being noticed and making the
3 connection for Lifeline enrollment. And, also, new client
4 data exchange, and this was more of a verification process
5 where files were bounced off to validate the continued
6 Lifeline enrollment eligibility from DCF's files in my
7 previous life.

8 We also believe that the National School Lunch
9 Program, although it has not been -- I don't believe
10 enough has been done in terms of proof of concept, but
11 again going back to the data, something obviously happened
12 right after those brochures were put out in the various
13 school systems. We believe that the initiatives with the
14 Connect Florida campaign have been successful, as well as
15 various media campaigns as have been addressed previously.

16 In terms of Lifeline outreach failure, we
17 believe that the only thing that we can point to is
18 insufficient consumer program awareness and believing that
19 if additional initiative is placed here that that would be
20 a good thing.

21 And I thank you for the time, and I am certainly
22 here to answer any questions that you might have of me at
23 this time.

24 CHAIRMAN EDGAR: Thank you, Ms. Dilworth. And I
25 believe Commissioner Carter has a question.

1 COMMISSIONER CARTER: Thank you, Madam Chairman.

2 Just a comment to those that who may not come back
3 after lunch. I just want to let you know that Commissioner
4 Arriaga, Commissioner Tew, and myself made representations to
5 the nominating council and to the joint oversight committee of
6 the Legislature that we were going to work tirelessly to
7 improve, to improve the availability and improve and increase
8 the number of people participating in the Lifeline program.

9 So if we seem like we are really passionate about
10 that, that is only because we are. But I do wish that those of
11 you who plan on not coming back, please come back and engage us
12 in this dialogue, because we don't have all of the ideas, but
13 we certainly believe that between the industry, our staff, the
14 Office of Public Counsel and those of us here on this side of
15 the bench, we are committed to doing what's in the best
16 interest of the citizenry of Florida.

17 Thank you, Madam Chairman.

18 CHAIRMAN EDGAR: Thank you, Commissioner Carter.

19 Commissioner Arriaga.

20 COMMISSIONER ARRIAGA: Commissioner Carter, you
21 left out the Governor of the State of Florida. We also
22 made representations to him.

23 CHAIRMAN EDGAR: Commissioner Tew.

24 COMMISSIONER TEW: Chairman, I was just going to
25 say I have a question, but it can wait until after lunch,

1 assuming that everyone is coming back, because I think
2 there will be some others that may want to have input
3 other than Ms. Dilworth.

4 CHAIRMAN EDGAR: All right. And we will start
5 with you after the lunch break. But before we do,
6 Mr. Wiggins, did you have a comment for us?

7 MR. WIGGINS: I had a question for Ms. Dilworth,
8 but it can wait until after lunch.

9 CHAIRMAN EDGAR: Sure.

10 MR. WIGGINS: Or your preference.

11 CHAIRMAN EDGAR: Ms. Dilworth, are you going to
12 be able to join us after the lunch break?

13 MS. DILWORTH: Oh, sure. Absolutely.

14 CHAIRMAN EDGAR: Okay. All right. With that,
15 then, seeing that it is about 12:30, we will break for
16 lunch and come back at 2:00 o'clock. We will begin with
17 some questions on our most recent presentation, and then
18 move on through the next speakers. Two o'clock.

19 (Lunch recess.)

20 CHAIRMAN EDGAR: Welcome back all. Thank you
21 for joining us for the afternoon. And I believe where we
22 left off is we had just finished, thank you, Ms. Dilworth,
23 with her presentation.

24 MS. DILWORTH: Sure.

25 CHAIRMAN EDGAR: And there were a couple of

1 questions. So, Commissioner Tew, did you have a question?

2 COMMISSIONER TEW: Thank you.

3 Ms. Dilworth, you touched on something that Ms.
4 White had mentioned earlier with OPC about consumer
5 distrust and whether that pertains to the government or to
6 the phone companies. I think either way it's a concern
7 that I want to at least have a little discussion about.
8 And I just wanted to ask you both if you think it would
9 help or hurt, given what you said, to add some sort of
10 indication of the state's involvement in this process.
11 Which, of course, several agencies including ours are
12 involved in this, and OPC. Would it help or hurt to have
13 some kind of indication that we are involved in that
14 process?

15 MS. DILWORTH: Well, frankly, I believe that it
16 does help. And the more agencies you have that they are
17 familiar with the more it helps. For example, you know
18 that many of the low income eligibles are -- you know,
19 they may not be as familiar with the Public Service
20 Commission, which it helps for you to show your support
21 and your commitment to the program, but when you have that
22 partnership with Public Service Commission, with other
23 agencies that they are very familiar with -- we noted in
24 our recommendations Elder Affairs, Children and Families,
25 Department of Education. I mean, when they see all of

1 these agencies coming together, I think -- and because
2 they interact with these agencies, I think that that helps
3 to dismiss some of their hesitation when it comes down to
4 the government.

5 And only because they are unaware of what the
6 Lifeline program is was our experience that they thought
7 it was a promotion for the telephone companies to get more
8 customers, or make more money, or anything but help a
9 client. So, again, in my opinion, the way you dispel that
10 is through communication and other awareness and education
11 initiatives to put more information. Because information,
12 in this case, is power.

13 COMMISSIONER TEW: If I may follow up. And I
14 would love for Ms. White to address that question, too,
15 and for anyone else that would want to add in their two
16 cents.

17 MS. WHITE: Thank you, Commissioner. I share
18 the same opinion as Ms. Dilworth. Ultimately, PSC's
19 participation, government participation and government's
20 visibility in this program will help people to trust it a
21 little more and also want to sign up. I share the same
22 opinion.

23 MS. SIRIANNI: Commissioner Tew, I just wanted
24 to add, and I was going to get into this when I give my
25 presentation, but in the work that we are doing now with

1 the back-to-school effort, on the brochure that we sent
2 out this year we would like to incorporate some sort of
3 state seal, whether it be the Public Service Commission,
4 the Office of Public Counsel, you know, Department of
5 Education. We don't really know yet, but we were talking
6 about that in our meetings, and we think that that would
7 help bring it home that it is a joint effort, not just the
8 companies.

9 CHAIRMAN EDGAR: Thank you.

10 Mr. Wiggins, I think you had a question before
11 the lunch break, as well.

12 MR. WIGGINS: Thank you. Patrick Wiggins with
13 staff. I am an attorney here. It seems to me that one of
14 our challenges is translating awareness and programmatic
15 awareness into enrollment. And as I was thinking about it
16 as marketing, it would be translating advertising into
17 sales and to a purchase decision by a customer. And when
18 you talked about the barriers to that happening, a couple
19 of big things came up: A lack of a trust relationship
20 between the customer and the person making the sale, as it
21 were, and also access to that person.

22 Now, I wanted maybe your insight into this,
23 because I am coming from my involvement with Neighborhood
24 Health Services here in Tallahassee for the last 20 years.
25 I've been a member of the board, and I was president for

1 ten years. And we provide free and low cost medical care
2 to the poor. And we have a clinical social worker who
3 does income screening and eligibility determinations for
4 3,500, you know, clients. And I suspect about one out of
5 eight are enrolled in Lifeline. I know that Legal Aid of
6 Florida does something similar, as does Bond Clinic and
7 Wellness and WIC.

8 I suspect there may be 15 or 25 eligibility
9 screening entities right now doing it successfully. The
10 rubber is meeting the road there and there is low-hanging
11 fruit there. So I guess the question I'm asking you is in
12 my mind that there may be some way for us to use those
13 mechanisms and compensate those people to enroll their
14 clientele in Lifeline and Link-Up, and I just wondered if
15 you think there is any promise in that?

16 MS. DILWORTH: Oh, absolutely. I mean, I think
17 that when you look at the trend and, again, I'm no longer
18 at DCF, but the trends are obvious. Everything is going
19 towards one-stop shopping and bundling. And so given that
20 you already have an eligibility or low income eligibles
21 right there being served, it only makes sense, in my
22 opinion, that you would also serve them from a Lifeline
23 perspective.

24 But the caution that I offer, having been there,
25 done that and have the T-shirt, you must have training.

1 Because these eligibility workers, they're there, and they
2 are screening for health care assistance as well as other
3 assistance. And with all of the things that are coming
4 after them, or at them at once in terms of screening and
5 enrolling and signing up in terms of eligibility, unless
6 they know the Lifeline mantra and the feedback, you wind
7 up sometimes doing not as much good as you have the
8 potential to do without that training.

9 CHAIRMAN EDGAR: Commissioner Arriaga.

10 COMMISSIONER ARRIAGA: A question for staff and
11 possibly coming from you, Madam Chairperson. During the
12 several meetings we have had in the last few months
13 regarding Lifeline, we have spoken and from the
14 presentations here we have seen also that the
15 participation of other state agencies, DCF, Elder Affairs,
16 all of this, Work Force One, are important to the success
17 of the enrollment. I even mentioned once the possibility
18 of a memorandum of understanding, and I understand the
19 Chairperson mentioned during an agenda conference that you
20 were reviewing all the memorandum of understanding that we
21 have. What have we done or how far are we in our process
22 of stretching out relationships with these other agencies
23 to make sure that this is formalized as a state program?

24 MS. DEMELLO: As the Chairman noted, we are
25 working on a memorandum of understanding. But as we

1 reported in our Lifeline report, our general Lifeline
2 report, we have made contact and we would agree with
3 everything that has been said by Ms. Dilworth, that we
4 work with the Department of Elder Affairs. It's a good
5 organization to work with. They run our Lifeline
6 application. They have also run news articles. So they
7 are very willing and have been willing and have worked
8 with us.

9 And the other agencies we're working with, the
10 Department of Children and Families and some of the other
11 state agencies, DCA, we have recently tried to establish a
12 partnership with Front Porch Florida, and that will be a
13 good organization because they are right out into the
14 community. So the partnerships are important. And,
15 Commissioner Arriaga, we are moving forward with that.
16 And I will ask my staff if they have any other comments to
17 add.

18 CHAIRMAN EDGAR: And, actually, Bev, I'll jump
19 in here for a moment, if I may, to follow up on your
20 comments and, Commissioner, your question. Two points:
21 The first on the MOUs and MOAs. I did at an earlier
22 meeting say that I had asked staff to look at all of the
23 agreements and similar documents that we have with other
24 state agencies, and they have done a very comprehensive
25 review of that. And either coincidentally or by design,

1 I'm not sure which, I have a meeting with our executive
2 director later this week to go over all of that, and then
3 I will be in a better position to be able to discuss that
4 in more detail because then I will have the benefit of
5 their analysis.

6 On your second question about our work with
7 other agencies, I know that I personally have talked with,
8 over the course of the past two months, Secretary Hadi,
9 with Secretary Green at Elder Affairs, and with the
10 secretary of the Agency of Work Force Innovation, also
11 with the secretary of the Department of Community Affairs
12 about our efforts on this. And I noted from one of the
13 points earlier, and I apologize, I'm not sure who brought
14 this up, but I realize that on my list of agency heads
15 that I wanted to be sure and contact on this issue, I have
16 not talked with the Department of Revenue. So I made a
17 note that I will add that and Child Support Enforcement.
18 I don't know that I had thought of that, but I will make
19 that personal contact as well with Dr. Zingali (phonetic)
20 and then whoever at his office.

21 That has not moved really as quickly perhaps as
22 I would have liked. Every one of those agency heads
23 personally and professionally have given us their
24 commitment to do anything they can on behalf and with
25 their organizations. But from all of the issues that we

1 have heard here this morning and others that we will hear
2 this afternoon, sometimes the wheels of process and
3 procedure do move slowly.

4 And has been raised this morning, DCF in
5 particular, and the other agencies as well are in the
6 electronic age as far as how their clients are served and
7 apply for services. And I have talked with our staff
8 and with the industry representatives about trying to get
9 our IT people linked up and approach it from that angle.
10 And I am hopeful that we can make some more progress
11 there. That is one of the efforts that I would like to at
12 least see us move along with. It is going to take a
13 little time, though.

14 Others?

15 MS. DILWORTH: If I might make one other
16 comment. In dealing with the agencies, not that it is a
17 barrier and can't be overcome, but one of the challenges
18 in working with the state agencies is always
19 confidentiality. I'm sure you have met with that. And
20 so, you know, I just caution making sure that there is a
21 good strategy ahead of time so that rather than them
22 thinking that you're coming to get their client list, so
23 to speak, they know that that regard has already been
24 given and there is a well planned out angle in terms of
25 how to deal with the clients and not breach any of their

1 required confidentiality.

2 MR. WIGGINS: Madam Chair.

3 CHAIRMAN EDGAR: Yes, sir.

4 MR. WIGGINS: Just one other thing is that not
5 from my experiences as a state employee or an attorney,
6 but from working with the charity, I think the thing I
7 would want to say is that somewhere between the MOUs and
8 the funding and the brochures there has to be a
9 translation of where the rubber meets the road. And that
10 is to say that someone that the client trusts is sitting
11 down with him or her and talking about the situation and
12 what they get or don't get from sending this form in.

13 And what I would -- I guess the word I would use
14 is encourage. Is that whatever is being looked at, that
15 that piece be looked at very closely because it seems to
16 me there has been a lot of effort made on awareness and a
17 lot of effort on programmatic extensions, but where it
18 just doesn't quite connect is in the relationship with the
19 person who is needing the service and someone to hand it
20 to him or her and say this is what we need to do.

21 And I'm suggesting that charities, churches, the
22 Department of Health, there are lots of folks doing that
23 on a daily basis for lots of different programs where I
24 think you used the term, it's a great term, is bundled,
25 it's a bundled service. Because in a sense, if you look

1 at this from a pure marketing point of view, we are not
2 able to market this in a way to get the single purchase
3 decision. So, okay, let's quit pounding that nail.

4 There are places that people are making purchase
5 decisions where they get eligibility screening, I think
6 that it would be fruitful to focus on that in some way.
7 But beyond that I, obviously, don't know how to translate
8 that, and I guess that is my piece. Thank you.

9 CHAIRMAN EDGAR: Okay. I think we are ready to
10 move on to the next presenter.

11 MS. BULECZA-BANKS: Our next presenter will be
12 Maryrose Sirianni representing BellSouth. And immediately
13 following her will be Ava Parker, who will give the
14 Linking Solutions' side.

15 MS. SIRIANNI: Thank you. Thank you for having
16 us here today and being able to share information with
17 you.

18 Before I get started on the actual presentation
19 that the Commission has on file, I handed out this
20 morning -- laying up on your desk was a flow chart with a
21 lot of little boxes on it. I just thought that this might
22 be helpful. It shows the certification and verification
23 process that BellSouth used, but I believe that it is
24 pretty similar to those of Sprint and Verizon. I will let
25 them -- I see some shaking of heads. So, basically, if

1 you have any questions, I mean, I will answer them.

2 What it shows is the customer who would order
3 Lifeline or Link-Up and they would get the simplified
4 certification form, fill that out, send it in. You know,
5 it shows the differences between a non-Lifeline customer
6 and a Lifeline customer where you would provision the
7 service, the billing systems. It goes down to show that
8 the customer's account gets credited for the 13.50, and
9 then the date of feed with the agency. That is the
10 backend verification piece, and then the fallout to every
11 month we send USAC the information and get reimbursed the
12 ten dollars. And then the bottom just shows that, you
13 know, we do get requests from both the federal and the
14 state Public Service Commission and the FCC regarding
15 Lifeline data.

16 So I just thought it might be helpful to just
17 kind of follow how the certification process and
18 verification, how it kind of all works together. So if
19 there are any questions, I mean, I can either take them
20 now or later.

21 I won't spend a lot of time going through these
22 first couple of slides, because I know, first of all, we
23 have to keep everybody awake because we just ate lunch;
24 and, second, we have heard most of this. So the first
25 slide just talks a little bit about Link-Up and Lifeline

1 and what it is, and that we all know that Link-Up is a
2 reduction in the telephone service installation charge up
3 to a maximum of \$30, a 50 percent reduction. And Lifeline
4 is 13.50 a month up to \$162 per year, which we believe is
5 a sufficient amount and should entice people to sign up.
6 We like to use that when we do public presentations.
7 Maybe that gets to them more than the \$13.50.

8 The eligibility criteria on the next slide, I
9 won't go through each one of those. You will just notice
10 that the bottom two, the National School Free Lunch and
11 the 135 percent of the poverty level is only for
12 BellSouth, Sprint, and Verizon, that is not applicable to
13 the small local exchange companies in Florida.

14 I was going to kind of give you a
15 little background as to what has been done in the Lifeline
16 effort since 2002 to present. We won't spend a lot time
17 on this, because you've heard most of this. I will just
18 quickly -- the 125 percent was added initially in 2002
19 with BellSouth in a service settlement agreement, and then
20 in 2003 Sprint and Verizon also added the 125 percent.

21 There were media kick-off press conference
22 events that I believe AARP spoke of earlier. We all
23 worked together on those. There were PSAs at that time.
24 In 2002, we brought on board Linking Solutions and the
25 Connect Florida campaign, which we believe has been

1 successful and continues to be, and that has been attended
2 jointly by the Office of Public Counsel, local officials,
3 the Public Service Commission. I believe Commissioners
4 have attended some of those events. AARP. We continue to
5 do those as needed.

6 The state agency coordination, we all spoke of
7 DCF and the efforts that we have had with them in the
8 past. One of the largest efforts we have was that they
9 incorporated into their letter of eligibility that they
10 send to their clients when they are eligible for a program
11 it automatically states on their letter of eligibility
12 that you are also eligible for Lifeline. We do get that
13 letter quite a bit in our office, and we use that as proof
14 of verification, and that was actually prior to the
15 simplified certification form being put into place. So
16 now we get that, we use it. If we get the simplified
17 form, we use that.

18 The Commission continues to do brochures and
19 applications in Spanish, Creole, Braille. I think anybody
20 that would ask in any language we could probably come up
21 with a brochure or an application.

22 The next slide continues with some of the events
23 that we have had over the years. I will kind of jump down
24 to the simplified certification form, which you have heard
25 a lot about. It was incorporated in March of 2005, and I

1 believe that everybody can say that it has been a success.
2 It has been used. At least for BellSouth customers we get
3 quite a few of them in the mail, faxes. It is being used
4 widely, I believe.

5 The National School Lunch, as Ms. Dilworth spoke
6 of, and I think I spoke of earlier, we sent 2.6 million
7 brochures out last year to all the counties and the
8 research schools. In September of 2005, we increased for
9 the large companies, the large being Sprint, BellSouth and
10 Verizon to 135 percent of the poverty level. And the last
11 bullet there, the Commission has a CD, which I'm sure you
12 all have seen. And on that CD it has any and all
13 information you could possibly imagine from posters to
14 brochures to Q and As, and they have wildly distributed
15 that CD to agencies or community events, I guess, you
16 know, whenever it is requested. It is something that they
17 send, and it has been very useful.

18 The next slide, I spoke about Linking Solutions
19 earlier, and like I said, they continue to do some
20 grassroots efforts whenever we need them to be. But
21 starting the beginning of this year, something new that
22 has -- the Linking Solutions took on was to target the
23 Agency for Workforce Innovation. And the goal there was
24 to facilitate distribution of the self-certification form
25 at the point of contact.

1 You are probably going to hear the point of
2 contact a few more times before I get done this afternoon.
3 But Ava Parker from Linking Solutions is here, and when I
4 am done, she will give you a status on her work efforts
5 with the agency and what parts of the state she has
6 visited and has plans to visit, and what she is doing to,
7 hopefully, increase the Lifeline subscribership in
8 Florida.

9 So what are our future plans? You have pretty
10 much heard what we have done, but what I would really like
11 to talk about is what we would like to do. Well, I think
12 we have all heard, and we all understand that the agencies
13 have to be involved. And the point of contact, that is
14 really where I truly believe this issue -- where the
15 rubber meets the road. We are working with the agencies
16 to distribute Lifeline application forms. The Commission
17 staff currently does that, and will continue to do that.
18 The companies will help in any way they can to prepare
19 those brochures, make copies, help the Commission do that.

20 But in pursuing the Department of Education, and
21 to tack onto last years back-to-school efforts, one of the
22 things that we are working on currently, and we do believe
23 that both of these efforts with any of the agencies and
24 with the Department of Education falls in line with the
25 statute. And the statute sites are there, 364.103(b) and

1 (h).

2 What we want to do this year with the
3 back-to-school effort is to do more like a targeted pilot
4 project where we target 10 to 15 of the counties that have
5 the largest number of students. In addition to that, if
6 those counties -- we want to make sure we incorporate the
7 small company territories also, so we want to kind of make
8 sure that if in those counties it doesn't cover some of
9 the small territories that we will also pick up some of
10 their counties. But we also recently spoke about looking
11 at some of the highest poverty level counties. So rather
12 than to do all 67 counties and research schools, to try to
13 target in so that we can see if our efforts are really
14 making a difference on the back to school.

15 We believe they are, but we believe that if we
16 target them a little better that we may be able to
17 actually see better results. Like I said earlier, there
18 is a subcommittee and we have met twice already and plan
19 to meet again, I believe, week after next to identify
20 which counties we will target. We are working with the
21 staff on the brochure that Ms. Golden mentioned earlier so
22 that we can have one brochure that customers will see
23 throughout the state, whether it's distributed by the
24 companies, by the Public Service Commission, so that it is
25 the same Lifeline program. There won't be different

1 brochures all over the place.

2 And like I said to Commissioner Tew in her
3 question, we are hoping that we can get some kind of seal,
4 whether it is the Public Service Commission, Office of
5 Public Counsel, on that brochure to help authenticate the
6 program, and that it won't just be a company program or,
7 you know, Commission, or whatnot. It is jointly by the
8 state.

9 We continue to work on those efforts, and we are
10 hoping to have those brochures sent out to the schools
11 sometime in June, prior to school, early before school
12 starts. Last year one of the things we ran into was a lot
13 of the schools were busy trying to get the Jessica
14 Lunsford Act implemented, and we had some difficulty
15 getting their attention when it got closer to school. So
16 we are hoping to get those out earlier and that those
17 would be placed in the back-to-school packets.

18 I will say that if there is any county that does
19 not fall in those that we do select, and wish to have the
20 brochures, you know, all the companies have people in the
21 field, they have relationships, you know, with county
22 representatives, that we will provide them the brochures.
23 We want more -- you know, we want to get them out. That's
24 not the point of not doing the entire state; it is that we
25 want to target certain areas, but we are more than glad to

1 send brochures and information to any school that would
2 request them.

3 But what is needed from the agencies? I guess
4 that is, you know, that's the question that is asked all
5 the time. And I will say that how this presentation
6 actually came about is that we, about a month ago,
7 provided a presentation to a monthly meeting that the
8 Governor's Office has for the state agency heads and the
9 Chairman was there. And one of our hopes in that meeting
10 was to get to the agency heads so that we could try to
11 explain to them what is needed from them. What would we
12 like to see happen with Lifeline. And as the Chairman
13 said, we are working those issues, or she is working those
14 issues and, hopefully, we can get with those agency heads
15 and get some of this incorporated.

16 In the short-term we would really like to get
17 the forms, the simplified certification forms distributed
18 to the agencies, so that at the point of contact, when the
19 client meets with their representative, whether it be DCF
20 or Elder Affairs to sign up for a program, that they get
21 the information at that point of contact.

22 We believe that that is the appropriate time for
23 them to hear about Lifeline. That would be the
24 appropriate time for them to sign up for Lifeline. Now,
25 if they fill out that form on the spot, there's the

1 question, what happens with it then? It sounds easy.
2 Well, the DCF rep would just, you know, send it to their
3 telephone company. But it brings up, I think, a question
4 that I think Commissioner Deason had earlier. In a
5 competitive environment that is not always so easy to know
6 who their carrier is.

7 One of the things that we have talked about is
8 maybe having the Public Service Commission as an
9 intermediate between -- the agency would get forms, and
10 that the client would fill out. They would be sent to the
11 Public Service Commission, and then they could determine
12 what telephone company those forms need to go to. It's an
13 idea, you know, that we probably need to talk through a
14 little more, but I think that we all know that putting
15 more burden on the agencies to have to go through forms to
16 figure out which telephone company it goes to is probably
17 not reality.

18 To take that one step further, to not only
19 provide the form at the point of contact, it kind of falls
20 into more of the long-term which is something that was
21 just actually uncovered recently by myself. When you go
22 to the Access One website that was talked about earlier,
23 you get the online enrollment form for DCF programs.
24 There is also a printable version of that form. When you
25 print out that form, the DCF form actually has on it a

1 place near the end of it that says you may be eligible for
2 reduced telephone rates. Check yes if you would like DCF
3 to release your name, Social Security Number, phone number
4 and the fact that you receive food stamps, temporary cash
5 assistance, or Medicaid to the local telephone company,
6 and you may receive reduced a telephone rate through the
7 Lifeline program. And there is a little box, check yes or
8 no.

9 So I personally did not realize that DCF had
10 that on their form. I'm told that on their online version
11 it does not show up. I believe that the staff has met
12 with DCF and confirmed that. However, if a customer
13 checks yes, currently nothing happens with that. It never
14 gets to the company. And how I came about that is that in
15 some of our community events, I'm told that customers
16 would come up and say that I signed up for Lifeline but
17 nothing ever happened. Well, it turns out they checked
18 yes on their DCF form, but it was never sent to the
19 telephone companies. So there is a disconnect there.

20 We have got -- we have got this language in the
21 DCF form, which I think is wonderful, and it's where it
22 needs to be. And if a customer checks yes, we need to get
23 that information to the telephone company. This is
24 another place where I believe that the Public Service
25 Commission could come into play, in that easily there

1 could be a file sent from the DCF with those applicants
2 that check yes, you've got their permission to send their
3 information, so confidentiality issues should not be a
4 problem, because they are giving you permission to send
5 their information. That information could come to the
6 Public Service Commission. They could discern which
7 telephone company the customer is with and then
8 disseminate that information to the appropriate local
9 telephone company.

10 To me there has been a lot of talk about
11 automatic enrollment today. I don't know how much more
12 automatic you get. You say you want it, it goes to your
13 local telephone company, you get signed up for Lifeline.
14 So, you know, before I talked about that as being more of
15 a long-term, but I don't think it's actually as long-term
16 as we initially thought it was. I think we can get to
17 maybe, as we call it, the one-stop process a little sooner
18 than what we probably all initially thought that we could.

19 CHAIRMAN EDGAR: Ms. Sirianni, before you go on,
20 I know that Ms. Banks did very recently meet with staff at
21 DCF because I asked her to do that.

22 So can you share a little more information on
23 the issue that Ms. Sirianni just raised from your
24 discussions as well, Cheryl?

25 MS. BULECZA-BANKS: Yes, Chairman. When I met

1 with them, again, the issue of certainly the
2 confidentiality issues come up, and I think, you know, the
3 issue of -- we discussed whether they would be able to
4 identify the phone company for us, and that was not
5 something they would like to do. They said that that
6 would put them in a precarious situation if a client then
7 says, well, is that a good company or do you have a better
8 one? And they didn't want to get into that issue.

9 They did recognize and tell me about that when
10 you check yes on the hard copy nothing happens, and that
11 it doesn't appear in the electronic process. What they
12 did say, however, that every eligibility letter that is
13 issued has the one paragraph in there that says, you know,
14 you may qualify for Lifeline regardless if you check yes
15 or no. It's in the standard letter.

16 As far as the online issue, they said that they
17 were going to be updating their program to correct the
18 error, that you can actually then online check yes or no.

19 What my understanding is, is that when the DCF
20 representative would be going through to evaluate the
21 online application, and, you know, it does printout on
22 there and it says yes/no, the client -- I mean, the DCF
23 rep would just check no, because there is no way they
24 would know if they actually wanted to release that.

25 Yes, there are issues of confidentiality. Yes,

1 I think that they may be willing to release a document of
2 those people that they processed and approved in some kind
3 of format. It would certainly take a third-party to go
4 through that and identify the customer. They were
5 reluctant also, even so to ask for the phone number,
6 because they didn't think that most of the time that would
7 not have been very helpful, because they said it's
8 typically not in their name. That the phone number is
9 either in another family member's name, or a relative, or
10 some other person that they are associated with. So they
11 didn't know how helpful that would be. But I think that
12 that might be something that we can work with to get to a
13 point, where, yes, I mean, I have to have a phone number
14 or whoever the third-party would be, should it not be the
15 Commission.

16 And I think at that point there are different
17 ways to do it. I mean, ideally, you know, you were hoping
18 that it could just be a file that could be transmitted
19 very easily, but then you do have the issues of
20 confidentiality when you are coming over a network system.

21 So, I mean, there are some issues. I think we
22 can get somewhere. It's kind of like anything else. What
23 do you term as automatic enrollment? I mean, automatic
24 enrollment in somebody's mind could be the minute that the
25 box is checked that they qualify for food stamps, they are

1 automatically enrolled somehow through an interface. That
2 is one way to look at automatic. Automatic could mean I
3 don't have to do any other step except for filling out the
4 one DCF application. So I think there is just different
5 ways to do it.

6 I did want to say that a lot of good ideas have
7 come up, and one thing that I think I would like to look
8 into more is if you had -- if the utilities, besides the
9 Commission, had a place on your website where they can
10 click and fill out the application, because based on what
11 DCF has told us also is that 80 percent, as Martha said
12 earlier, are applying online which really was surprising
13 to me, but because so many of the local offices are closed
14 there is not too many other opportunities.

15 Similarly, in the utilities industry you don't
16 have too many customer service centers open and some of
17 you not at all. So maybe that would be something that
18 would be -- you might want to start thinking about. Is
19 that a costly endeavor? Would it be that difficult? To
20 me anything that, obviously, that is a mode of enrollment
21 that the people are using may be positive. It may be
22 something to think about.

23 MS. SIRIANNI: Thank you. That's helpful to
24 know, an update of what is happening. So I believe, based
25 on what Ms. Banks said, there are some issues. It is not

1 perfect. I agree that one of the problems that we run
2 into today, and we will run into even going down that
3 road, will be does the name match the name on the
4 customer's account? Is the Social Security Number the
5 same? Those issues continuously come up in this
6 environment. I will say that, you know, the Commission
7 has the simplified certification form on their website,
8 and I am working with our company to -- we have a link on
9 our site that gives you information about Lifeline. And,
10 also, it points you to the USAC website, which gives
11 additional information about Lifeline.

12 I'm trying to work with the BellSouth website so
13 that it can point them to the simplified certification
14 form that is on the Commission's website. And I'm not
15 saying it's a problem, but, you know, we operate
16 regionally, and the website is a regional website, and
17 each state has a little different tweak to it so there is
18 a different form for each state.

19 So I'm working through those issues, but,
20 hopefully, I can get it where a customer can actually
21 click on, and they would go directly to the form and be
22 able to, you know -- whether they would be able to fill it
23 out online, I'm not sure if that is actually even possible
24 today on the Commission's website or if they have to print
25 it out and then fill it out. I'm not sure how they have

1 it loaded.

2 MS. GOLDEN: Actually, it's set up where they
3 can type their information on the form on the website.
4 They can't submit it anywhere. They would have to still
5 print it out and mail it or fax it. But if they prefer to
6 type it as opposed to writing it, they can do that on our
7 site.

8 MS. SIRIANNI: Then they would just print it out
9 and there is the fax number and the telephone number and
10 the mailing address there. So we are working on that.

11 Just to kind of finish up quickly, what does the
12 agency need from us, the industry, the Commission?
13 Jointly we could provide them the forms that they need for
14 their regional offices, if that's what they need. We
15 could provide them the training that they need, any type
16 of brochures, question and answer type information they
17 need to provide to their clients, training for their
18 representatives when you initially put the program in
19 place, so that they know -- so that we can ensure that
20 they represent Lifeline and Link-Up appropriately.

21 Basically, whatever the agencies need, I believe
22 that jointly we agree that we will work with them to
23 provide that information. And with that, I would just say
24 if there are any questions.

25 CHAIRMAN EDGAR: Commissioner Carter.

1 COMMISSIONER CARTER: Thank you, Madam Chairman.
2 Just briefly. Your colleagues in other states, have you
3 all been sharing best practices? I noticed that we
4 started off this morning about Colorado, Rhode Island, and
5 New York, and we talked about Texas and some other states.
6 What are you -- in the industry, now, are you guys sharing
7 best practices in terms of how it is that they are able to
8 sign up far more people than we are here in Florida?

9 MS. SIRIANNI: In the BellSouth states, we have
10 nine states in our region, and Florida actually was the
11 first one to implement the simplified certification form.
12 And as of now we have seven of our nine states using that
13 form which initiated here in Florida. None of our states
14 have -- and like Ms. Banks said, there are quite different
15 definitions for automatic enrollment. But none of our
16 states have what you would coin as an automatic enrollment
17 type of setup at this point. Several of our states do
18 have a fund and the commission itself is the one who
19 signs up the clients for Lifeline.

20 I would say that Florida probably has more
21 efforts toward Lifeline than any of our other regional
22 states. So as far as BellSouth, we do look at what the
23 other states are doing outside of our region, but as far
24 as the states in our region, Florida probably has the
25 strongest and most proactive Lifeline program.

1 We are aware of what they are doing in Texas and
2 California and Ohio. We have not incorporated any of
3 those into our states at this time.

4 CHAIRMAN EDGAR: Commissioner Arriaga.

5 COMMISSIONER ARRIAGA: We just went through
6 Ms. Banks' explanation of the process as suggested by your
7 company and what you seem to call automatic enrollment. I
8 think I heard you say, how automatic could you get. Well,
9 after that, Ms. Banks speaks, and you see that what you
10 call automatic is not so automatic. It is kind of like
11 more bureaucratic entangling.

12 So let's take the automatic enrollment
13 definition as defined by OPC, which is automatic. What is
14 your company's position on OPC's suggestion to this
15 Commission?

16 MS. SIRIANNI: Let me just make sure I would
17 call OPC's definition of automatic enrollment before I
18 answer that. And I believe what they said is if a
19 customer is eligible for a program like food stamps, and
20 they sign up and get qualified then they would
21 automatically be signed up for Lifeline.

22 COMMISSIONER ARRIAGA: Is that correct?

23 MS. WHITE: Yes, that is correct.

24 COMMISSIONER ARRIAGA: Okay. Based on that
25 definition --

1 MS. SIRIANNI: Based on that definition, the
2 part that is missing in there for me -- if the customer
3 says they want Lifeline, then they would automatically be
4 signed up for Lifeline. I believe the thing missing there
5 for BellSouth's definition would be if that customer is
6 eligible for food stamps, and they say they were told you
7 are also eligible for the Lifeline program, like on this
8 form and they checked yes, then they were giving their
9 permission to enroll in that program, we would
10 automatically enroll them in Lifeline.

11 COMMISSIONER ARRIAGA: So your company's -- your
12 company's position is that you would be okay with that
13 definition of automatic enrollment, and you do not oppose
14 that suggestion from OPC?

15 MS. SIRIANNI: As long as you get the customer's
16 permission to be enrolled in the program.

17 COMMISSIONER ARRIAGA: Like in the case of Rhode
18 Island where the customer sends back a postcard saying,
19 yes, I would like to participate.

20 MS. SIRIANNI: That's right. That's right.

21 COMMISSIONER ARRIAGA: A little effort -- a
22 little effort on the part of the company -- of the
23 subscriber.

24 MS. SIRIANNI: That's correct.

25 COMMISSIONER ARRIAGA: You would not oppose

1 that?

2 MS. SIRIANNI: I would not oppose that.

3 COMMISSIONER ARRIAGA: Thank you.

4 CHAIRMAN EDGAR: Ms. Parker.

5 MS. PARKER: My name is Ava Parker, and I'm with
6 Linking Solutions. And I have the pleasure of working
7 with the Lifeline assistance and Link-Up Florida program
8 throughout the state of Florida.

9 And right now we are actually working, as
10 Maryrose indicated, with the one-stop shop centers
11 specifically throughout the state. In Florida we have --
12 I should say with the Work Force Florida Regional Boards
13 and then in turn with their one-stop shop centers. As you
14 are aware, the Work Force Florida Regional Boards are
15 throughout the state, there are 24 of them. And they
16 pretty much handle the different programs that are
17 available for their customers within their region. And
18 within those regions we have 99 different one-stop shop
19 centers. And what happens is that customers who qualify
20 for the programs often find themselves going through the
21 one-stop shop centers in order to actually receive those
22 benefits.

23 When there was a change in the actual Department
24 of Labor and a change nationally with some of our
25 programs, often there was a requirement for some training

1 in order for citizens to receive some of the benefits. So
2 most people who participate in several of the programs
3 that qualify them for Lifeline, in order to receive those
4 benefits, they often have to go to the one-stop shop
5 centers in order to sign up and/or participate in training
6 classes.

7 So our focus this year is to actually spend time
8 with the work force regional boards so that they are aware
9 of what the Lifeline program is, and, in turn, spend time
10 with the staff at the one-stop shop centers so that when
11 they receive customers who actually qualify for the
12 programs that they can, in turn, share the information
13 with the customer.

14 I think it gets to some of the points that were
15 made earlier about the fact that often folks who qualify
16 for Lifeline may need a person that they trust who they
17 can actually communicate with and can let them know this
18 is a good program that you may want to participate in.
19 And so we actually work with the staff folk at the actual
20 one-stop shop centers and give them a training on what the
21 Lifeline program is.

22 What I found interesting with our work so far is
23 that many of these individuals have heard of Lifeline, but
24 they have been somewhat confused about what the program is
25 and what the program benefits are. In order to sell this

1 opportunity to the regional boards and the executive
2 directors and the one-stop centers, we indicated that it
3 is important for your customers to have a local telephone
4 in order to get employment. It's important for them to be
5 able to stay in contact with possible opportunities for
6 interviews. So hence this is something that could really
7 enhance the services that you are already providing.

8 So we put together a program. It takes about 20
9 or 30 minutes, and actually spend time with the staff
10 members at the one-stop shop centers and go through what
11 the Lifeline program is, share with them the most current
12 applications and the most current guidelines. And so then
13 when they receive questions from their customers or when
14 customers come across their desk who qualify for the
15 program, they may, in turn, share this information with
16 the customer.

17 I feel like we have really done a good job when
18 we are able to get those -- because they have like
19 different training courses, and they may have a training
20 course for individuals who qualify for low income home
21 energy assistance program or for temporary assistance for
22 needy families. That's a perfect example. And what I've
23 encouraged them to do is that if you would share this
24 application with your customers when your training them on
25 different services that are available to them, there is an

1 800 number fax on here, if you would go ahead and
2 encourage them to fax this application in and that's one
3 way that you are actually facilitating that customer
4 having an opportunity to have a local line.

5 So right now we have made contact with 14 of the
6 24 regions, and we have either already gone to some of
7 their one-stop shop centers or we have already made
8 arrangements to go and speak with those staff folks. And,
9 additionally, we are going to be speaking with the 24
10 regional boards so that they will understand what the
11 program is and encourage their staffs at the one-stop shop
12 centers to share the information.

13 I found it to be just very interesting just in
14 meeting with these folks, because most people who work at
15 the one-stop shop centers are folks who care about the
16 people that we are trying to make sure are aware of the
17 availability of Lifeline. And once I've shared the
18 information with them, they have been very receptive to
19 the cause of sharing it with their customers.

20 A couple of things that I think have really made
21 a difference with this is that I did work with your staff
22 in coming up with the information that I would share.
23 That is that the information that they receive in their
24 brochures and the applications is something that I worked
25 with Bev and her staff on to make sure that we agree that

1 we are all sharing the same information.

2 Secondly, the thing that I think has been very
3 beneficial is that we are also working on the one
4 application. I think it's something that Maryrose had
5 also mentioned that has come out of the National School
6 Lunch program back-to-school effort in that by having one
7 application that everybody can identify with, it's been
8 easier to increase awareness and availability of the
9 services.

10 I think that people have been somewhat confused
11 about the program because it hasn't been -- the
12 applications have kind of looked differently depending
13 upon where you have gone. But the ideas that we share
14 with them, the Office of Public Counsel, the income
15 verification application, explain that and explain that,
16 we share with them the self-certification application,
17 explain that to them. We share with them the one that is
18 currently in place for BellSouth, Sprint and Verizon, as
19 well as the application that's in place for the smaller
20 carriers, and then give them the brochures and posters and
21 encourage them to share the information.

22 So we are very excited about this opportunity.
23 I think it really is reaching those folks who have direct
24 contact, and these are folks who actually, I think, are
25 trusted by those we're trying to reach with the Lifeline

1 program. And that's it.

2 CHAIRMAN EDGAR: Commissioner Carter.

3 COMMISSIONER CARTER: Thank you, Madam Chairman.

4 Ms. Parker, you are saying that there is a
5 standard form that everyone is using, is that correct?

6 MS. PARKER: I guess I end up with three
7 different applications that I share with them. It's the
8 one from the Office of Public Counsel, the one that's
9 being used by BellSouth, Sprint, and Verizon; and the one
10 that is used by the smaller carriers.

11 COMMISSIONER CARTER: If I may follow up, Madam
12 Chairman.

13 Are they all asking for the same information?

14 MS. PARKER: Yes and no. They do ask the same
15 information regarding, you know, the customer name,
16 address. They ask for a Social Security Number. But for
17 the self-certification application that's used by
18 BellSouth, Sprint, and Verizon, you just check a box and
19 sign your name and send it in. At this point the
20 application I am currently using, and I understand it may
21 be changing with the smaller companies, but it requires
22 that you actually send in some verification to show that
23 you qualify to receive the benefits that you say that you
24 receive in order to qualify for the program. And for the
25 Office of Public Counsel, you have to attach some type of

1 verification of your income level in order to receive --
2 in order to send that application in.

3 CHAIRMAN EDGAR: Commissioner Carter.

4 COMMISSIONER CARTER: Just a brief one. The
5 applications, I guess I probably should have asked this
6 early on, but the applications by both the one-stop shop
7 centers, as well as the Children and Families, as well as
8 the Public Counsel's Office, you know, I could see how a
9 person could go into application fatigue, saying I just
10 filled out this form and now you want me to fill out
11 another form.

12 Is there anything that would preclude taking
13 that form that this person may have filled out for DCF, or
14 this form that they may have filled out for AWI and using
15 that as verification so that it would qualify for the
16 Lifeline program, or do they have to go in, in addition to
17 that, and do a separate application?

18 MS. PARKER: Let me first clarify, because I
19 didn't do a very good job of explaining that. I share all
20 three applications with the idea that the customer would
21 only complete one of those three in order to qualify.
22 That is that they would use the OPC application if they
23 were going to qualify based upon their income. If they
24 were in a territory with a smaller carrier, they would use
25 that application, or if they were in a territory with

1 BellSouth, Sprint, or Verizon, would also participate in
2 one of the qualifying programs, they would just that one
3 application. So just so you know that -- I think I may
4 have confused you by saying --

5 COMMISSIONER CARTER: No. I follow -- excuse
6 me, Madam Chairman.

7 I follow you there. I'm saying the application, if
8 they go into these offices for subsistence, for support, for
9 assistance, for some form of aid from the government, and I
10 follow you about those three forms, but I'm saying that the
11 actual application that they applied for services from DCF or,
12 you know, wherever, AWI, whatever the case may be, would -- I
13 mean, would the information on that application be sufficient
14 enough for them to qualify, regardless of whether they are
15 using the BellSouth application, the Verizon application, or
16 the OPC application?

17 MS. PARKER: I've never seen the application
18 that they complete. However, I would think that you would
19 be correct in that the information that they may have to
20 provide at the one-stop shop centers may be very similar
21 to the information that we would be looking for on the
22 applications that I just described. So there may be some
23 opportunity to streamline the process with the one-stop
24 shop centers to see whether or not whatever processes or
25 applications they complete there can they in turn use that

1 same information or agree to have that same information
2 used in order to qualify them for the program.

3 COMMISSIONER CARTER: Does that make sense to
4 you?

5 MS. PARKER: Yes, it does.

6 COMMISSIONER CARTER: You know what I'm saying?

7 MS. PARKER: Yes.

8 COMMISSIONER CARTER: Thank you, Madam Chairman.

9 CHAIRMAN EDGAR: Ms. Parker, further comments?

10 MS. PARKER: No. Thank you very much.

11 CHAIRMAN EDGAR: Thank you.

12 Others?

13 Mr. Christian.

14 MR. CHRISTIAN: Good afternoon, Madam Chair.

15 Good afternoon, Commissioners. Dave Christian on behalf
16 of Verizon.

17 We just have a few slides that we would like to
18 share this afternoon. If you would go to the first one,
19 please. Lifeline goals, we have all heard and talked
20 about these today. We don't need to spend lot of time on
21 them.

22 The third bullet, though, is what I really want
23 to focus on on my first slide. Develop a sustainable
24 long-term plan. And what I mean by that is getting
25 everyone in a room and sit down and talk about the rules

1 of the road as far as outreach, as far as program
2 eligibility criteria, enrollment processes and funding.

3 There is a workshop or a rule development that
4 just was issued this past week. It is four rules. I
5 think there is a lot more issues out here that we are
6 discussing today of the different enrollment forms. For
7 example, the wireless ETCs that have been approved by the
8 FCC, the ETCs that have been approved by this Commission
9 in the last couple of months, where are they today? I
10 don't see them.

11 There is a level playing field issue here that
12 has not been discussed. Competition has facilitated the
13 ETCs from different platforms to be able to offer services
14 to low-income customers. In fact, this Commission voted
15 on two ETC designations last week that are focussing only
16 on low-income customers. They are not going after rural
17 high cost funds. They need to be brought into the process
18 and told what the rules are. How do they sign up
19 customers. What is the information they need to get the
20 customers enrolled.

21 We have experience here, a lot of the companies
22 in the last couple of years on how do that. I would like
23 to entertain the idea of a rulemaking that is much broader
24 than the things that are out there today, and I believe we
25 will be filing for a workshop -- a rulemaking workshop

1 that will include a lot of those other issues.

2 Next slide, please. We have done a lot of
3 outreach over the last three years that is focused on
4 large festivals and events, and we are now moving towards
5 a hyper-targeted set of meetings and outreach efforts.
6 These meetings are held at community centers now in
7 low-income housing developments. We have done a couple
8 this year already, including what we have done last year.

9 We are reaching out to local community leaders
10 and legislators to get them involved in the program.
11 Certainly, legislators that represent low-income
12 neighborhoods or areas. We believe that just like the
13 work force development efforts that are being done by
14 Linking Solutions, that is something we are copying on a
15 broader scale in our Tampa Bay region. And I'll talk
16 about some specific areas that we're reaching out to in
17 just a minute.

18 Next slide, please. This is just one example
19 of -- it is from the behind the stage of the Conga
20 Caliente Festival. And this is a highly attended Latin
21 American musical festival in the Tampa Bay region. This
22 is in Franklin Park.

23 UNIDENTIFIED SPEAKER: Al Lopez.

24 MR. CHRISTIAN: Al Lopez Park. Sorry.

25 And there is about 30,000 attendees throughout

1 the day. Verizon, we paid for a major sponsorship
2 opportunity at this event, as we have done in other things
3 in the past. As a sponsor of some of these larger events,
4 we are able to run ads in community newspapers, the
5 weeklies, like the Florida Sentinel and other Hispanic
6 newspapers. Because of those sponsorships, we get air
7 time on radios, and we are talking about Lifeline here,
8 not Verizon Florida.

9 We have booth space set up at these events where
10 we have both English and Spanish-speaking Verizon
11 personnel handing people forms and saying, if you are not
12 eligible, please give this to one of your neighbors or
13 your family members that are. We have done an incredible
14 job in this aspect, I think, in targeting the communities
15 that need this benefit.

16 Next slide. This is an example of a Lifeline
17 outreach at a community center in a Section 8 housing
18 complex in Tampa. This was also in conjunction with
19 Linking Solutions, I believe. And this is the one where
20 we were in a housing center, again, predominately, I would
21 say, 50/50 split English, Spanish-speaking population.
22 When you go into these centers you see the need for this
23 service, and you see these people that are living in
24 Section 8 housing. It's kind of depressing. And, you
25 know, you hear the stories of folks saying, I haven't had

1 a phone in ten years. This gives me the ability to get
2 phone service so I can talk to my daughter. We understand
3 the importance of this service. We're happy to provide
4 it.

5 I think there are some policy issues we need to
6 discuss, and we are ready and willing to do so. I don't
7 think there are any quick-fixes to this. These issues are
8 borne out of years of regulatory proceedings that we have
9 had at this Commission. They are borne out of years of
10 federal regulatory proceedings concerning Lifeline. And I
11 think we would like the opportunity to share our policy
12 positions with you in a broader proceeding to look at some
13 of the facts and understand where we are coming from.

14 And here are just some of the ideas that we
15 have. We think the simplified enrollment process that we
16 have in Florida is one of the easiest ways if we can tap
17 into the right vein of the application process. How do we
18 get the applications to the right people? We are just on
19 the cusp of that now. With this program-based enrollment,
20 we are going to capture a lot of customers that are
21 eligible, but we need to be able to get that out in
22 people's hands, and how do we do that?

23 Well, Verizon believes to do that you have got
24 to get out in the community. And we have done some
25 incredible outreach meetings, even just meeting with the

1 local NAACP office, local project manager, and giving them
2 forms and saying, if you know folks, hand them out, send
3 them back to us. We will put them on Lifeline.

4 We have also partnered with the information and
5 referral service providers, the two-in-one call centers in
6 the Tampa Bay region. These are county-focused providers
7 that give out information to folks when they call and say,
8 I can't afford my heating bill, what do I do? I need a
9 shelter, that kind of thing. Those are the kind of ideas
10 that we have that we have been doing in our service
11 territory.

12 Each one of our counties, Polk County, Manatee,
13 Sarasota, Pasco, Pinellas, Hillsborough, we have a plan of
14 places we're going to go this year to touch the
15 non-profits, the community-based organizations that serve
16 low-income customers. And we think we have a very good
17 plan. It's an aggressive plan, and we hope we can turn
18 this into a higher enrollment percentage for Verizon in
19 Florida.

20 You can read the bullet points and understand
21 our position on a lot of the troublesome issues we have
22 been trying to tackle today. I am happy to answer
23 questions on specifics. And with that I will --

24 CHAIRMAN EDGAR: Thank you, Mr. Christian.

25 Commissioner Deason.

1 COMMISSIONER DEASON: I'm looking at Page 2 of
2 your presentation, the second bullet point, which reads
3 focus on consumers who would not have telephone service
4 without Link-up and Lifeline. How do we do that?

5 MR. CHRISTIAN: I think we reach out to
6 organizations like the Front Porch initiative. We reach
7 out to some of the other non-profits that serve low-income
8 customers. I don't think there is a magic bullet, there
9 is a database out there somewhere that is going to tell us
10 who doesn't have phone service.

11 But as you have heard, the statistics from the
12 PURC study and from the FCC on phone penetration in
13 Florida, low-income customers are 90 percent -- have 90
14 percent phone penetration. And the Florida average phone
15 penetration is just over 95 percent, I believe, with the
16 latest numbers. I don't know how you would find that
17 community, but we are looking, and we are reaching out to
18 organizations on a daily basis to do that.

19 COMMISSIONER DEASON: I think this bullet point
20 hits on a point that I think needs to be made at some --
21 at some point during these discussions here. And I know
22 that we have identified goals, and it seems that a goal
23 that permeates everything that we have discussed here
24 today is to increase the number of eligible consumers who
25 take advantage of Lifeline and Link-Up. And, certainly,

1 that is a laudable goal. I'm not against that goal, but
2 it seems to me a broader goal and a more meaningful goal
3 is to increase telephone penetration rates in the state of
4 Florida, i.e., those customers -- or not customers, those
5 citizens, those individuals who desire to be connected to
6 the network, and due to whatever their circumstances in
7 life may be that they cannot afford that, that they are
8 given the assistance needed through Lifeline and Link-Up
9 to get connected to the system. And that if we simply
10 just increase the number of subscribers without increasing
11 our penetration rates, I think we have failed to some
12 extent.

13 We're using money, and we are subsidizing
14 customers who are already on the system and have chosen by
15 whatever means necessary, they have found it necessary to
16 be connected to the system. And if those folks need
17 assistance to maintain their connection to the system, I
18 think that is money well spent, as well. But it seems to
19 me the goal should be a telephone for everyone that
20 legitimately desires a phone and needs assistance and to
21 try to get the penetration rate as high as possible, not
22 simply just to look at the raw numbers of getting more
23 people signed up for Lifeline and Link-Up. Do you agree
24 with that or disagree?

25 MR. CHRISTIAN: I absolutely agree with you,

1 sir. I think you have hit the nail on the head. We think
2 that there is support available for folks who require some
3 assistance to keep connected to the basic local
4 telecommunications network. When we're talking about
5 moving folks automatically simply to receive a benefit, it
6 doesn't further the goal of telephone penetration, and I
7 think that is the measuring stick that we should be
8 looking at rather than to a degree we do need to look at
9 the 12 percent. I think that can be higher, no question.

10 But I think as we -- you want to talk about what
11 does that 5 percent that doesn't have phone service, what
12 does that mean? What do those numbers look like? I think
13 we need to focus on that segment, and how do we get to
14 that I don't have the answer here today.

15 CHAIRMAN EDGAR: Commissioner Arriaga.

16 COMMISSIONER ARRIAGA: Thanks. Mr. Christian
17 just made some comments before about the process we use
18 here at the Commission to recommend the staff to the
19 Commission and our approval of ETC certification. We have
20 approved three in the last two or three months. During
21 the briefings that we hold with staff, or at least that I
22 hold with staff, I always ask the same question. Is this
23 going to enhance our Lifeline participation by approving
24 these certifications? And the answer I get is yes from
25 staff, and that is why I vote positively on this issue.

1 Are we following up on the participation rate
2 that these companies have agreed to do regarding Lifeline
3 participation and the increasing of the service to the
4 people they are willing to serve?

5 MS. BULECZA-BANKS: Are you asking me if we have
6 gone back to these companies to see how they're
7 progressing?

8 COMMISSIONER ARRIAGA: It is one of the
9 questions that I asked you in the briefings. How are we
10 going to check and see that this approval has resulted in
11 increases in the Lifeline participation? Do we have that
12 in place?

13 MS. BULECZA-BANKS: We don't have a formal
14 process in place, but at any time we are allowed to ask
15 these entities the number of Lifeline customers they have
16 signed up at any point that we would like the information.

17 COMMISSIONER ARRIAGA: This is something that I
18 have requested as a condition for me to vote positively on
19 granting the certifications, that we are able and capable
20 of following up to make sure that these companies getting
21 ETC certification are, indeed, increasing the number of
22 people in Lifeline.

23 MR. CASEY: Commissioner, if I may. I do
24 maintain a data base, which I download from the USAC
25 website each month which gives the amount of money sent to

1 these telephone companies as reimbursement for Lifeline,
2 high cost and everything else. And I do keep that on a
3 monthly basis to see how much they are being reimbursed
4 for Lifeline. All the companies, not just the small ones.

5 COMMISSIONER ARRIAGA: Madam Chair, if I may
6 suggest that in the near future, please come back to us
7 and let us know, maybe six months down the line, how these
8 three companies or whichever company we approve in the
9 future are doing in the commitment to go ahead and
10 increase Lifeline participation, because that is why we
11 are giving them the ETC certification.

12 MR. CASEY: We will be happy to do that.

13 COMMISSIONER ARRIAGA: Thank you. And may I
14 follow up.

15 Mr. Christian, the same question I did to -- I
16 made to BellSouth. We have been talking about automatic
17 enrollment, and I heard you exchange some comments this
18 morning with OPC. Do I understand, then, that you are
19 opposing automatic enrollment, your company, as defined by
20 OPC?

21 MR. CHRISTIAN: I would think that part of that
22 discussion that we have been talking about we need to
23 focus on funding. We are talking not about two or \$3
24 million is what we are currently spending on Lifeline in
25 Florida today, but we are talking tens of millions of

1 dollars. So I would need to caveat anything that we do in
2 the future that increases substantially by tens of
3 thousands of customers and millions and millions of
4 dollars that we would have to request some funding.
5 Whatever mechanism we choose that we would avail ourselves
6 of, I think, is open to discussion.

7 COMMISSIONER ARRIAGA: Isn't that something that
8 you agreed upon maybe a year ago with OPC with the rate
9 rebalancing, that rate rebalancing -- you would increase
10 your efforts in Lifeline if rate rebalancing was passed by
11 the Legislature?

12 MR. CHRISTIAN: I think we have fulfilled our
13 duty and the intent of that agreement. We have
14 implemented the simplified enrollment process, and as my
15 slides show, we have added almost -- over 9,000 customers
16 in a year using that process. We have promoted Lifeline
17 to as many agencies and non-profits as we can think of.
18 Our numbers are going up. I don't think we agreed to 25
19 percent, 35 percent increase. We agreed that we would try
20 our best to get those numbers up. And from what I can see
21 from my numbers, the numbers are going up, sir.

22 COMMISSIONER ARRIAGA: But they are not going
23 beyond the 11 percent penetration that we have in the
24 state of Florida. You are among, like the rest of the
25 companies, 11 percent and that's the highest it goes.

1 But, again, would you opposed automatic enrollment as
2 proposed by OPC? Does your company oppose that?

3 MR. CHRISTIAN: Again, as my original response
4 was, it's conditional on getting funding.

5 COMMISSIONER ARRIAGA: In New York state has
6 your company been funded to do this?

7 MR. CHRISTIAN: Yes, sir.

8 COMMISSIONER ARRIAGA: And funded in which way?

9 MR. CHRISTIAN: They are also funded -- not only
10 the cost of the program, they are funded by their
11 administrative costs to implement automatic enrollment.

12 COMMISSIONER ARRIAGA: And where is the fund,
13 because we can learn from that experience. It is funded
14 over there --

15 MR. CHRISTIAN: It is funded by a state fund
16 that is based on intrastate revenues of carriers that all
17 pay into the fund that are regulated by the commission.

18 COMMISSIONER ARRIAGA: So a fund is not
19 something that is out of the question. It is a
20 possibility, isn't it?

21 MR. CHRISTIAN: I believe absolutely it is
22 possibility, whether we go through the interim mechanism
23 under the statute currently today, sir, or we go back to
24 the Legislature. And where I'm talking about is we all
25 come together with some idea of where we are going that is

1 not confrontational, that understands the requirements of
2 the phone companies as well as the customers out there to
3 get Lifeline out to them. We need to focus on either a
4 tax credit to the carriers or general revenue funding.

5 And now this is, I think, the compelling reason
6 why my position is interesting. Because now that we have
7 multiple ETCs in the state of Florida, you are now going
8 to -- by increasing funding for Lifeline, you will incent
9 those ETCs that we just talked about, the wireless ETCs
10 and the other CLECs, you will incent them to go after
11 those low-income customers as a business idea, and not
12 just saddling the carrier of last resort, the ILEC, with
13 the majority of the low-income customers.

14 COMMISSIONER ARRIAGA: Are you suggesting that
15 this fund will come out from the taxpayers of the state of
16 Florida?

17 MR. CHRISTIAN: This is a social service just
18 like TANIF, food stamps, Medicaid, Medicare that is paid
19 out of general revenue funds. I don't see the difference.
20 Now, I'm not saying that we are going to do this this
21 year, but it is an idea, and I want it to germinate with
22 people. And if there is some compelling reason why we
23 should look at that, I would like the Commission's support
24 on that.

25 COMMISSIONER ARRIAGA: So you think that in an

1 environment of deregulation and competition and free
2 market we can still go to the taxpayers and say we are
3 going to tax you for social purposes?

4 MR. CHRISTIAN: There are other ways to do this,
5 too. We could eliminate the \$3.50 and keep the funding at
6 a lower level, and then everyone can go to the feds and
7 get their money.

8 COMMISSIONER ARRIAGA: And you think that would
9 solve the problem? That will increase --

10 MR. CHRISTIAN: It would certainly create a
11 competitive playing field that is level for all providers
12 or ETCs.

13 COMMISSIONER ARRIAGA: And let's go back to my
14 comment before, when you were arguing about rate
15 rebalancing a year ago, two years ago, one of the things
16 you promised the Legislature, and I think this Commission.
17 I wasn't here then, but I don't know, but I know the
18 Legislature was that rate rebalancing, among other things,
19 you would increase your efforts to get more people signed
20 up into Lifeline. And you may have done that. But the
21 fact is that it hasn't increased.

22 How can we go back to the Legislature and say,
23 now, I need an extra fund. I need more money to make
24 Lifeline work. Rate rebalancing didn't make it work.
25 Now, what's going on? How can we do that? Would you do

1 that?

2 MR. CHRISTIAN: I don't have an answer today.

3 COMMISSIONER ARRIAGA: Thank you.

4 CHAIRMAN EDGAR: Ms. Sirianni, I think you had a
5 comment earlier, and we moved on. Do you still or have we
6 passed the moment? Okay.

7 MR. CASEY: Madam Chairman, if I could ask a
8 question, please?

9 CHAIRMAN EDGAR: I'm sorry. Absolutely.

10 MR. CASEY: In your first bullet there on your
11 last page, David, it says Verizon's policy on non-basic
12 service bundles is consistent with state and federal law.
13 Could you explain that a little bit?

14 MR. CHRISTIAN: Sure. Under the list of
15 supported core services under the FCC's rules, and I'm
16 specifically talking about the Commission's order in
17 Docket 96-45, it discusses -- and I'm focusing on
18 Paragraph 14 of that order that says the Commission adopts
19 the joint board recommendation that unlimited local usage
20 should not be added to the list of supported services. We
21 agree with the joint board that the vast majority of the
22 commenters said unlimited local usage is not essential to
23 education, public health, or public safety. We also
24 agreed with the joint board that adding it to the list
25 would not serve the public interest because it could

1 hinder the state's ability to require local metered
2 pricing for local service.

3 This says that under the federal rules a package
4 that's a non-basic service that combines long distance
5 vertical features is not a supported service for
6 Lifeline -- or for low-income funding. When you look to
7 state law, and you look under 364.10, I don't see any
8 direction from the Legislature that says there is the
9 ability to provide services other than basic local
10 telecommunications service for Lifeline.

11 MR. CASEY: So a Lifeline service customer, you
12 can't get a Lifeline credit if you get a package?

13 MR. CHRISTIAN: For Verizon, we believe that the
14 Lifeline discount applies to basic local service.

15 MR. CASEY: So if I bought a package, I wouldn't
16 get the discount?

17 MR. CHRISTIAN: You would be asked to make the
18 choice. If you want a competitive package that's priced
19 on competitive rates and services or would you want the
20 Lifeline discount on basic local service and the ability
21 to purchase any other services you want under the tariff.

22 MR. CASEY: Okay. How about vertical features?
23 Would I be able to purchase vertical features?

24 MR. CHRISTIAN: Absolutely.

25 MR. CASEY: Any call waiting, things like that?

1 MR. CHRISTIAN: Sure.

2 MR. CASEY: Thank you.

3 MS. BULECZA-BANKS: Dave, you made a comment
4 earlier that there may be ways to find out how to reach
5 the people, or identify those people that would leave the
6 system if they weren't receiving Lifeline support. So if
7 I'm a current Lifeline customer, can you help me find out
8 how do you identify me as a person who is taking Lifeline,
9 but situations are such that if I didn't have Lifeline, I
10 would leave the system. Because, I mean, the FCC focus is
11 also maintaining --

12 MR. CHRISTIAN: Absolutely. If you were --

13 MS. BULECZA-BANKS: -- people to maintain their
14 service.

15 MR. CHRISTIAN: I don't think I said that people
16 are -- that we want them that currently have service to
17 leave the network.

18 MS. BULECZA-BANKS: No, sir. I was saying that
19 you said there were ways to identify those people so that
20 you would know who they were.

21 MR. CHRISTIAN: I said I didn't think there was
22 a way --

23 MS. BULECZA-BANKS: Oh, you didn't.

24 MR. CHRISTIAN: -- to identify the people that
25 don't currently have phone service. I don't know of a

1 way, that is what I think I said.

2 MS. BULECZA-BANKS: Okay. So I must have heard
3 wrong.

4 MR. CHRISTIAN: Okay.

5 CHAIRMAN EDGAR: Ms. Banks, if you will move us
6 on to our next presenter, please.

7 MS. BULECZA-BANKS: Thank you, Dave.

8 Next we'll have Sprint, Sandy Khazraee.

9 MS. KHAZRAEE: I'm here. Thank you.

10 Good afternoon, Commissioners. It's a pleasure
11 to be here.

12 I'm going to keep my presentation brief. A lot
13 of what I would have said has been already. But -- it's
14 not on.

15 CHAIRMAN EDGAR: You may want to just pull it a
16 little closer to you, maybe.

17 MS. KHAZRAEE: Okay. Is that better? Okay.
18 Thank you.

19 What we see as the Lifeline and Link-Up goals
20 are, basically, those that were determined to be the goals
21 by the FCC when they came up with the Lifeline/Link-Up
22 program back in the '80s. And that is to make phone
23 service more accessible to customers who might otherwise
24 not be able to afford basic local telephone service.

25 So you're trying to do two things. You're

1 trying to get the people who don't have phone service at
2 all because they can't afford it, and you are trying to
3 keep people from dropping off the network because they
4 can't afford to pay their phone bill. And as Commissioner
5 Deason pointed out, finding the ones who don't currently
6 have phone service is rather difficult. And that is why
7 we see partnering with the social service agencies in
8 Florida to be a very important step in trying to get
9 Lifeline subscribership up, because they are the ones that
10 will most likely have direct contact with these people.

11 As you will see later in my presentation, we do
12 things to let our customers know about Lifeline. But,
13 obviously, these people who don't have phone service are
14 not going to see that. It's not targeted to them and they
15 won't see it. So working with the social service agencies
16 is definitely going to be a necessary step to increase
17 Lifeline subscribership.

18 Just basically, there has been a lot of
19 discussion about the subscription process and whether it's
20 burdensome or not. We have come a long way in the last
21 two or three years here in Florida. And a lot of this
22 does have to do with the commitments we made as a result
23 of rebalancing. Previously when someone wanted to apply
24 for Lifeline service, they had to fill out a form. They
25 had to send us proof of their participation in some

1 program that qualified them for Lifeline. So they had to
2 send us a copy of their food stamp card or a copy of their
3 Medicaid letter or whatever.

4 From there we did a lot of work with DCF, as Ms.
5 Dilworth pointed out. We got to the point where DCF was
6 willing to give their clients a letter that in the body of
7 the letter said you are eligible for Lifeline, and those
8 customers could send us that letter, which made it a lot
9 easier, and did improve subscribership. But from there we
10 went to self-certification, where now all the customer has
11 to do is check the appropriate boxes on the form, fill in
12 their name, their phone number, their address, their
13 Social Security Number, and mail it in to us, or fax it in
14 to us, and we sign them up for Lifeline.

15 And, basically, within 30 days after we receive
16 the form, and generally it takes much less time than that,
17 we have applied the Lifeline credit to their account.
18 They don't have to do anything else. So we have made the
19 subscription process much easier, much less burdensome to
20 the customers than it used to be.

21 With regard to the process to sign up customers
22 who are qualifying based on income, weekly Ms. White sends
23 us a spreadsheet. She sends it actually to our Lifeline
24 product manager of everybody that she has qualified that
25 week who are Sprint customers. And, again, within 30

1 days, but generally must less time, we are able to put the
2 Lifeline credit on those accounts. And those customers
3 from that point on have Lifeline. So we have done what we
4 can to make the subscription process as easy as possible.

5 Skip two slides. The next one. One of the
6 requirements when we went to the self-certification was
7 that we have an audit process. There was some concern
8 about fraud and a lot of that had to do with the fact that
9 California had a self-certification process, and it had
10 resulted in more than 100 percent of the eligible
11 population being on Lifeline. So we made a commitment
12 that when we began the self-certification process that we
13 would audit annually to make sure that we don't see any
14 signs of fraud.

15 We began the self-certification process in the
16 spring of last year. We waited until fairly late fall to
17 do our audit, because we didn't want to hit these people
18 up immediately after they had signed up. We took a sample
19 of only customers who had signed up under the
20 self-certification, so we didn't include any customers who
21 were already Lifeline customer who had provided us proof
22 of their eligibility.

23 We took 200 Lifeline customers from that group,
24 which was a little more than 10 percent, and of that we
25 had 37 percent that did not respond at all. We had 111

1 who did provide us proof of their eligibility and were
2 re-certified. We found 15 of those 200 customers no
3 longer had phone service with us for whatever reason.

4 The 74 accounts that did not respond were sent
5 letters telling them that they were being moved to
6 transitional Lifeline, because they had not provided their
7 copy of eligibility. If they came back a month from now
8 and said, oh, wait, wait, I had it, I just didn't send it
9 to you. I must have thrown that letter in the trash. We
10 are going to put them back on the full Lifeline. I mean,
11 that is not a problem. So we have made this as easy as
12 possible for these customers to deal with us.

13 You've heard a lot about the outreach that has
14 been done, and out of all the efforts that were discussed,
15 those by Ms. Golden and Ms. DeMello and Ms. Dilworth and
16 Ms. Parker and Ms. Sirianni, we have been involved in all
17 of that with them. But in addition to that, we send our
18 own customers bill inserts twice a year. The bill inserts
19 go out four times a year, and it has general information
20 that the customers might find useful.

21 Two times during the year we put a Lifeline
22 article, spell out what the requirements are and tell them
23 how to sign up. We also provide at least one bill message
24 actually printed on their bill in case they are the kind
25 of person that opens the bill and throws the insert away

1 without looking at it. We also once a year put a bill
2 message actually on their bill that describes Lifeline.

3 We have handed out Lifeline materials at Sprint
4 Florida customer appreciation events. We have partnered
5 with KMR in doing the press conferences in conjunction
6 with the back-to-school events. So we have done some
7 efforts, as well, and we do those every year as far as the
8 bill inserts and the bill messages in order to get the
9 word out.

10 This last slide is just to say that while our
11 subscribership percentage is low in the state of Florida,
12 we do feel like we're making progress. The darker
13 blue-purple shows what our Lifeline subscribership was in
14 2003, and then the light blue is what it was in 2004, and
15 then the red is what is as of the end of 2005, if you
16 follow the red all the way across. And as you can see,
17 those results have been steadily increasing. And, in
18 fact, they have increased by almost 100 percent over that
19 time period. So we feel like the efforts we have
20 undertaken have provided positive results.

21 And that is my presentation.

22 COMMISSIONER CARTER: Madam Chairman.

23 CHAIRMAN EDGAR: Commissioner Carter.

24 COMMISSIONER CARTER: Good afternoon.

25 MS. KHAZRAEE: Good afternoon.

1 COMMISSIONER CARTER: You were here this morning
2 with my discussion and questions on self-certification?

3 MS. KHAZRAEE: Right.

4 COMMISSIONER CARTER: You were here this
5 afternoon when I spoke with Ms. Parker about the
6 application process?

7 MS. KHAZRAEE: Right.

8 COMMISSIONER CARTER: And I thank you very much
9 for your presentation, because I see you have delineated
10 TANIF, Medicaid, food stamp, SSI. And this morning I was
11 asking the question and this really begs the question is
12 that, and as I asked Ms. Parker about the same application
13 for these funds and services, I don't see any reason why
14 they couldn't apply for a person getting Lifeline. And
15 the reason being, and I don't want to rehash this morning,
16 but just from a standpoint to where it seems to defy
17 common sense that a person would want to defraud the phone
18 company for ten bucks, when if you fill out this form here
19 you are going jail for hundreds of dollars, you know.

20 MS. KHAZRAEE: Right.

21 COMMISSIONER CARTER: So it just seems to me
22 that if -- and as I said earlier, about form fatigue is
23 that a lot of these people are filling out these forms,
24 they have got all kind of -- you know, here you go,
25 another form. Here's another form. And it seems to me if

1 they are going to fill out this form to receive hundreds
2 of dollars from federal and state and local agencies, and
3 they're getting ten bucks from the phone company, or
4 thirty bucks to sign up, you know, it just seems to me
5 that the same applications, you know, you are getting the
6 same basic information.

7 You have got their Social Security Number,
8 you've got their name, you got their address, you have got
9 how many children in the household, how long they have
10 been there, whether they are a native-born American, an
11 immigrant or whatnot. You've got all of this information.
12 And it seems to me a small thing instead of having people
13 taking your form, or the Verizon form, or the XYZ form,
14 but just take the basic application. That will give you
15 all the information you need to know whether or not a
16 person qualifies. Wouldn't you agree with that?

17 MS. KHAZRAEE: Yes, sir, I would. I guess I've
18 not actually -- I mean, I saw one copy of a form for, I
19 believe it was food stamps, and it was lengthy. It was
20 six or seven pages, as I recall. And I'm just wondering
21 if there is not information on there that we don't need to
22 know and perhaps they wouldn't want us to have if they
23 were to send us the form that they filled out. If the
24 customer were to send us just a copy of the form, you
25 mean, like that they filled out for TANIF or food stamps,

1 they might be giving us more information than they would
2 want us to have.

3 You know, another issue we have is we have to
4 have the information so that we can match it to the
5 telephone account. So the name and Social Security Number
6 and address and phone number that they give us has to
7 match who the phone service is in our records in order for
8 us to be able to make sure that we give the credit to the
9 right person.

10 I'm always amazed at how many people there are
11 with very similar names, or even the same name in the
12 state of Florida, even some names that you wouldn't think
13 are that common. So, you know, as long as we have the
14 information that we have to have, whether it's on our form
15 or another form, I think we would not be very picky about
16 it. So I guess my concern would be if they try to send us
17 one of their forms, they might be giving us information
18 they'd rather we not have.

19 COMMISSIONER CARTER: Madam Chairman.

20 The only thing I am saying is that, you know,
21 like you said, it is a lengthy form. And I don't know
22 about you, but the last thing I want to do after I have
23 just filled out a 12-page form, front and back, in ten
24 point type, to fill out another form.

25 MS. KHAZRAEE: Right.

1 COMMISSIONER CARTER: You know, and it seems to
2 me that the organization, whether it is the one-stop
3 shopping center, the TANIF, or the Medicaid, the food
4 stamp, this information here, these people are going to go
5 to jail big time if they defraud that. We are talking
6 about ten dollars.

7 MS. KHAZRAEE: Right.

8 COMMISSIONER CARTER: And it seems to me that
9 instead of making people jump through another hoop -- and
10 I know that some of you on that side of the bench may
11 disagree with my characterization, but it seems to me
12 instead of asking people to jump through another hoop, we
13 have got this information, they have already given that
14 information to the agency, there is a box on there to
15 check whether or not they want it, it just seems like a
16 small thing to say, based upon the fact that they qualify
17 for TANIF, based on the Medicaid form or food stamp, SSI,
18 Section 8 housing, all the free lunch programs, obviously,
19 they qualify for Lifeline. Wouldn't that be obvious to
20 you?

21 MS. KHAZRAEE: Obviously, yes, sir.

22 COMMISSIONER CARTER: But I'm saying to you is
23 that a lot of times we are putting -- when you deal with
24 people that need everything, and you start asking them for
25 another form, that is discouraging. That is very, very

1 discouraging. And I think that it is in the best
2 interests of all of us, those of you on that side of the
3 bench, those of us on this side of the bench to make sure
4 that all Floridians participate in this. Why should we be
5 the megatrend state, the number four in population, the
6 number one in terms of employment, and job creation and
7 all like that, but we have got people living in not a
8 third world, a fourth-world existence.

9 People need to be able to reach out and touch
10 their doctor. People need to reach out and touch their
11 grandchildren, you know. People need to be able to reach
12 out and touch the drug store to call in their
13 prescription. I think it behooves all of us to take all
14 of those hoops out of the way and be there for the people
15 that are in need for this.

16 So, it just seems to me that we are creating
17 another hurdle for the less and the least of the people in
18 Florida to get over. It just boggles my mind. I mean,
19 it's not that complicated. I mean, we can say about
20 federal funds and this fund and that fund. It is not that
21 complicated at all. If the person is going to go through
22 the trouble to fill out all of this, you have already got
23 all of the information you need. In fact, you have got
24 more than you need. And it's a simple thing.

25 But now the next thing you are going to do after

1 you fill out all of these forms -- oh, just one more
2 thing. Have you seen that commercial on TV about the
3 banks? The guy is -- what is that, you fill out -- apply
4 for a mortgage on-line, and the guy brings out, okay, here
5 is your form, Mr. and Mrs. Whatever, and it is like about
6 this high. And he said what about the Paperwork Reduction
7 Act, so they take one sheet off. And then they open the
8 curtains and there is a -- what is that, a website that
9 they go and apply on.

10 So the last thing people want to do is fill out
11 another bunch of paper. And it just seems to me that we
12 are dancing in the dark here. I think that, you know,
13 somehow or another we need to make it easier for people.
14 Don't you agree with that?

15 MS. KHAZRAEE: Well, I will say, you know, we
16 have worked -- we are working towards making it easier,
17 and we are certainly willing to entertain any other, you
18 know, suggestions about making it easier. That is one of
19 the reasons I think it is great if we can get a
20 collaborative effort going with the social service
21 agencies to see what can we do to make it easier.

22 COMMISSIONER CARTER: Thank you, Madam Chairman.

23 MR. CASEY: Madam Chairman, if I may ask a
24 question.

25 CHAIRMAN EDGAR: Mr. Casey.

1 MR. CASEY: Ms. Khazraee, if I were a customer
2 of Sprint, a Lifeline customer, would I be able to
3 purchase a package with Sprint?

4 MS. KHAZRAEE: Yes.

5 MR. CASEY: Okay. So I would still get a
6 discount, even though I got a package?

7 MS. KHAZRAEE: Yes.

8 MR. CASEY: How about vertical features, can you
9 purchase vertical features?

10 MS. KHAZRAEE: You can purchase any feature that
11 any other customer can purchase. There is no restriction
12 whatsoever.

13 MR. CASEY: If I may go back just for second to
14 BellSouth. If I was a Lifeline customer, would I be able
15 to purchase a package?

16 MS. SIRIANNI: Yes, sir.

17 MR. CASEY: And vertical features?

18 MS. SIRIANNI: Yes, sir.

19 MR. CASEY: Okay. Thank you.

20 MR. WILLIAMS: Madam Chairman, just one other
21 question.

22 CHAIRMAN EDGAR: Yes, sir.

23 MR. WILLIAMS: Ms. Khazraee, on the, I guess --
24 you mentioned earlier about the actual mailing of the
25 application from OPC, and that it's mailed or faxed to

1 Sprint. And you mentioned it is mailed to a Lifeline
2 product manager.

3 MS. KHAZRAEE: The one for OPC is actually
4 e-mailed.

5 MR. WILLIAMS: E-mailed to a Lifeline product
6 manager?

7 MS. KHAZRAEE: Right.

8 MR. WILLIAMS: Can you just give us a brief
9 description of what that Lifeline project manager does and
10 where that person is located within the Sprint operation.

11 MS. KHAZRAEE: He is actually located in Kansas
12 City, and he is responsible for the administration of
13 Lifeline for every Sprint state that we have a local
14 company, which is 18. So he works in -- as far as
15 administrating our Lifeline program in 18 states. So
16 Ms. White e-mails him the information on the customers
17 that were qualified that week. She also copies me, by the
18 way. And then he makes sure that he sends all the
19 appropriate information to the off-line group that
20 actually enters the Lifeline credit on their accounts.
21 And the reason it goes through him is really to try and
22 help us keep some records on how many -- because we have
23 to respond to data requests, it makes it a lot easier if
24 he knows what's going on.

25 MR. WILLIAMS: Thank you.

1 MS. BULECZA-BANKS: Thank you, Ms. Khazraee.

2 And now Tom McCabe from TDS Telecom.

3 MR. McCABE: Good afternoon, Commissioners. Tom
4 McCabe with TDS Telecom. And I do want to thank the
5 Commissioners for being here today. I think it is a
6 really good opportunity for the industry to be engaged in
7 these conversations with the Commissioners without the
8 added expense of going through a hearing process and
9 things of that nature. And, you know, staff workshops
10 work great, but in some issues it's important for us to
11 have the opportunity to express our thoughts and ideas
12 before the Commission so that they can get a good
13 understanding of where we are.

14 First off, I want to make sure that this
15 Commission understands that at TDS Telecom we support
16 wholeheartedly the Commission's Lifeline efforts. We have
17 absolutely no incentive whatsoever to deny customers
18 Lifeline service, to force people off of the network. The
19 more people that are on the network, the better off it is
20 for my company.

21 I can't tell you -- being a small company, I
22 mean, we operate a little bit differently. We have local
23 offices in Quincy. We are fairly -- you know, we are easy
24 access. A lot of our employees know our customers, and
25 there is a different type of a working relationship. And

1 I can assure you that we go to great extents trying to
2 make sure that we are able to assist customers, whether it
3 is setting up payment arrangements to -- because they are
4 behind on their bills, all kinds of different issues. So
5 I just wanted to make sure that the Commission understood
6 that.

7 With respect to Lifeline, unfortunately, I
8 didn't have an opportunity to get this to staff
9 beforehand, but I can make it available via e-mail if you
10 are going to do something later with these.

11 But just to let you know some of the actions
12 that TDS will be taking over the course of the year. And
13 a lot of this also is driven by this Commission's actions
14 as well as our requirements as eligible telecommunication
15 carriers to comply with the FCC requirements.

16 During the year we provide bill inserts. We
17 will be issuing public service announcements, annual
18 newspaper ads, news releases that will be distributed to
19 the local newspapers, a residential newsletter that will
20 go out in which we will also include in there information
21 regarding Lifeline. We have scheduled radio
22 advertisements to be done. Information is included in the
23 directories. We have information -- we have links on our
24 website to the Lifeline program.

25 And I want to comment on something that

1 Ms. Banks stated earlier. We operate in 28 different
2 states, and so there are some maintenance issues that are
3 involved with websites. And it's awfully difficult,
4 because there is 28 different states, and there is 28
5 different states doing something different. It makes it
6 awfully difficult for us to have the Lifeline application
7 form available online, and it is really a maintenance and
8 a cost issue of the entire system.

9 The other thing that we do, we have posters in
10 the local offices. In addition, when customers sign up
11 for service, they are informed at that point in time of
12 the availability of Lifeline service.

13 Some additional items that TDS will be involved
14 in -- and this is TDS Quincy. These are specific to this
15 market -- is that we will be participating in a rally in
16 Gadsden County. It will be BellSouth and Sprint. And we
17 had the opportunity to meet with Commissioner Carter a
18 couple of weeks ago, and we are in the process of planning
19 that. And then we also participated in the back-to-school
20 program that occurred last year. And we are going to
21 continue doing that this year.

22 One observation that I would just like to share
23 with the Commissioners is I don't know why customers don't
24 sign up for Lifeline. I don't think anybody in this room
25 can come to a definitive answer on that question, no

1 matter what effort we take.

2 We participated in the back to school. We sent
3 out 677 brochures. We received one application for
4 Lifeline service through that process. I don't know why
5 people didn't respond, and I think some of the other small
6 companies experience the same thing. In fact, I did get
7 more responses back for other companies that I ended up
8 tracking down and getting that information to them. I
9 just wanted you to know that from the standpoint of these
10 are some of the obstacles that you face.

11 I won't go over the history of Lifeline since
12 that's already been taken care of. But the only thing I
13 wanted to mention is that when the FCC initially came out
14 with the Lifeline program, there was a 3.50 state match.
15 And that is how Florida came about with the 3.50 that the
16 local exchange companies provide today. The only way that
17 a state would be able to participate in that plan was to
18 have a state match. Now, in, I believe it was -- I
19 believe it was in '97, where the FCC in an effort to
20 expand the eligibility of Lifeline and get more states
21 involved that decided not to have a state matching, the
22 FCC removed that requirement. So there are some states
23 that are out there that have -- the only eligibility is
24 based on the federal support, which comes to about \$13 --
25 I mean, \$10. And then are those states that have a match,

1 which ends up with a discount of \$13.50. Which leads me
2 to an issue that I think is really important, and it has
3 to do with state Lifeline funding.

4 TDS serves in 28 different states. Of those,
5 eight states have no matching requirements, meaning there
6 is no out-of-pocket expense to the local exchange company.
7 Twenty states have some form of matching. Sixteen of
8 those states have a Lifeline funding program. The only
9 states that do not are Florida, Maine, Tennessee and
10 Virginia. And in Virginia, the discount that we have to
11 provide is \$1.75 as opposed to \$3.50.

12 A lot has changed since the Commission
13 implemented Lifeline in 1995, I believe. Today as a small
14 local phone company, I have a considerable amount of
15 competition in my marketplace. I've got a cable provider
16 competing in my market with voice over IP. I have the
17 municipality competing in my market. I have a
18 municipality that is taking steps to try and take my
19 largest business customers.

20 Those impacts of competition ultimately have
21 impacts on my ability to provide universal service and
22 ensure that all customers are going to have some form of
23 access. I listened to Bruce Renard when he opened up
24 about maybe in three years he may not be here. I was
25 thinking I might need to be using that as my opening

1 comments, that in three years I don't know if I'm going to
2 be sitting here.

3 But we are faced with a lot of challenges in our
4 market. And Gadsden County is one of the poorest counties
5 in the state. I don't know what the number of Lifeline
6 customers that would be eligible, but if you look at the
7 census data, I believe for Gadsden County approximately 20
8 percent qualify as poor, 20 or 21 percent. Without a
9 funding mechanism it places a disproportionate burden, and
10 I don't want to -- I don't mean to use the word burden. I
11 mean, I think it comes across with an idea that we don't
12 want to be participating in this effort. But what it does
13 is it places greater strains on us in terms of some of the
14 other things that we are trying to bring into the
15 community, DSL, things of that nature.

16 We have rolled DSL out. It has been out for a
17 long time, but just maintaining those things get more and
18 more difficult, especially when competitors are in your
19 market taking customers. And to me it's really -- it's a
20 fairness issue.

21 I was really surprised that Mr. Gross got up
22 there and -- the only reason why he was here was to oppose
23 any chance for a funding mechanism being developed, not
24 because he was here to encourage this Commission to
25 implement, you know, some more things regarding Lifeline.

1 I thought he was going to be supporting the fund, but it
2 took several years to convince my friends at Verizon that
3 a fund was something that needs to be done. But I think,
4 you know, they found a little bit of the light.

5 And so with that, there are several types of
6 funding mechanisms, I think, that are out there. I can't
7 go over to the Legislature and get a bill passed to have
8 money drawn from general revenues. TDS Telecom, sorry.
9 I've got 10,000 customers. That is not going to happen.
10 What I am looking for is I am looking for help from the
11 Commission and the staff so that we can put together some
12 type of a comprehensive plan in which we can address the
13 need for funding Lifeline.

14 There is a potential for state tax credits, end
15 user surcharge. There comes the issues in terms of who
16 should administer the fund. Those funds that are out
17 there today, some are being administered by a state
18 commission, some are being administered by some outside
19 agency, whether it is the National Exchange Carriers
20 Association, there are some accounting firms that are
21 doing those things, et cetera.

22 To me one of the things with Lifeline, it's a
23 social program designed to help a specific class of
24 customers. In my mind it is no different than the
25 telephone relay system that we have in place today, in

1 which that is a system that we have got in place in which
2 the goal is to make sure that people that have hearing
3 disabilities have access to communication services.

4 And how did we go about handling the TRS? There
5 is a surcharge that is placed on end user bills, and it
6 ranges from 9 to 15 cents, and I think there is a cap of
7 25 cents. And this Commission has oversight over the
8 FTRI, and I think it's a good program. And I think that
9 it's something that the Commission could take into
10 consideration and look at. Is this something that we can
11 do for Lifeline, in which all providers would be
12 contributing to, the voice over IP, the wireless
13 providers, all the CLECs, et cetera.

14 The issue of outreach. I mean, I serve on the
15 FTRI board, and we have an outreach program. And that
16 outreach program is derived -- I mean, the funding for
17 that comes from the end user surcharges. And that might
18 be a great opportunity for this Commission to develop a
19 strong outreach program with the use of these funds.
20 Because I know that this Commission is going to have a
21 difficult time with budgets and things of that nature.
22 Everyone wants to take things away, but this would provide
23 a revenue source in which to continue some outreach
24 efforts.

25 I just want to quickly go over the enrollment

1 and verification process. With the exception of
2 Indiantown, I don't know what they are doing, but I have
3 spoken with all the other small local exchange companies,
4 and we are all moving towards the simplified certification
5 process. And, Commissioner Carter, some of the discussion
6 that you had with regard to if somebody came in to my
7 office with a form from DCF, we would sign them up for
8 Lifeline.

9 I think the idea with the forms, though, it
10 makes it easier for the customer to take that information
11 and get that information to the local exchange company
12 specifically without sharing any other private information
13 that they don't need. Because all they need to do is
14 check off on that box that they are eligible for this
15 service, and then just send it off to the local phone
16 company. So I don't think that we're really that far off,
17 and I appreciate your concerns in terms of the amount of
18 work, but I really think that the process is fairly
19 simple.

20 Prior to we -- what we required was the customer
21 to show proof of eligibility, and I can tell you we didn't
22 have any hang-ups from customers. We didn't have
23 drawbacks from customers in terms of not wanting to share
24 that information with us. But, you know, those are some
25 of things that we're doing.

1 I would be remiss if I didn't tell the
2 Commission that, you know, we did a verification process
3 back in October. Our first process, what we did is we
4 matched our information with the Department of Children
5 and Family Services. Those customers that were not on
6 that list, it turned out to be 200 customers, we shared
7 that with the -- we then followed the same process that
8 Sprint did. And in that process of the 200 customers,
9 only 17 customers responded back. So that meant 183
10 customers were moved over to the transitional Lifeline.

11 We are required under the FCC's order to require
12 annual verification of this information. And if we can't
13 get the customer to respond back, I don't know what we can
14 do or how we are going to prevent those numbers from
15 declining. Now, it's possible that none of them were
16 eligible anymore. I don't necessarily think that was
17 probably the case, but, you know, that is part of the
18 order that we are required to follow with the FCC on
19 verification.

20 Thank you.

21 CHAIRMAN EDGAR: Thank you, Mr. McCabe.

22 Commissioner Deason.

23 COMMISSIONER DEASON: Mr. McCabe, in your
24 handouts -- well, I don't know which page it is. At the
25 top it reads, state Lifeline funding, state funding

1 mechanisms. The third bullet point talks about a
2 competitively neutral universal service fund.

3 MR. McCABE: Yes.

4 COMMISSIONER DEASON: And then you go on to
5 state that TDS Telecom believes that the Commission
6 currently has the statutory authority under
7 Section 364.025(2). There has never been a request filed
8 under that statutory authority, is that correct?

9 MR. McCABE: I don't think that there has.
10 Gosh, it goes back ten years when the Commission opened up
11 the docket on the universal service -- the interim fund.
12 And I think at that time what the Commission ultimately
13 decided was that there isn't a whole lot of competition in
14 the marketplace today, so we don't think that there is a
15 need to go into any funding mechanism. And a lot of that
16 had to do with high cost support. I think, you know,
17 certainly the link between Lifeline and universal service
18 is pretty clear as a component of the federal fund. So I
19 think that under the existing statute you have that
20 authority to do that. And if not, you know, I think --
21 who was it? Mr. McLean had said something to the effect
22 that automatic enrollment that he would happily support
23 that. Well, I would happily support the position that you
24 have that authority today.

25 COMMISSIONER DEASON: Well, is there a debate or

1 a question concerning our authority to that extent, or is
2 it your interpretation that we have the authority, or is
3 it generally accepted that we have the authority?

4 MR. McCABE: Well, I think that -- ultimately it
5 ends up in a hearing situation, because anybody that would
6 have to pay into the fund is going to oppose that, and
7 then they are going to challenge your authority to do
8 that. And I think that is why the Florida Cable
9 Association was here today to tell you that you don't have
10 that authority.

11 COMMISSIONER DEASON: You have been here all
12 day. I think you heard earlier there was a question posed
13 to staff. I think Mr. Casey answered it -- or maybe it
14 wasn't Mr. Casey. Maybe it was Mr. Mann. Anyway, there
15 was a question posed comparing participation rates for
16 states that have a fund versus states that do not have a
17 funds, and I believe it was higher for states that have a
18 fund. Do you remember that exchange?

19 MR. McCABE: Yes.

20 COMMISSIONER DEASON: Do you think that if we
21 had a fund in the state of Florida it would increase
22 Florida's participation rates?

23 MR. McCABE: I would love to sit here and say
24 yes, because that is the right answer. I don't know what
25 that answer is. Because I don't think that there is

1 anything being done by the local exchange companies today
2 that is trying to undermine the program. I think that
3 there can be a perception that while the local phone
4 companies don't like the idea that we are having to pay
5 this 3.50, that there is some type of a disincentive for
6 us to promote Lifeline. I don't think that that is the
7 case.

8 But I certainly think that if there was a
9 funding mechanism -- for example, Colorado, they have a
10 low-income assisted fund. And I think there is something
11 like administration all associated with that. And they
12 target, I guess they have programs in which they use some
13 of those revenues to target Lifeline. So from that
14 standpoint, I think that you could see some benefits from
15 funding.

16 COMMISSIONER DEASON: I think in answer to a
17 question, or maybe it was just part of your presentation,
18 you indicated that it was in your company's best interest
19 to have subscribers, regardless if they are full-paying
20 subscribers or if they are Lifeline subscribers. Why is
21 that?

22 MR. McCABE: I think just having people on the
23 network. The fact that all customers -- the fact that one
24 neighbor can call another, it increases the value of that
25 service to the customer.

1 COMMISSIONER DEASON: Do you allow Lifeline
2 participants to subscribe to vertical features?

3 MR. McCABE: Yes, we do.

4 COMMISSIONER DEASON: And so if they are on the
5 system and they subscribe to vertical features, that is a
6 revenue enhancement to your company, is it not?

7 MR. McCABE: Yes, it is.

8 CHAIRMAN EDGAR: Commissioner Arriaga.

9 COMMISSIONER ARRIAGA: Mr. McCabe, I'm trying to
10 understand your position regarding the competitively
11 neutral service fund. Wireless companies, cable
12 companies, voice over IP providers, municipalities, League
13 of Cities, they pride themselves on their independence
14 from this Commission regarding the regulation of their
15 services. How do you think they are going to react to our
16 supposed jurisdiction under Section 364.025(2) if we tell
17 them they have to be part of this fund?

18 MR. McCABE: I don't --

19 COMMISSIONER ARRIAGA: We are going to get sued
20 up to the Supreme Court immediately.

21 MR. McCABE: I don't think they will take it up
22 to the Supreme Court. I think that this Commission
23 certainly has the authority to do that, and I think that
24 that statute provides it.

25 COMMISSIONER ARRIAGA: Including wireless, voice

1 over IP?

2 MR. McCABE: Yes, I do. Yes, I do. Because the
3 way --

4 COMMISSIONER ARRIAGA: Cable?

5 MR. McCABE: Voice over -- well, cable -- voice
6 over IP, I mean, that is kind of a touchy situation right
7 now, and I don't really know exactly where that stands.
8 But this Commission has already found in their universal
9 service back in 1996 when the Commission looked at this,
10 that they had the authority to impose surcharges on
11 wireless carriers.

12 COMMISSIONER ARRIAGA: What about
13 municipalities?

14 MR. McCABE: Municipalities?

15 COMMISSIONER ARRIAGA: Yeah. Municipalities
16 that are competing with you for phone service. How do you
17 think they are going to react?

18 MR. McCABE: I would -- no one is going to react
19 favorably. I mean, that's why the cable industry was
20 here, because they want somebody else to take care of the
21 social programs that the Commission wants to have, or the
22 state wants to have. They want to make sure that they
23 don't have the burden of -- they want to be able to make
24 sure I can target the high revenue generating customer.
25 That is the only customer that I'm interested in.

1 I don't want the customer that is going to
2 create a lot of work for me. I don't want the customer
3 who is going to want to potentially not pay their bill or
4 is only going to generate \$20. It is expensive to win
5 customers, so you focus on the high end customer.

6 COMMISSIONER ARRIAGA: Thank you.

7 CHAIRMAN EDGAR: Mr. Renard.

8 MR. RENARD: Thank you, Madam Chairman.

9 Just a couple of comments and clarifications
10 here, just to make sure, you know, we have the right
11 information. Because I was just on the FCC website
12 looking at the penetration levels in Florida to
13 Commissioner Deason's point. And in 2003, we had 95.3
14 percent of households in Florida with phone service. In
15 '04 that went down to 95.6 percent. And in March of '05,
16 it was down to 93.6 percent. So there actually is a
17 downward trend. It was going up for years, and it was
18 doing real well. In the last few years, interestingly,
19 there has been this retreat of penetration, not just in
20 Florida, this is nationwide. But Florida is right in
21 there in the mix. So that is an important concern, I
22 think, for the Commission.

23 In that as well in terms of low income
24 households, I think 90 percent was thrown out. It is not
25 quite 90 percent. It is in the upper 80s. That is still

1 not bad, but, you know, that is more than one out of ten.
2 It's getting toward two out of ten people without a phone.
3 So that still is, I think, a very legitimate concern for
4 the Commission.

5 We have heard a couple of times today the notion
6 of the Social Security Number being provided, and I just
7 have to say if I was going to have to fax a form out or
8 even put a form in the mail with my Social Security Number
9 on it, I would be very hesitant to do that. I mean, you
10 read any of these identify theft articles now, and they
11 say the Social Security Number is the number one key to
12 that problem. So there may be no other way to
13 effectively, you know, compare the Lifeline eligibility
14 with the other programs that are out there without that
15 Social Security Number, but if there was some other way to
16 get that out of the form and out of the process, that
17 might get some people a little more comfortable, rather
18 than sending their Social out on that kind of basis. I
19 know it would for me.

20 I think another thing I have heard that the
21 Commission staff should definitely take to heart is that
22 the notion that if -- and this is common business sense.
23 If you could figure out some way to put some business
24 incentives in here for the carriers where it would be in
25 their business interest to get more people to sign up,

1 that would probably be a good thing. I'm sure they have
2 done everything they can in the current regime, but there
3 is nothing like a business benefit associated with
4 something like that. So maybe go that extra step.

5 I don't have a plan to suggest to you today, but
6 I think the thought of thinking of business incentives, I
7 think the points that have been made about fees and, you
8 know, being able to at least allow them to recover their
9 costs on this is a very legitimate concern. And I think
10 the competitiveness is a legitimate concern, too. As you
11 go forward, you want, you know, all the citizens, even our
12 poorest citizens to be able to have a choice of who they
13 use for their phone service. And, again, I don't have a
14 magic solution for you today, but I think that is
15 something that you should look at.

16 I guess as a last point, I would just note that
17 at least in the payphone world, while we do have a choice
18 of local services in the large LEC areas, in BellSouth and
19 Verizon, we don't in the small LEC areas today. For a
20 payphone provider, as a practical matter, we don't have a
21 choice. And so we are using the Small LECs exclusively.
22 And not always, but in a number of cases those rates can
23 be a good bit higher than we are seeing in the other
24 areas.

25 So to the extent you're trying to serve a rural

1 aspect of this issue here, there definitely are some
2 differences in, at least, the level of competition in our
3 sector that we are seeing in local service. I hope those
4 observations are useful to you.

5 CHAIRMAN EDGAR: Thank you.

6 Mr. Gross.

7 MR. GROSS: Thank you, Madam Chair. I would
8 just like to quickly clarify some things in response to
9 some statements that Mr. McCabe just made. And one is my
10 recollection is that the first thing I said at the
11 beginning of my presentation was that the FCTA supports
12 the ongoing effort of the Commission to enhance the
13 participation in the Lifeline program. So I will say that
14 again.

15 But also there are three key provisions in
16 346.025 that I want to just quickly run through, because I
17 don't think they are that complicated. Subsection 4(a)
18 explicitly states that only the Legislature can establish
19 a permanent universal service fund. Subsection 2 does
20 state that the Commission is directed to establish an
21 interim mechanism, which this Commission did in 1996.
22 That interim mechanism is still in effect.

23 Subsection 3 states that if a party desires to
24 change -- a change in the interim mechanism, they have to
25 petition this Commission. Not just ask the Commission

1 based on some informal representations made at a workshop,
2 they have to -- this is a statutory requirement. A party
3 has to -- any party, including TDS Telecom, may petition
4 the Commission for a change in the interim mechanism, but
5 only after -- but the Commission shall grant that petition
6 only after an opportunity for a hearing and a showing of a
7 compelling change in circumstances. That's all the FCTA
8 is trying to point out, that if Mr. McCabe's company
9 wishes to seek a change, by statute they have to follow
10 that procedure.

11 Thank you.

12 CHAIRMAN EDGAR: Thank you. Any comments?

13 Mr. Mann.

14 MR. MANN: Thank you. I have got a question for
15 you, Tom. We rank 30th in Lifeline penetration in the
16 country, and I don't know what the number ought to be to
17 be the right number, but it seems if we were to crack in
18 to, say, the top ten -- I see Ohio has got 304,000
19 Lifeline subscribers, and we have about half of that. So
20 I thought, well, if we had 200,000 more Lifeline
21 customers, and each company paid 3.50 a month, that would
22 be about 750,000 a month, times 12 months, that's about \$9
23 million.

24 So to the extent we don't find these people,
25 then the promises that were made, say, during price cap

1 negotiations where it was said, well, we will take care of
2 the poor if you just give us price caps. And then you
3 said, well, we will take care of the poor if we go to rate
4 rebalancing. Now, I don't know what the right number is,
5 but I haven't heard any of the companies say things like
6 we go through our accounts receivable to see who is having
7 trouble paying their bills, and asking them if they would
8 like to go to Lifeline. Do you have any response to what
9 I'm saying?

10 MR. McCABE: Well, I will be more than happy in
11 terms of responding to your last question. Most certainly
12 we do. When we have customers that come to us, and they
13 have an indication that they are having a hard time paying
14 their bill, we make sure that they are aware of the
15 Lifeline program. And we move those customers on to
16 Lifeline if that is what they request.

17 I probably write off about \$30,000 a month in
18 uncollectibles. I've got 10,000 access lines, so I think
19 that there is lot that we are giving up in this process
20 and a lot that we are doing in this process to making sure
21 that customers are a part of the network.

22 MS. BULECZA-BANKS: Madam Chairman, we have one
23 question of staff.

24 CHAIRMAN EDGAR: Okay.

25 MS. DEMELLO: I just wanted to clarify.

1 Mr. Renard, you were talking about the Social Security
2 Number. On the Commission's applications that we have on
3 our website and the ones that we're distributing --
4 distributed by the Florida Public Service Commission, we
5 have the last four digits of the Social Security Number.
6 I just wanted to get that into the record.

7 MR. RENARD: Thank you, Bev. That's excellent.

8 MS. DEMELLO: And I believe OPC, Chanel, your
9 form is also four digits?

10 MS. WHITE: That is correct.

11 MR. RENARD: That's great. You know, I think if
12 that is followed universally that certainly would address
13 the concern. That's super. Thank you.

14 CHAIRMAN EDGAR: Mr. Griffis.

15 MR. GRIFFIS: Good afternoon, Commissioners. My
16 name is Mike Griffis. I am the General Manager at
17 Northeast Florida Telephone Company over in Macclenny,
18 Florida, Baker County.

19 I think it is always good to end on a positive
20 note, and I want to share with you today some of the
21 positive things I think we are doing over at Northeast
22 Florida Telephone Company.

23 And first, I understand that some of the things
24 that we are doing in a rural environment won't necessarily
25 work for the bigger guys. I understand that. But the

1 goal of Northeast Florida Telephone Company regarding the
2 Lifeline/Link-Up is to reach all eligible households
3 through local program administrators, whether that's DCF,
4 whether that's the local housing authorities, Baker County
5 Housing Authority, or Macclenny Housing Authority, or
6 whether it's through newspaper advertisements or bill
7 inserts.

8 We actually send out a -- or do a local
9 newspaper ad once a year, that's in July. This is
10 pertaining specifically to Lifeline. We do a newspaper ad
11 in July. We do a bill message in May, and we do a bill
12 insert in July. And we also refer to Lifeline and Link-Up
13 in our basic rates advertisement that we do twice a year
14 in the local newspaper, and that is in May and December.
15 And, also, another goal we want is to build trust between
16 the members of the Lifeline eligible households and the
17 company representatives through our local presence.

18 I don't have any hard numbers or statistics, but
19 I wouldn't be hesitant to say that 80 to 90 percent of our
20 new application customers come into our office. They are
21 actually talked to one-on-one, and they are given a
22 welcome packet like this, every customer. And inside this
23 welcome packet is also detailed information about Lifeline
24 and Link-Up. If they don't think about it at that time or
25 are hesitant to say anything about Lifeline and Link-Up,

1 they can take this home and they can read it.

2 And, also, with the other two out of ten, or one
3 out of ten people that call into the phone company, they
4 are also explained the Lifeline, that we have Lifeline and
5 Link-Up process. To be honest and frank, sometimes people
6 are offended when we ask them that. Sometimes they tell
7 us it's none of your business whether I qualify for these
8 things. But most of all, as Commissioner Carter said, if
9 you're hungry, you're probably not going to be offended.
10 You are going to -- you are going to provide the
11 information that we are asking for. So, again, the
12 welcome packet.

13 And I wanted to cite just a few things out of
14 the PURC study. Of course, Northeast serves 10,000 plus
15 access lines. We have 615 -- well, 616. We had one more
16 sign up in March, so 616 Lifeline customers. All of
17 Northeast customers are located within Baker County, and
18 the Lifeline participation rate in Baker County, according
19 to the PURC study, is 36.31 percent. That's actually a
20 little better than the New York auto enrollment program
21 that they have. I think it's 31 percent. I think someone
22 said earlier this morning 31 percent for that, and we have
23 a little better take rate than that.

24 And, again, I think the high participation rate
25 has contributed to our company, the participation of local

1 community activities, church -- I think someone mentioned
2 church activities earlier today, social programs, and I
3 think it is a direct response to those good folks that
4 work down at DCF in the local office in Macclenny. And I
5 think we have got some good folks that are service
6 registered or trained well in Macclenny also that care,
7 and they take that little extra step and make sure that
8 people understand these processes or these programs are in
9 place.

10 And another thing is we promote Lifeline through
11 everyday conversations within the community. I appreciate
12 Chanel White's comments earlier this morning when she
13 said, if you will recall, she said one of the good
14 marketing tools is word of mouth. It can be negative -- I
15 mean, a negative response gets out by word of mouth, but a
16 positive response gets out by word of mouth also. And I
17 have been doing marketing for a long time in Macclenny,
18 actually almost 28 years now, and I can still tell you
19 that in a rural area word of mouth is still the best
20 marketing tool that you can use. And it's free. It don't
21 cost anything to do that.

22 And, again, I guess in closing, I just wanted to
23 say that we believe that Lifeline customers -- especially
24 in rural areas are being reached, and maybe additional
25 outreach programs may not be necessary.

1 Thank you.

2 CHAIRMAN EDGAR: Commissioner Carter.

3 COMMISSIONER CARTER: We should have had this
4 guy on first.

5 MR. GRIFFIS: I know it's late and everybody
6 wants to go --

7 COMMISSIONER CARTER: Mr. Griffis, thank you so
8 very much for coming. I can see your commitment to the
9 community coming loud and clear in what you are saying.
10 And that means that you have a relationship with your
11 customers. And all it really is is that when you have a
12 relationship with people, then, those issues about trust
13 and hidden agendas and things like that, they all
14 dissipate by the wayside. And it is quite refreshing to
15 see.

16 I mean, I have been to Macclenny, by the way.
17 Good barbeque over there. And I do appreciate the fact
18 that you have a relationship with the community. And that
19 is really all we are talking about here, is that if you
20 have a relationship with your client base, you have a
21 relationship with the customer base, then you will
22 understand your customers. You have the nature of the
23 customers. And I sincerely appreciate you coming in.
24 Thank you so very much for your time.

25 And, Madam Chairman, I just wanted to make a

1 comment, and then I'm done for the day, is to thank you
2 for your indulgence. I know I have kind of went down a
3 couple of rabbit trails there. I know that's hard to
4 believe, but I do appreciate your patience and your
5 diligence with me. Thank you.

6 CHAIRMAN EDGAR: Thank you, Commissioner Carter.
7 Are there questions of our last presenter? Comments?

8 Ms. White.

9 MS. WHITE: Thank you, Madam Chairman.

10 So I understand, Mr. Griffis, you mentioned that
11 your company has built good relationships with its
12 customers. And Mr. McCabe mentioned earlier in his
13 presentation that potential subscribers are notified of
14 the Lifeline program when they call upon requesting
15 service, is that correct?

16 MR. McCABE: Yes, ma'am.

17 MS. WHITE: I wanted to ask the other companies
18 at what point when a person calls your 1-800 number to
19 become a potential subscriber do you notify them about the
20 Lifeline and Link-Up programs?

21 MS. SIRIANNI: For BellSouth, when a customer
22 calls in to get service with us at any point during the
23 conversation if there is some indication from the customer
24 that the price of the service or they may have trouble
25 making payments for the service comes up, then we will

1 offer Lifeline as a solution. We don't offer it on every
2 single phone call for a lot of different reasons, but if
3 there is any indication of that, there is a script that
4 our reps will follow that will tell them, you know, if
5 this is said by the customer, then you should offer, you
6 know, Lifeline.

7 So there are certain little kind of flags that
8 go up that they are aware if a customer mentions, then
9 they are to offer, you know, Lifeline as a possibility,
10 that they may be eligible for to help them pay for their
11 local service.

12 MR. CHRISTIAN: And for Verizon, similar
13 statements. We do the same type of training for our reps.
14 Additionally, the PSC rules require payment arrangements
15 for three months be available to customers if they
16 request. We also go beyond that and allow payment
17 arrangements, if a customer still has questions or
18 concerns about making payments, for six months. So a
19 total of six months a customer can extend their payment
20 obligations. That includes the 50 percent left on the
21 Link-Up cost. They can stretch those out over six months
22 to help get them onto the network. So we are very aware
23 of those issues that come up when they say I'm concerned
24 about the cost, I'm low income, et cetera, et cetera, I'm
25 Medicaid, I'm Medicare. Those are red flags for our reps.

1 MS. WHITE: Thank you both.

2 MS. KHAZRAEE: And for Sprint it is the same.
3 It goes by what the customer has said to our service reps.
4 So depending on what they have said or what questions they
5 have asked, if it gives the rep an idea that there may an
6 issue that they may have difficulty paying for phone
7 service, then they will initiate a conversation about
8 Lifeline.

9 MS. WHITE: Thank you.

10 CHAIRMAN EDGAR: Well, folks, it has been a long
11 day, but it has been a good day, I think. We have had a
12 lot of good discussion. We've had a lot of good
13 questions. I want to give my personal thanks to each of
14 the presenters and to everybody for staying with us all
15 day, and to our staff for putting this discussion
16 together.

17 I fully expect and encourage that each of the
18 Commissioners have some areas of particular question and
19 interest, and encourage you to work with our staff and
20 with stakeholders and interested parties to see what we
21 can do individually and collectively to help us move all
22 of these issues forward.

23 I know I have a particular interest in trying to
24 facilitate and support the electronic application process
25 and coordination with other social service agencies on

1 that point, and I know there are many issues that came up.

2 So, again, thank you all, and we are adjourned.

3 (Workshop concluded at 4:20 p.m.)

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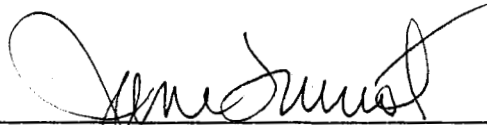
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 27th day of April, 2006.



JANE FAUROT, RPR
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