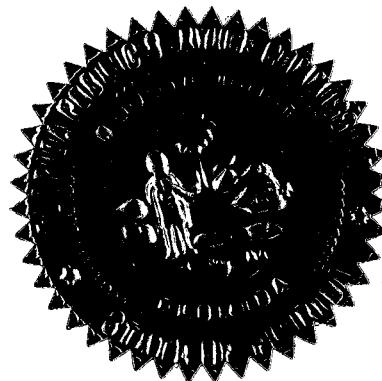


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. UNDOCKETED

In the Matter of

PROPOSED ADOPTION OF  
RULE 25-4.0665, F.A.C., LIFELINE  
SERVICE.



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PROCEEDINGS: STAFF RULE DEVELOPMENT WORKSHOP

DATE: Wednesday, June 21, 2006

TIME: Commenced at 9:30 a.m.  
Concluded at 10:40 a.m.

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

REPORTED BY: JANE FAUROT, RPR  
Official Commission Reporter  
(850)413-6732

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION

FPSC-COMMISSION CLERK

1 PARTICIPATES:

2 CHARLES REHWINKEL, ESQUIRE, and SANDY KHAZRAEE,  
3 representing

4 TOM McCABE, representing TDS Telecom.

5 CHARLIE BECK, ESQUIRE, and PHYLLIS DAVIS,  
6 representing the Office of Public Counsel.

7 DE O'ROARK, ESQUIRE, and DAVE CHRISTIAN, representing  
8 Verizon.

9 BRUCE RENARD, representing FPTA.

10 MIKE TWOMEY, ESQUIRE, and LORI PARHAM, representing  
11 AARP.

12 SAMANTHA CIBULA, ESQUIRE, CHERYL BULECZA-BANKS, BOB  
13 CASEY, and CURTIS WILLIAMS, representing the Public Service  
14 Commission Staff.

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## P R O C E E D I N G S

1  
2 MR. McCABE: Pursuant to notice, this time and place  
3 has been set for a rule development workshop to obtain comments  
4 on Draft Rule 25-4.0665 pertaining to Lifeline service. I'm  
5 Samantha Cibula of the Commission's legal division. Here with  
6 me today is Cheryl Banks, Curtis Williams, and Bob Casey of the  
7 Commission's technical staff.

8 Do you want to go ahead and take appearances down the  
9 row?

10 MS. KHAZRAEE: Sandy Khazraee with Embarq, and Susan  
11 Masterton is here with me.

12 MR. McCABE: Tom McCabe with TDS Telecom.

13 MR. BECK: Charlie Beck, Office of the Public  
14 Counsel. Phyllis Davis with our office is here today, also.

15 MR. RENARD: Bruce Renard with the Florida Public  
16 Telecommunications Association.

17 MR. TWOMEY: Mike Twomey on behalf of AARP, and with  
18 me is Lori Parham who is the advocacy manager for State Affairs  
19 for AARP in Florida.

20 MS. CIBULA: Is there anyone participating by  
21 telephone? Okay.

22 MR. O'ROARK: I'm De O'Roark along with David  
23 Christian appearing for Verizon Florida, Inc.

24 MS. CIBULA: There is a sign-in sheet at the back  
25 table, so be sure to sign in before you leave. There's also

1 copies of the draft rule back there, so if you need a copy of  
2 the draft rule you can obtain it on the back.

3 MR. SIRIANNI: Hi. This is MaryRose Sirianni with  
4 BellSouth.

5 MS. CIBULA: The workshop is being transcribed, so  
6 it's important that you identify yourself before you speak. As  
7 you are probably aware, the Legislature amended Section 364.10,  
8 Florida Statutes, addressing Lifeline service in 2005. In  
9 those amendments, the Legislature directed the Commission to  
10 establish procedures for the notification and termination of  
11 Lifeline service. Staff's objective with this rulemaking is to  
12 draft the rules required by the Legislature.

13 Staff is aware that there are other provisions in  
14 regard to Lifeline service that parties might want to include  
15 by way of rulemaking. Staff is currently drafting additional  
16 rules pertaining to Lifeline service. Staff will issue a  
17 notice setting forth those additional draft rules in the near  
18 future and interested person will have an opportunity to  
19 comment on those rules at that time.

20 In this rulemaking, however, staff wants to move  
21 forward with the draft rules that have been noticed in order to  
22 comply with the Legislature's mandate to the Commission. We  
23 had planned to go section-by-section to get your comments on  
24 the draft rules today. Before we start, are there any  
25 questions or comments?

1 MS. KHAZRAEE: This is Sandy Khazraee with Embarq,  
2 and I'm also here as the FTI Regulatory Chairperson. And we  
3 looked over the draft rules you had. We think this is a great  
4 idea to get the rules out there and embodied, because right  
5 now, I guess, we are dealing mostly with orders from years past  
6 in documenting what the Lifeline requirements are.

7 And so we took the statutes and we actually tried to  
8 go ahead and incorporate what was in the statutes in a set of  
9 draft rules which I only just showed you guys first thing this  
10 morning, a few minutes ago. And we would like to actually  
11 propose these. We voted -- the FTI board voted on these last  
12 evening and approved them being presented as an FTIA product,  
13 which means that the members all have agreed that these would  
14 all be appropriate Lifeline rules.

15 They basically just include what's currently in the  
16 statutes and what's currently required of the ETCs because of  
17 past orders that have been issued by the Commission. So that  
18 was our thinking in going ahead and taking it even a little bit  
19 further than the rules that you guys have drafted.

20 MR. CASEY: Sandy, I have a question for you. I  
21 noticed just looking over these, glancing over your FTIA  
22 proposed rules, that you mentioned wireless in here, too. Now,  
23 are the wireless companies members of FTIA?

24 MS. KHAZRAEE: Yes, there are wireless companies that  
25 are members of FTIA. And we did have participation, actual

1 suggested language from two of the wireless members, and we had  
2 a third one who actually voted on these rules. So there were  
3 three wireless companies that did participate.

4 MR. CASEY: Could you name them for us?

5 MS. KHAZRAEE: Sure. Sprint/Nextel, Alltel Wireless,  
6 and Cingular.

7 MR. CASEY: Thank you.

8 MS. KHAZRAEE: Sure.

9 MS. BULECZA-BANKS: Tom.

10 MR. McCABE: Just a question. You had indicated,  
11 Samantha, that staff's draft rules were an outgrowth of the  
12 legislation regarding the 60 days and things of that nature. I  
13 guess I'm curious with regard to Item 4. There is nothing in  
14 the statute that I'm aware of addressing that issue. And I  
15 think if it is our intent to try and move forward with some  
16 items, get some draft rules out that are not controversial,  
17 perhaps that one might be best held off for a later point in  
18 time.

19 MS. CIBULA: That is something that we could do.

20 MR. BECK: Samantha, this is Charlie Beck. I would  
21 like to address that. You know, we have had a proposal similar  
22 to your Item 4 out for quite sometime, and I don't see the goal  
23 of putting -- I don't agree with Mr. McCabe's proposal that the  
24 goal is to put out something that is noncontroversial. I think  
25 the goal is to do the right thing. So we wouldn't agree with

1 him that it is appropriate to take Item 4 and separate it from  
2 the others.

3 MR. RENARD: Cheryl, Samantha, I just want to go on  
4 the record to say FPTA is an affiliate member of FTIA, but we  
5 had no notice of these rules at all from them, and we had no  
6 opportunity to input, or respond, or any awareness of them  
7 until we just saw them right now. So I just wanted you all to  
8 know that.

9 MR. McCABE: Excuse me, Samantha. The FPTA, they're  
10 affiliate members, they are not board members.

11 MR. RENARD: Yes, that is what I said, Tom.

12 MR. McCABE: I'm sorry.

13 MR. TWOMEY: AARP would join Public Counsel in saying  
14 that we're fine with the segregation of Item 4. As far as  
15 these proposed rules, I suppose they could be -- I haven't had  
16 a chance to read them thoroughly. Off the top of my head, I'm  
17 not at all sure how they can tie wireless service to payments  
18 to Lifeline. But be that as it may, as I said, we haven't had  
19 a chance to read it thoroughly. It was brought at the last  
20 minute.

21 Ms. Parham has some comments she wants to make on  
22 what the AARP's overall goals are vis-a-vis increasing Lifeline  
23 participation in the state of Florida, and she would like to  
24 make those now. It will take just a minute.

25 MS. PARHAM: Good morning. I'm Lori Parham, the

1 advocacy manager for state affairs for AARP in Florida. I want  
2 to talk first about what we see the proposed rule is not  
3 addressing in terms of procedures to promote Lifeline.

4 Section 364.10, Florida Statutes, specifically states that by  
5 December 31st of 2003, each state agency that provides benefits  
6 to persons eligible for Lifeline shall undertake, in  
7 cooperation with DCF, Department of Education, the Commission,  
8 the Public Counsel, and the telecommunications companies  
9 providing services, the development of procedures to promote  
10 Lifeline. It also says the Commission shall adopt rules to  
11 administer this section.

12 We would like to see the development of rules that  
13 specifically address the procedures that the departments  
14 working together will follow to ensure eligibility for  
15 Lifeline. There is no excuse for Florida's limited enrollment.  
16 You have heard the statistics about Lifeline before. You have  
17 heard them from us a lot. In 2003, Florida telephone customers  
18 contributed 47 million through the universal service program to  
19 national Lifeline support. Due to the low enrollment rate in  
20 Florida, less than 17 million was returned to Florida Lifeline  
21 enrollees.

22 More than one million households that are eligible  
23 for Lifeline in Florida are not getting the service. Just more  
24 than 12 percent of eligible individuals are enrolled. AARP  
25 would like to see the regulations define the role of the



1 Commission and other state agencies in educating the public  
2 about Lifeline. We commend the Commission for its efforts thus  
3 far, but believe more can be done in coordinating with the  
4 necessary state agencies and in holding the agencies accountable  
5 to enroll more Floridians.

6 For example, since the large majority of individuals  
7 must go to an office to sign up for a public benefit, they  
8 could easily be added to the Lifeline list then. We just  
9 aren't seeing those efforts. There are some other educational  
10 and outreach activities that we would like to see addressed in  
11 the rule. We would like to encourage the development of a rule  
12 that would require telecom companies to inform customers at a  
13 couple of different stages in the process about the  
14 availability of the program.

15 First, when a company sends a termination of service  
16 notification. When a termination letter goes out to a  
17 customer, the individual would be given information about the  
18 Lifeline program and who to contact about eligibility and  
19 enrollment. Second, AARP suggests that the rules spell out  
20 that telecom companies inform all customers, both orally and in  
21 writing, of the existence of the Lifeline service program when  
22 they request or initiate service or a change of service  
23 locations or providers. These are additional avenues to  
24 promote participation in the program. Thank you.

25 MR. CASEY: Lori, could you spell your last name for

1 me, please.

2 MS. PARHAM: Sure. It is P-A-R-H-A-M.

3 MR. REHWINKEL: Samantha, may I address that issue?

4 This is Charles Rehwinkel, State Vice President Embarq. I just  
5 wanted to address Ms. Parham's remarks about the state  
6 agencies.

7 We share AARP's desire that state agencies become  
8 more involved in the process. And we have, I would say since  
9 October of 2005, been seeking to do that through the Chairman's  
10 Office And the Governor's Office. We were given the  
11 opportunity to make a presentation to the Governor and agency  
12 heads seeking that support and we believe it's well received.

13 The fact of the matter is that these wheels turn a  
14 little bit slower than we sometimes would like, but we would  
15 urge AARP's help and assistance to make this happen, and we  
16 look forward to working with them to do that. I think that  
17 that could be very helpful.

18 I do have some doubts in my mind about either the  
19 authority of the Commission or the wisdom of the Commission  
20 asserting jurisdiction over sister agencies to establish  
21 protocol and procedure for them to participate. I think it's  
22 much better done as a cooperative and encouragement-seeking  
23 effort rather than to establish rules. That is just my view,  
24 it's not something the FTIA has sat and talked about.

25 We have sat down and talked about how we can get the

1 agencies to participate more, and we do have plans underway for  
2 some pilot programs with the Department of Education and the  
3 Department of Children and Families, and we would certainly  
4 urge the AARP's participation and assistance here. We think it  
5 would be very valuable.

6 MR. TWOMEY: Let me just respond briefly. I think I  
7 can say on behalf of Ms. Parham and AARP that they will gladly  
8 work with the industry and the other state agencies in whatever  
9 efforts are required to promote increased Lifeline enrollment.  
10 I would suggest, however, that working collegially outside of  
11 the rule process is fine, but not enough. I think that if the  
12 Commission were to undertake rulemaking as we think the statute  
13 makes clear it has an obligation to do, and that there is an  
14 obligation that the sister agencies have to participate and  
15 facilitate the efforts, if you had a schedule -- having a  
16 schedule and having a drop dead date always helps everybody  
17 move forward with a little bit more alacrity.

18 So, I think we can have -- the two functions can move  
19 parallel, they don't have to be sequential. So I would say  
20 that we can consider going ahead. AARP, perhaps alone, perhaps  
21 with other consumer organizations, would undertake to offer you  
22 rules to this end, but I think they can be parallel and don't  
23 have to sequential. Thank you.

24 MR. REHWINKEL: Samantha, to be more specific about  
25 my concern about the wisdom of proceeding that way is we have

1 found this to be the case each and every time we this  
2 discussions. There are legitimate issues that are raised by  
3 the agencies, and I think the Commission would be ill-served to  
4 push this issue.

5           Because anytime you impose tasks upon another state  
6 agency there are costs that have to be factored in the budget  
7 process. And I don't think the Commission wants to get tangled  
8 up in seeking to dictate tasks, guidelines, timelines,  
9 et cetera, on agencies that are not included in their FTE  
10 count, or their budget requests, or the appropriations. So I  
11 just -- I understand where AARP is coming from. We think that  
12 it is something that is very important, it is in the law, it  
13 needs to be taken care of, but I don't know that the Commission  
14 is the proper forum to establish those. So I would urge that  
15 you not go forward in that regard in this rulemaking.

16           MS. KHAZRAEE: Samantha, this is Sandy Khazraee. Can  
17 I say one more thing --

18           MS. CIBULA: Sure.

19           MS. KHAZRAEE: -- that I didn't really cover in my  
20 brief opening remarks? Statute 346.10 on Lifeline refers to  
21 eligible telecommunication carriers all the way through the  
22 statute. And in Florida not only are the ILECs ETCs, but some  
23 CLECs and some wireless carriers. Not all, but some. The ones  
24 that have applied and gone through the process. So that's the  
25 reason that the draft rules that we developed through FTIA

1 included wireless specifically. It's for the ones that are  
2 ETCs. It's not for every wireless carrier, it's for the ones  
3 that are ETCs.

4 MR. McCABE: And that would include Nextel partners  
5 now, since they are under Sprint/Nextel?

6 MS. KHAZRAEE: I suppose so. I can't really speak  
7 for that company anymore.

8 MR. CASEY: Charles can, right?

9 MS. CIBULA: As I said at the beginning of the  
10 workshop, we are aware that there are other issues in regard to  
11 Lifeline that parties want to include in the rulemaking, and  
12 staff is looking at that now, and we will be drafting  
13 additional rules that we hope to add onto what we have here  
14 already. And at this point we just want to move forward with  
15 the more procedural aspects of it and get a rule in place, and  
16 then that's not going to foreclose us from during that time  
17 still going ahead and having more workshops and thinking about  
18 how to add additional provisions to the rule that probably will  
19 be in place soon, hopefully.

20 And so at this time I would really like to maybe go  
21 section-by-section to what we have drafted here to get comments  
22 on these provisions that we have before us. And then, like I  
23 said, we'll take into consideration all of your comments that  
24 you have given us so far here today. And when we go back and  
25 do additional drafts of rules, we will take that into

1 consideration when we are drafting those rules. And they will  
2 be noticed, so you will have an opportunity to actually see  
3 what rules staff comes up with, and there will be additional  
4 workshops, and you all will have an opportunity to comment at  
5 that time at those workshops.

6 So right now does anyone have any comments on  
7 Section I of the draft rule?

8 MR. RENARD: Samantha, this is Bruce. The only  
9 suggestion you might want to consider is fleshing out a little  
10 bit more when you will say the telephone number of the eligible  
11 carrier. They tend to have a lot of different numbers, so I  
12 think it might be useful to specify the number by which the  
13 consumer can get information specifically on Lifeline. That  
14 may be a helpful clarification.

15 MS. PARHAM: This is Lori Parham with AARP. We are  
16 concerned with the time frame for notification of termination.  
17 This is a really long period of time, and AARP would recommend  
18 a notice of termination be given within seven to ten days,  
19 similar to other states, or that if the notice is sent 60 days  
20 out that there is a follow-up notice within seven to ten days  
21 prior to the termination. Thank you.

22 MS. CIBULA: Does anyone have any concerns about  
23 AARP's suggestion?

24 MR. McCABE: This is Tom McCabe. I think there might  
25 be some misunderstanding in terms of the intent of Item 1. It

1 is our belief the way it is written, it basically goes back  
2 towards the statute which was put in there based on the  
3 verification requirements that exist from the FCC. So the  
4 seven to ten days is really -- I'm not sure where AARP is going  
5 on that issue, whether they're thinking that's when a customer  
6 is to be terminated for nonpayment of service.

7           We would suggest, though, Items 1, 2, and 3, we kind  
8 of expanded on those, and those would be our Items 2, 3, and 4.  
9 And this is all consistent in terms of what we are required to  
10 do today through the FCC on verification. That is the first  
11 part of Number 2. We're responsible of verifying the  
12 program-based eligibility, then from there it sets forth the  
13 procedures for notification of termination. If it is  
14 determined that a customer is no longer eligible, then we  
15 provide that information. That 60-day period allows them to  
16 come back to us to show proof of eligibility. And if they do  
17 so within that time period they remain on Lifeline. If they  
18 don't, at that point in time they are transitioned over to the  
19 discounted service. I forget what we refer to it as. The  
20 transitional Lifeline.

21           MS. BULECZA-BANKS: Tom, you referenced the program  
22 based, but if on the income basis Public Counsel provides a  
23 list to you, wouldn't that also apply in this? I mean, Public  
24 Counsel certainly wouldn't be providing a notice to the  
25 customers, I don't believe.

1           MR. McCABE: They would not. But we do address the  
2 role of the Office of Public Counsel. We have all agreed that  
3 we have no role in doing income verification and would not  
4 impose any further requirements on customers once we get  
5 notification from the Office of Public Counsel. But what we  
6 have added into ours is a requirement for the Office of Public  
7 Counsel to do an annual verification of that, which is required  
8 by the FCC rules.

9           MS. KHAZRAEE: Cheryl, I'm not sure I understood your  
10 question just now to Tom. When you said that the OPC would be  
11 giving us the customer information, are you talking about of  
12 the customers that no longer qualify under income based?

13           MS. BULECZA-BANKS: Yes.

14           MS. KHAZRAEE: No, I think the OPC would be giving it  
15 directly to the customer. I mean, they would have to --

16           MR. BECK: We qualify customers under an income base.

17           MS. KHAZRAEE: Right.

18           MS. BULECZA-BANKS: But if they no longer qualified,  
19 you would have no way to know.

20           MS. KHAZRAEE: But do you also tell the customer?  
21 You tell us that they no longer qualify, do you also tell the  
22 customer that they no longer qualify?

23           MR. BECK: Let me introduce Phyllis Davis in our  
24 office who is overseeing the Lifeline process.

25           MS. DAVIS: Phyllis Davis, Office of Public Counsel.



1 We do send out a letter to the customers if they do not  
2 qualify. We give them the reason that they don't qualify in  
3 the letter. We also include that if they have any questions  
4 that they can give us a call back and we will explain to them  
5 explicitly why they don't qualify.

6 MS. BULECZA-BANKS: And what we're referring to here  
7 was the verification process, a periodic review if the person  
8 still qualifies. So assume that at the time they were  
9 unemployed and they qualified, and then they got a job and so  
10 they longer qualify. And while the customer is supposed to  
11 tell the ETC that they no longer are eligible, the periodic  
12 review would have to be conducted, and that's where I was  
13 getting to. And I think that was Sandy's question. If that  
14 was done, would Public Counsel then on the verification notify  
15 the customer, or would they believe that they would send the  
16 list to the ETC and the ETC would then say you no longer  
17 qualify or something.

18 MS. KHAZRAEE: And they would definitely have to give  
19 us the list, because we would have to be the ones to remove the  
20 Lifeline credit from their account. My question, I guess, is  
21 who is actually communicating first to the customer to tell  
22 them you no longer qualify.

23 MR. BECK: Let me backup. This is a proposal FTIA  
24 has put out this morning without consulting us. On their  
25 proposal that the Commission by rule require our office to

1 verify customers' income eligibility, I would submit to you the  
2 PSC doesn't have that authority to direct our office to do that  
3 one way or the other. So I simply don't agree with the rule at  
4 all the FTIA has proposed.

5 MR. McCABE: The reason why that language was  
6 included is that we are required by the FCC to verify, and the  
7 fact that the statute is written in such a way that the Office  
8 of Public Counsel has taken over the responsibility of the  
9 income eligibility, then it would seem that they would be the  
10 one to be responsible for verifying those.

11 MR. BECK: I think the point Tom is perhaps missing  
12 is that the issue is whether the PSC has the jurisdiction to  
13 order the Office of Public Counsel to do such a thing. I would  
14 submit to you the Public Service Commission doesn't have that  
15 power to direct us to do that.

16 MR. McCABE: Then it would be the responsibility of  
17 the incumbent LEC to verify the income eligibility by the FCC  
18 rules.

19 MR. BECK: Our office will determine about the  
20 verification of eligibility. My statement to you is the PSC  
21 doesn't have the authority to tell us what to do.

22 MS. BULECZA-BANKS: So are you willing to doing that  
23 function, to do the verification?

24 MR. BECK: I'm not willing to have the PSC tell us to  
25 do it.

1 MS. BULECZA-BANKS: I understand.

2 MR. BECK: And that's all I have to say about that.

3 MR. CASEY: We are presently working on a memo of  
4 understanding with different agencies of the state, and I think  
5 OPC is on there, too, and maybe it would be better forum to  
6 include it in a memo of understanding rather than in a rule.

7 MR. BECK: We would certainly consider that.

8 MR. TWOMEY: Samantha, let me say that we take Tom's  
9 point about the 60 days as being correct, that I had confused  
10 that with the 60-day period in the third section, and that the  
11 longer period in Section 1 is to the advantage of the  
12 consumers. So, thank you, Tom.

13 MS. CIBULA: Any more comments on Section 1? Let's  
14 move to Section 2.

15 MS. KHAZRAEE: This is Sandy Khazraee. And basically  
16 we left that one -- that is our Number 3, and we left it as you  
17 all had drafted it. And just to address the 60 days in this  
18 rule, it is a no later than 60 days. It doesn't say that we  
19 are going to take the full 60 days to get them reinstated.  
20 But, you know, it is to allow us enough time, number one, to  
21 make sure we get the documentation we need from the customer.  
22 Sometimes you tell them what you need and you don't get it on  
23 the first correspondence. And it's also just because sometimes  
24 the way billing cycles run, you know, when you get the  
25 documentation and you get it input into the system you have

1 just missed the current billing cycle, so it may be the second  
2 bill before it shows up. That's really why the 60 days is in  
3 there. It's not saying that we would always take 60 days.  
4 And, in fact, if the customer has responded immediately, rarely  
5 would it be 60 days.

6 MS. BULECZA-BANKS: Well, but this is worded that 60  
7 days following receipt of proof, so that is not including the  
8 delay in time of somebody responding. That actually is from  
9 the date of receipt of proof that you actually have it in hand.

10 MS. KHAZRAEE: And so when we get it, and we  
11 generally -- I can speak for Embarq on this specifically. We  
12 generally take about three business days, at most, to get the  
13 system updated. Depending on where that falls on the  
14 customer's billing cycle, it may have just missed that billing  
15 cycle. It may be the next bill after that before it actually  
16 shows up on their bill.

17 MR. SIRIANNI: This is Maryrose Sirianni with  
18 BellSouth, and I would just echo what Sandy said. I mean, it  
19 is usually three to five business days at the most. But the  
20 billing cycle is -- I think we have had this discussion before  
21 about the 60 days in a previous workshop, and one of the  
22 reasons was because of the way the billing cycles hit. They  
23 may actually on the bill see two credits because it missed the  
24 first one by a day or so and the next month they will see two  
25 months of the Lifeline credit, or partial months, and then a

1 whole month just because of the billing cycles.

2 MR. BECK: This is Charlie Beck. We don't have an  
3 issue with the 60 days for the companies to process the proof  
4 submitted by the customer, but I think a separate issue is what  
5 is the effective date of the Lifeline credit once they have  
6 processed it. And I think it should be made clear in the rule  
7 that the effective date is the date the customer submitted  
8 proof. So, in other words, companies can take whatever time  
9 they need to process it, but once the process is completed it  
10 should be effective as of the date that the customers submitted  
11 the proof to the companies. I think that is consistent with  
12 the way we deal with income right now, we make it effective as  
13 of the date.

14 MR. CHRISTIAN: Charlie, this is Dave Christian with  
15 Verizon. I think that is consistent with the way Verizon would  
16 process that, that we would go back to the date we received the  
17 verification papers.

18 MS. KHAZRAEE: Embarq does as well. We make it  
19 effective the date that we received it. And Charlie's right,  
20 that is exactly what we do on the income based, as well. When  
21 they send us the list of customers, we make it effective the  
22 date they show.

23 MR. BECK: So I think we are in agreement on what is  
24 happening. The rule doesn't say that, though, and so I think  
25 it would be helpful to clarify that.

1 MS. BULECZA-BANKS: That is something we certainly  
2 can add for clarification.

3 MR. TWOMEY: Mike Twomey for AARP. We would be good,  
4 then, along with Public Counsel, and would encourage the  
5 specificity on the retroactivity of the date.

6 MR. McCABE: Tom McCabe for TDS. I don't have a  
7 problem with it, I just need to verify. I mean, you know, once  
8 we get an application, we go ahead and enroll that person. I  
9 don't know if it becomes a situation where it comes in at the  
10 end of the day and it gets processed the next day, whether  
11 backdating it becomes an issue for billing purposes or  
12 something of that nature. And, you know, perhaps a  
13 three-business-day deal or something like that might be  
14 workable. I'm just not sure.

15 MR. RENARD: FPTA would support the AARP and Public  
16 Counsel position on this, although I'm a little bit confused  
17 because this sounds like a situation where the customer was  
18 already on Lifeline service. He was then terminated, or she  
19 was terminated, and now we are reinstating the customer,  
20 because it sounds to me like an error in their termination.  
21 And if, in fact, there was an error of termination, I'm  
22 wondering why there should be any break at all in their  
23 continuing to receive the Lifeline credit.

24 MR. CHRISTIAN: I will take a crack at that. This is  
25 Dave Christian with Verizon.

1           Bruce, under the FCC's April 2004 order, they  
2 implement a process when verification has been conducted. And  
3 under the rules that if the customer is taken off of Lifeline  
4 and our verification would indicate that they are no longer  
5 eligible, but yet the customer can provide proof in that 60-day  
6 period then Lifeline would be reinstated.

7           MR. RENARD: So, in effect, there would be no break  
8 in that situation.

9           MR. CHRISTIAN: I'm not sure how that would really  
10 work. Because the break -- I'm getting in a little deep here,  
11 but when the verification goes out in that 60-day period, is  
12 Lifeline still on the bill?

13           MR. McCABE: Yes.

14           MR. CHRISTIAN: So Lifeline is not taken off during  
15 that verification time period.

16           MR. McCABE: The issue here would be a situation in  
17 which you have notified the customer that their Lifeline  
18 service is going to be terminated. Sixty days comes and goes  
19 and the customer hasn't presented any proof of eligibility  
20 while that customer was still receiving Lifeline, then the  
21 third month he notices that Lifeline is not on the bill. They  
22 come back to us and say, hey, I'm eligible, here is my proof.  
23 And at that point we would reinstate them. That would be the  
24 gap in which they lost.

25           MS. KHAZRAEE: And during that gap -- this is

1 Sandy -- during that gap they went to transitional Lifeline, so  
2 they didn't even go back to full priced basic local service,  
3 they went to transitional Lifeline.

4 MR. WILLIAMS: Mr. Renard, just to clarify your point  
5 or your question as far as an error, in drafting this  
6 particular section of the draft rules it was not staff's intent  
7 that it related to an error, it is open to any development. It  
8 may actually be an error, but it may just have been an issue of  
9 the customer not presenting the verification or an omission,  
10 but it wasn't just focused on an actual error being made.

11 MR. RENARD: Thank you, Curtis.

12 MS. CIBULA: Any more comments on Subsection 2?

13 Let's move to Subsection 3.

14 MR. McCABE: On Subsection 3, the bottom line is USAC  
15 conducts audits, and we are responsible for providing them with  
16 the verification information on request. And part of that  
17 would involve verifying the income eligibility. And the FCC  
18 rule requires that -- the verification information is kept for  
19 a period of three years. So the question becomes is the Office  
20 of Public Counsel going to do an income verification on an  
21 annual basis, and, if not, is that going to then come to the  
22 incumbent local change company. And we will be more than happy  
23 to discuss it off line, Charlie. I guess this is probably one  
24 of those items that would probably be best to address at a  
25 later point in time, but it is mandated by us to do that.



1           MR. BECK: I'm not going to repeat everything I said  
2 before. Let me say that if they are audited, I think the proof  
3 the companies have to show is that they received a  
4 certification of eligibility from our office. I don't know  
5 what other issue Mr. McCabe has.

6           MR. McCABE: But we have to -- we are required to  
7 verify on an annual basis. Once you do the income eligibility  
8 to us, or the large companies, that goes into effect and after  
9 the first year it needs to be reverified that that customer is  
10 still eligible. And that's all we're discussing is the  
11 continued eligibility, and that we need to provide, have  
12 available for use after audits. I know of small local exchange  
13 companies, for example, that have been audited by USAC and have  
14 been penalized for failure to meet the FCC requirements.

15           MR. SIRIANNI: This is MaryRose with BellSouth. And  
16 I will say that we have been audited in other states in our  
17 region, and they don't just look at the eligibility criteria to  
18 see if we have it, they also look for the verification piece.  
19 And in the past, I mean, we would be more than willing to do  
20 the verification piece on the income eligibility, but OPC has  
21 not wanted us to do the income criteria. So maybe it is  
22 something we need to take off the table here and talk about  
23 with OPC at another time.

24           MR. BECK: The statute empowers the Office of Public  
25 Counsel to certify eligibility. It doesn't give that authority

1 to the local exchange companies. And my position is that if  
2 asked, the proof that the companies would need to show is that  
3 we have certified them as eligible.

4 MS. BULECZA-BANKS: Do you have any suggestions on  
5 how the verification process obligation under the FCC should be  
6 handled?

7 MR. BECK: We will take care of what the FCC  
8 requires. The PSC doesn't have the authority to tell us how to  
9 do it.

10 MR. SIRIANNI: So after they have been on for one  
11 year, what are we supposed to do with those individuals,  
12 automatically put them on transitional discount if we don't  
13 receive anything from the Office of Public Counsel?

14 MR. BECK: This is beyond the rule, MaryRose. If you  
15 want to discuss that with us, we'll be glad to. But you are  
16 discussing a proposed rule for the Commission and this isn't an  
17 appropriate place for it.

18 MR. McCABE: And if we fail to comply with the FCC  
19 requirements, it's the local exchange company that gets  
20 penalized, it is not the Office of Public Counsel. And what we  
21 are looking at -- and, I mean, the fact that we have this rule  
22 in place, it's like half of the rule. And what we think that  
23 needs to be discussed is the other half of the rule.

24 MR. BECK: We don't certificate eligibility for  
25 Mr. McCabe's company or any of the other small local exchange

1 companies. I think his comments are simply gratuitous because  
2 they don't affect his company.

3 MR. McCABE: We seem to be going around in circles.  
4 One thing I want to bring out is that the PSC is responsible.  
5 We did have to write a letter, I believe it was to the FCC,  
6 saying that there is annual verification going on for our  
7 Lifeline program now. Now, if OPC is not going to do annual  
8 verification, we're going to have to figure out something to  
9 do. But maybe we should just push this off and table it for  
10 now.

11 MS. KHAZRAEE: This is Sandy. Can I just say one  
12 other thing about what that language? Not what we have just  
13 discussed, but this is our Number 4, what your Number 3 is.  
14 And one other thing that we added in our language which doesn't  
15 have anything to do with this particular discussion, is a  
16 statement that says nothing in this subsection prohibits an ETC  
17 from requiring a customer to apply for service in accordance  
18 with our normal processes.

19 And, you know, we didn't believe that the intent of  
20 the rule was to keep us from being able to require the  
21 customers to provide what they need for us to provide service,  
22 but we just wanted to make sure that was very clear. So we are  
23 not saying we are going to impose verification requirements,  
24 but if they don't currently have service with us, they have to  
25 contact us and we have to go through our normal service order

1 process with the customers, and we just wanted to make sure  
2 that was included in this language.

3 MS. BULECZA-BANKS: And that's essentially to look  
4 and see if there are any past due bills or other issues that  
5 might be outstanding?

6 MS. KHAZRAEE: It's for anything. I mean, if they  
7 don't have service with us, we can't just take some  
8 third-party's word for it that they want service. You know, we  
9 have to talk to the customer, we have to get their information,  
10 their full name, their Social Security Number, or whatever form  
11 of identification they are going to give us to prove that they  
12 are who they say they are. Otherwise we could end up with an  
13 account created in somebody's name that is not that person.  
14 You could end up with, you know, identity theft.

15 So we just have procedures we have to go through.  
16 And we have to find out what the customer wants on their  
17 service. Do they want any features, do they want to be picked  
18 to a particular carrier. I mean, we just can't set up an  
19 account for a customer without talking to the customer, so  
20 we're just trying to make sure that that is very clear.

21 MS. CIBULA: Any more comments on Subsection 3?  
22 Okay.

23 We'll move to Subsection 4. Well, this would be the  
24 really controversial one. And, you know, you'll notice that  
25 that is not anywhere in our -- if you have had a chance to look

1 through the FTIA's list of proposed rules, this one is not in  
2 there because we don't believe that it should be a rule that,  
3 you know, you have to allow them to purchase certain things if  
4 they are a Lifeline customer.

5 And I'm going to say for most of the companies we do  
6 allow them, allow Lifeline customers to purchase bundled  
7 services, or features, or whatever, but we just don't believe  
8 it should be in a rule as a requirement. You know, the  
9 Lifeline program is established by the FCC, sets up Lifeline  
10 service, which is discounted basic service. And so we don't  
11 really want the rule to go further than that at this time.

12 MR. BECK: We disagree. This is an issue that is  
13 brought up numerous times by customers, and it is principally  
14 Verizon where we get the complaints. We don't get them with  
15 BellSouth and Sprint. We think it's appropriate. We don't  
16 think you should be telling the customer what they can and  
17 can't have once they are Lifeline eligible. So we support the  
18 rule, we think you ought to go forward with it.

19 MR. TWOMEY: This is Mike Twomey. AARP would echo  
20 the comments of Public Counsel. Despite all the harrumphing  
21 that went on in the rebalancing case about what people did with  
22 their money, and how many folks, seniors and others, low income  
23 had cable television service, and cell phone this, and cell  
24 phone that, once an individual is certified pursuant to the  
25 statute, it is not the company's business to tell them how they

1 can or cannot spend any of the rest of their disposable income.  
2 So Section 4 is appropriate. And any suggestion that a company  
3 should be allowed to deny Lifeline service in connection with a  
4 bundle of services or premium services is just wrong.

5 MR. CHRISTIAN: Dave Christian with Verizon. I would  
6 just like to offer a few comments. The list of supported  
7 services has been developed by the Joint Board on Universal  
8 Service. It has also been adopted by the FCC. That list of  
9 supported services does not include a Lifeline discount on  
10 nonbasic services or packages, or bundles of services.

11 In fact, in the FCC's order released July 14th, 2003,  
12 they refused to -- they adopted the Joint Board's  
13 recommendation that unlimited local usage should not be added  
14 to the list of supported services. So if basic local usage is  
15 not a list of supported services, how can a package that  
16 includes nonbasic services have Lifeline added to it? I just  
17 don't see the authority. I think the rule that you drafted,  
18 the first three sections have clear statutory authority under  
19 364.10.

20 I have looked through the statutes pretty carefully.  
21 I can't find anything that discusses that this Commission has  
22 authority to apply a Lifeline discount to a nonbasic service  
23 package. That is our position. And from a practical  
24 standpoint, I think we provide Lifeline on basic local service,  
25 which is the intent of the FCC's program, and we think that a

1 discount on top of a discount is not required under the FCC's  
2 rules or the PSC's statutes.

3 MR. CASEY: Dave, can I ask you a question? Wireless  
4 companies all have packages. They are all packages for  
5 wireless.

6 MR. CHRISTIAN: I'm sorry?

7 MR. CASEY: All the wireless companies have packages,  
8 they don't have basic local exchange, but yet they are required  
9 to provide Lifeline discount on their packages. So why  
10 wouldn't --

11 MR. CHRISTIAN: On their service.

12 MR. CASEY: On their service, right.

13 MR. CHRISTIAN: Becoming a wireless ETC is an  
14 elective process. And they can establish whatever discounts on  
15 whatever packages they want. I think that if they offered a  
16 stand-alone local package, which some wireless carriers do,  
17 they could offer Lifeline on that as the other companies do at  
18 their own decision, their own business decision, offer a  
19 Lifeline discount on a bundled package. I think it's up to the  
20 company. And certainly with numerous competitive ETCs  
21 providing service in Florida, the customer now has a choice of  
22 companies that will provide them a Lifeline discount.

23 MS. CIBULA: Any additional comments on Subsection 4?  
24 Any additional in general?

25 MS. KHAZRAEE: Samantha, this is Sandy. Could we

1 since we are here, go through what we have got on this other  
2 sheet and just see if anybody has any objections of the people  
3 that are here to any of these rules.

4 MR. CHRISTIAN: Could I add one more thing before we  
5 start that? The one thing I wanted to offer, and this is  
6 Verizon's perspective, is that the rule that you have drafted  
7 includes some of the laws that were implemented in 2005, but it  
8 doesn't include all of them. And I'm just wondering if when  
9 you look at the FTIA rule, we intended to included every law  
10 that was implemented in rule, and I just wanted that to be on  
11 your mind when we go through the FTIA draft.

12 MR. McCABE: I have a question on Number 4. And I  
13 know Verizon has their position and, you know, some companies  
14 do it today and some don't. I'm not really sure I understand  
15 what 4 is in terms of basic and nonbasic. Would a local  
16 company be required to offer Lifeline on a bundled package that  
17 included LD, or DSL, or video? Is that the intent of staff's  
18 position on that?

19 MS. BULECZA-BANKS: Theoretically, what we would like  
20 to see is that if the person has basic local service they are  
21 entitled to the discount on that basic local service. Now,  
22 when you are pricing it, you just price it differently when you  
23 are doing the bundled packages to sell. But theoretically it  
24 would be that basic local service piece would receive the  
25 discount.



1           MR. McCABE: I understand that. And I guess from  
2 some pricing positions that you take, I mean, you can get to a  
3 point where you are discounting your services. And I think to  
4 an extent, the 3.50 that the local exchange company eats today  
5 is a big part of the issue there, because what you do is you  
6 have already discounted that service considerably. For  
7 example, I may have a package with basic service and some, you  
8 know, three calling features, and --

9           MS. BULECZA-BANKS: And staff's opinion is that I  
10 shouldn't have to forego that discount as a Lifeline customer  
11 because I choose call waiting.

12           MR. McCABE: I understand that. But then in terms of  
13 a competitive response that I have to turn around and try and  
14 get my rates more in line with, say, a Vonage where they offer  
15 those ancillary services at no cost. So I put together a  
16 package today that says, okay, I'm going to give you basic  
17 service and three calling features, and it's only going to cost  
18 you 50 cents more for that. Well, the profit margin that I had  
19 built in on those calling features is now gone. And now when  
20 I'm putting a discount on top of that of 3.50, that I think is  
21 where some of the concern comes in.

22           But I think it becomes more of a concern when you  
23 start looking at the bundled packages when you are providing  
24 video offerings or DSL offerings. My company today, we provide  
25 the discount on our bundled packages. Whether we want to

1 continue doing that in the future, I don't know, and I don't  
2 know what is going to come tomorrow whether I want to be in  
3 that situation.

4 MS. KHAZRAEE: And I'll just say from Embarq as well,  
5 you know, we have looked at the FCC order, too, and we actually  
6 concur with Verizon's reading and interpretation of that order.  
7 We believe that if it's a nonbasic service, which our bundles  
8 are, then we are not required to provide the Lifeline discount.  
9 As Tom said, we currently do, but we don't believe that that is  
10 the way the FCC's order intended it to be, or requires it to be  
11 I guess I should say.

12 MS. BULECZA-BANKS: I understand your position.

13 MR. WILLIAMS: I have just one quick question for  
14 Ms. Sirianni. Do you have a position on that, does BellSouth?

15 MR. SIRIANNI: I was kind of letting Sandy handle it.  
16 BellSouth does provide the discount today, but I concur with  
17 Tom and Sandy and Dave in that, you know, even though we do  
18 provide the discount, you know, we certainly don't think there  
19 needs to be a rule. And we're not sure at this point that the  
20 FCC requires that. I would say we are talking about bundles,  
21 and you say the basic local exchange service with nonbasic  
22 service packages with call waiting, call forwarding, et cetera,  
23 those packages are nonbasic packages. They are not considered  
24 basic.

25 I mean, if you look at the baskets that they are in,

1 they are in nonbasic, totally nonbasic services. They are not  
2 considered a basic service. So, you know, we will continue  
3 providing the discount, and we're not going to discontinue any  
4 time soon, but we do concur with their positions on --

5 MS. BULECZA-BANKS: But I am still getting basic  
6 local service besides the call waiting, call forwarding,  
7 voicemail.

8 MR. CHRISTIAN: You are getting the package that you  
9 subscribe to --

10 MS. BULECZA-BANKS: I understand, but if part of  
11 that --

12 MR. CHRISTIAN: -- that includes a basic component,  
13 but it's no longer a basic service.

14 MR. SIRIANNI: If you pick it apart, of course, you  
15 can say here is the basic service component and here is the  
16 vertical services and they are nonbasic. But when you combine  
17 it as a package and you pay the one price for it, this  
18 Commission has determined that that is now a nonbasic service.  
19 It is in the nonbasic basket.

20 MS. BULECZA-BANKS: Okay. Can I ask one question?  
21 And I think, Dave, maybe you can help me with this. There are  
22 some features that I buy individually that are not as a  
23 package. So if I just have basic local service and caller ID,  
24 then that is a basic and then an additional service, and then  
25 you provide me the discount. So if I add two more things,

1    though, now I don't qualify.

2                   MR. CHRISTIAN:  No, no, that's not true.  You can buy  
3    anything with the basic --

4                   MS. BULECZA-BANKS:  A la cart.

5                   MR. CHRISTIAN:  A la cart.  But as far as, say, like  
6    the freedom package, which is an all-you-can-eat package of  
7    basic combined with long distance and vertical features.  That  
8    is discounted packages that is for a competitive marketplace  
9    response and we do not provide a discount on that.  Now, if you  
10   are a basic local customer and you subscribe to Lifeline and  
11   you have voicemail and call waiting, we are not going to  
12   prohibit you from buying that.

13                  MR. SIRIANNI:  Basically, you're paying the tariffed  
14    rate for each one of those individual items.

15                  MS. BULECZA-BANKS:  I understand.

16                  MR. WILLIAMS:  Just to follow up.  So, Ms. Sirianni,  
17    I guess I was a little confused.  I know you said you actually  
18    do offer the discount, but you stated that BellSouth does not  
19    have a position at this time on the interpretation of the FCC's  
20    order?

21                  MR. SIRIANNI:  No, no, let me restate that.  We do  
22    provide the discount.  We will continue to provide the  
23    discount.  We don't plan on discontinuing it at any time soon.  
24    However, we agree, just like Sprint who provides the discount,  
25    also, or I should say Embarq, sorry, who provides the discount

1 today also, we still believe that the FCC does not require that  
2 you do provide the discount on the nonbasic service packages.

3 MR. WILLIAMS: And specifically you -- so your  
4 position is that the actual bundled services are not included  
5 as eligible services for Lifeline discounts?

6 MR. SIRIANNI: Correct. That there is an argument  
7 that they should not be included, that they are already  
8 discounted by the fact that they are packaged together and have  
9 a specific price on them that is, if you added up all the  
10 individual components, it would be much higher. So they are  
11 already getting a discount. And so like Mr. Christian was  
12 saying, you are giving a discount on top of a discount. And we  
13 don't think that that was the intent of the FCC when you put  
14 Lifeline in place. I know we have had this discussion before,  
15 we will have it again in the future.

16 So -- I would say, though, that Item 4, if do you  
17 want to get rules in place, and you want to get something on  
18 the book, we can continue to talk about 4. I know that you all  
19 aren't going to just let it go away. But if you did want to  
20 get something done quickly to take that one off the table at  
21 least at this moment, we could probably get something done  
22 fairly quickly without controversy.

23 MS. KHAZRAEE: And Susan just pointed out to me, and  
24 I agree with her, that if you took out the parenthetical, we  
25 would like it better, what you have there. So the Lifeline

1 service discount shall be applied to the basic local exchange  
2 service rate or a service offering which combines basic local  
3 service with nonbasic service, but not put in the rest of it  
4 that specifically says a package.

5 MR. TWOMEY: Let me ask the ILECs for a brief  
6 clarification if I may, and I apologize if this has been  
7 discussed at length before, but I hear them saying that -- I  
8 think I hear them saying that the FCC does not mandate that  
9 they provide the Lifeline discount in connection with bundles,  
10 is that correct?

11 MR. CHRISTIAN: That would be our position, yes.

12 MR. TWOMEY: Is it your further position that the  
13 Florida Public Service Commission is precluded by the FCC from  
14 requiring you to do so?

15 MS. CHRISTENSEN: No, I think they are precluded by  
16 the statutes in Florida that govern the PSC that are pretty  
17 prescriptive on Lifeline enrollment and practices, that there  
18 is nothing in there that says that Lifeline discounts should be  
19 applied to a bundled service. That's our position.

20 MR. TWOMEY: Okay. Thank you.

21 MS. CIBULA: In regard to your question about going  
22 paragraph-by-paragraph through your proposal, the only thing  
23 that concerns me is that we have only seen it for the first  
24 time this morning, and I know a lot of other people have only  
25 seen it for the first time this morning, so I was wondering if

1 it might be more productive if we just get written comments  
2 from everyone on the proposal that you have offered this  
3 morning, because that will give people a chance to go back and  
4 think about it for while and then write something down and send  
5 it to us.

6 MS. KHAZRAEE: Yes, that's fine.

7 MR. CASEY: One comment I would like to make on the  
8 number that you have here. On 12B, where it says  
9 Linkup/Lifeline discounts apply to only one access line per  
10 household.

11 MS. KHAZRAEE: Yes, thanks for catching that, Bob.  
12 That is one that is actually not in the Florida Statutes, that  
13 is an FCC --

14 MR. CASEY: Well, it is not an FCC rule yet. They  
15 are talking about it, but there's also some states out there  
16 that are allowing two lines per household for CapTel for relay  
17 service. Specifically, CapTel that requires if you want 911  
18 service for the deaf, you have to have two lines, and if a  
19 person qualifies for Lifeline then they are allowed two lines.  
20 Not in Florida, but there are some other states that are doing  
21 that.

22 MS. KHAZRAEE: And when you say they are allowed two  
23 lines, do you mean specifically both lines have the Lifeline  
24 discount on them?

25 MR. CASEY: That's correct. I know California is one

1 of them. But that's just something to think about.

2 MS. KHAZRAEE: Thanks for that.

3 MR. BECK: Samantha, and I agree about written  
4 comments, since we have just received this this morning. I  
5 would like to make a brief comment on Number 8, though, since  
6 we are here.

7 MS. CIBULA: That's fine.

8 MR. BECK: One of the things in Paragraph 8 is they  
9 say payment arrangements shall be made in a manner consistent  
10 with a tariff. And I think there is an issue, a legal issue on  
11 whether you can, by rule, adopt something else that changes  
12 from time to time. So if the Commission adopts a rule today  
13 and there is a tariff out there, and then the tariff changes in  
14 the future, have you by rule adopted something that doesn't  
15 exist, you know, at this point in time? I don't think you can  
16 do it. I think that issue has been before the Commission  
17 before.

18 The sentence following that says that if there is no  
19 tariff, that the arrangements are to be made for a period of  
20 not less than four months. I suspect what the companies intend  
21 to say is it has to be completed within four months. I think  
22 the way it is written it says it prohibits three months, and it  
23 has to be four months or greater. That's the way I read it. I  
24 mean, that's what it says. But I think most of this has no  
25 place at all in a rule anyhow, and this is kind of like a wish



1 list of stuff. We'll submit comments later about it.

2 MR. McCABE: I will just make a comment. I mean, it  
3 really wasn't a wish list. One of the things that we have  
4 experienced is trying to make sure that we have a consistent  
5 source of documentation on the rules. This here, you know, the  
6 issue of the tariff and the payment arrangement of four months,  
7 that language comes directly out of the Commission order. I  
8 forget what number it was. And I believe it was the  
9 stipulation that we entered into with the Office of Public  
10 Counsel, and I think --

11 MR. BECK: I think there's prohibitions in a rule  
12 adopting another document that changes from time to time.

13 MR. McCABE: Okay.

14 MS. CIBULA: Any more general comments?

15 MR. RENARD: Samantha, I would just offer one closing  
16 comment from FPTA's perspective, just to point out the  
17 incongruity of, as these rules draft point out, having Lifeline  
18 available for wireless services and not having any Lifeline  
19 relief available or involvement for public payphone services,  
20 which are really serving the folks that can't afford wireline  
21 or wireless even with the Lifeline support. So it just strikes  
22 me as extremely inappropriate that we have a situation like  
23 that. And I, again, renew my request for the Commission's  
24 assistance in trying to address that going forward. Thank you.

25 MR. McCABE: Bruce, just out of curiosity, is it the

1 FPTA's intent to be certified as an ETC, or is it for the  
2 incumbent local exchange companies to put all payphones on  
3 Lifeline service?

4 MR. RENARD: Tom, I think the latter is the  
5 preference, although either solution or either approach we  
6 would be open to to address a legitimate concern. And, you  
7 know, if we really believe in the Lifeline concept it needs to  
8 be addressed in some manner. We're not carved in stone as to  
9 how to go about it. We would like, frankly, FTIA's help in  
10 addressing it, as well. But whatever will solve the problem of  
11 the loss of public phone access and the need for it by the  
12 folks we are trying to help with Lifeline we are open to.

13 MR. CASEY: Have you approached the FCC at all,  
14 Bruce, on this idea?

15 MR. RENARD: The Joint Board had -- we approached the  
16 Joint Board, Bob, on it several years ago, and the Joint Board  
17 recommended that it be considered. And at the time the FCC  
18 declined to really address it. And at that time it was being  
19 approached more from the ETC approach that Tom just laid out  
20 there, which is why we have tried to drop back and maybe look  
21 at ourselves more as end users and consumers as opposed to  
22 carriers for this purpose.

23 But I would say that when the FCC did not really act  
24 on the Joint Board's recommendation things were not as dire for  
25 the payphone industry as they have become since then. And the

1 phone counts have dropped dramatically since then. So there  
2 has been a pretty big change in circumstance since that time.  
3 And we are hoping to renew the initiative to get it addressed  
4 now before it's too late.

5 MR. CASEY: Thank you.

6 MR. RENARD: Sure.

7 MS. CIBULA: We mentioned filing comments. I was  
8 looking at July 12th as a date. That would give us three weeks  
9 from the workshop. And unless I hear someone that majorly  
10 objects to that, we will go with July 12th. And please send  
11 the comments directly to me. Since this is undocketed, if you  
12 don't send them to me then they will go into the abyss  
13 somewhere probably.

14 You can either send it to me by mail or you can send  
15 it to me by e-mail. My e-mail address is  
16 scibula@psc.state.fl.us. And once we get the comments back,  
17 we'll look them over, and then we will decide how to go  
18 forward. And I guess the next step will be a statement of  
19 estimated regulatory cost. And then we will open a docket, and  
20 from there I guess you will have a better idea, a  
21 recommendation will be filed, and we will get an idea of what  
22 our position is that we will recommend to the Commission.

23 And if there aren't any more comments or --

24 MR. McCABE: Just a suggestion. Perhaps it might be  
25 something to consider in terms of having another workshop after

1 everyone has a chance to look at our proposal so that we might  
2 be able to identify which issues are going to be controversial  
3 from this group. And I don't mean that we don't plan to  
4 address those. My only thought is if staff is working on some  
5 additional issues that may be controversial, perhaps it might  
6 be best to move those into that one so that we don't have two  
7 rule proceedings in progress that are going to be  
8 controversial, if you know what I mean.

9 MS. CIBULA: We'll probably get a better idea once we  
10 get the comments in what probably is controversial and what  
11 isn't controversial, and we will make it -- probably make a  
12 decision then once we look at everything. So that's something  
13 we will think about. And, like I said, we are drafting  
14 additional Lifeline rules, so there is going to be more to  
15 come. Even if we go forward with something that might not be  
16 as complete as everyone hopes for at this point, we are going  
17 to go forward with more Lifeline rulemaking.

18 MS. BULECZA-BANKS: I would remind everyone to please  
19 sign in the sign-in sheets that are located over here on this  
20 table. I appreciate that.

21 MS. CIBULA: And also if you're doing comments to  
22 FTIA's proposed rules, you can also give your comments, written  
23 comments, if you want to, to the staff's rules, as well, if you  
24 want to do that.

25 If there aren't any more questions then we will

1 adjourn.

2 (The workshop concluded at 10:40 p.m.)

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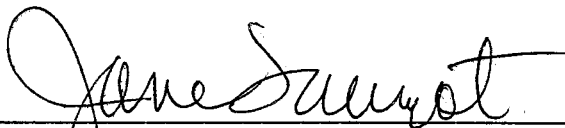
CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, 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 30th day of June, 2006.



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