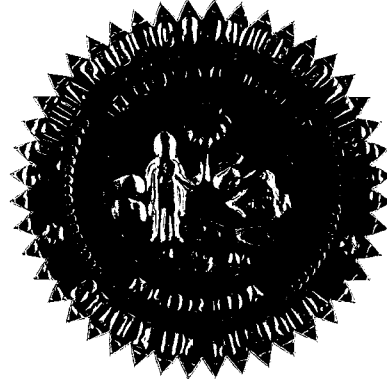


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060607-TP

In the Matter of:

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



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 3

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

DATE: Tuesday, October 3, 2006

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

REPORTED BY: LINDA BOLES, CRR, RPR
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FLORIDA PUBLIC SERVICE COMMISSION

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FPSC-COMMISSION CLERK

1 PARTICIPATING:

2 MARYROSE SIRIANNI, ESQUIRE, representing BellSouth.

3 TOM McCABE, ESQUIRE, representing TDS Telecom.

4 SAMANTHA CIBULA, ESQUIRE, and CURTIS WILLIAMS,
5 representing the Florida Public Service Commission Staff.

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P R O C E E D I N G S

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2 CHAIRMAN EDGAR: We will begin our discussions with
3 Item 3.

4 MS. CIBULA: Samantha Cibula on behalf of the
5 Commission's legal staff.

6 Commissioners, Item Number 3 is staff's
7 recommendation to propose the adoption of Rule
8 25-4.0665 pertaining to Lifeline Service. I believe BellSouth
9 wants to comment on the rule, and staff is prepared to address
10 any questions the Commission may have at this time.

11 CHAIRMAN EDGAR: All right. Thank you. Go ahead.

12 MS. SIRIANNI: Good morning. MaryRose Sirianni with
13 BellSouth. I just wanted to make one comment on the rule
14 itself, 25-4.0665(2). The last sentence reads, "Irrespective
15 of the date," it starts with that, and it goes on to say that,
16 "the subscriber's bill shall be credited for Lifeline Service
17 as of the date the subscriber submitted the proof of continued
18 Lifeline eligibility."

19 BellSouth would suggest that rather than "subscriber
20 submitted," that it would be more appropriate to have language
21 that states something to the effect the company received the
22 proof of continued eligibility. And I believe that that would
23 track the language in the statute that basically talks about
24 receipt of proof of eligibility. So we would ask if that
25 change could be made to the rule.

1 CHAIRMAN EDGAR: Commissioner Arriaga.

2 COMMISSIONER ARRIAGA: Please clarify for me. I got
3 lost. I know you're on Line 11 of Page 6. Would you explain
4 again what you're trying to say?

5 MS. SIRIANNI: I'm sorry. On Line 13 is where the
6 actual words say "subscriber submitted." And I would like to
7 see something to the effect that the -- as of the date the
8 company received the proof of continued eligibility.

9 MS. CIBULA: Staff has talked to OPC about this and
10 they're in agreement with that change. Staff would suggest
11 that the "subscriber submitted" be stricken and be replaced
12 with "the eligible telecommunications carrier received the
13 proof of continued Lifeline eligibility."

14 COMMISSIONER CARTER: Would you repeat that, please?

15 CHAIRMAN EDGAR: Ms. Cibula, if you could read
16 probably the whole sentence as you are suggesting.

17 MS. CIBULA: Okay. It should read, "Irrespective of
18 the date on which the eligible telecommunications carrier
19 reinstates the subscriber's Lifeline service, the subscriber's
20 bill shall be credited for Lifeline service as of the date the
21 eligible telecommunications carrier received the proof of
22 continued Lifeline eligibility."

23 And as I stated, we spoke to OPC about this and they
24 are in agreement with that change.

25 CHAIRMAN EDGAR: Okay. Is there anybody from OPC

1 that wants to speak on this item, just so I make sure that I
2 don't miss anybody? Seeing none, okay. Thank you, Ms. Cibula.

3 Commissioners, any other questions about that
4 specific suggestion or suggested language change? No. Okay.

5 CHAIRMAN EDGAR: Did you want to make a comment?

6 MR. McCABE: We're good with that change.

7 CHAIRMAN EDGAR: Okay. Did you want to make a
8 comment in general?

9 MR. McCABE: Well, I guess the only thing -- this is
10 Tom McCabe with TDS Telecom. The only thing I wanted to say is
11 one problem that we've been having is subscribers sending the
12 Lifeline applications to the wrong companies. Right here I've
13 got ten Lifeline applications, a couple are from Miami, a
14 couple are from Fort Myers, and that's one of the concerns that
15 we have in terms of when we get this stuff implemented. And I
16 don't know how we're going to cure that problem, but we're
17 going to need to find out some way to rectify this situation.
18 Because I can't take the responsibility of trying to determine
19 what companies are these customers belonging to.

20 CHAIRMAN EDGAR: Do you have a suggestion as to where
21 that responsibility should reside?

22 MR. McCABE: I hate to say it, but I think that what
23 I'm going to need to end up doing is just bringing them to the
24 Public Service Commission. Because we have situations in which
25 a customer may be ported; even within our own company they may

1 port to another carrier. I don't think that I have the -- that
2 I should be contacting that customer and saying, well, if you
3 come back to TDS, we'll be happy to provide you with Lifeline
4 service. I don't know that that would be the appropriate
5 contact on my part to that customer, because I think that the
6 CLEC wouldn't really necessarily appreciate that.

7 But we'll be glad to work with staff in terms of
8 trying to see, you know, what we can do. But I probably have
9 gotten over 30 Lifeline applications for other companies.

10 MS. CIBULA: As the recommendation states, there is
11 going to be continued rulemaking in regard to Lifeline service,
12 and that could be something that we address in the rulemaking
13 going forward.

14 CHAIRMAN EDGAR: It is an issue that we have, have
15 heard raised from a number of different interested parties.
16 I'm not sure what the answer is. But, absolutely, I'm sure we
17 would all ask that you, you and the rest of our staff look at
18 that issue as we go forward.

19 Commissioner Deason.

20 COMMISSIONER DEASON: I have a question for
21 Mr. McCabe. Do you have any -- why do you believe you're
22 receiving those? Is it --

23 MR. McCABE: I'm a nice guy, I guess.

24 COMMISSIONER DEASON: Do you receive a
25 proportionately higher number than other companies receive that

1 are misdirected requests?

2 MR. McCABE: I don't know. I mean, it's quite
3 possible that the way other companies are structured, at this
4 point in time they go to different states and maybe they don't
5 even know where to send them at that point in time.

6 But, no, I mean, initially we had thought when we put
7 together the back-to-school package, at the bottom of the form
8 indicated, you know, it listed all the companies, and my
9 company happened to be the first one listed. So we thought
10 that was the -- could have been the issue. That form has been
11 changed this year and now we're right in the middle. And I've
12 got, you know, I've got a letter that was addressed from
13 Fort Myers, Florida, mailed to TDS Telecom in Quincy, Florida.
14 I've got Miami applications. I don't know how it happens.

15 COMMISSIONER DEASON: Now does, does the application
16 have all of the companies listed and the correct address to
17 which it should be sent?

18 MR. McCABE: Yes. It has the address and the fax
19 number.

20 COMMISSIONER DEASON: And so ultimately the
21 responsibility should be with the customer to determine from
22 which company they're receiving local service and then submit
23 it to the correct company.

24 MR. McCABE: Correct.

25 COMMISSIONER DEASON: But for some reason it's not

1 happening 100 percent of the time. There's going to be a
2 certain degree of failure in something like that.

3 MR. McCABE: Sure.

4 COMMISSIONER DEASON: Do you think -- is there some
5 flaw in the directions that are printed on the application?

6 MR. McCABE: I really don't see any problem with the
7 application. They're all just listed right at the bottom, and
8 it suggests that, you know, to contact your local phone company
9 and then it lists the companies at the bottom.

10 You know, one of the issues that we've all been
11 trying to deal with is the fact that you may have customers
12 that receive these that happen to be with a CLEC. So sometimes
13 that may cause some confusion in terms of who they might send
14 it to. But not all CLECs, you know, obviously not all of them
15 provide Lifeline service. That could be one part of it. But
16 for the most part I really don't know.

17 COMMISSIONER DEASON: Well, I mean, this is something
18 we need to study, Madam Chairman. I don't know the solution.
19 And I'm certainly not looking for additional workload on our
20 staff, but it may be that there needs to be an instruction that
21 if the customer is in doubt as to which company they receive
22 their service from, maybe they should send the application to
23 the PSC and we'll try to direct it to the right company. Of
24 course, that can -- that adds delay, and I know customers get
25 frustrated. They say, well, you know, I submitted an

1 application four weeks ago and I've not heard anything. Well,
2 you know, when it gets misdirected, it's going to take time.

3 MR. McCABE: Yeah. I mean, that's one of the
4 concerns that I've had is that, you know, I may be out of the
5 office for two weeks and our service reps go ahead and, you
6 know, receive some of these applications, they put it in my
7 mailbox and it just sits there until I get around to it. And
8 then I now have to go ahead and try and find out where they
9 belong to. I've got some that are dated, you know, the 29th of
10 August, and we're looking at, what, the 3rd of October today.
11 And then if, you know -- in terms of this rule that was part of
12 our concern is that, you know, I got it August 29th, I've got
13 to give it to BellSouth, they're going to have to go back into
14 their billing system issuing credits and things of that nature.
15 So that was one of the primary reasons for looking at this
16 change to the date that they receive it.

17 CHAIRMAN EDGAR: I think -- Commissioner Deason, just
18 a follow-up on your comment, that that also is an item or an
19 issue that the Office of Public Counsel is sometimes helpful
20 for consumers and perhaps can provide that additional
21 assistance as well, and we certainly will continue to work with
22 them on that.

23 Commissioner Carter.

24 COMMISSIONER CARTER: Madam Chairman, I was just
25 going to -- I was just thinking aloud about the complementary

1 registration, the Motor Voter Act which is how people get
2 registered to vote in Florida. And it has the local listings
3 for the supervisor of elections, but it really has a general
4 listing for the Division of Elections. And you can register
5 anywhere and just drop it in the mail and the Division of
6 Elections on the state level will make sure it gets to the
7 right supervisor of elections. And surely if they can
8 register, you know, 12 million people for that, it seems like
9 something -- maybe we can come up with something similar to
10 that to where if they could just have a central depository that
11 they can get it to, the customers can get it to and we can get
12 it to the right company -- I think that the companies are doing
13 a good job. I mean, I've been out there. Tom and you guys at
14 TDS and Sprint and BellSouth and all these companies out on the
15 trail doing the Lifeline and just, rah, rah, getting everybody
16 signed up and they're doing a great job and we appreciate that.
17 And I would hate to, you know, have all that good work go all
18 for naught. So maybe we could look at -- I don't know what the
19 cost would be, but maybe we could look at something
20 complementary to that where there's a centralized listing,
21 maybe Public Counsel, the PSC or wherever, until we can get it
22 to the right carrier. But I do want, you know, in the process
23 to say, you know, we are making great progress in the Lifeline
24 program, and, you know, this just seems like a little bump in
25 the road that we can get through. Thank you.

1 CHAIRMAN EDGAR: Thank you.

2 Commissioner Arriaga.

3 COMMISSIONER ARRIAGA: Thank you. I think Mr. McCabe
4 is bringing a very important point to the table, and not only
5 this time but in other opportunities he has also mentioned
6 other issues that we haven't been able to get a grasp on. And
7 I'm referring to the \$3.50 issue that is an additional cost to
8 the companies to promote Lifeline, but we talk about that a
9 little later.

10 The point is that there are issues that are
11 unresolved, and we were talking about Lifeline at least since I
12 was here -- I came in a year ago -- by the way, October the
13 6th, one year in the Commission. My first anniversary.

14 (Applause.)

15 And one of the first things we spoke about was
16 Lifeline. A year has gone by and I find myself that even
17 though we are making progress, as Commissioner Deason says,
18 there are many unresolved issues that we haven't been able to,
19 as I said, to grasp.

20 So I would ask staff, listening to Mr. McCabe today
21 as I have heard before from him about the \$3.50, and from
22 Verizon speaking about the \$3.50 and other companies, what are
23 the next steps that we are going to take regarding rulemaking?
24 Because I really want to put the nail in its place, you know,
25 hit it in the head. It's a process that has taken so long. So

1 what is staff previewing as the next step regarding rulemaking
2 on this issue so that everybody is clear as to what is it we
3 need to do?

4 MR. WILLIAMS: We're currently working on bringing a
5 second rulemaking proposal to you, and that's designed to be
6 more of a comprehensive rulemaking to clarify a lot of these
7 issues and get a little more specificity in terms of what the
8 Commission is going to be looking for.

9 For example, one of the proposed rules that we're
10 working on addresses the filing of reports, the reports on the
11 number of customers subscribing to Lifeline and that sort of
12 information. So we'll have that information in detail.

13 Another requirement is on the actual way the
14 companies market Lifeline service and how the credit, how the
15 discount is actually applied to the basic element, basic rate
16 element component and how it's applied in the context of
17 bundled service offerings. So what we're trying to do in the
18 comprehensive rulemaking is address all of those issues. What
19 we wanted to do in this particular rulemaking that's before you
20 today was to bring forth a statutory requirement that addressed
21 this specific issue.

22 MS. CIBULA: And I would add to that that right now
23 we have a tentative date of February 6th for a Commission
24 workshop. It may be a workshop where staff is running the
25 workshop and the Commissioners can attend, or it could be a

1 Commissioner-run workshop and we're looking at that right now.

2 CHAIRMAN EDGAR: Commissioner Arriaga.

3 COMMISSIONER ARRIAGA: That was going to be my next
4 question. When are you planning to hold this workshop? And I
5 applaud the effort. I think we need to do that as soon as
6 possible, and I guess February the 6th is the next available
7 date.

8 I would suggest that you incorporate the comments
9 just made by Mr. McCabe regarding this issue, how do we -- and
10 Commissioner Deason -- how do we find out why -- how should the
11 consumer, the customer get the appropriate documents to the
12 appropriate company? That has to be clarified. We have to
13 make an effort on that.

14 But I wanted to bring another point up to
15 consideration, which is the \$3.50 which has been brought up in
16 front of this Commission. We may want to look at that, and I
17 don't know if the Commissioners would agree. I have the
18 feeling, Commissioners, that I'm not putting words in anybody's
19 mouth, but I have a personal feeling that a \$3.50 may be an
20 issue that's holding up enrollment. I would probably think
21 that telephone companies would be more motivated to work
22 towards Lifeline if the issue of \$3.50 could be handled in a
23 different way. I don't know which way. One of the things that
24 I didn't know, and I just found out from researching and
25 talking to my aide and things like that, is that the \$3.50 is a

1 Commission order. It's not a statutory -- it's not a legal
2 issue. It's a Commission order, which means that, thinking out
3 of the box, we could probably find other ways of ordering the
4 handling of the \$3.50 to motivate further enrollment. I don't
5 know how. I'm challenging staff to think about it, help me
6 think about it and see at the next rulemaking workshop, this
7 could be one of the items we can speak about and see what we
8 can do.

9 MS. CIBULA: We'll definitely put that on agenda and
10 we'll look into that so we'll be prepared to address that issue
11 at the workshop.

12 COMMISSIONER ARRIAGA: Would any of the Commissioners
13 have any thoughts on what I just said? It's a real concern
14 that I have regarding Lifeline. I don't know. Can you help me
15 think on this?

16 CHAIRMAN EDGAR: Commissioner Carter.

17 COMMISSIONER CARTER: I think, you know, thinking
18 outside of the box is a good idea. I would think though that
19 if you're going to give something, you need to get something in
20 exchange for it. So obviously with our numbers being what they
21 are, if you're going to waive or defer or reduce the \$3.50,
22 there should be some parameters attached to it. For an
23 example, percentages in increasing in the population base for
24 the carrier; in essence, a system of incentives with some
25 structure based on those incentives that would show that it's

1 not an incentive that's without merit. When I say merit, if
2 you're going to give a reduction or a deferral or an
3 elimination, then what are you getting in exchange for that?
4 If you're going to say, well, if you increase your population
5 of the available population in your group that would qualify
6 for Lifeline, if you're at zero now and we're waiving the
7 \$3.50, then maybe you should be at 50 percent of the potential
8 in your market. I mean, that's my way of thinking outside of
9 the box, Madam Chairman.

10 CHAIRMAN EDGAR: Thank you. Performance-based kind
11 of.

12 Commissioner Deason.

13 COMMISSIONER DEASON: First of all, let me say that
14 if, if we're going to look at the \$3.50 in February, I
15 certainly have no objection to that. (Laughter.) That sounds
16 like a really good time to do it.

17 CHAIRMAN EDGAR: We may request that you come back as
18 an expert speaker.

19 COMMISSIONER DEASON: But I think Commissioner
20 Arriaga is correct in that the \$3.50 structure that we have now
21 is by Commission order many, many years ago. But if we're not
22 going to do it that way, then there's going to have to be some
23 other source of funding, and I guess it could be a question as
24 to whether the Commission has the authority to do that. I
25 think there's probably arguments on both sides as to that we

1 would or we would not. Regardless of whether we do or do not
2 have the authority, it would probably be helpful in my opinion
3 to have guidance from the Legislature. So it may need to be
4 brought up in some form or fashion in the upcoming legislative
5 session to either make authority very clear or else give some
6 type of, get some type of a policy indication or direction from
7 the Legislature as to how they wish for us to proceed in regard
8 to the \$3.50.

9 CHAIRMAN EDGAR: Commissioner Tew.

10 COMMISSIONER TEW: I, of course, agree with what
11 Commissioner Deason just said. And I reiterate what I said, I
12 think, the last time that Mr. McCabe and I had an exchange,
13 that I think we do need to look at the \$3.50. I don't know
14 what our authority is to change the funding to some other
15 source. I agree with Commissioner Deason that that's probably
16 something that the Legislature has to give us guidance on. But
17 I definitely think it's time to look at that in case it is an
18 impediment to getting more customers on Lifeline.

19 CHAIRMAN EDGAR: Commissioner Arriaga.

20 COMMISSIONER ARRIAGA: Would the Chairman consider a
21 recommendation of bringing it up in the legislative agenda in
22 the next session? I don't know how that works.

23 CHAIRMAN EDGAR: Commissioner Arriaga, absolutely I
24 would consider that. And, you know, I think what we need to do
25 is, just as our staff has described, is to -- we are trying to

1 schedule a workshop, help us flesh out all of these issues as
2 we've discussed and the suggestions that have been raised. And
3 my comment is always that I want to have all the data that we
4 can have as to the numbers if we're talking about incentives,
5 if we're talking about subsidies, if we're talking about
6 cost-shifting options, that we have to the best of our ability
7 analysis of the cost benefit and where indeed those shifts of
8 responsibility would be moving to and what the impact of that
9 would be. So I think that we will ask our staff to look at all
10 of these issues, and I look forward to more discussion on it.

11 COMMISSIONER ARRIAGA: Good. Thank you.

12 CHAIRMAN EDGAR: Commissioners, any further comment?
13 Commissioner Carter.

14 COMMISSIONER CARTER: If appropriate, Madam Chairman,
15 if this is the appropriate time, I would move staff's
16 recommendation with the revisions.

17 CHAIRMAN EDGAR: It is, and I thank you for that.

18 COMMISSIONER DEASON: Second.

19 CHAIRMAN EDGAR: Commissioner Deason has given us a
20 second. Commissioners, are there any -- is there any further
21 discussion or discussion on this motion? Seeing none, all in
22 favor of the motion, say aye.

23 (Unanimous affirmative vote.)

24 CHAIRMAN EDGAR: Opposed? Show the motion carried.

25 (Discussion on Agenda Item 3 concluded.)

