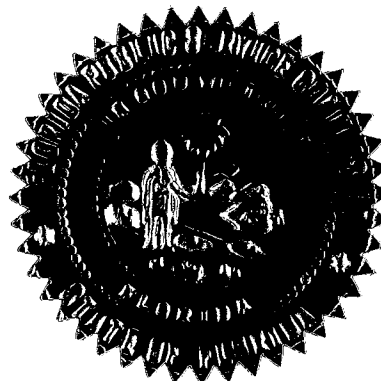


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO.: UNDOCKETED

In the Matter of
PROPOSED AMENDMENT OF RULE
25-4.0665, LIFELINE SERVICE.
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PROCEEDINGS: RULE DEVELOPMENT WORKSHOP
DATE: Tuesday, February 6, 2007
TIME: Commenced at 9:33 a.m.
Concluded at 11:53 a.m.
PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida
REPORTED BY: MARY ALLEN NEEL, RPR, FPR

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PARTICIPANTS IN ATTENDANCE:

BOB CASEY, SAMANTHA CIBULA, and CURTIS WILLIAMS,
representing the Commission Staff.

CHARLES BECK and CHANEL WHITE, Office of Public
Counsel, representing the Citizens of the State of
Florida.

CECELIA BRADLEY, representing the Office of the
Attorney General.

MANUEL A. GURDIAN and MARYROSE SIRIANNI,
representing BellSouth.

SANDY KHAZRAEE, representing Embarq.

TOM McCABE, representing TDS Telecom.

DOUG NELSON and JOHN MITUS, representing
Sprint-Nextel.

DE O'ROARK and DAVID CHRISTIAN, representing
Verizon.

SUZIE RAO, representing Alltel Wireless.

MARSHA RULE, Rutledge, Ecenia, Purnell & Hoffman,
representing Sprint-Nextel.

EILEEN SCHILLINGS, representing DCF.

MIKE TWOMEY and LESLIE SPENCER, representing AARP.

JEFF WAHLEN, Ausley & McMullen, representing
Windstream.

1

2

PARTICIPANTS VIA TELEPHONE:

3

LYNN HALL, representing Smart City.

4

STACEY A. KLINZMAN, representing VCI (Vilaire).

5

ANGELA McCALL, representing Frontier.

6

VIV NEWELL, representing Verizon.

7

DEBORAH NOBLES, representing NEFCOM.

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BRUCE RENARD, representing FTPA.

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P R O C E E D I N G S

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

9 There's a sign-in sheet on the back table, so
10 be sure that you sign in today so we know who has
11 attended this workshop. And there's also copies of the
12 draft rule and the agenda for the workshop on that
13 table.

14 This workshop is being transcribed, so it's
15 important that you identify yourself before speaking.
16 I'm planning to go through the agenda as it's set out on
17 the agenda that we sent out, 1 through 5 of the
18 discussion issues. Unless there are any preliminary
19 comments or questions before we get started, I guess we
20 can start on the first agenda item.

21 And we would also like to know who's on the
22 telephone first.

23 MS. KLINZMAN: Stacey Klinzman, VCI Company.

24 MS. HALL: Lynn Hall, Smart City.

25 MS. NOBLES: Debbie Nobles, NEFCOM.

1 MS. McCALL: Angie McCall, Frontier
2 Communications.

3 MS. NEWELL: Viv Newell, Verizon.

4 MS. CIBULA: Is there anyone else on the
5 phone?

6 MR. RENARD: Yes. Bruce Renard just joined
7 from FPTA.

8 MR. CASEY: The person with Verizon on the
9 phone, would you repeat your name, please?

10 MR. RENARD: Yes. Bruce Renard.

11 MR. CASEY: The person with Verizon.

12 MS. NEWELL: Viv Newell, V-i-v, N-e-w-e-l-l.

13 MR. CASEY: Thank you very much.

14 MS. CIBULA: And also to the people that are
15 participating by telephone, if you're going to be doing
16 other things, could you make sure that your telephone is
17 on mute so that we can't hear it here at the workshop.
18 And make sure it's not on hold either, because that
19 creates some other problems.

20 Are there any preliminary questions before we
21 get started?

22 Okay. Let's start on -- the first issue of
23 the agenda is the application of the Lifeline service
24 program to bundled offerings. I believe it's
25 encompassed in subsection (3) of the draft rule. Does

1 anyone have any comments on that issue?

2 MR. O'ROARK: Verizon does have a comment on
3 that.

4 MS. CIBULA: Okay.

5 MR. O'ROARK: I'm De O'Roark representing
6 Verizon. And this actually is the principal issue that
7 we wanted to address today.

8 We have a number of concerns about this
9 section of the proposed rule. Today what I would like
10 to do is focus on two core policy concerns that we have,
11 first, that the rule would not be competitively neutral,
12 but would disproportionately burden ILECs, and second,
13 that the rule would not advance the goal of universal
14 service, but would only promote the availability of
15 premium services, which is not what Lifeline was
16 designed to do.

17 Before I get into those two concerns, let me
18 review some background. As you know, Lifeline customers
19 in Florida receive a \$13.50 discount. Carriers
20 providing the discount receive \$10 in reimbursement from
21 the Federal Government and then absorb the remaining
22 \$3.50 themselves.

23 Florida initially adopted the requirement that
24 local carriers fund the state portion of Lifeline before
25 the advent of local competition. Back then, if a local

1 carrier needed to deal with that Lifeline cost, it could
2 simply apply to the Commission for an increase in its
3 local rates and then take those revenues and spread it
4 across its rate base. That doesn't work in a
5 competitive environment, where when you raise your
6 rates, you risk losing customers, and that's something
7 this Commission has recognized for a long time.

8 So I'm sure that you're all aware of it, but
9 just to review briefly, you can go back to 1997 with the
10 FCC's Universal Service Order, and it noted that many
11 states, like Florida does today, funded the state
12 portion of Lifeline through state rate regulation. In
13 other words, the ILECs absorb the cost.

14 In that connection -- and I'm referring to
15 paragraph 361 of that 1997 Universal Service Order --
16 the FCC specifically referred to comments that the
17 Florida Commission filed in that docket. Here's what
18 the FCC said. "The Florida PSC points out that this
19 method of generating Lifeline support from the
20 intrastate jurisdiction could result in some carriers,
21 i.e., ILECs, bearing an unreasonable share of the
22 program's costs." In fact, you'll recall that initially
23 Florida did not accept \$1.75 of federal funds until it
24 received clarification from the FCC that ILEC funding
25 could count for the \$3.50 of state matching funds.

1 In 1999, the Commission in its Lifeline report
2 again recognized this basic problem. Here's what this
3 Commission said in 1999. "Although the absence of
4 explicit state level of funding of Lifeline may have
5 been appropriate under rate-of-return regulation where a
6 LEC could apply for rate increases if needed, we believe
7 that in the long term, this policy is likely not
8 sustainable in a competitive environment. Local
9 exchange companies with qualifying customers could
10 provide a disproportionate share of the state matching
11 funds for those customers, while providers with no
12 Lifeline customers would contribute nothing. The
13 providers serving the most low-income customers thus
14 would be disadvantaged."

15 Now, back in the late 1990s, I'll grant you
16 that those concerns that this Commission expressed may
17 have seemed somewhat theoretical, but those concerns are
18 very real today. As the Commission recognized just two
19 or three months ago in its 2006 competition report to
20 the Legislature, ILECs face very significant competition
21 from a host of competitors.

22 So that brings me with that background to our
23 first core policy concern, that the proposed section (3)
24 is not competitively neutral. One point is that it is
25 not clear that all ETCs will be treated the same,

1 because the rule appears to be geared to wireline
2 service, and it is not clear how it would be applied to
3 wireless service. For example, if you apply the
4 Lifeline discount to all packages offered by wireline
5 carriers, but have wireless carriers apply it only to
6 one package, that would not be a competitively neutral
7 application of a rule.

8 The bigger concern we've got, though, taking
9 it a step back, is that many of our competitors, cable
10 companies, for example, are not ETCs at all, and they
11 pay nothing to support Lifeline, and thus they reap a
12 significant competitive advantage.

13 Now, I'll grant you that competitive
14 neutrality is an issue even with the Lifeline program as
15 it exists today, but it's a growing problem. And it
16 will -- one problem with applying the discount to all
17 voice service packages is that you exacerbate that
18 problem of competitive neutrality. And that's
19 particularly the case because the expansion that we're
20 talking about goes beyond the purpose of Lifeline.
21 That's the second core policy concern that we've got,
22 that is, that the proposed section (3) does not advance
23 the goal of universal service.

24 As you know, the FCC's rules list the basic
25 components that must be supported for service subject to

1 the Lifeline discount, and it essentially corresponds to
2 what is defined as basic service here in Florida.

3 Likewise, under section 364.025(1), a LEC's current
4 universal service obligation is to provide basic service
5 within their service territories.

6 Section 364.10 requires ETCs to provide a
7 Lifeline Assistance Plan to qualified residential
8 subscribers as defined in a Commission-approved tariff
9 or price list. As an aside, the proposed rule makes a
10 significant departure from that statutory language,
11 which requires a Lifeline Assistance Plan, and now would
12 go beyond that to require the discount to be applied to
13 virtually every plan.

14 Consistent with Verizon's universal service
15 obligation, the Lifeline plan that we submitted to the
16 Commission and that the Commission approved applies the
17 Lifeline discount to basic service. Because the goal of
18 the Lifeline discount is to promote universal service by
19 enabling low-income consumers to obtain telephone
20 service, a basic service requirement makes sense.

21 Expanding the program so that it requires
22 discounts for premium service goes well beyond the
23 purpose of Lifeline. The purpose should be to increase
24 telephone subscribership, not to provide premium
25 services to customers who already have telephone

1 service, and not to simply increase Lifeline enrollment
2 for its own sake.

3 So at least with respect to wireline carriers,
4 we would propose that section (3) be modified so that it
5 only applies to basic service. I know there's also the
6 issue with respect to wireless carriers, but I'll let
7 them speak to that.

8 So those are our comments on section (3).

9 MR. WAHLEN: Good morning. I'm Jeff Wahlen of
10 the Ausley Law Firm here on behalf of Windstream
11 Florida, Inc.

12 Mr. McCabe is handing out a document here. I
13 don't know if you want to mark these as exhibits or not,
14 but this is a document that Windstream believes
15 illustrates the bundle issue pretty well.

16 Windstream agrees with the comments that
17 Verizon has made. I was trying to figure out what to
18 title this document, and I was going to call it "The
19 Bundle Conundrum," but I didn't know how to spell
20 "conundrum," so I didn't. I just left it untitled. But
21 I think it's important to look at what this shows, and
22 it goes to the purpose of Lifeline.

23 If the purpose of Lifeline is to provide
24 low-income people with the opportunity to get basic
25 telephone service, you can see that Windstream's basic

1 local service with the SLIC is about \$16.88. You give
2 them a \$13.50 credit, and they can get basic local
3 service. They can be on the network, and they can be
4 contributing, you know, to the goal of universal service
5 for \$3.38 a month, and that's a great thing.

6 But if you also apply the Lifeline credit to
7 bundles that include basic service, that opens up the
8 possibility that customers will buy Windstream's most
9 expensive bundle, which is roughly \$56, and they get a
10 \$13.50 credit, and they would be spending about \$43 a
11 month for telephone service.

12 Well, if the purpose of Lifeline is to get
13 people who can't afford basic service basic service and
14 you apply the credit to the premium bundles, you have
15 the possibility that a customer is going to be -- who
16 presumably can't afford \$16.88 for service is actually
17 going to be paying \$43 a month for service.

18 And I think, and Windstream believes, that
19 this illustrates the fact that there's a little bit
20 something funny about applying the Lifeline credit to
21 these bundled packages. This shows that what it really
22 is doing is promoting premium services, not basic
23 services. And as just a core matter, Windstream
24 believes that it doesn't make sense to apply the
25 Lifeline credit to a bundle when the net price of the

1 bundle far exceeds the cost of basic local service. If
2 someone can afford \$43 a month for basic service, you
3 know, they ought to be able to afford \$16.88 without the
4 Lifeline credit. So something is funny about the way
5 the language in the rule works in terms of bundles.

6 And I guess the problem is exacerbated by
7 paragraph (22) of the rule, which talks about how you
8 can't disconnect customers if they pay their basic
9 service. The way this works, I think, a customer could
10 sign up for the premium package, the McDaddy package,
11 get the \$13.50 credit, be billed \$43 a month, pay 16,
12 keep service, but start accumulating a bad debt with the
13 company for the difference. And while deposits and
14 things like that could, you know, solve the problem, it
15 encourages customers who presumably have an
16 affordability problem to buy something that they may not
17 be able to pay for. So the interaction of paragraph
18 (22) and paragraph (3) are a big concern to Windstream
19 in this.

20 Now, Windstream supports universal service and
21 thinks that Lifeline is a good thing within boundaries.
22 It shares Verizon's concern about the funding and the
23 \$3.50, but believes that the document I've handed out to
24 you illustrates the difficulties and the kind of
25 inconsistencies that are created when you begin to apply

1 the Lifeline credit to bundles that cost more than basic
2 service would cost in the first instance.

3 Thank you.

4 MR. CASEY: Jeff, can I ask you a question?

5 MR. WAHLEN: Sure.

6 MR. CASEY: I notice the bundle that you give
7 an example for is 49.95. That includes unlimited long
8 distance.

9 MR. WAHLEN: Uh-huh.

10 MR. CASEY: Don't they have another bundle
11 which is cheaper?

12 MR. WAHLEN: Sure. We could have done --

13 MR. CASEY: For just local service?

14 MR. WAHLEN: Yes. We have could have done
15 this with some different bundles.

16 MR. CASEY: Okay. So there are smaller
17 packages --

18 MR. WAHLEN: Sure.

19 MR. CASEY: -- for local service?

20 MR. WAHLEN: Yes.

21 MR. CASEY: Okay.

22 MR. WAHLEN: I don't know what they all are,
23 but the same point would apply.

24 MR. CASEY: Right. I realize -- 13.50 on any
25 package or just on a local package.

1 MR. WAHLEN: Right. And I --

2 MR. CASEY: But would you be against -- if
3 there was, say, a 29.95 with just local service, would
4 you be against having a 13.50 discount on that?

5 MR. WAHLEN: Well, I think if the net bill is
6 still more than \$16.88, there's still kind of a question
7 about what we're doing here. If the net price is more
8 than the cost of basic local service, presumably the
9 customer is proving that they can pay for basic local
10 service, notwithstanding the fact that they meet the
11 eligibility requirement. So are we really promoting
12 universal service, or are we just promoting the
13 marketing of premium calling features? That's the
14 issue.

15 MR. CASEY: Thank you.

16 MR. WILLIAMS: I have one quick question also,
17 Jeff.

18 MR. WAHLEN: Sure.

19 MR. WILLIAMS: You brought up an interesting
20 point that I don't think really has been introduced into
21 the discussion regarding the bundled packages, and that
22 is the non-long distance additional services, and I
23 think that's a pretty good point that we need to take a
24 look at.

25 But let me ask you, if that wording is changed

1 as it relates to the other non-basic elements to
2 basically address that issue, does that relieve your
3 concern?

4 MR. WAHLEN: Well, it certainly improves the
5 concern. I don't know if it relieves it entirely,
6 because, again, the -- you know, as long as what the
7 customer is paying with the credit is more than basic
8 local service would be, are we really accomplishing the
9 goal of improving universal service, or are we just
10 making a credit available so that customers can buy
11 vertical features? And that is the real question. It
12 certainly improves or makes Windstream's concern less if
13 you do that, but I think at the end of the day, you
14 still have to step back and look at what we're doing
15 here.

16 MR. WILLIAMS: Okay. Thank you.

17 MS. CIBULA: Are there any more comments?

18 MS. WHITE: Yes, I have a comment. Chanel
19 White, Office of Public Counsel.

20 I would like to speak on behalf of the
21 citizens who call our office every day. And we've
22 spoken with them about -- or they've spoken with us
23 about their bundled packages. And, of course, we notify
24 them that at this time, they are not able to take
25 advantage of the Lifeline credit while they have a

1 bundle. And here are the concerns they have expressed
2 to us:

3 They choose the packages, the bundles, because
4 it's the most economical for the services they feel they
5 need. They feel they need caller ID in order to, you
6 know, accept or reject certain calls, avoid scams and
7 telemarketers that oftentimes target the elderly. And
8 most of our callers are elderly. It's important that
9 they know who they will speak with and who they do not
10 need to speak with.

11 Long distance is another feature they find
12 very important. Most of them live states away or maybe
13 cities away from their immediate family, and it's
14 important that they are able to communicate with those
15 members.

16 These people choose packages, again, because
17 it's the most economical. A basic telephone line isn't
18 always enough when you're someone living alone. You
19 need to have access to certain features, and you need
20 the most affordable access to those features.

21 We've had -- let's see. Maybe from February
22 '05 until January of this year, we've had maybe 170
23 Verizon Lifeline applicants who could not be placed on
24 the program right away because they had a bundle.
25 That's not including the people over the phone who we

1 screen. And once we find out they have a package, we
2 let them know, "Well, you need to choose." Sometimes
3 they choose to give up the package, and sometimes they
4 decide they cannot or will not give up their package.

5 Also, taking into consideration when we mail
6 out our applications, we have an insert that notifies
7 them, "Check with your telephone company. If you have a
8 package, you may not be able to receive the Lifeline
9 credit." And so this -- we do not have a number exactly
10 of how many possible Lifeline applicants decide not to
11 apply for the credit because of bundled packages, but we
12 would say every day we have someone.

13 And on behalf of them, just giving you their
14 voice of concern, the package is sometimes the most
15 economical way for them to have the features they feel
16 they need, and it does not mean they do not need the
17 Lifeline credit. They need both. In many instances,
18 they need both.

19 MR. BECK: My name is Charlie Beck with the
20 Office of Public Counsel, and I would like just to add a
21 few comments to Chanel's.

22 It's no secret to anyone here that the
23 Lifeline subscriber rate is embarrassingly low in
24 Florida. We should be doing everything we can to get
25 people on Lifeline instead of the types of things we've

1 heard earlier today that actually discourage people from
2 Lifeline and put up barriers in their place. Not all
3 companies take that view. For example, BellSouth offers
4 their packages with Lifeline.

5 And there's nothing that limits Lifeline to
6 just the basic services. If you look -- I think Verizon
7 mentioned the FCC's rules. They're contained in 47 CFR
8 54.401, and it defines certain things that Lifeline must
9 include, but it's not an exclusive list. It simply says
10 it includes certain things, but it doesn't exclude
11 others. Of course, the fact that some of the local
12 exchange companies offer Lifeline with packages also is
13 an example of showing that Lifeline can be offered with
14 packages.

15 We do not agree with Verizon that the proposed
16 rule is not competitively neutral. It does apply to all
17 ETCs. In fact, most wireless companies are offering
18 packages. So this would simply require the LEC to offer
19 something similar to the Lifeline packages that others
20 are offering.

21 The plan -- Verizon mentioned that section
22 364.10, Florida Statutes, requires an ETC to provide a
23 Lifeline Assistance Plan. There are various phrases
24 that are used in the statute with regard to Lifeline.
25 You see the term "Lifeline Assistance Plan" mentioned in

1 part (2)(a) of 364.10. If you go to (b) and (c), it
2 mentions Lifeline service. If you go to section (3),
3 you'll see it talks about a Lifeline Assistance Credit.
4 So Lifeline is used in a number of contexts.

5 We would submit to you that the plan that is
6 required by the statute is essentially the credit. It
7 doesn't mean there's just one offering of basic local
8 exchange service that would be Lifeline. The plan is
9 the credit. And I think the staff's proposed rule
10 appropriately would apply that to non-basic as well,
11 because the credit is the plan, the 13.50 credit. So
12 we're very much in support of the staff's proposal to
13 include packages in Lifeline.

14 Thank you.

15 MR. CASEY: Charlie, could I ask you a
16 question?

17 MR. BECK: Yes.

18 MR. CASEY: Verizon -- take, for example,
19 Verizon, but it's with all these phone companies. They
20 have a number of different packages. You know, they can
21 start at 29 and go all the way up. Would it alleviate
22 your concerns if they just gave a discount on their
23 basic bundled package? For example, Verizon has a 29.95
24 local package.

25 MR. BECK: I think so, you know, just talking

1 off the top of my head.

2 MR. CASEY: Instead of on any bundle?

3 MR. BECK: As I took the example in the
4 proposed rule, you gave examples of call waiting, call
5 forwarding, and voice mail, and that's what I take it.
6 I didn't see it necessarily including long distance.

7 MR. CASEY: Okay. Thank you.

8 MS. KLINZMAN: May I be heard? This is Stacey
9 Klinzman from VCI.

10 MS. CIBULA: Sure.

11 MS. KLINZMAN: I don't have a comment to make
12 about the content of what we're talking about, but I do
13 have a comment to make about people being able to speak
14 up and to let you know also that those of us, or at
15 least me, on the teleconference, the speakers are
16 breaking up, and I'm not able to get each word. I'm not
17 sure anything can be done about that, but I would like
18 to encourage everyone to please speak up.

19 Thank you.

20 MS. CIBULA: Any more comments?

21 MS. NOBLES: Yes. This is Debbie Nobles with
22 NEFCOM.

23 I guess I just want to throw out one thought
24 on this, in that I don't really think the issue with my
25 company is a matter of whether we're trying to

1 discourage Lifeline customers from being able to get all
2 of the services that they can avail themselves of. I
3 think my concern is that under the current conditions,
4 with \$3.50 being a cost that I'm going to have to eat,
5 in addition to the business decisions that I've already
6 made in pricing my bundles to give discounts on other
7 services, I didn't factor in the \$3.50, an additional
8 cost that I would have to absorb for Lifeline customers
9 to necessarily take my bundles. Maybe that's something
10 that I should have, but it's not. And if I have to
11 change the prices of my bundled services, I'm going to
12 have to increase them to account for that additional
13 cost, which makes them a lot less competitive with the
14 folks that I created the bundles for in the first place
15 to try to compete against.

16 For me, I would like for it to remain a
17 business decision for a company to decide whether they
18 can build that cost into their bundles, make it and keep
19 it competitive, and offer to it Lifeline customers. I
20 do have a problem with it being a mandate.

21 Now, I will say that even in light of the fact
22 that our pricing may not have considered the Lifeline
23 customers, we will make certain bundles available to our
24 Lifeline customers. But again, I think that should be a
25 business decision and should not be a mandate.

1 MR. NELSON: Bob, could I comment? This is
2 Doug Nelson with Sprint-Nextel. I just wanted to make a
3 few comments.

4 I generally agree with Verizon on the policy
5 issues, and I would like to address the bundles of
6 services we offer in Lifeline. We think Lifeline, as
7 mandated by the FCC, is for basic access to the network,
8 and we recognize that we have to make that service
9 attractive to customers, and we believe that with more
10 ETCs out there, there's a little more choice for
11 customers who are seeking Lifeline.

12 Our service does come with long distance, but
13 we do not apply it and we're not required by FCC rules
14 to apply it to any service the customer chooses. We
15 designate a service plan. And we read 54.403 of the
16 FCC, the Code of Federal Regulations, as very clearly
17 stating that the support applies to the lowest tariffed
18 or otherwise generally available residential rate for
19 service. And we're going to do our best to make that
20 attractively priced and an attractive service.

21 But just for the record, to clarify, we don't
22 apply the Lifeline discount to any one of our wireless
23 services now, nor do we think we have to.

24 MR. CASEY: Right. You're saying that you
25 designate a service plan, but that service plan is a

1 bundle; right?

2 MR. NELSON: It is.

3 MR. CASEY: It's just a basic bundle.

4 MR. NELSON: Well, wireless is fundamentally
5 different from most local exchange services. You know,
6 it's really not distance sensitive. You get -- everyone
7 knows that you get a bucket of minutes, and you pay a
8 flat monthly rate, and then if you go over those
9 minutes, you incur additional charges. It includes
10 usually voice mail, caller ID, call waiting, features
11 like that as well.

12 MR. CASEY: I was just going to say, we have a
13 representative from Alltel Wireless here also who gets a
14 prize for the longest distance she had to travel. She
15 just told me she left at five o'clock yesterday morning
16 and got here at six o'clock last night. She came from
17 Washington for the meeting.

18 Suzie, did you want to make some comments?

19 MS. RAO: Thank you for the opportunity to
20 provide comments. My name is Suzie Rao with Alltel
21 Wireless.

22 Regarding the bundling issue in section (3), I
23 would like to reiterate Doug's concerns and comments and
24 also state that the Lifeline discount as it reads in the
25 rules applies to basic local exchange service, but

1 Alltel as a wireless carrier doesn't provide basic local
2 exchange service, and I believe it's exempt from the
3 statutory definition of basic service.

4 So the question we have is, as a wireless
5 carrier, since we don't segregate local and long
6 distance service, how would this apply in a wireless
7 context? It seems like it's written for the landline
8 way of doing business.

9 And again, I would like to reiterate that the
10 way Alltel provisions Lifeline as an ETC is, it reads
11 54.403(a) to mean that you would apply the Lifeline
12 discount on the lowest tariffed rate or otherwise
13 generally available rate, so we have a stand-alone
14 Lifeline rate plan that we offer the customers that is
15 low in price and is attractive to them so that we can
16 get Lifeline customers. We're dedicated to promoting
17 Lifeline service. I think our outreach is really very
18 good. So section (3) and section (22) is a little bit
19 ambiguous in terms of how wireless ETCs should implement
20 Lifeline.

21 MR. CASEY: Of course, we're not writing the
22 rules for wireless, of course, but the FCC orders do say
23 that you have to follow a Lifeline plan if a state has
24 one, so it's kind of around the fence there.

25 Alltel's basic plan, it is a bundle; right?

1 MS. RAO: Correct.

2 MR. CASEY: So it would include local service,
3 and what else would that include?

4 MS. RAO: There's no vertical features
5 associated. You would have to pay for those
6 additionally, and I think it's \$3 a month. But our
7 Lifeline plan is a prepaid offering, and it's \$16.70 a
8 month, which is pretty much a 50 percent discount off
9 our standard prepaid plan, which is 29.99. So the
10 customer is getting a pretty good deal with 300 anytime
11 minutes.

12 MR. CASEY: So it's just -- basic local
13 service then is what they're getting?

14 MS. RAO: I guess you could define basic local
15 service as a calling area with, you know, the Alltel
16 home coverage area as your local service, so it could
17 include multiple states.

18 MR. CASEY: Okay. Thank you.

19 MR. WILLIAMS: Can you also just kind of give
20 us a brief description of your disconnect policy as it
21 relates specifically to Lifeline customers? And if you
22 will, can you follow up, Doug?

23 MS. RAO: I think our disconnect policy is
24 pretty generous. Currently, our practice is that if a
25 customer is delinquent on his or her bill, we will send

1 them a notice. It doesn't really apply in a prepaid
2 context, which is what our plan is, because the plan can
3 shut off after the 300 minutes if the customer chooses
4 not to replenish, and I think it's 45 cents an
5 additional minute. So in a prepaid context, it doesn't
6 really apply.

7 But if it was, say, a postpaid plan, we have
8 some postpaid plans in other states where if a customer
9 is delinquent, we send a notice, a written notice, and
10 we give them 60 days to pay their bills, and then
11 they're disconnected for lack of payment.

12 But again, there are some rules -- I saw
13 somewhere, I think, here that said you can't disconnect
14 the basic service, you can only disconnect for long
15 distance that's not paid in full. So how would you
16 apply that when you can't separate out local and long
17 distance unless you choose to define the calling area
18 that the company has as the local service if it includes
19 long distance?

20 MR. WILLIAMS: Thank you.

21 MR. NELSON: I'm going to actually defer to
22 John Mitus, who is the head of our ETC program office.
23 I didn't have the microphone on. John Mitus is the head
24 of our ETC program office at Sprint-Nextel.

25 I will say that we do offer a toll limitation

1 option for customers so they can avoid exceeding, you
2 know, a limit by very much on their monthly bill in
3 overage charges. John, if you would.

4 MR. MITUS: Yes. Our disconnect policy -- as
5 Alltel stated and as Doug had said earlier, our local
6 calling plan is basically the United States, because
7 long distance is included as part of our package. So
8 there's really no delineation between local and long
9 distance. So when it says disconnect for nonpayment of
10 other services, it's really tough to follow that.

11 And as far as our Lifeline customers, they go
12 into our general pool, and they're treated as any other
13 customer as far as disconnect goes once they're on the
14 program. And we do offer a choice of either a \$250
15 deposit or a \$75 spending limit for any overage charges.

16 MS. CIBULA: Any additional comments?

17 Mr. Twomey.

18 MR. TWOMEY: Good morning. I'm Mike Twomey
19 from AARP, and with me is Leslie Spencer with AARP
20 Florida. Excuse me.

21 The first thing I want to address is the fact
22 that the AARP rejects what it considers to be this
23 condescending, patronizing, offensive notion that
24 low-income people eligible for Lifeline assistance being
25 able to pick a bundle that provides them with caller ID,

1 for example, as Public Counsel suggested, a lot of
2 people they think they need. The notion that the
3 companies know better how their customers should spend
4 their money is offensive. The notion that there's
5 something a little bit funny going on, that people being
6 able to -- Lifeline eligible customers being able to
7 select a bundle is going to lead them into lives of
8 fraud, defrauding the companies, is condescending. It's
9 offensive, it's patronizing, and we reject it out of
10 hand.

11 And I don't understand in this Windstream
12 handout why Windstream, in the interest of protecting
13 their customers' spending habits, would reject the extra
14 \$38.38 they would get from the customer in terms of
15 revenue stream monthly if the customer took the bundle.
16 It's beyond me why they would want to go for a net R1
17 price of \$3.38 versus a net bundle price of 42.76.

18 AARP likes section (3) just the way it is.
19 And I think the answer is, to address Ms. Nobles' more
20 reasoned rejection for the bundled pricing of the
21 competitive aspect, make everybody do it, and make them
22 cope with it. Make that part of the competitive
23 requirement. If everybody has to apply Lifeline to
24 their bundled services, in all their bundled services,
25 they can factor that in in their competitive pricing, or

1 so it seems to us.

2 I wish I had brought the portion of the 2006
3 Lifeline report, because I can't quite remember the
4 numbers, the dollars that the three wireless companies
5 got from Lifeline subsidies in the year 2005, but my
6 recollection is that for the number of customers they
7 were serving, the payments were -- I'll use the word
8 "obscene." And I find it curious that they're in here
9 now wanting to limit a million households or more,
10 1.1 million households in what this Lifeline assistance
11 can be applied to. So we would say reject that, reject
12 it out of hand.

13 As far as the notion that, if I understood
14 Verizon's comments at the outset, about the 3.50 being
15 not apparently reasonable or not fair in what we have
16 now as the competitive market, I don't understand that
17 either. We've had the potential at least of competition
18 since 1995 in this state at the behest of the companies
19 when they went to the Legislature and got the law
20 changed. We had the 3.50 company payment in 2002 and
21 2003 when these companies went to the Legislature and
22 used as a great big hook for getting the rebalancing
23 legislation the notion that they were generously going
24 to expand the availability of Lifeline.

25 One could necessarily assume, I think, that

1 there was a suggestion in their offering to expand that,
2 that they expected or that one could expect that
3 Lifeline participation would necessarily increase in
4 this state, and the companies as a quid pro quo for
5 getting the rebalancing legislation would have more
6 Lifeline customers and would necessarily have to pay the
7 extra \$3.50.

8 Now, we all know, to our great embarrassment,
9 that the participation rate has gone down since then.
10 And naturally, it's understandable in a business sense
11 that the companies don't want to pay the \$3.50 for not
12 new customers necessarily, because we have a penetration
13 rate of 94 percent or thereabouts. We're talking about
14 us, AARP and the consuming public, wanting to see people
15 by and large that already have phone service get the
16 Lifeline assistance they're eligible for for service
17 that they're already paying for.

18 So there's no sympathy from this quarter in
19 terms of worrying about these companies having to pay
20 the \$3.50. They argued this repeatedly to the
21 Legislature, and they argued it before this Commission
22 when we had the rebalancing case.

23 So AARP is good with this language. We think
24 you ought to keep the -- let the consumers decide how
25 they're going to spend their money. The next thing you

1 know, these companies will be in here arguing that these
2 people, these Lifeline guys have cable TV and DVD
3 players and cell phones and things of that nature and
4 that they shouldn't be getting assistance because
5 they're squandering their limited funds. Again, we
6 don't need to be hearing that kind of thing.

7 Thank you.

8 MR. CASEY: Mike, can I ask you a question?

9 MR. TWOMEY: Yes, sir.

10 MR. CASEY: Do you believe that the 13.50
11 discount should be applied to any bundle or --

12 MR. TWOMEY: Yes.

13 MR. CASEY: -- just the local service?

14 MR. TWOMEY: Yes, any bundle.

15 MR. CASEY: Any bundle?

16 MR. TWOMEY: Yes.

17 MR. CASEY: Okay. Thank you.

18 MR. WILLIAMS: One more question, Mike,
19 Mr. Twomey. Do you have any comments regarding the
20 difficulty or the dilemma that we're looking at when you
21 compare wireline versus wireless, by definition, the
22 differences in the two services and how the discount
23 would apply?

24 MR. TWOMEY: Well, I'm not sure of the answer.
25 I would like to know from the wireless companies, if I

1 may, whether the application of the Lifeline credit by
2 the FCC is a requirement that it go against the basic
3 program, or are you saying that there's a prohibition by
4 the FCC that it be applied to anything more than your
5 basic bundle?

6 Do you all understand my question? Are you
7 prohibited by the FCC from applying the 13.50 to any but
8 your basic bundle, or does the FCC, on the other hand,
9 require that it be made available at least to your basic
10 bundle?

11 MR. NELSON: The FCC requires that it be
12 applied to lowest priced tariffed or otherwise generally
13 available service. That's the only way I can really
14 answer the question.

15 MR. TWOMEY: Am I hearing you say then that
16 there's not a prohibition? The FCC does not say, does
17 it, that you cannot apply that 13.50 to any bundle of
18 services that you offer?

19 MR. NELSON: The FCC does not authorize the
20 Lifeline program to apply it to other bundles.

21 MR. TWOMEY: It prohibits it?

22 MR. NELSON: That's my answer.

23 MR. TWOMEY: You're saying it prohibits it?

24 MR. NELSON: I don't understand what you mean
25 by prohibits it. I just don't understand your point in

1 prohibiting something. It doesn't authorize it.

2 MR. TWOMEY: Is he right?

3 MS. RAO: That's how I read it, because it
4 says you will do this, and what you will do is put the
5 Lifeline discount on the lowest tariffed or otherwise
6 generally available rate. So to me, that means thou
7 shalt do this, you can't do something else.

8 MR. BECK: Could you give us a reference?

9 MS. RAO: Yes. It's 54.403(a). I think it's
10 the very last sentence of that section, which is a very
11 long section.

12 MR. TWOMEY: Would you give the cite again,
13 please?

14 MS. RAO: 54.403(a).

15 MR. TWOMEY: 403(a).

16 MR. RENARD: Mike, can you summarize what has
17 just been said for those of us on the phone who can't
18 hear? I couldn't hear her.

19 MR. TWOMEY: Well, I don't think I answered
20 Curtis's question. I'm not sure I have an answer to
21 that. But I asked the question whether there was a
22 prohibition, an FCC prohibition against the wireless
23 companies applying the Lifeline credit to any but their
24 most basic bundle. And I think the answer I heard is
25 that their interpretation, through the companies anyway,

1 is that the FCC says you shall apply to it your most
2 basic bundle, and therefore, they read that as being a
3 prohibition against it being applied to more expensive
4 bundles.

5 MR. RENARD: Thank you.

6 MR. BECK: Just for the record, Mike, I don't
7 agree with the wireless carriers. We read 54.403
8 several times and don't see it. And in fact, if they
9 were right, that would mean BellSouth is violating the
10 FCC orders when they offer it. 54.403 isn't just for
11 wireless. It's for ETCs in general. I don't agree with
12 their reading.

13 MS. CIBULA: And I also just want to remind
14 the people participating by telephone to make sure you
15 identify yourself before you speak for the court
16 reporter. Thanks.

17 MR. TWOMEY: I don't have -- Curtis, I don't
18 have more of a answer for you than that. I'm not sure
19 what the answer is.

20 MR. WILLIAMS: Okay.

21 MS. CIBULA: Additional comments?

22 MR. McCABE: Yes. Tom McCabe on behalf of TDS
23 Telecom.

24 Just for the record, from our company's
25 position, the 3.50 is an issue. TDS and the other small

1 local exchange companies weren't over there at the
2 Legislature getting any legislation passed. The reality
3 is that the 3.50 does have an impact, and it impacts all
4 of our customers.

5 I think the comments that Debbie Nobles made
6 regarding the bundles is a valid one with respect to
7 being a business decision. Our company, we have chosen
8 to make it available at this point in time. Whether
9 that needs to change in the future, I don't know, but it
10 depends on what competitive issues that I have sitting
11 out there today.

12 And the idea that we don't have competition is
13 just ludicrous. I mean, revenues that I used to receive
14 in order to support my basic local service such as
15 access are being moved over to wireless carriers. There
16 was a recent article in the paper not too long ago,
17 within the last month, that -- I believe it was in 2002,
18 one in 20 customers had a wireline -- one in 20 had left
19 their wireline service. Today it's one in eight.

20 The world changes. And we seem to be making
21 some progress with developing rules for Lifeline,
22 advancing Lifeline. I don't think that there's any
23 phone company up here that's trying to prevent Lifeline
24 from occurring.

25 Thank you.

1 MS. CIBULA: Any additional questions? Anyone
2 on the telephone that would like to comment on Issue 1?

3 MR. RENARD: This is Bruce Renard on behalf of
4 FPTA.

5 I would just add to the discussion, from what
6 I'm hearing, it seems to me there may be a middle ground
7 here that addresses legitimate concerns, because I do
8 think there is validity in the notion that Lifeline was
9 created for provision of basic service and to try to
10 make sure that everyone at least has access to the
11 network.

12 And, of course, that definition is being
13 challenged a little bit now as we're moving forward in
14 technology and convergence is occurring, and we're
15 asking ourselves what is really included universal
16 service, and therefore Lifeline. But at least for the
17 creation of it, I think it's correct to say it is aimed
18 at basic service.

19 I do think also there is validity to the
20 notion of this 3.50 coming out of the ILECs' pockets
21 when, you know, many other states or some other states
22 have intrastate universal service funds to fund those
23 needs. And we don't have that in Florida, and yet
24 they're paying this money, and I think there's a
25 legitimate question as to whether that's right.

1 And maybe we all ought to be looking at a
2 legislative solution that, you know, creates a universal
3 service fund to fund legitimate needs. And I understand
4 the political challenges of doing that, but I think
5 that's something that we should think about.

6 But in the meantime, maybe the middle ground
7 here is to say that the Lifeline credit will be only
8 applicable to the basic service, and then the companies
9 will be able to figure out what the additional services
10 are that are really needed by these customers, as
11 mentioned by the Public Counsel, such as, you know,
12 caller ID, the kind of safety benefits that we can all
13 recognize, and come up with a reasonable add-on amount
14 for those optional features.

15 So you would still get your basic service with
16 the Lifeline credit, and then provide customers with the
17 option, if they want to get additional features for a
18 reasonable amount more, you know, for those. And that
19 way the companies could be properly compensated, and the
20 customer could still get the Lifeline benefit plus any
21 additional features they needed. So maybe there's some,
22 you know, approach along those lines to be worked out
23 here.

24 I just throw that out for the group's
25 consideration. Thank you.

1 MS. CIBULA: I believe we have one additional
2 comment.

3 MS. BRADLEY: This is Cecilia Bradley from the
4 Attorney General's Office. And we would just like to
5 encourage you, as Public Counsel and AARP has indicated,
6 to apply this to bundled services and various other
7 options.

8 You know, these are not people that we should
9 be looking down upon because we would like to provide
10 them with some additional benefits at this time. These
11 are hard-working people that have worked and supported
12 these companies for a lifetime and now are on fixed
13 incomes. So we would like to see more than what's the
14 least we can do for them. We would like to encourage
15 everyone, including some of the companies, to step up
16 and look at what services we can provide for these
17 people.

18 These are loyal customers, and they have
19 earned, you know, some cuts at this point in time. This
20 is where we may all be a generation from now, and we
21 certainly hope that the next generation will want to
22 keep providing some benefits if we need it and we're on
23 fixed incomes.

24 But this is an important thing for so many of
25 these people. You know, it used to be a luxury to have

1 a telephone, but now it's a vital lifeline to their
2 emergency services, to their families. When a lot of
3 people get older, at some point they're not able to get
4 out as much, and the phone is a link to the outside
5 world.

6 So this is an important service that these
7 companies are providing, and we encourage you to work
8 with these folks to try to provide these benefits, and
9 not the least that can be done, but what services you
10 can provide.

11 You know, obviously, we want companies to be
12 competitive in Florida, and we want a level playing
13 field for everyone, but these people have earned this,
14 and let's work with them.

15 And we appreciate the efforts the PSC is
16 making to try to encourage the Lifeline and increase the
17 people that are registering for this, because this is --
18 you know, we're all paying into universal service, and
19 we would like to see some of these benefits coming back
20 to the people that deserve these benefits.

21 Thank you.

22 MS. CIBULA: Any more comments on Issue 1?

23 MS. KLINZMAN: This is Stacey from VCI. Could
24 someone just clarify for me that the intent of this
25 section of the rule is not to force companies to offer a

1 bundle, but if they do offer a bundle, the Lifeline
2 discount should be applied to it?

3 MR. WILLIAMS: Yes. We're not suggesting or
4 requiring the companies to offer a specific bundle. I
5 think you stated it correctly, in that the Lifeline
6 discount would not be -- basically, the intent is that
7 the Lifeline discount would not be disallowed if a
8 bundled package is offered.

9 MS. KLINZMAN: You're breaking up. Was the
10 answer to that no, it is not the intention to force
11 companies to offer a bundle if they don't want to?

12 MR. WILLIAMS: Correct.

13 MS. KLINZMAN: Okay. Thank you.

14 MS. CIBULA: Any additional comments?

15 MR. McCABE: Just a quick one for
16 clarification, because I don't know where this ends up
17 going ultimately when you define a bundle. I like what
18 Charlie suggested, but that's beside the point.

19 Are you talking about broadband? You know, if
20 I offer a bundle that has broadband and Dish Network and
21 I have a package and it's 99 or \$125, are you now going
22 to be saying that Lifeline applies to that package?
23 Just some clarification, because --

24 MR. WILLIAMS: Well, the main point is that
25 the Lifeline credit, the Lifeline discount would apply

1 to the basic service element, and if a bundled package
2 includes basic local service as a part of that bundled
3 package, then we would envision that the Lifeline
4 discount would apply. If the package, if the bundled
5 package does not include basic local service, then the
6 Lifeline discount would not apply.

7 MR. WAHLEN: Could I respond to that, because
8 I'm confused. And I may be wrong about this, but I
9 don't think Windstream offers any packages without basic
10 local service. I mean, that's what they're in the
11 business of providing. So the answer to your question I
12 think is, it would apply to each and every package,
13 including broadband and all these others.

14 And I apologize if someone thinks that my
15 comments were being condescending. That's not the
16 point. The point is, does it really make sense? If
17 somebody is paying \$49 for telephone service plus
18 satellite plus broadband, do you really think the \$13.50
19 credit should apply to that? And maybe you do, and if
20 you do, that's fine.

21 But I think Windstream would be more
22 comfortable with the approach advanced by Ms. Nobles,
23 which is, you know, set the basic floor and then let the
24 companies decide on a business basis what additional
25 bundles they want to apply the credit to.

1 MR. CASEY: I believe as the rule is proposed
2 right now, it applies to any bundle. That's why I was
3 asking some questions here as far as whether OPC would
4 agree with just a local service, the low end bundle, or
5 any bundle, or Verizon with their 29.99, just apply it
6 to that, or all bundles. But the rule as proposed is
7 for any right now.

8 And, Tom, any meetings we have with staff,
9 we're always sensitive to small companies and the effect
10 it has on you, so that always comes up at every meeting,
11 just to assure you.

12 MS. RULE: Marsha Rule here.

13 Curtis, I've got a question for you, just to
14 clarify what you were saying. My understanding based on
15 prior workshops and the Commission's position in the
16 past is that the Commission has equated dial tone with
17 basic service. So if I understand you correctly, you're
18 saying if a bundle includes basic service, then the
19 discount would have to be applied. But I read that,
20 under discussions with staff before and the Commission's
21 position, to mean it has to be applied to any bundle
22 that includes dial tone.

23 You know, I'm asking all of you up there, is
24 that your understanding, or is my understanding of what
25 basic service is, in your opinion, wrong?

1 MR. WILLIAMS: Well, our interpretation of
2 basic service is as it's defined by the Florida
3 Statutes. And I think as far as the FCC is concerned,
4 the FCC specifically directs the ETCs to apply the
5 Lifeline discount to basic service, so --

6 MS. RULE: Right. But in discussions with
7 staff, other staffers have said basic service is
8 equivalent to dial tone. And I'm trying to figure out
9 if a package includes dial tone, must the discount be
10 offered? I'm not aware of any packages that really
11 don't, telephone service that doesn't include dial tone,
12 but, you know, I could be wrong.

13 MR. CASEY: If you're looking for a legal
14 meaning, is dial tone the same as local service, I would
15 have to defer to our attorney.

16 MS. CIBULA: That's something I'll have to
17 look into. That's something I'll have to look into when
18 we're considering this.

19 MS. RULE: Thank you.

20 MS. CIBULA: Any additional questions on Issue
21 1?

22 Let's move on to Issue 2, verification of
23 continued Lifeline eligibility. I believe this is
24 encompassed in subsections (11) through (14) of the
25 draft rule. Any comments?

1 MR. CASEY: I just wanted to mention
2 something. I believe OPC has been working with the
3 companies to work out a verification process for the
4 income-based Lifeline customers; is that correct?

5 MR. BECK: Right. We're doing verification
6 right now based on our database of persons that we've
7 certified as eligible. We've also been talking to
8 BellSouth, Verizon, and Sprint to try to synchronize
9 what we're doing with their databases as well.

10 MR. CASEY: I just wanted to bring that out,
11 because there was a question before in a previous
12 workshop whether or not OPC does verification. But you
13 are doing it. Thank you.

14 MS. SIRIANNI: Bob, this is MaryRose with
15 BellSouth. I was just going to say, I know at the
16 informal workshop back in early January, there were some
17 concerns about verification. And since then, we have
18 had some discussions with the Office of Public Counsel,
19 and I believe that, you know, we will be able to work
20 through those issues. So at this point, BellSouth
21 doesn't have any further comments on the verification
22 that OPC will be doing.

23 MR. CASEY: That's great. Glad you can work
24 it out among yourselves. Thank you.

25 MS. SIRIANNI: Thank you.

1 MR. McCABE: Hey, Bob. On number -- let's
2 see. Thirteen. Let's see. Well, I don't know what --
3 number (7) on page 3, "The ETC must accept public
4 assistance eligibility determination letters," I think
5 you can strike "enrollment" on the last line, since we
6 don't do verification up front. You know, it doesn't
7 matter to me, but --

8 MR. CASEY: That's on page 3, did you say?

9 MR. McCABE: Yes, number (7), or (13). Well,
10 I don't know how this reads.

11 MR. CHRISTIAN: Line 20.

12 MR. McCABE: Thanks.

13 MR. CASEY: Would anyone have any objection to
14 that? Okay.

15 MR. BECK: I'm not clear. I must have a
16 different copy, because my page 3 doesn't have it. What
17 are you referring to, Tom?

18 MR. McCABE: The ETC -- it states that the ETC
19 must accept public assistance eligibility determination
20 letters.

21 MR. CHRISTIAN: Right here where it says
22 "enrollment." We don't accept those letters for
23 enrollment. They sign up with a very simplified
24 enrollment, so we can strike the word "enrollment," and
25 just use it for the verification. That's what he's

1 saying. That's no big deal.

2 MS. CIBULA: I don't think staff has a problem
3 with that, but we'll go back and look at it.

4 MR. WILLIAMS: Just to add a little clarity, I
5 think what Tom is saying is that this language would
6 have been applicable under the enrollment process that
7 we had in prior to the simplified certification process,
8 but now with the simplified certification process in
9 place, it's not really necessary for customers to
10 provide that information up front. But during the
11 verification process a year later, they are required to
12 provide that information.

13 MS. CIBULA: And we might need to move that
14 subsection to a different part of the rule, stick it
15 with probably the rest of the verification language as
16 well, so that might be a change that we make.

17 Additional comments on verification?

18 Mr. Twomey?

19 MR. MITUS: This is John Mitus from
20 Sprint-Nextel. When you're saying that we have to
21 accept the public assistance, what about reverification
22 on an annual basis? Is this an automatic, we got a
23 letter, we have to keep them for life, or are we allowed
24 to recertify these customers?

25 MR. WILLIAMS: I'm not sure if I understand

1 your question. Is your question are you required to
2 obtain that information from the customer on an annual
3 basis, or can you rely upon the information that was
4 provided previously? Can you restate the question?

5 MR. MITUS: The FCC requires the ETCs to
6 annually with a statistical sample recertify Lifeline
7 customers. The way this reads, it almost makes it sound
8 that once we get a letter from the public assistance,
9 you know, we can't ask the customer for any additional
10 information.

11 MR. CASEY: That's originally, yes, but on an
12 annual verification, you can verify that they are still
13 on that public assistance program.

14 MR. MITUS: Thank you.

15 MS. CIBULA: Mr. Twomey.

16 MR. TWOMEY: Yes. Just a quick question on
17 what I think is the new or renumbered section (15). It
18 starts out, "If an ETC believes that a subscriber no
19 longer qualifies for Lifeline service, the ETC must
20 provide 60 days written notice prior to the termination
21 of Lifeline service." And the question I have is, is
22 there any additional subsequent communication or notice
23 envisioned after the 60 days, or would there just be the
24 60-day letter, and then when that time has elapsed, the
25 Lifeline credit would cease? Is there anything like a

1 ten-day letter or a five-day, or is there just a
2 two-month letter, essentially?

3 MR. CASEY: I believe it's just the 60-day.
4 They would go to transitional Lifeline after that.

5 MR. TWOMEY: Right. Okay.

6 MR. CASEY: They wouldn't be dropped
7 completely.

8 MR. TWOMEY: Thank you.

9 MS. KLINZMAN: This is Stacey Klinzman. A
10 question was asked about OPC verifying the income
11 eligibility. I didn't hear the answer to that.

12 MR. BECK: We are. We're using a sampling.

13 MS. KLINZMAN: The OPC does verify the income
14 eligible consumers?

15 MR. BECK: Yes.

16 MS. KLINZMAN: Okay. Thank you.

17 MS. KHAZRAEE: This is Sandy Khazraee with
18 Embarq. Is my mike on?

19 On page 4, paragraph (11), which starts on
20 line 8, where it makes an ETC responsible for the annual
21 verification under both subsections (1) and (2), I'm
22 quite happy to have the OPC do the verification of the
23 ones that are under income, which I think is number (2),
24 so I would just as soon as not have that in the rule,
25 that I'm responsible for it, personally. That's my

1 input there.

2 And then back on paragraphs (15) and (16), I
3 think it would be a little less confusing if where we
4 use the term "Lifeline service" we used the term
5 "Lifeline discount," because some people might read this
6 and think that we're actually talking about
7 disconnecting the subscriber's actual dial tone, when
8 what we're really talking about, I think, is removing
9 the discount if they have not responded.

10 MS. CIBULA: I know this keeps coming up,
11 using the term "Lifeline discount" instead of "Lifeline
12 service." But we feel like we have to in the rules
13 mirror what the statute says, and the statute calls it
14 Lifeline service, so we thought in the rules we need to
15 use the term "Lifeline service" as well, not to create
16 -- I know you mentioned there could be confusion, but
17 that could create confusion as well if you start calling
18 it the Lifeline discount compared to Lifeline service.

19 MS. KHAZRAEE: Okay. That makes sense.

20 MS. SIRIANNI: I guess then, Samantha, it goes
21 back to your comment at the informal workshop about, you
22 know, whether you believe that some of these rules
23 actually need to be in a rule, these proposed rules,
24 because they mirror the statute. Do they need to be
25 here if they're in the statute? Like the 60 days, I

1 mean, that language is right out of the statute pretty
2 much.

3 MS. CIBULA: Actually, I think the 60 days --
4 the statute mentions the termination letter, but it
5 doesn't say how far in advance you have to do that
6 termination letter. I think there's another part of the
7 statute that talks about the 60 days, but I don't think
8 that's exactly on point with what you're talking about.

9 MS. SIRIANNI: Okay.

10 MR. CASEY: And, Sandy, as far as the
11 responsibility for annual verification, we purposely put
12 that in there. We didn't say that the ETC shall do the
13 annual verification because of the income-based, but you
14 are responsible for it. So if OPC wasn't doing it, the
15 ETC would be responsible for it, because you're the one
16 receiving the funds.

17 MS. KHAZRAEE: Is it necessary to have it in
18 the state rules, since it's really covered under the
19 FCC's rules? And I'm asking. I don't really know.

20 MR. CASEY: What we're trying to do is embody
21 all requirements of the Lifeline program into one piece,
22 one rule, so that if somebody wanted to see what our
23 requirements are, they can go right to that rule, and
24 all our requirements are laid out for the whole program.
25 They wouldn't have to go to the FCC and go to Commission

1 orders and everything like that.

2 MS. SIRIANNI: I'm not sure if this is on
3 point or not. I guess I'm a little confused with the
4 way we're going through the issues, and they're jumping
5 around in the rule, so I don't know if this is the
6 correct place to discuss -- I think it's number (9) in
7 the rule where it talks about the application receipt.
8 Or is that -- do I need to wait until under other
9 matters?

10 MS. CIBULA: We'll probably wait till the
11 other matters. We're going to go page by page at the
12 end and try to hit everything else.

13 MS. SIRIANNI: Okay. I wasn't sure, because
14 you're jumping around, and so I just didn't know if --

15 MS. CIBULA: Yes. I thought at the end we
16 would go page by page and pick up all the other aspects
17 of it.

18 MS. SIRIANNI: Okay. That's fine.

19 MS. CIBULA: Any more questions or comments on
20 Issue 2?

21 Let's move to Issue 3, frequency of
22 information to be included in reports to the Commission
23 on Lifeline service. And this is in subsection (25) of
24 the draft rule.

25 MS. KHAZRAEE: This is Sandy Khazraee with

1 Embarq. We do not maintain all of the information that
2 is detailed in this list, so we would like the rule to
3 say that these reports shall include the following data
4 if it is maintained by the ETC in the normal course of
5 business.

6 You know, there's some of it -- I mean, we can
7 definitely give you the number of Lifeline subscribers
8 added and the ones that are removed. But as far as
9 tracking the reasons that they disconnected Lifeline, we
10 do not track that currently. You know, we might have
11 that information if they volunteer it when they
12 disconnect their service, but even if we're told, we may
13 not have it in a way that we can easily pull it out of
14 the records. So it's not something that we have in most
15 cases, and in the few cases where we might actually have
16 the information, it would be very difficult for us to
17 access it.

18 Providing the number of subscribers who have
19 ancillary services is a very manual and time-consuming
20 process for us. So, you know, some of this information
21 is just either not available or not easily available,
22 and we would like to just have that caveat in the rule.

23 MS. SIRIANNI: This is MaryRose Sirianni with
24 BellSouth. And I would echo all of Sandy's comments,
25 and then I would add a couple of things. One, right now

1 you're asking for the reports on a quarterly basis, and
2 I would ask if you would consider a semiannual basis.

3 Also, you say no later than two weeks
4 following the ending of each quarter. I would ask if we
5 could change that to 30 days, because sometimes in order
6 to get the data from our systems for the previous month,
7 it takes a little more time than just a two-week period,
8 so if we could have 30 days to do that.

9 Also, as Sandy said, there's certain items in
10 here that we don't keep on a regular basis, and we
11 wouldn't want to have to start doing it. It would be
12 costly to the company to do that. So we would like the
13 language that Sandy suggested. I won't go through each
14 one individually as to what we do or don't keep. I
15 would just say Sandy's language would work for
16 BellSouth.

17 Thank you.

18 MR. CHRISTIAN: Dave Christian on behalf of
19 Verizon. I would echo comments from BellSouth and
20 Embarq.

21 One thing that I would just like to point out
22 for Verizon is that our information for generating
23 reports is usually not available until 30 days after the
24 conclusion of the month, so I would ask for at least 45
25 days to be able to put the report together in a format

1 that you would understand and that we could compile.
2 Although the system dump would happen within 30 days of
3 the end of that previous month, we would probably have
4 to massage it and make it into a form that you guys
5 could understand. So I would at least ask for 45 days
6 before we provide a report.

7 MS. SIRIANNI: I don't have a problem with
8 that.

9 MR. McCABE: Tom McCabe with TDS. I would
10 agree with the comments that have already been made. I
11 think that semiannual would be reasonable. I think the
12 quarterly -- you know, you get to a point where you have
13 so much information, even the Commission staff. I mean,
14 what are you going to do with it on a quarterly basis?
15 I mean, I certainly understand there's this idea of
16 wanting to know what's happening out there, but it also
17 takes time implementing new plans and things of that
18 nature.

19 Then there's also -- some of the information
20 requested to me really has no relevance. You know,
21 ancillary services, what value does that have? I mean,
22 I can understand in terms of trying to find out what's
23 happening with Lifeline, but having ancillary services,
24 I mean, we've been collecting that -- you've been
25 requesting that data for, I don't know, eight years

1 maybe now since we started these, and I don't see where
2 it has ever been used for anything of value.

3 The information in terms of why customers
4 leave for whatever reason, that information, there's not
5 a lot of value in it, because the information is bad.
6 What you're doing is, you're relying on customers to
7 tell you, and 95 percent of the customers don't tell us
8 anything. So to provide you with that type of
9 information doesn't do anything for you. And at the
10 same time, it's also very time-consuming. You have to
11 do all of this stuff manually.

12 So the ones that are geared more towards the
13 number of Lifeline customers, the number of new adds,
14 Link-Up, those are fairly easy to run from a system
15 report. It's when you have to start going back into
16 each one and matching things that it becomes quite
17 time-consuming.

18 Thank you.

19 MR. WAHLEN: Jeff Wahlen on behalf of
20 Windstream. Windstream agrees with the comments of all
21 the other local exchange companies.

22 The annual data request for Windstream is a
23 challenge. Doing it quarterly would be over the top.
24 Semiannually would be good, and providing information
25 that is kept in the normal course of business would be

1 preferable.

2 MS. RAO: Suzie Rao with Alltel. Some of the
3 questions I have regarding the quarterly reporting
4 obligations, I'm wondering if some of the more direct
5 ones, like the number of Lifeline subscribers and the
6 number of Link-Up connections added, can what we provide
7 to USAC for a Lifeline reimbursement be submitted to the
8 Commission under confidential seal? Those are
9 confidential documents we provide to USAC to get the
10 reimbursement, and a lot of these questions are similar.
11 So I'm wondering if the ones that pertain that we can
12 comply with, if we could just give you a copy of any
13 Lifeline report that we do, for the State of Florida,
14 for example, provide it under seal. I think we could
15 work around that.

16 Then I do have some concerns about the other
17 requirements here, about Lifeline subscribers denied
18 service, ancillary services. Again, if the goal is to
19 promote Lifeline, I'm not sure how knowing this
20 additional information can get you to that goal. We
21 would have to submit significant time to get that
22 information. It's not easily ascertainable. So I'm
23 wondering if there is a way to make this a little more
24 generalized so that we can work towards complying with
25 this aspect of the rule.

1 MR. NELSON: Doug Nelson with Sprint-Nextel.
2 I agree with most of the comments that have already been
3 made.

4 I would reiterate -- I think Ms. Rao was
5 talking about Form 497. And that's turned in to USAC
6 routinely; is that correct?

7 MS. RAO: (Nodding head affirmatively.)

8 MR. NELSON: And to the extent -- I know at
9 the informal meeting we discussed that the intent wasn't
10 to create new burdens for reporting with this, and I
11 think we need to be sure what's new reporting burdens
12 and what's not. And it would be helpful to know what
13 you have as a baseline provided to USAC already that
14 could be just copied, and then determine what additional
15 information is needed and whether carriers provide them
16 today, and what would be, you know, the impact of
17 developing new reporting.

18 I agree we need more time to put the reports
19 together. Forty-five days sounds reasonable. The
20 frequency of the report should be less than is proposed,
21 just because it's a lot of information to gather.

22 And in particular, I think we -- and John can
23 correct me if I'm wrong -- have issues with keeping
24 track in a useful way of the reasons for the customer
25 going off Lifeline. It's just not something we collect

1 today. As I understand it, it would be basically a
2 manual reporting standard to pore over records.

3 MR. TWOMEY: AARP supports what we understand
4 to be the staff's desire to have more frequent
5 submission of the information from which you can judge
6 trends and the like and would therefore support the rule
7 as it's written with a quarterly requirement.

8 MS. BRADLEY: This is Cecilia Bradley with the
9 Office of the Attorney General. Excuse me.

10 We would also support staff's recommendations
11 on this. I think -- I'm confident the Commission would
12 not ask for useless information. I think this is things
13 that they feel like will help them spot trends and work
14 towards improving the system and increasing the
15 registration. And to have this coming in on a regular
16 basis rather than a couple of times a year is certainly
17 going to be beneficial in helping with that analysis.
18 And we think that's very important and very useful
19 information and would encourage you to keep what you've
20 written.

21 Thank you.

22 MR. CASEY: The whole intent of this was to
23 find out the success stories or the failures and see if
24 we can't share that with other ETCs.

25 To give you an example, I know we have VCI on

1 the phone, Vilaire, a small competitive LEC. They've
2 signed up 4,600 Lifeline customers since September since
3 they reported for their annual report, for our report.
4 And we need to find out, well, how do you sign up 4,600
5 customers in a few months? And we're going to do that.
6 We're going to find out how and share it with all the
7 ETCs.

8 MR. WAHLEN: Bob, Jeff Wahlen.

9 MR. CASEY: Sure.

10 MR. WAHLEN: I don't have any problem with
11 that. But you can find that out by calling them up and
12 asking them. If you're looking at the numbers, you
13 know, you can get the numbers. You can see what people
14 are doing semiannually, and then if you see somebody who
15 is being real successful or having a problem, call them
16 up and ask them. Send them a data request. Requiring
17 all the information from all the ETCs, you know, like
18 the tide coming in is the issue.

19 We don't have any problem and would like to
20 hear the success stories, but I'm not sure what you have
21 here really gets you to the example you just gave. You
22 can get to the example you just gave by looking at the
23 report and seeing who's having a big increase. You
24 don't have to have all the other information. You can
25 call them up and ask them. That's what we're talking

1 about in terms of meaningful information.

2 MR. WILLIAMS: I have a question for anyone.
3 In terms of the reports that are submitted to the FCC,
4 number one, how often -- and I guess it relates to just
5 the basic question of the number of customers enrolled.
6 Number one, how often is that report submitted to the
7 FCC, and number two, how much time do you have before
8 that report is actually required to be submitted?

9 MS. RAO: I can answer that. The carrier has
10 an option of reporting on a quarterly basis by the third
11 Monday of the quarter following the quarter that just
12 ended. So by the third week, you report your lines for
13 the entire quarter preceding, or you can choose to file
14 on a monthly basis as soon as that month is over.

15 MR. WILLIAMS: Thank you.

16 MS. RAO: Assuming you want the Lifeline
17 reimbursement back.

18 MS. CIBULA: Any additional comments? Anyone
19 on the telephone?

20 I would suggest maybe we take maybe a
21 five-minute break and give the court reporter some time
22 to rest. We'll be back in five minutes.

23 (Short recess.)

24 MS. CIBULA: Okay. Let's get started again.

25 Issue 4 is progress on automatic enrollment in

1 the Lifeline service program.

2 As most of you are probably aware, OPC and
3 AARP have a petition pending before the Commission in
4 Docket No. 060667-TL pertaining to automatic enrollment
5 in the Lifeline program. As that is a pending docket,
6 it is best that we not get into the merits of that
7 petition. However, staff is also working on a type of
8 automatic enrollment with the Department of Children and
9 Families which may result in some future rulemaking, so
10 we thought it was important to update everyone on the
11 progress being made in that regard.

12 MR. CASEY: And we do have some DCF
13 representatives here this morning, and I've asked them
14 if they would just give us an update on how we're doing.
15 I can't say enough about how they're cooperating and
16 helping us out with this automated enrollment that the
17 PSC has been working on since March.

18 Ladies, can you give us a little update?

19 MS. SCHILLING: Sure. I'm Eileen Schilling
20 from the Department of Children and Families. And our
21 plan now is to add some questions to our Web application
22 so that we can automatically funnel that information to
23 the Public Service Commission, and they in turn will
24 provide that information to the various phone companies.

25 What we'll ask is if you're interested in

1 Lifeline services, or for people that do not have a
2 phone number, if they're interested in Link-Up. We will
3 ask for the billing address of the person who has the
4 phone company. We will have a drop-down box so that
5 someone can select which phone company they are
6 interested in having the service with, and we'll ask
7 that on our Web application.

8 What we will do is -- generally it takes about
9 30 days before someone actually might get approved for
10 assistance. So just because somebody applies and
11 answers those questions -- until they actually get
12 approved for either Medicaid, temporary cash assistance,
13 or food stamps, we will not provide that information to
14 the Public Service Commission until that point. So our
15 plan is to hold that information for 90 days, once a
16 month go in and check against our records to see if
17 they're approved, those that get approved, send that
18 information to the Public Service Commission, and
19 periodically check on the new applicants.

20 And we are on track. We hope to have this in
21 by the end of March.

22 MR. CASEY: We had a very productive meeting
23 yesterday with all the parties to the docket, and I came
24 away from the meeting believing that we're a lot closer
25 than we thought we were regarding the petition and

1 regarding what we're doing now.

2 One of the things that was brought out
3 yesterday was that with the plan that we're doing now,
4 the applicant has to check a box saying, yes, I am
5 interested in discounted phone service. Now, there's a
6 different process with the petition. However, DCF said
7 that, well, most everybody that applies always checks
8 that box. And that brings us a little closer to where
9 the petition -- what the petition is requesting. So
10 we're going to keep working on it with the parties and
11 see if we can't come up with something.

12 MR. TWOMEY: Bob, I think -- excuse me. I
13 think there was a correction, right, Eileen?

14 MS. SCHILLING: There was. When we had been
15 looking at some cases, most of them I saw did show that.
16 Actually, they went back and got some statistics, and it
17 was not that high. It was 30 percent.

18 MR. CASEY: Thirty percent.

19 MS. SCHILLING: So I learned a lesson. I
20 should not have said anything without official results.
21 So I do take that back.

22 MR. CASEY: Well, thank you for checking.
23 That will help us out.

24 Any other comments?

25 MR. McCABE: Bob, I've just got a question.

1 MR. CASEY: Or questions.

2 MR. McCABE: With that process, when it comes
3 back to the Commission, is that integrated into your
4 existing automated process where you send us an e-mail
5 and then we go get it, or are we going to have to
6 develop another one on top of the one --

7 MR. CASEY: No. This is even a better
8 process. Our IT folks believe that once this
9 spreadsheet comes in on a monthly basis to our computer,
10 it can automatically send it out to the different
11 telephone companies, break it down by telephone company
12 and automatically send it out to you, so there's no
13 manual work involved. And these will be people that
14 have already been approved for a DCF program and already
15 have checked the box saying they're interested in
16 discounted phone service.

17 MR. McCABE: So what it would do is just
18 generate an e-mail to the people that we have already
19 listed with the Commission that currently is set up for
20 the automatic process that you have today?

21 MR. CASEY: The automated process, yes.

22 MR. McCABE: And they would send an e-mail
23 with the information as opposed to us retrieving the
24 information?

25 MR. CASEY: Correct, correct.

1 MR. McCABE: Okay.

2 MR. CASEY: And now that you mention the
3 automated process, let me update you. Yesterday I told
4 you that we had 783 applications. Well, 24 hours later,
5 we have 810. So we're growing, and we're proud of that.

6 Any other comments? Tom, did you want to say
7 something?

8 MR. McCABE: I got one from Miami yesterday.
9 For some reason, the folks down in Miami I think want me
10 port their numbers up to Quincy, I guess.

11 MR. CASEY: And I have that e-mail on my desk,
12 and I'm going to call that person and direct it to the
13 right telephone company for you.

14 MR. CHRISTIAN: Bob, this is just a question,
15 and maybe we can work on this as we get closer to the
16 launch date with DCF.

17 The audit trail here, the paperwork, is the
18 record, electronic record going to be it for paperwork,
19 or is there going to be some sort of other follow-up
20 that we can use if we're audited by USAC? I just want
21 to make sure that we're going to comply with the federal
22 requirements for USAC auditing purposes and that we have
23 some adequate paper trail that can follow that up.

24 I'm not an expert on that process. I don't
25 know how this is going to work. I just want you to be

1 concerned about that when we think about the federal
2 paperwork and make sure it complies with that.

3 MR. CASEY: We'll definitely watch that. And
4 I wish our IT folks were here, because they know exactly
5 what we're going to retain because of the
6 confidentiality and everything.

7 MR. CHRISTIAN: Thanks.

8 MS. SIRIANNI: Bob, I just have a quick
9 question. When that information comes from DCF to you
10 and then to us, is it going to contain like what program
11 they were qualified under? I guess that's really --

12 MS. SCHILLING: Well, we hadn't thought about
13 it. I mean, what programs we do are Medicaid, cash
14 assistance, and food stamps.

15 MS. SIRIANNI: Right. Because right now, you
16 know, we kind of track what program. So I'm just -- you
17 know, before you get too far, I just kind of wanted to
18 ask that question, because it's information we normally
19 put in, like if they're qualifying under Medicaid or
20 cash assistance or whatever.

21 MR. CASEY: Right now, I believe the system
22 isn't tracked that way.

23 MS. SIRIANNI: Just the name and telephone
24 number and address?

25 MR. CASEY: Right, and that they do qualify

1 for a DCF program. That's all that's really necessary.

2 MS. SIRIANNI: Okay. That's fine.

3 MR. CASEY: That's something we can look at,
4 certainly look at in the future, though.

5 MS. SIRIANNI: I just was trying to figure out
6 what type of information, what all information they were
7 going to send. When they send that e-mail, will there
8 be some kind of -- I guess to go to David's point,
9 something that I guess maybe that would be, you know,
10 the following list of customers are certified under a
11 DCF program, I mean, somebody that we I guess could
12 probably use as an audit trail.

13 MR. CASEY: Right. And that will be coming
14 from the PSC. We're actually going to be the filter.
15 The big spreadsheet is coming to us. We're going to
16 break it down and automatically send it out to you. So
17 it will say the following people --

18 MS. SIRIANNI: Okay. Well, we can talk about
19 as it gets closer. I was just trying to figure out what
20 all it was going to include by the time it came to us.

21 MR. CASEY: Okay. We can work out those
22 details.

23 MR. NELSON: Bob, this is Doug from
24 Sprint-Nextel, Doug Nelson.

25 I just wanted to ask if you had considered the

1 location of the customer's residence in your interaction
2 with DCF. We're willing to work with you on making
3 sure, for instance, that a customer in Miami doesn't try
4 to sign up for Nextel service, because we're only in the
5 northern Panhandle part of the state. You know, that's
6 a concern for us, because we don't want to get an
7 application or a customer's name who's ultimately not
8 going to be able to be served. And I know we've been
9 working with Ms. Golden on providing lists of counties
10 and trying to narrow it down that way. Have you guys
11 given that any consideration?

12 MR. CASEY: Well, the process right now with
13 DCF is that if they are interested in the 13.50
14 discount, the next step is going to be a drop-down box.
15 The drop-down box is going to have a listing of all 19
16 ETCs. So it's for existing telephone customers that
17 have existing service, and then you would pick your
18 provider.

19 Now, that's not to say that there isn't
20 glitches like Tom has brought up, usually about two or
21 three a month with our automated system. We have people
22 who sign up for the wrong company, and all it takes is a
23 phone call. You know, Curtis or I will call them and
24 straighten it out and find out who their real provider
25 is, and we'll send it to them.

1 MR. NELSON: And that's fine. I mean, I can
2 see one bit of confusion with our company would be that
3 the designated ETC is Nextel Partners and not Nextel
4 Corporation. So if it's just listed as Nextel, they may
5 say, "Oh, I have Nextel service," but in fact, it's not
6 a designated ETC.

7 MR. CASEY: And that's something we're going
8 to have to watch for.

9 MR. NELSON: Yes, exactly.

10 MR. CASEY: Those are little bumps in the road
11 that we'll work out.

12 MR. NELSON: Okay. All right. Thank you.

13 MS. RAO: Bob, this is Suzie Rao with Alltel.

14 To follow up on that point, I just thought of
15 another thing that could be confusing to consumers. The
16 ETC is not necessarily an ETC in the entire market where
17 it provides the service. It's just a part of that
18 market, like Alltel is just an ETC right now in the
19 non-rural areas of BellSouth and Verizon in Florida.

20 So to the extent that there's customers who
21 fall in other -- who have service with landline
22 telephone companies that are not part of the ETC area,
23 how do you prevent that confusion? It's something to
24 think about that --

25 MR. CASEY: Yes. If they're not on the list

1 of 19, they need to contact their local service
2 provider.

3 MS. RAO: Is there also a way to -- I'm sorry.

4 MR. NELSON: No, go ahead.

5 MS. RAO: Because the federal rules say that
6 Lifeline is limited to one per household, so the way I
7 interpret that is, if a customer has landline service
8 and wireless service, the customer would have to choose
9 which service provider he or she can receive the
10 Lifeline discount on. What's the audit mechanism --

11 MR. CASEY: What's to prevent a person from
12 getting wireline and wireless, is what you're saying.
13 Those are things that have to be worked out yet. Even
14 the FCC hasn't worked that out.

15 MR. NELSON: Just to go over one more point
16 that Suzie just made, the ETC designated area may not
17 include the entire service area of the wireless
18 provider. For instance, in Tallahassee, Nextel Partners
19 provides service in most parts of it, but it's only
20 designated as an ETC I believe in the western and
21 northern portions outside of the city. And the
22 requirement is that the customer's primary address of
23 residence be in the ETC designated area.

24 So we should be aware of that as a point of
25 confusion too and just try to figure out, like you

1 said -- right now it's kind of a manual process where
2 you contact the customer, but that might be an issue
3 that comes up.

4 MR. CASEY: Thank you for bringing that up.

5 Any other comments or questions regarding DCF
6 or the automated program, automatic, without going into
7 the docket?

8 MS. CIBULA: Okay. I guess we'll move to
9 Issue 5, which is all other matters. I thought we would
10 start on page 1 of the draft rules and go section by
11 section and see if anyone has any comments generally.
12 So starting with section (1) on page 1.

13 Section (2)?

14 I know we talked about section (3) already,
15 unless someone has something additional to add to
16 section (3).

17 Section (4) on page 2.

18 MR. CHRISTIAN: Could you go -- I'm sorry. On
19 page 3, number (8), line 24, ETCs must allow customers
20 the option to submit Link-Up or Lifeline applications
21 via mail, facsimile, or electronically. Could you
22 define what electronically means? Is that the
23 Commission process and the DCF process, and if we linked
24 our webpage to your webpage, is that compliant with that
25 rule? I would just like some further clarification,

1 because I don't think heretofore we've allowed
2 electronic means, meaning e-mails to be sent. But
3 obviously, we do have electronic processes in place to
4 allow for the Commission's website and the DCF process.
5 Is there a better way of saying that phrase?

6 MR. CASEY: Would you have a suggestion?

7 MR. CHRISTIAN: I don't off the top of my
8 head, but I just wanted to make sure that we're talking
9 about the same thing here, because we're not set up to
10 allow for applications to be sent via e-mail at this
11 point in time, and that would be probably something that
12 would take some time and some resources to do. I just
13 wanted to highlight that as maybe a way we could
14 artfully craft that, that we would accept electronic
15 applications from the Commission via the website. It
16 may take a little bit more words there to get to where I
17 feel comfortable with that.

18 MS. CIBULA: Okay. We'll look into that.

19 MR. CHRISTIAN: Thanks.

20 MS. KHAZRAEE: This is Sandy Khazraee with
21 Embarq. We had the same concern, because we didn't know
22 what electronically meant. One thought was, you could
23 say ETCs must allow customers the option to submit
24 Link-Up or Lifeline applications via mail or facsimile,
25 or may allow, if technically feasible to the companies

1 -- or may allow electronically if technically feasible
2 to the companies.

3 MR. CASEY: And Ms. Cibula is going to ask for
4 post-workshop comments, and if you can include that.
5 Any suggested language we'll be glad to look at.

6 MR. CHRISTIAN: Yes, thanks.

7 MR. McCABE: Where are we? I thought I was on
8 2.

9 MS. CIBULA: Let's go back to page 2, section
10 (4), subsection (4).

11 MR. McCABE: Yes. Tom McCabe, TDS. I think
12 we need to get some clarification. I think the intent
13 of subsection (1) was just to kind of lay out what all
14 the criteria are for Lifeline. I think we need some
15 clarification on subsection (4) that ETCs -- the
16 suggestion I had was that ETCs not operating under the
17 provisions of section 364.164, F.S., are exempt from
18 subsection (1)(b).

19 MR. CASEY: And that's simply because right
20 now, the only ETCs required to do the 135 percent are
21 the ones who elected rebalancing.

22 MR. McCABE: Right.

23 MR. CASEY: We can surely clarify that.

24 MS. CIBULA: And can you make sure that you
25 include that in your post-workshop comments, and we can

1 look at that.

2 MR. McCABE: Yes.

3 MS. CIBULA: Any more comments on subsection
4 (4)?

5 Subsection (5).

6 Subsection (6)?

7 MS. SIRIANNI: This is MaryRose with
8 BellSouth. This is just minor, but starting in
9 subsection (6) and through other parts of the proposed
10 rules, you talk about the on-line self-certification
11 form. And we have always identified that as a
12 simplified enrollment form, and we would prefer to keep
13 with simplified certification form, or simplified form,
14 or just enrollment form, because it has never been
15 termed "self-enrollment form."

16 MS. CIBULA: That's what the form is titled
17 right now, how we have it titled, so we wanted to mirror
18 the title. But that might something we could think
19 about, maybe changing the name of the title of that form
20 to jive with what everyone is thinking about.

21 MS. SIRIANNI: Okay. Because I know in the
22 past, the form that we've always -- that we developed
23 and used like in the back-to-school brochures and such
24 -- actually, I have one right here, and it just says
25 "Application for Link-Up Florida and Lifeline

1 Assistance."

2 So we've never termed it -- when we spoke
3 about it, we talked about the simplified form, but we
4 actually never even titled it that. So to go all the
5 way to self-certification -- you know, I believe that
6 the other companies, at least Verizon and Embarq, agreed
7 with that, so I would just ask you to consider that.

8 MR. CHRISTIAN: I think when we agreed to this
9 process, we termed it a simplified enrollment process,
10 and that was in Commission recommendations and orders, I
11 believe.

12 MS. SIRIANNI: That's correct.

13 MR. CHRISTIAN: So we would like that to be
14 consistent with the original intent of the program.

15 MS. SIRIANNI: If you go to
16 self-certification, it has a lot of other connotations
17 that go along with it, and that wouldn't be consistent
18 with what we proposed in the previous dockets and came
19 out in the order, so we just --

20 MS. CIBULA: What we're referring to in the
21 rule -- we actually have copies of the form on the back
22 table of what we're referring to in the rule, and that's
23 the title that we have on those forms right now. But we
24 understand that maybe people have a different
25 understanding of what those forms are, and we could

1 maybe look into changing the title of the forms.

2 MS. SIRIANNI: Okay. Thank you. And we'll
3 include that in our post-workshop comments.

4 MR. NELSON: This is Doug from Sprint-Nextel.
5 I would just like to -- I don't know if this is related
6 directly to the language of the rules, but one thing
7 we've been contemplating is -- as you know, when we get
8 an application through your on-line process, we have to
9 tell the customer about the plan, and we have to get
10 them to sign up for it. One thing we're thinking about
11 doing is asking you all to put a link through your
12 website to our website that would provide that
13 information. And I just want to make sure -- you know,
14 I think I'll put this in post-workshop comments, but I
15 want to make sure that will be an acceptable option.
16 Would that change your present Web-based plan, or would
17 that be consistent?

18 MR. CASEY: That's certainly something we
19 could look at. That's certainly something we could look
20 at. I would hesitate just to put Sprint-Nextel. If
21 anything, we would put all ETCs and their links if --

22 MR. NELSON: Well, that's why -- I mean, I
23 think as FTIA, we want to discuss this a little more,
24 but it might be one thing that's addressed in comments,
25 I think. And I think it should be discretionary. I

1 mean, it should be set up to help people get in touch
2 with the company in the most efficient way possible,
3 basically, and I think companies should have flexibility
4 on how they want to facilitate that.

5 MR. CASEY: We could certainly look at that.

6 MR. NELSON: Okay.

7 MS. CIBULA: Any other comments on subsection
8 (5) or (6)?

9 Subsection (7)? And I think we had comments
10 on this already. Any additional ones?

11 Subsection (8)?

12 MR. CHRISTIAN: I just apologize for going out
13 of turn. I didn't realize we were --

14 MR. McCABE: He's always working ahead.

15 MS. CIBULA: Subsection (9). I believe
16 MaryRose had a comment on subsection (9).

17 MS. SIRIANNI: Yes. I jumped the gun on that
18 one earlier. You weren't alone.

19 Subsection (9) was something that was actually
20 added to the proposed rule after the informal workshop
21 on January the 10th, I believe, out of a suggestion of
22 the Office of Public Counsel. And basically what it
23 does is, it requires ETCs to provide the subscriber with
24 a receipt, an application receipt once they submit their
25 application.

1 BellSouth does not currently provide a receipt
2 to the customer after that. We don't do that actually
3 in any of at least our Southeast Region states. That
4 would provide -- or that would cause us to go through an
5 additional step. And the customers see their credit on
6 their bill either the next bill cycle or the bill cycle
7 after that.

8 This is not something we have had any
9 complaints about. I know the Office of Public Counsel
10 stated that they do get complaints about it, but I guess
11 I would ask them if they could provide us -- you know,
12 can they tell us how many complaints from BellSouth
13 customers they received regarding, you know, calls about
14 not knowing if their application was received or not,
15 because it's not something that we routinely -- or
16 actually, I can ever remember really ever getting
17 complaints on. It just would -- I'm not sure that the
18 cost and the resources required to do it would outweigh
19 the benefit that the customer would actually get from
20 it.

21 Also, I believe part of that is in section
22 (16) of the rule too. There's a sentence in there that
23 would also -- you know, I think you all added.

24 MS. WHITE: Chanel White, Office of Public
25 Counsel. I can provide you later on today a rough

1 estimate of the number of complaints we get. And we get
2 them from the three, actually. And usually, I will send
3 an e-mail on a specific person, but I can get you the
4 numbers of how many complaints we get.

5 And usually this is how it goes: The person
6 will call us and say, "I've sent my application to the
7 company. I've sent it twice or three times. I don't
8 see any credit. I've called the company. They have no
9 record of me ever submitting any documents." And, of
10 course, the person still is not placed on the program.

11 Sometimes this process can take more than
12 three months just with the back and forth of whether or
13 not the application has been received, whether or not
14 the recertification documents have been received. These
15 people have no idea whether or not they will be placed
16 on the programs. Yes, they do wait for the credit to
17 appear on their bills, but sometimes credit never does
18 appear, and then the customer is requested to start the
19 process from the beginning.

20 And so for that reason, we believe the person
21 needs some type of documentation that says, yes, they've
22 done what they were supposed to do.

23 MS. CIBULA: Could you provide the numbers in
24 your post-workshop comments to us?

25 MS. WHITE: Yes.

1 MS. CIBULA: And also, you mentioned that it
2 would cost your company a lot of money. Could you maybe
3 in your post-workshop comments give us like a ballpark
4 figure of how much that would cost?

5 MS. SIRIANNI: Sure, I can do that.

6 MR. CASEY: We will be asking for a SERC,
7 which is a statement of estimated regulatory cost, for
8 these rules.

9 MS. SIRIANNI: I can try to come up with an
10 estimate of the cost that the company would incur to put
11 a process in place.

12 MS. CIBULA: Any additional comments on
13 subsection (9)?

14 MS. KHAZRAEE: This is Sandy Khazraee with
15 Embarq, and I'm just going to say that, you know, I
16 agree with MaryRose, that we don't currently provide
17 application receipts to anybody, so that would take a
18 change in our processes at some cost. And in general,
19 these customers do see the credit within one or two
20 billing cycles at most.

21 In the case where we've had -- I mean, we're
22 all humans that are doing these processes, so if there
23 is occasionally a problem, it is always fixed, and they
24 do get the credit back to the date that their original
25 application was filed. I can't think of anybody we've

1 actually disconnected their service because their
2 Lifeline credit didn't show up if there was an error.

3 So, you know, we're just not sure that the
4 benefit that would be received for whatever we would
5 have to expend to make this happen would be worth it.
6 And we'll definitely include in our post-workshop
7 comments a cost estimate.

8 MR. McCABE: I'll just go ahead and agree with
9 those comments also, just to be on the record.

10 Typically what happens, I mean, we get applications sent
11 in to us, and Lifeline service is probably put on within
12 one to two days. And it really is just a matter of what
13 time the fax gets into the office. Now, granted, it's a
14 little bit easier as a small company because the numbers
15 aren't as great. But to go ahead and start sending
16 receipts back creates more processes in place.

17 One of the issues, unfortunately, I have
18 firsthand knowledge of getting a lot of applications
19 from varying companies, and that may be why some people
20 aren't signed up, because it doesn't get to the phone
21 company for three or four weeks. I mean, it could be
22 sitting in my mailbox for two weeks before I get over to
23 Quincy, and then I've got to make efforts to try and
24 bring it to somebody else. That could be what's leading
25 to some of these problems.

1 But I think the additional work, especially
2 from our processes, I don't see any value.

3 MR. WAHLEN: Windstream agrees. This is Jeff
4 Wahlen.

5 MS. CIBULA: Any additional comments?

6 MS. WHITE: Chanel White, Office of Public
7 Counsel.

8 And there probably are instances where the
9 person sends their information to the wrong place. But
10 after speaking with them on numerous occasions, they can
11 read off to me the exact fax number they've submitted
12 their application to, which is located on the bottom of
13 the application, or the exact mailing address. So for
14 the most part, they are sending or attempting to send
15 the information where it should go. I think it's only a
16 small amount that may send their application to the
17 entirely wrong company. But for the most, I've spoken
18 to these people, and, you know, they have it together.
19 They know where they've sent their information.

20 Thank you.

21 MR. CASEY: And if you do have a problem, just
22 let the Commission know, and we can take care of it.
23 It's a simple phone call.

24 MS. CIBULA: Okay. Let's move to subsection
25 (10). Any comments?

1 MR. McCABE: I guess the only comment I would
2 have has to do with the four digits, the last four
3 digits. You know, perhaps we need to wait as we
4 progress with the Department of Children and Family
5 Services, because we might end up limiting the benefits
6 of what they can do if we're only getting the four
7 digits. So that's just a suggestion.

8 MS. SIRIANNI: I know Bob was looking at me
9 like --

10 MR. CASEY: I knew MaryRose was going to hit
11 that button.

12 MS. SIRIANNI: And I was going to wait,
13 because after the conversation yesterday with DCF, I
14 think we'll wait to hear from them as to what their
15 capabilities are with -- you know, right now, they
16 require the full digits to get accuracy of the batching
17 of the records, and they said that they would check into
18 the last four digits to see if that capability was
19 available. So rather than get into this argument about
20 the last four digits or the full Social Security number,
21 we'll wait to hear from DCF as to what they're capable
22 of doing.

23 MR. CASEY: And that may be something we need
24 to work out.

25 MS. SIRIANNI: Right. So, you know, we'll

1 work through it.

2 MS. CIBULA: And it might be something that
3 down the road, if we're implementing something else, you
4 know, if we revise the rules, we can address that then.

5 MS. SIRIANNI: Right. So, you know, we'll
6 just hold off on that right now and just wait and see
7 how it falls out.

8 Thank you.

9 MS. CIBULA: Any more questions or comments on
10 subsection (10)?

11 I think we've already addressed (11), (12),
12 (13), and (14), but if anyone has any additional
13 comments.

14 Subsection (15).

15 Subsection (16), I believe BellSouth had
16 comments in regard to how it related back to subsection
17 (9).

18 MS. SIRIANNI: That's correct.

19 MS. CIBULA: Subsection (17).

20 Subsection (18).

21 Subsection (19). And this is where my
22 comments start. Subsection (19) through (24), as
23 MaryRose indicated, we mentioned something in the
24 informal meeting. We got comments at the last workshop
25 from FTIA, and we incorporated them into the rule, and I

1 think (19) through (24) reflects a lot of the comments
2 they had.

3 When I reviewed them, the thing that jumped
4 out at me was that they're basically verbatim from the
5 statute, and there's a requirement from JAPC that we're
6 not supposed to just paraphrase or reiterate parts of
7 the statute into the rule, so it's likely that those
8 subsections will probably come out of the rule. It
9 doesn't mean that they're not applicable, because
10 they're still in the statute, and the statute is
11 applicable. So it's not that they're not applicable.
12 It's just that we're not supposed to repeat aspects of
13 the statute verbatim or paraphrase them into the rule.

14 MR. NELSON: This is Doug Nelson from
15 Sprint-Nextel. I think we would agree with that.

16 And we actually had sent you all some comments
17 on this section. We want to make sure it's consistent
18 with the federal rules with respect to the use of the
19 three terms, toll limitation, toll control, and toll
20 blocking. I think it's all the same from a policy
21 perspective and from, you know, the perspective of
22 allowing the option to the consumer and forgiving the
23 deposit if they accept the option. But in the wireless
24 context, it's important to have -- if there's going to
25 be something, to have the limitation, the toll

1 limitation as used in federal law in the rules.

2 We can discuss that further if we need to, but
3 it might be best just to leave it out, because then it
4 makes more sense, really.

5 MS. CIBULA: Does anyone have any comments on
6 (19) through (24)?

7 And I believe we discussed (25) as well,
8 unless someone has anything additional to add.

9 Any additional comments in general that anyone
10 would like to add?

11 I guess the next order of business is the
12 schedule for post-workshop comments. I was thinking
13 maybe two weeks from today, unless -- that would be
14 February 20th, by the close of business on February
15 20th, unless someone has a major problem with that date.

16 MR. McCABE: When are you going to send out
17 the --

18 MR. CASEY: The SERC, the statement of
19 estimated regulatory cost?

20 MR. McCABE: Yes.

21 MS. CIBULA: The SERC we'll do once we get
22 everyone's comments. We'll look at the comments and
23 decide what comments we -- you know, what changes we're
24 going to make to the rule. And once we get that final
25 draft rule that we think we want to take to the

1 Commission, we'll send the SERC out then.

2 MR. CHRISTIAN: Will there be a transcript of
3 the workshop?

4 MS. CIBULA: Yes, there will.

5 MR. CASEY: Yes, there will.

6 MR. CHRISTIAN: Will that be out before the
7 comments are due?

8 MS. CIBULA: A week they said. It will take a
9 week.

10 MR. CHRISTIAN: Could we possibly do comments
11 due on the 27th of February?

12 MS. CIBULA: That's fine.

13 MR. CASEY: That's fine.

14 MS. CIBULA: The 27th then.

15 MR. CHRISTIAN: Thank you.

16 MS. CIBULA: By close of business on the 27th.
17 And also, since this is undocketed right now, you need
18 to make sure you send the comments directly to me and
19 not to Records, or else they'll get lost. And you can
20 send it to my e-mail if that's more convenient to you as
21 well, which is scibula@psc.state.fl.us.

22 MS. KLINZMAN: I'm sorry. Who are you?

23 MS. CIBULA: Samantha Cibula. And my e-mail
24 address is scibula@psc.state.fl.us, or you could send it
25 to the PSC address addressed to me.

1 MR. CASEY: Now, there may be some of the
2 small CLECs who aren't aware of what a SERC is. It's a
3 statement of estimated regulatory cost. In other words,
4 we're going to be sending out this asking how much it
5 would cost to implement these rules, how much it would
6 cost the ETC.

7 MS. CIBULA: And like I mentioned earlier,
8 once we get everyone's comments in, we'll decide what
9 revisions we want to make to the rule, and then we'll
10 have a final draft rule in staff's eyes that will be
11 sent out to the parties as a part of a SERC, where
12 you'll get to say how much it will affect dollarwise
13 your companies or your agency. And then once we get the
14 SERC back, we'll open a docket, and then we'll take a
15 recommendation to the Commissioners.

16 MR. WAHLEN: Should we serve our comments on
17 the other participants?

18 MS. CIBULA: You don't have to do that.

19 MR. WAHLEN: Well, I'm glad to. Mr. Casey has
20 been diligently maintaining a participant list, I think.

21 MR. CASEY: And you'll have one for this
22 meeting too.

23 MR. WAHLEN: If you're going to update that,
24 we can certainly do that if that's what people want to
25 do.

1 MS. CIBULA: Are there any more comments or
2 questions?

3 MS. KLINZMAN: I just want to -- this is
4 Stacey Klinzman. I just want to confirm that the
5 post-workshop comments are due on the 20th of February.

6 MS. CIBULA: The 27th.

7 MS. KLINZMAN: Thank you.

8 MS. CIBULA: Unless there's any more comments,
9 we're adjourned.

10 MR. CASEY: Thank you for coming. Appreciate
11 it.

12 MS. CIBULA: Thank you.

13 (Proceedings concluded at 11:53 a.m.)
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CERTIFICATE OF REPORTER


STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 90 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 11th day of February, 2006.


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