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February 27, 2007

Ms. Blanca S. Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Proposed Amendment of Rule 25-4.0665, Fla. Admin. Code.
Post-workshop comments of Alltel Communications, Inc.

Dear Ms. Bayo:

Enclosed are the post-workshop comments of Alltel Communications, Inc. relating to the Public Service Commission's Proposed Amendment of Rule 25-4.0665, Fla. Admin. Code. Thank you for your attention to this matter.

Sincerely,

Thomas A Range

Thomas A. Range

Enclosure

FLORIDA PUBLIC SERVICE COMMISSION

Proposed Amendment of Rule 25-4.0665	)	
F.A.C., Lifeline Service	)	Undocketed
	)	
	)	

<u>POST-WORKSHOP COMMENTS OF ALLTEL COMMUNICATONS, INC.</u>

Alltel Communications, Inc. ("Alltel") submits these comments in response to the Florida Public Service Commission's ("Commission") proposed amendment of Rule 25-4.0665 and the subsequent workshop on Lifeline Service, held February 6, 2007. Alltel participated in that workshop and provided many of the same comments detailed below.

Alltel has been offering the Lifeline program to low-income Florida subscribers, pursuant to current Commission rules, since its initial designation as an Eligible Telecommunications Carrier ("ETC") in September 2004. Alltel commends the Commission for its efforts in adopting specific Lifeline rules and most certainly supports the overall Lifeline objective of providing low-income customers with access to telecommunication and information services. However, in order to achieve that objective, individual state programs and rules must be competitively and technologically neutral. *See In the Matter of Federal-State Joint Board on Universal Service, CC. Docket 96-45, 12 FCC Rcd 8776 8791, ¶27, (May 8, 1997).* Alltel's comments seek to highlight the unintended consequences of applying wireline or ILEC focused rules on competitive ETCs who offer Lifeline programs that are not constrained by wireline technology. Adherence to rules that favor wireline lifeline offerings frustrates the principle of competitive and technological neutrality and ultimately the fundamental objective of providing access to low-income subscribers, regardless of the technology utilized.

Rule 25-4.0665(3)

Subsection (3) fails to recognize the technological and competitive differences between wireless and wireless lifeline offerings by requiring that the Lifeline discount be applied to the *basic local exchange service* rate, or the telephone portion of any service offering which combines basic local exchange service with non-basic service (e.g., a service package combining basic local exchange service with call waiting, call forwarding, and voicemail). Wireless carriers like Alltel do not segregate "local service" from long distance service, within its lifeline offering, nor does it necessarily combine vertical features such as call waiting and voicemail with any minutes of use. In order to achieve technological and competitive neutrality, Alltel recommends that this language be struck, or in the alternative, that "basic local exchange service" be defined to include both local and long distance or "bundled" services for purposes of Lifeline implementation.

Rule 25-4.0665(8)

This section states that ETCs must allow customers the option to submit Lifeline or Link-Up applications via mail, fax, or electronically. While Alltel understands and appreciates the Commission's intent behind this rule (e.g., to facilitate expedited treatment of individual applications), the actual benefits from the rule is unclear. Alltel, a national provider of wireless services, has corporate offices in Little Rock, Arkansas; however, the Lifeline program is offered at the various points of sale throughout the Alltel service territory. To that end, in Florida Alltel maintains numerous points of sale for customers to enroll in the Lifeline program. Currently, Alltel restricts implementation of the Lifeline program to authorized Alltel retail sales representatives who have the responsibility of ensuring that eligible customers receive the Lifeline program. Agents and customer care personnel are trained to direct customers' inquiries to the nearest Alltel retail store. Furthermore, since Lifeline is an offering that only ETCs are legally required to provide and receive the Lifeline subsidy for, and since a wireless ETC's service area in any particular state is always a subset of that company's entire market in that state, confusion can result about who can qualify. Alltel has trained its sales representatives to first determine if the customer resides in an ETC eligible area before offering any such discounts through the verification of the customer's billing zip code. If the zip code matches an ETC service area, then the sales personnel can determine whether the customer qualifies for the Lifeline discount.

Alltel's current processes are not set up for corporate offices, call center personnel, or others to implement the Lifeline discount on qualifying customers' bills. Consequently, if forms are mailed or faxed to locations other than the customer's visit to the nearest Alltel retail store, the expectation that the discount will be implemented in this manner will create confusion and change the manner in which Alltel currently applies the Lifeline discount.

Rule 25-4.0665(9)

This section requires ETCs to provide the Lifeline subscriber with a receipt. Alltel requests clarification of what the Commission means by the term "receipt." Customers are given receipts when they initiate service or when they make payments on pre-paid accounts. If by "receipt," the Commission meant receipt of a Lifeline request, the rule would require significant training of Alltel sales representatives.

Despite the negative operational impact on ETCs as a result of this rule, it is unclear what policy objectives would be accomplished with a Lifeline receipt requirement, especially in light of the fact that currently eligible Alltel customers are able to receive the Lifeline rate plan minutes from initiating service. As a result, this rule appears to be superfluous in light of the reality of the competitive offerings and other obligations imposed on ETCs. Accordingly, Alltel recommends that the Commission strike this requirement.

Rule 25-4.0665(22)

This rule states that an ETC may not discontinue basic local exchange service to a Lifeline subscriber for non-payment of non-basic services. Again, Alltel reiterates that, as a wireless carrier, it does not segregate local service from long distance service. Furthermore, CMRS carriers such as Alltel are statutorily exempt from the wireline-centric definition of "basic local service." Alltel stresses that the Commission's imposition of landline constructs to the wireless paradigm is not feasible, nor is it technologically neutral as required by the FCC. Instead, Alltel advocates that this language be struck, or in the alternative, that "local service" be defined to include both local and long distance or "bundled" services for purposes of Lifeline implementation.

Rule 25-4.0665(23)

This rule arbitrarily again imposes the landline construct in the wireless world. As stated above, CMRS carriers such as Alltel do not segregate toll from local service; therefore, Alltel will not be able to implement this reconnection policy. Alltel recommends striking this language, or in the alternative, that the definition of local service be expanded to include both local and long distance services for purposes of Lifeline implementation.

Rule 25-4.0665(24)

This rule requires ETCs to submit quarterly Lifeline reports to the Commission by the 15th of the month following the quarter's end. The reports must include a punch list of ten points, all of which Alltel does not currently track, and would have operational difficulty applying for a number of reasons, e.g., in a truly competitive marketplace, customers are not always forthcoming, nor are they obligated to voice their reasons to disconnect service with a carrier. The bottom line is that there are numerous reporting as well as operational hurdles for Alltel to overcome in order to implement this rule. Furthermore, Alltel is unsure of the benefits provided to customers if this rule was implemented. Instead, Alltel recommends that any Universal Service Administrative Company ("USAC") Lifeline subsidy filings be substituted as a means of complying with this requirement. While USAC does not seek all of the information that is required in this particular rule, many of the items are covered by the rule, such as the number of customers who receive the Lifeline and Link-Up discount, as well as the number of resold services qualifying for Lifeline. If confidential treatment can be afforded to these highly sensitive documents, Alltel is willing to forward any such Lifeline filings in Florida to this Commission.

Conclusion

Alltel looks forward to working with the Commission on clarifying the Lifeline draft rules as well as increasing Lifeline enrollment in Florida. However, the overriding goal of any such rules should be to the benefit of the consumer without imposing any undue hardship to the Company.

s/ Denise Collins

Regulatory Staff Manager

February 27, 2007