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Public Service Commission

December 11, 2009

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COMMISSION
CLERK

Florida Small Business Regulatory Advisory Council
401 E. Chase Street
Ste. 100-A
Pensacola, FL 32502

SUBJECT: Docket No. 090504-TP – Rule No. 25-4.0665

The Commission has determined that the above rule will affect small business. Accordingly, pursuant to Section 120.54(3)(b), Florida Statutes, enclosed is a copy of the Florida Administrative Weekly notice for the proposed rule, which will be published in the December 18, 2009 edition of the FAW. Also enclosed is a copy of the statement of estimated regulatory costs.

If there are any questions with respect to this rule or the Commission's rulemaking procedures, please do not hesitate to call on me.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosanne Gervasi".

Rosanne Gervasi
Associate General Counsel

Enclosures

cc: Office of Commission Clerk

090504 FSBRAC.rg.doc

DOCUMENT NUMBER-DATE

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FPSC-COMMISSIONER

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Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

RULE NO: RULE TITLE

25-4.0665: Lifeline Service

PURPOSE AND EFFECT: Amendment to codify the requirements for participation in the Lifeline service program. Docket No. 090504-TP

SUMMARY: The rule codifies Lifeline service eligibility requirements and requirements that eligible telecommunications carriers (ETCs) must follow when offering Lifeline service. Such requirements include offering toll blocking and toll limitation service, and number-portability free of charge. Additional requirements address Link-Up service, service deposits, noticing of impending termination of Lifeline service, timing of the Lifeline credit, distribution of Lifeline information, and quarterly reporting requirements.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: The proposed rule amendment will result in an increased workload on Commission staff, associated with implementation of the Automated Online Application Process and maintenance and review of the quarterly reporting requirements, but may decrease inquiries from ETCs relating to Lifeline service. The proposed rule amendment will affect approximately 21 ETCs, some of which are small businesses. Lifeline customers should experience less difficulty and delay in receiving approval of their Lifeline applications, but will have to pay a deposit if they do not elect toll blocking. Outside businesses and local governments should not be affected. Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 120.80(13)(d), 350.127(2), 364.0252, 364.10(3)(j) FS

LAW IMPLEMENTED: 364.0252, 364.10, 364.105, 364.183(1) FS

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:

Rosanne Gervasi, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL

DOCUMENT NUMBER-DATE

11895 DEC 11 08

FPSC-COMMISSION CLERK

32399-0850, (850) 413-6224.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-4.0665 Lifeline Service

(1) A subscriber is eligible for Lifeline service if:

(a) the subscriber is a participant in one of the following federal assistance programs:

1. Medicaid;

2. Food Stamps;

3. Supplemental Security Income (SSI);

4. Temporary Assistance for Needy Families/Temporary Cash Assistance;

5. "Section 8" Federal Public Housing Assistance (42 U.S.C. sec. 1437f (2009), which is incorporated herein by reference);

6. Low-Income Home Energy Assistance Program; or

7. The National School Lunch Program – Free Lunch; or

(b) the subscriber's eligible telecommunications carrier has more than one million access lines and the subscriber's household income is at or below 150 percent of the federal poverty income guidelines.

~~An eligible telecommunications carrier must provide 60 days written notice prior to the termination of Lifeline service. The notice of pending termination shall contain the telephone number at which the subscriber can obtain information about the subscriber's Lifeline service from the eligible telecommunications carrier. The notice shall also inform the subscriber of the availability, pursuant to Section 364.105, F.S., of discounted residential basic local telecommunications service.~~

(2) Eligible telecommunications carriers with less than one million access lines are not required to enroll Lifeline applicants through the income eligibility test of 150 percent or less of the federal poverty income guidelines, but may do so voluntarily. If a subscriber's Lifeline service is terminated and the subscriber subsequently presents proof of Lifeline eligibility, the eligible telecommunications carrier shall reinstate the subscriber's Lifeline service as soon as practicable, but no later than 60 days following receipt of proof of eligibility. Irrespective of the date on which the eligible telecommunications carrier reinstates the subscriber's Lifeline service, the subscriber's

~~bill shall be credited for Lifeline service as of the date the eligible telecommunications carrier received the proof of continued Lifeline eligibility.~~

~~(3) Eligible telecommunications carriers that charge an initial connection charge must offer Link-Up service to subscribers who are eligible for Lifeline service pursuant to this rule. All eligible telecommunications carriers shall participate in the Lifeline service Automatic Enrollment Process. For purposes of this rule, the Lifeline service Automatic Enrollment Process is an electronic interface between the Department of Children and Family Services, the Commission, and the eligible telecommunications carrier that allows low-income individuals to automatically enroll in Lifeline following enrollment in a qualifying public assistance program.~~

~~(a) The Commission shall send an e-mail to the eligible telecommunications carrier informing the eligible telecommunications carrier that Lifeline service applications are available for retrieval for processing.~~

~~(b) The eligible telecommunications carrier shall enroll the subscriber in the Lifeline service program as soon as practicable, but no later than 60 days from the receipt of the e-mail notification. Upon completion of initial enrollment, the eligible telecommunications carrier shall credit the subscriber's bill for Lifeline service as of the date the eligible telecommunications carrier received the e-mail notification from the Commission.~~

~~(c) The eligible telecommunications carrier shall maintain a current e-mail address with the Commission, which the Commission will use to inform the eligible telecommunications carrier that new Lifeline service applications are available for retrieval for processing.~~

~~(d) The eligible telecommunications carrier shall maintain with the Commission the names, e-mail addresses and telephone numbers of one primary and one secondary company representative who will manage the user accounts on the Commission's secure website.~~

~~(e) Within 20 calendar days of receiving the Commission's e-mail notification that the Lifeline service application is available for retrieval, the eligible telecommunications carrier shall provide a facsimile response to the Commission via the Commission's dedicated Lifeline service facsimile telephone line at (850)413-7142,~~

identifying the customer name, address, telephone number, and date of the application for:

1. ~~Misdirected Lifeline service applications;~~
2. ~~Applications for customers currently receiving Lifeline service; and~~
3. ~~Rejected applicants, which shall include the reason(s) why the applicants were rejected.~~

~~In lieu of a facsimile, the eligible telecommunications carrier may file the information with the Office of Commission Clerk.~~

~~(f) Pursuant to Section 364.107(1), F.S., information filed by the eligible telecommunications carrier in accordance with paragraph (3)(e) of this rule is confidential and exempt from Section 119.07(1), F.S. However, the eligible telecommunications carrier may disclose such information consistent with the criteria in Section 364.107(3)(a), F.S. For purposes of this rule, the information filed by the eligible telecommunications carrier will be presumed necessary for disclosure to the Commission pursuant to the criteria in Section 364.107(3)(a)4., F.S.~~

(4) When enrolling customers in the Lifeline service program under subsection (1)(a) of this rule, eligible telecommunications carriers shall accept Form PSC/RAD 157 (XX/XX), entitled "Application for Link-Up Florida and Lifeline Assistance," which is incorporated into this rule by reference and can be accessed from the Commission's website at www.floridapsc.com, by selecting "Link-Up Florida and Lifeline," then selecting "Need Discounted Phone Service?," and then selecting "English Link-Up and Lifeline Certification Form" (also available in Spanish and Creole). All eligible telecommunications carriers shall provide current Lifeline service company information to the Universal Service Administrative Company (USAC) at www.lifelinesupport.org so that the information can be posted on the USAC's consumer website.

(5) Eligible telecommunications carriers shall enroll customers for Lifeline service who electronically submit Form PSC/RAD 158 (XX/XX), entitled "Lifeline and Link-Up Florida On-line Self Certification Form," which is incorporated into this rule by reference and can be accessed from the Commission's website at www.floridapsc.com, by selecting "Link-Up Florida and Lifeline," then selecting "Apply On-line."

(6) For Lifeline applicants who do not use On-line enrollment or simplified

certification enrollment, the eligible telecommunications carrier must accept Public Assistance eligibility determination letters, including those provided for food stamps, Medicaid, and public housing lease agreements, as proof of eligibility for Link-Up and Lifeline enrollment.

(7) Eligible telecommunications carriers must allow customers the option to submit Link-Up or Lifeline applications via U.S. Mail or facsimile, and may allow applications to be submitted electronically. Eligible telecommunications carriers must also allow customers the option to submit copies of supporting documents via U.S. Mail or facsimile.

(8) Eligible telecommunications carriers shall only require a customer to provide the last four digits of the customer's social security number for application for Lifeline and Link-Up service and to verify continued eligibility for the programs as part of the annual verification process.

(9) All eligible telecommunications carriers shall participate in the Lifeline service Automatic Enrollment Process. For purposes of this rule, the Lifeline service Automatic Enrollment Process is an electronic interface between the Department of Children and Family Services, the Commission, and the eligible telecommunications carrier that allows low-income individuals to automatically enroll in Lifeline following enrollment in a qualifying public assistance program.

(a) The Commission shall send an e-mail to the eligible telecommunications carrier informing the eligible telecommunications carrier that Lifeline service applications are available for retrieval for processing.

(b) The eligible telecommunications carrier shall enroll the subscriber in the Lifeline service program as soon as practicable, but no later than 60 days from the receipt of the e-mail notification. Upon completion of initial enrollment, the eligible telecommunications carrier shall credit the subscriber's bill for Lifeline service as of the date the eligible telecommunications carrier received the e-mail notification from the Commission.

(c) The eligible telecommunications carrier shall maintain a current e-mail address with the Commission, which the Commission will use to inform the eligible telecommunications carrier of the Commission's Lifeline secure website address and that

new Lifeline service applications are available for retrieval for processing.

(d) The eligible telecommunications carrier shall maintain with the Commission the names, e-mail addresses and telephone numbers of one primary and one secondary company representative who will manage the user accounts on the Commission's Lifeline secure website.

(e) Within 20 calendar days of receiving the Commission's e-mail notification that the Lifeline service application is available for retrieval, the eligible telecommunications carrier shall provide a facsimile response to the Commission via the Commission's dedicated Lifeline service facsimile telephone line at (850)413-7142, or an electronic response via the Commission's Lifeline secure website, identifying the customer name, address, telephone number, and date of the application for:

1. Misdirected Lifeline service applications;
2. Applications for customers currently receiving Lifeline service; and
3. Rejected applicants, which shall include the reason(s) why the applicants were rejected.

In lieu of a facsimile or electronic submission, the eligible telecommunications carrier may file the information with the Office of Commission Clerk.

(f) Pursuant to Section 364.107(1), F.S., information filed by the eligible telecommunications carrier in accordance with paragraph (9)(e) of this rule is confidential and exempt from Section 119.07(1), F.S. However, the eligible telecommunications carrier may disclose such information consistent with the criteria in Section 364.107(3)(a), F.S. For purposes of this rule, the information filed by the eligible telecommunications carrier will be presumed necessary for disclosure to the Commission pursuant to the criteria in Section 364.107(3)(a)4., F.S.

(10) An eligible telecommunications carrier shall not impose additional verification requirements on subscribers beyond those which are required by this rule.

(11) If the Office of Public Counsel certifies a subscriber eligible to receive Lifeline service under the income test set forth in Section 364.10(3)(a), F.S., an eligible telecommunications carrier shall not impose any additional verification requirements on the subscriber.

(12) An eligible telecommunications carrier must provide written notice to a

customer within 30 days of receipt of the application providing the reason for a rejected Lifeline application, and providing contact information for the customer to get information regarding the application denial.

(13) An eligible telecommunications carrier must provide 60 days written notice prior to the termination of Lifeline service. The notice of pending termination shall contain the telephone number at which the subscriber can obtain information about the subscriber's Lifeline service from the eligible telecommunications carrier. The notice shall also inform the subscriber of the availability, pursuant to Section 364.105, F.S., of discounted residential basic local telecommunications service.

(14) If a subscriber's Lifeline service is terminated and the subscriber subsequently presents proof of Lifeline eligibility, the eligible telecommunications carrier shall reinstate the subscriber's Lifeline service as soon as practicable, but no later than 60 days following receipt of proof of eligibility. Irrespective of the date on which the eligible telecommunications carrier reinstates the subscriber's Lifeline service, the subscriber's bill shall be credited for Lifeline service as of the date the eligible telecommunications carrier received the proof of continued Lifeline eligibility.

(15) All eligible telecommunications carriers shall provide current Lifeline service company information to the Universal Service Administrative Company at www.lifelinesupport.org so that the information can be posted on the Universal Service Administrative Company's consumer website.

(16) Eligible telecommunications carriers must advertise the availability of Lifeline service to those who may be eligible for the service. At a minimum, if the eligible telecommunications carrier publishes a directory, the eligible telecommunications carrier must include in the index of the directory a notice of the availability of Lifeline service. If the eligible telecommunications carrier generates customer bills, the eligible telecommunications carrier must also place an insert in the subscriber's bill or a message on the subscriber's bill at least once each calendar year advising subscribers of the availability of Lifeline service.

(17) Eligible telecommunications carriers may not charge a service deposit in order to initiate Lifeline service if the subscriber voluntarily elects toll blocking or toll limitation. If the subscriber elects not to place toll blocking on the line, an eligible

telecommunications carrier may charge a service deposit.

(18) Eligible telecommunications carriers may not charge Lifeline subscribers a monthly number-portability charge.

(19) Eligible telecommunications carriers offering Link-Up and Lifeline service must submit quarterly reports to the Commission no later than 30 days following the ending of each quarter as follows: First Quarter (January 1 through March 31); Second Quarter (April 1 through June 30); Third Quarter (July 1 through September 30); Fourth Quarter (October 1 through December 31). The quarterly reports shall include the following data:

(a) The number of Lifeline subscribers, excluding resold Lifeline subscribers, for each month during the quarter;

(b) The number of subscribers who received Link-Up for each month during the quarter;

(c) The number of new Lifeline subscribers added each month during the quarter;

(d) The number of transitional Lifeline subscribers who received discounted service for each month during the quarter; and

(e) The number of residential access lines with Lifeline service that were resold to other carriers each month during the quarter.

Specific Authority 120.80(13)(d), 350.127(2), 364.0252, 364.10(3)(j), FS

Law Implemented 364.0252, 364.10, 364.105, 364.183(1), FS

History New 1-2-07, Amended 12-6-07, Amended XX-XX-XX.

NAME OF PERSON ORIGINATING PROPOSED RULE: Bob Casey, Public Utilities Supervisor

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: December 01, 2009

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

Volume 34, Number 42, October 17, 2008; Volume 35, Number 45, November 13, 2009.

STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE

To codify current Lifeline requirements and to implement requirements that will facilitate enrollment in the program.

STATEMENT ON FEDERAL STANDARDS

The proposed rule is no more restrictive than federal standards (contained in 47 CFR 54.400 et seq., Title 47, Telecommunication, Chapter I – Federal Communications Commission, Part 54, Universal Service).



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 4, 2009
TO: Office of General Counsel (Gervasi)
FROM: Division of Economic Regulation (Hewitt) *[Handwritten initials]*
RE: Proposed Amendment of Rule 25-4.0665, F.A.C., Lifeline Service

DETAILED DESCRIPTION OF THE PROPOSED RULE

1. Why are the rule amendments being proposed?

The rule amendments would codify current Lifeline requirements and implement requirements that would facilitate enrollment in the program.

2. What does the rule do and how does it accomplish the goal?

The rule prescribes the requirements for eligible telecommunications carriers (ETCs) that offer Lifeline service. The requirements listed by the rule include offering toll blocking service, toll limitation service, and number-portability free of charge. Also addressed are service deposits, noticing of impending termination of Lifeline service, timing of the Lifeline credit, and distribution of Lifeline information.

IMPACT ON THE PSC

Incremental costs

Commission staff would have an increased workload associated with implementation of the Automated Online Application Process and maintenance and review of quarterly reports.

Incremental benefits

These rule changes may decrease inquiries from the ETCs relating to Lifeline service.

WHO BESIDES THE PSC WILL BE AFFECTED BY ADOPTION OF THE PROPOSAL

Utilities

The proposed rule amendments would affect approximately 21 ETCs.

Customers

Customers applying for Lifeline service would be affected and current customers could be affected.

Outside business and local governments

Some of the ETCs are small businesses and would be affected. Small cities or small counties should not be affected from adoption of the above rule changes.

HOW ARE THE PARTIES ABOVE AFFECTED BY THE ADOPTION OF THE PROPOSAL

Estimated transactional costs to individuals and entities

Utilities

Eight ETCs responded to a data request for the additional costs expected from the proposed rule changes. Four ETC responses indicated no or immaterial costs from the proposed changes. Two ETCs estimated additional costs below \$6,000.

One ETC estimated that accepting applications from its website would not be cost effective. Programming would be necessary to capture requested data for quarterly reports, and take six to nine months to complete, plus additional time for testing. The total possible cost for the ETC is estimated at \$25,000 or more. The ETC thinks that the PSC already has the necessary information to compile quarterly reports that are being requested in the rule amendments. On the benefits side, the ETC notes that the addition of the Commission website for retrieval of applications and for responding to misdirected applications is a plus. Also, allowing ETCs to obtain a deposit if the customer does not elect toll blocking is cited as being beneficial to the companies.

Lastly, a small business ETC responded that any additional criteria or verification from rule changes would increase personnel time, fax and telephone costs, postage, paper and material costs, storage space and container costs. Programming changes to software would result in substantial cost increases and ongoing expenses. The requirement for inclusion of a notice in customer invoices would result in costs for additional personnel to create such a notice, software costs, printing costs, paper products costs, and insertion fees. The proposed change to quarterly reports would also have a considerable impact. The completion of the current annual report requires the input of a manager, an administrative assistant, and an in-house programmer to make programming and software changes. The increased costs to the business would lower profits and impinge on the ability of the company to provide services efficiently.

If additional costs are incurred, ETCs that are small businesses may see disproportionate cost burdens because those costs are spread over a smaller customer base in a company with fewer employees.

The proposed rule amendments should enable companies to gain operating efficiencies by having clear concise direction from the PSC regarding implementation of the Lifeline program.

Customers

Lifeline customers would have to pay a deposit if they do not elect toll blocking. Applicants could experience less difficulty and delay in receiving approval of their applications.

Outside businesses including specifically small businesses

Outside businesses should not be affected by the proposed rule changes.

Local governments

Local governments should have no transactional costs from the rule amendments.

ANY OTHER PERTINENT COMMENTS REGARDING THE APPLICATION OF THE PROPOSED RULE

No other pertinent comments are germane to the proposed rule changes.

CH:kb

cc: Mary Andrews Bane
Chuck Hill
Curtis Williams