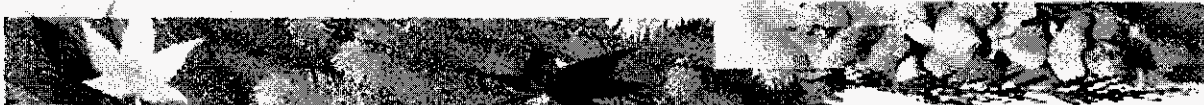


Eric Fryson

From: Scobie, Teresa A (TERRY) [terry.scobie@verizon.com]
Sent: Wednesday, March 07, 2012 2:40 PM
To: Filings@psc.state.fl.us
Cc: O'Roark, Dulaney L
Subject: Undocketed - Post-Workshop Comments of Verizon Florida LLC
Attachments: VZ FL Post-Workshop Comments 3-7-12.pdf



The attached is submitted for filing on behalf of Verizon Florida LLC by

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The attached document consists of a total of 7 pages - cover letter (1 page) and Post-Workshop Comments (6 pages).

Terry Scobie
Legal Secretary II
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3/7/2012

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March 7, 2012 – VIA ELECTRONIC MAIL

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Undocketed
Initiation of Rulemaking to Amend Rule 25-4.0665, Florida Administrative Code,
Lifeline Service, and to Repeal Rule 25-4.113, Florida Administrative Code,
Refusal or Discontinuance of Service by Company

Dear Ms. Cole:

Enclosed for filing in the above matter are the Post-Workshop Comments of Verizon Florida LLC. If there are any questions regarding this filing, please contact me at (678) 259-1657.

Sincerely,

s/Dulaney L. O'Roark III

Dulaney L. O'Roark III

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of Rulemaking to Amend) Docket: Undocketed
Rule 25-4.0665, Florida Administrative Code,) Filed: March 7, 2012
Lifeline Service, and to Repeal Rule 25-4.113,)
Florida Administrative Code, Refusal or)
Discontinuance of Service by Company)
_____)

POST-WORKSHOP COMMENTS OF VERIZON FLORIDA LLC

Verizon Florida LLC ("Verizon") files these comments to address the proposed rule revisions that were discussed during the Staff workshop held on January 18, 2012. Staff has proposed changes to Rule 25-4.0665 (Lifeline service) and Rule 25-4.113 (refusal or discontinuation of service) as part of the implementation of the 2011 Regulatory Reform Act, Chapter 2011-36, Laws of Florida (the "2011 Act"). Specifically, Staff proposes to repeal Rule 25-4.113 and modify Rule 25-4.0665 to (among other things) discontinue quarterly Lifeline reports, address discontinuation of service for Lifeline customers and require eligible telecommunications carriers ("ETCs") to undertake specified Lifeline advertizing.

Two of the changes clearly are warranted. Rule 25-4.113 governing discontinuation of service should be repealed, as Staff proposes, because the 2011 Act deregulated basic and nonbasic services, while preserving the Commission's authority over the Lifeline program, which means the rule only could be applied to Lifeline customers. Discontinuation of service therefore should be addressed in Rule 25-4.0665. Verizon also agrees that Rule 25-4.0665 should be modified to eliminate quarterly reporting on Lifeline and Link-Up services, because Staff may obtain this information on the Universal Service Administrative Company website. (See Jan. 18,

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2012 Workshop Transcript, p. 3.) This change also makes sense because it removes unnecessary regulation.

Two of the changes to Rule 25-4.665, however, should not be adopted as drafted. As discussed below, subsection (20) should be broadened to address discontinuation of service for reasons other than failure to pay for certain services, and subsection (21) should not be adopted as a matter of policy and because the Commission lacks authority to specify the details of ETCs' Lifeline advertising.

A. Proposed Rule 25-4.0665(20) Should Be Modified

Subsection (20) of draft Rule 25-4.0665 provides that a Lifeline customer's service may not be discontinued if the customer pays for specified services:

A company may not discontinue a customer's Lifeline local service if the charges, taxes and fees applicable to dial tone, local usage, dual tone multifrequency dialing, emergency services such as "911," and relay service are paid.

As drafted, subsection (20) could be read to mean that nonpayment is the *only* reason that a Lifeline customer's service may be discontinued. But as the current rule on discontinuation (Rule 25-4.113) provides, there are many valid reasons for discontinuation that do not concern failure to pay for service. For example, Rule 25-4.113 provides that a customer's service may be discontinued for noncompliance with or violation of state or local law, for violation of the company's regulations or for "neglect or refusal to provide reasonable access to the company for the purpose of inspection and maintenance of equipment owned by the company."

A rule that only would permit a carrier to discontinue service for nonpayment would be even more disruptive today than when Rule 25-4.113 was last revised in 2000.

Today, carriers like Verizon are making major network changes that require customers' cooperation as upgrades are implemented. Just recently, Verizon replaced much of its copper network in the Wesley Chapel wire center with fiber, giving more of Verizon's customers access to its FiOS services and enabling Verizon to operate more efficiently. If a customer could insist on keeping service while refusing to allow its carrier to modify the facilities and equipment at his or her premises, the customer could force the carrier to maintain costly, duplicative networks, which in turn would discourage carriers from investing in new networks, to the detriment of Florida's consumers and its economy. Subsection (20) must be modified to avoid these unintended consequences.

Accordingly, Verizon proposes the following revisions to subsection (20):

A company may not discontinue a customer's Lifeline local service for nonpayment if the charges, taxes and fees applicable to dial tone, local usage, dual tone multifrequency dialing, emergency services such as "911," and relay service are paid. A company otherwise may discontinue a customer's Lifeline local service (i) for neglect or refusal of the customer or the owner of the customer's premises to provide reasonable access to the company for the purpose of the inspection, maintenance, modification, replacement or upgrading of the company's lines, facilities or equipment; and (ii) for noncompliance with or violation of the Commission's Lifeline rules and orders or the company's published terms and conditions of general application.

As modified, the proposed rule still would prohibit the discontinuation of service to a Lifeline customer based on his or her failure to pay for services other than the ones specified. But it also would specifically address the situation discussed above where the carrier needs the customer's cooperation (or that of the property owner) to make changes to the equipment and facilities serving the premises. And the rule would clarify that service to Lifeline customers could be discontinued for other reasons as provided in

the Commission's Lifeline rules and orders or the carrier's published terms and conditions that apply generally to the carrier's customers.

The proposed revisions in subpart (i) incorporate and expand Rule 25-4.113(d), which permits discontinuation “[f]or failure or refusal to provide reasonable access to the company for the purpose of inspection and maintenance of equipment owned by the company.” The proposed language adds the terms “modification, replacement or upgrading” to ensure it captures not only maintenance of the existing network but installation of new network facilities and equipment. The revisions apply to both the customer and the owner of the customer's premises, because in some cases the carrier will need permission from the property owner (as when the customer lives in an apartment) to make network upgrades. These revisions advance the state's interest of encouraging network investment, while ensuring that customers and property owners may retain service if they provide reasonable access to carriers that are upgrading their networks.

The proposed revisions in subpart (ii) incorporate and update the current Rule 25-4.113(1)(e), which permits discontinuation of service based on “noncompliance with or violation of the Commission's regulations or the company's rules and regulations on file with the Commission.” The revisions refer to “published terms and conditions” to reflect the possibility that carriers may have detariffed their services under Section 364.04, Florida Statutes, which has been amended to give carriers that option since Rule 25-4.113 was last revised. The revisions also refer to terms and conditions “of general application” to ensure that the service of a customer that is making the required payments and is in compliance with Commission's Lifeline requirements only may be

discontinued in accordance with the same terms and conditions that apply to other customers. This approach strikes the right balance by permitting customers to retain the Lifeline discount as long as they pay for the specified services, do not violate Lifeline program requirements and comply with the same terms and conditions that apply to other customers.

B. Proposed Rule 25-4.0665(21) Should Not Be Adopted

Subsection (21) of draft Rule 25-4.0665 for the first time would specify the methods that ETCs must use to advertise Lifeline services in Florida. Subsection (a) describes the types of consumer groups that must be targeted, such as seniors, young adults and wireless users. Subsection (b) lists the kinds of locations where outreach materials must be placed, such as shelters, soup kitchens, public assistance agencies and on public transportation. Subsection (b) further provides that multimedia outreach approaches would be acceptable, but does not state whether these advertising methods could be used in lieu of distributing materials to the described locations.

Verizon has two concerns with the proposed subsection. First, as a matter of policy it is overly proscriptive. The Commission should not micromanage Lifeline advertising by specifying the forms of publicity that must be used or the exact locations where it must be distributed. Each service territory and customer base is different and carriers must be given latitude to determine how best to reach the potential Lifeline customers they could potentially serve. Imposing specific requirements may indeed be counterproductive, requiring carriers to siphon off their limited advertising resources for

campaigns that will not be effective in their communities and that could have been used in a far more productive way.

Second, the Commission no longer has authority to specify how ETCs must conduct their Lifeline advertising programs. The 2011 Act repealed Section 364.0252, which had authorized the Commission as part of its customer information program to specify the type of materials carriers could be required to develop and the manner of distribution:

require all telecommunications companies providing local or long distance telecommunications services to develop and provide information to customers. The commission may specify by rule the types of information to be developed and the manner by which the information will be provided to the customers.

The Commission's authority concerning Lifeline advertising now is set forth in Section 364.10(2)(i), which provides that "[t]he commission may undertake appropriate measures to inform low-income consumers of the availability of the Lifeline and Link-Up programs." This provision speaks to the customer outreach in which the Commission may engage, but does not authorize the Commission to impose Lifeline advertising requirements on carriers. Proposed subsection (21) therefore would not be authorized and should not be adopted.

Respectfully submitted on March 7, 2012.

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