### **Eric Fryson**

From:

Scobie, Teresa A (TERRY) [terry.scobie@verizon.com]

Sent:

Monday, October 08, 2012 3:07 PM

To:

Filings@psc.state.fl.us

Cc:

O'Roark, Dulaney L; Edmonston, Rebecca A (BECKI)

Subject:

Undocketed - Post-Workshop Comments of Verizon Florida LLC

Attachments: VZ FL Post-Workshop Comments 10-8-12.pdf

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

Dulaney L. O'Roark III 610 E. Zack Street, 5<sup>th</sup> floor Tampa, Florida 33602 (678) 259-1657 de.oroark@verizon.com

The attached document consists of six pages - cover letter (1 page) and Post-Workshop Comments (5 pages).

Terry Scobie
Legal Secretary II
Verizon Legal Department
610 E. Zack Street, 5<sup>th</sup> Floor
Tampa, Florida 33602
813-483-2610 (tel)
813-204-8870 (fax)
terry.scobie@verizon.com

Dulaney L. O'Roark III
General Counsel-Southern Region
Legal Department



5055 North Point Parkway Alpharetta, Georgia 30022

Phone 678-259-1657 Fax 678-259-5326 de.oroark@verizon.com

October 8, 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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### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of Rulemaking to Amend ) Undocketed Rule 25-4.0665, Florida Administrative Code, ) Filed: October 8, 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 in compliance with Staff's direction at the workshop held on September 19, 2012. Verizon's comments focus on subsections (12), (14) and (15) in draft Rule 25-4.0665. Verizon proposes that subsection (12), which would require ETCs to give 30 days notice before discontinuing a customer's Lifeline discount, be modified so that 30 days notice would not be required if the Lifeline discount is being discontinued for lack of program eligibility or if a Federal Communications Commission (FCC) rule requires a shorter notice period. Subsections (14) and (15) would require ETCs to include specified information in their Lifeline advertising and use certain methods to publicize their Lifeline programs. Those subsections should not be included in the draft rule because the Commission lacks the authority to adopt them.

<sup>&</sup>lt;sup>1</sup> Staff suggested that parties address cost issues relating to the draft rule changes. Workshop Transcript at 51 (filed Sept. 27, 2012). Verizon has not yet developed such cost data, but will work with Staff to assist it in assessing the impact of the final proposed rule changes.

## A. Subsection (12) of Draft Rule 25-4.0665 Should Be Modified

Subsection (12) of draft Rule 25-4.0665 would require "[a]n eligible telecommunications carrier [to] provide 30 days written notice to a subscriber prior to the termination of Lifeline service." Eligible telecommunications carriers (ETCs) would be required to inform the customer in the notice of the discount available under 364.105, Florida Statutes. These notification requirements are too broad. As parties noted at the workshop, subsection (12) would require 30 days notice when, for example, a customer's service was being discontinued for nonpayment, the customer was receiving more than one discount in violation of FCC rules, or the customer requested that service be turned off because the customer was moving, changing carriers or switching to a service to which the Lifeline discount did not apply.<sup>2</sup> Accordingly, Verizon recommends that subsection (12) be revised to clarify that 30 days notice would not be required when the Lifeline discount is being discontinued because the customer no longer qualifies for it under subsections (1)-(3) of Rule 25-4.0665 or when an FCC rule requires a shorter notice period.

# B. <u>Subsections (14) and (15) of Draft Rule 25-4.0665 Should Not Be Adopted</u> Subsection (14) would specify the information that ETCs must include in their Florida outreach materials, including an explanation that

it is a Lifeline service, that Lifeline is a government assistance program, that the service is non-transferable, that only eligible consumers may enroll, that the program is limited to one discount per household (consisting of either wireline or wireless), that documentation is necessary for enrollment, and that consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

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<sup>&</sup>lt;sup>2</sup> Workshop Transcript at 31-34.

Subsection (15) would specify the methods that ETCs must use to advertise Lifeline services in Florida. It describes the types of consumer groups to be targeted, such as seniors, young adults and wireless users, and lists the kinds of locations where outreach materials are to be placed, such as "shelters, soup kitchens, public assistance agencies, and on public transportation." Section (15) 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 these proposed subsections. First, as a matter of policy they would be 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.<sup>3</sup>

Second, the Commission no longer has authority to specify how ETCs must conduct their Lifeline advertising programs. The 2011 Regulatory Reform Act, Chapter 2011-36, Laws of Florida, repealed Section 364.0252, which had authorized the Commission as part of its customer information program to specify the type of materials

<sup>&</sup>lt;sup>3</sup> Staff stated at the workshop that subsection (15) was intended to provide guidelines that would not be mandatory. Workshop Transcript at 45. Clarifying subsection (15) to make it optional rather than mandatory would address the policy concern, but not the jurisdictional issue addressed below.

carriers could be required to develop and the manner of distribution. Section 364.0252 provided that the Commission could

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.

At the workshop, Staff suggested that subsection 364.10(2)(g)(1), Florida Statutes, might provide authority for subsections (14) and (15), but it clearly does not. That subsection provides:

By December 31, 2010, each state agency that provides benefits to persons eligible for Lifeline service shall undertake, in cooperation with the Department of Children and Family Services, the Department of Education, the commission, the Office of Public Counsel, and telecommunications companies designated eligible telecommunications carriers providing Lifeline services, the development of procedures to promote Lifeline participation. The departments, the commission, and the Office of Public Counsel may exchange sufficient information with the appropriate eligible telecommunications carriers and any commercial mobile radio service provider electing to provide Lifeline service under paragraph (a), such as a person's name, date of birth, service address, and telephone number, so that the carriers can identify and enroll an eligible person in the Lifeline and Link-Up programs. The information remains confidential pursuant to s. 364.107 and may only be used for purposes of determining eligibility and enrollment in the Lifeline and Link-Up programs.

Subsection 364.10(g)(1) concerns "the development of procedures to promote Lifeline participation," which as the statute makes clear involved the process for enrolling eligible persons in the Lifeline and Link-up programs. The development of these procedures was required to be undertaken by certain state agencies in cooperation with the Commission, other agencies and carriers, by December 31, 2010. Subsection 364.10(2)(g)(1) thus did not authorize the Commission to adopt rules after December 31, 2010 (or at any time) specifying how ETCs would be required to meet the obligation to publicize their Lifeline programs.

Proposed subsections (14) and (15) therefore would not be authorized and should not be adopted.

Respectfully submitted on October 8, 2012.

By: s/ Dulaney L. O'Roark III

610 E. Zack Street, 5<sup>th</sup> Floor

Tampa, Florida 33602 Phone: (678) 259-1657

Fax: (678) 259-5326

Email: <u>de.oroark@verizon.com</u>

Attorney for Verizon Florida LLC

<sup>&</sup>lt;sup>4</sup> Emphasis added.