

State of Florida



Public Service Commission

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

DATE: July 25, 2018
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Samantha Cibula, Office of the General Counsel *S.M.C.*
RE: Docket No. 20060607-TP

Please file the attached materials in the docket file listed above.

Thank you.

Attachment

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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
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POST-WORKSHOP COMMENTS OF ALLTEL COMMUNICATONS, INC.

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

FLORIDA PUBLIC SERVICE COMMISSION

Proposed Amendment of Rule 25-4.0665)
F.A.C., Lifeline Service) Undocketed
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POST-WORKSHOP COMMENTS OF SPRINT NEXTEL

Sprint Nextel Corporation on behalf of itself and its wholly-owned subsidiaries providing wireless telecommunications services in the State of Florida (collectively “Sprint Nextel”) provide the following Post-Workshop comments on the draft Lifeline rules prepared by Florida Public Service Commission (“Commission”) Staff and discussed at the February 6, 2007 Rule Development Workshop. Sprint Nextel appreciates the opportunity to review the draft rules and participate in the Workshop and believes a candid discussion by interested parties prior to formal proposal of rules by the Commission is an effective way to approach rulemaking. Sprint Nextel further believes that significant progress can be made to improve outreach and enrollment efforts to increase Lifeline program participation in Florida through the joint efforts of the Commission, the Department of Children and Families, the telecommunications industry, the Office of Public Counsel, the American Association of Retired Persons, and others, and we commend Commission staff for its leadership role in this endeavor.

I. Introduction

Sprint Nextel is a national commercial mobile radio service (“CMRS”) provider and is designated as an ETC in twenty-four (24) jurisdictions. Sprint Nextel offers wireless telecommunications services in Florida, and two of its operating entities have

been designated as eligible telecommunications carriers (“ETCs”) in portions of Florida by the Federal Communications Commission (“FCC”), authorizing them to provide Lifeline service in those areas.¹ NPCR, Inc. (“Nextel Partners”) is designated as an ETC in portions of the panhandle of Florida, mostly to the north and west of Tallahassee. Sprint Corporation n/k/a Sprint Nextel Corporation (“Sprint PCS”) is designated as an ETC and authorized to provide Lifeline service in a broader area covering roughly 50% of the state.

Sprint Nextel is committed to taking a constructive approach to the development of Lifeline rules. Sprint Nextel recognizes, and believes the Commissioners and Staff recognize, that the PSC faces jurisdictional limitations in developing Lifeline rules to apply to wireless ETCs. However, as evidenced by Sprint Nextel’s active participation in this rule development, we believe that jurisdictional limits need not be a hindrance to the development of final rules that are both effective in their purpose and legally defensible.

II. The Commission’s Authority

As the rulemaking proceeds, the Commission must ensure that each rule it proposes to apply to wireless ETCs is consistent with the authority granted to the Commission under state and federal law. Wireless providers are not regulated by the Commission with regard to the rates, terms and conditions of service. Florida law expressly provides that “wireless telecommunications, including commercial mobile radio service providers” are “exempt from oversight by the commission, except to the

¹ *In the Matter of Federal-State Joint Board on Universal Service; Sprint Corporation; Application for Designation as an Eligible Telecommunications Carrier in the State of Alabama, Florida, Georgia, New York, North Carolina, Tennessee and Virginia*, CC Docket No. 96-45, Order, DA 04-3617 (rel. Nov. 18, 2004); *In the Matter of Federal-State Joint Board on Universal Service; NPCR, Inc. d/b/a Nextel Partners; Application for Designation as an Eligible Telecommunications Carrier in the State of Alabama, Florida, Georgia, New York, Pennsylvania, Tennessee and Virginia*, CC Docket No. 96-45, Order, DA 04-2667 (rel. Aug. 25, 2004), corrected by Erratum (Sept. 13, 2004); see also 47 C.F.R. § 54.401.

extent delineated in this chapter or specifically authorized by federal law.”² Thus, consistent with §364.011, Florida Statutes, the Commission may promulgate Lifeline rules affecting wireless providers only to the extent that its authority to do so is delineated in Chapter 364, Florida Statutes, or to the extent “specifically authorized by federal law.”

Chapter 364’s Lifeline provisions apply only to “eligible telecommunications carriers” as defined in §364.10(2)(a) and thus expressly exclude wireless providers. Section 364.10(2)(a) provides, “[f]or the purposes of this section, the term ‘eligible telecommunications carrier’ means a telecommunications company, as defined by s. 364.02, which is designated as an eligible telecommunications carrier by the commission pursuant to 47 C.F.R. s. 54.201.”³ “Telecommunications company” is defined to expressly exclude CMRS providers.⁴ Thus, neither §364.10 nor any other section of Chapter 364 delineates Commission jurisdiction over wireless ETCs.⁵

Federal law, however, does provide that an ETC must comply with some, but not all state Lifeline rules or regulations in states such as Florida that have established their own Lifeline program.⁶ Specifically, federal law provides that an ETC must comply with state rules or regulations regarding five specific issues:

- 1) Eligibility criteria, as specified in 47 C.F.R. §§ 54.409(a) and 54.415(a);

² 364.011, Florida Statutes.

³ 364.10(2)(a).

⁴ 364.02(14)(c). “The term ‘telecommunications company’ does not include ... a commercial mobile radio service provider.”

⁵ The draft rule indicates that it is intended to implement §§350.123, 364.0252, 364.10, 364.105, 364.17, 364.18, and 364.183(1), Florida Statutes. These statutes do not apply to all telecommunications providers. For example, price-regulated ILECs are exempt from the §§364.17 364.18, and none of the cited statutes apply to wireless providers.

⁶ Of course, the Commission needs authority delegated by the Legislature to make state Lifeline rules and regulations. In this rulemaking, the Commission must consider the scope of its authority as granted by the Legislature.

- 2) Certification of income, as specified in 47 CFR §54.410(a)(1);
- 3) Verification of continued eligibility, as specified in 47 C.F.R. § 54.410(c)(1);
- 4) Procedures for resolving disputes concerning eligibility and the termination of Lifeline assistance due to ineligibility, as specified in 47 C.F.R. § 54.405(c)-(d); and
- 5) Recordkeeping requirements, as specified in 47 C.F.R. § 54.417(a).

Accordingly, although Chapter 364 does not provide the Commission with authority to make rules requiring wireless providers to comply with Lifeline requirements, wireless ETCs have an independent obligation under federal law to comply with state rules regarding the five issues specified above, and the Commission has jurisdiction with respect to such state rules pursuant to §364.011 because they are “authorized by federal law.”

II. Comments on Specific Portions of the Draft Rules

In general, Sprint Nextel propose the following guidelines that the Commissioners and Staff may wish to consider as they develop the rules further:

1. Be consistent with FCC default rules wherever possible and provide ETCs who operate in multiple jurisdictions the flexibility to maintain consistent Lifeline programs and practices throughout.
2. For each proposed rule or portion thereof that is to be applied to wireless ETCs, consider whether the rule meets the limitation of 364.10 (i.e. that the Commission has authority under Chapter 364, Florida Statutes, or that it is specifically authorized by federal law).

3. Minimize information gathering to what is essential for administering and improving the program and avoid requiring providers to create costly new reporting processes.
4. Ensure that the Rules are competitively and technologically neutral.

Sprint Nextel provides the following specific comments on the draft rules in order to continue to provide constructive input in the rule development process. As discussed in detail above, the Commission must ensure it has specific jurisdiction for each rule it proposes to apply to wireless ETCs and Sprint Nextel fully reserves its rights to assess jurisdiction as the rulemaking process continues. For each rule addressed below, we begin with the draft rule showing Sprint Nextel's suggested strikes and additions (underlined) and then proceed to Sprint Nextel's comments on the rule.

A. Application of Lifeline Discount

~~25-4.0665 (3) - The Lifeline service discount shall be applied to the basic local exchange service rate, or the telephone portion of any service offering which combines basic local exchange service with nonbasic service (e.g., a service package combining basic local exchange service with call waiting, call forwarding, and voicemail). In accordance with 47 C.F.R. 54.403(b), which is incorporated herein by reference, the Lifeline service discount shall be applied to reduce their lowest tariffed (or otherwise generally available) residential rate for the services enumerated in 47 C.F.R. 54.401(a)(1) through (a)(9), and charge Lifeline consumers the resulting amount.~~

For wireless ETCs such as Sprint Nextel, the rule as proposed is not acceptable for two reasons. First and foremost, neither Chapter 364 (Florida Statutes) nor federal law authorizes the Lifeline discount on service offerings other than the lowest generally available residential rate.

Pursuant to Section 364.10(2)(a) of the Florida Statutes, a telecommunications company⁷ designated as an eligible telecommunications carrier is required to “provide a Lifeline Assistance Plan to qualified residential subscribers, as defined in a commission-approved tariff or price list . . .” (Emphasis added). This Lifeline Assistance Plan shall consist of “basic local exchange telephone service.” *See, e.g.*, Fl. Stat. § 364.10(d)-(f). Section 364.10 thus contemplates that an ETC’s Lifeline Assistance Plan shall be the carrier’s basic local exchange service offering (in other words, a single service offering) reduced by the Lifeline service credits approved by the Commission. Accordingly, it does not appear that the Commission would be authorized by state law to require a telecommunications company designated as an ETC to apply the Lifeline service discounts to a bundled service offering. If the Commission is not authorized to implement such a requirement for carriers subject to its regulatory jurisdiction, it certainly would not have the requisite authority to apply the proposed rule to wireless carriers who are exempt from Commission jurisdiction.⁸

Similarly, as set forth in the Federal Communications Commission’s (“FCC”) universal service rules, Lifeline is defined, in part, as “a retail local service offering: (1) [t]hat is available only to qualifying low-income consumers; (2) [f]or which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support amount described in [47 C.F.R. §] 54.403.” 47 C.F.R. § 54.401(a) (emphasis added).

⁷ Under Florida law, commercial mobile radio service providers, like Sprint Nextel, are excluded from the Commission’s regulatory jurisdiction as they are not considered “telecommunications companies” under the State statutes. *See* Fl. Stat. § 364.02(14)(c).

⁸ In addition to the state law exemption afforded wireless carriers, the Commission is further restricted from regulating the rates and entry of wireless carriers under 47 U.S.C. § 332(c)(3)(A).

FCC Rule 54.403 defines both the amount of federal Lifeline support available and the limitations on the application of such support. Pursuant to 47 C.F.R. § 54.403, federal Lifeline support is comprised of four assistance credits or “Tiers.” “Tier One” support is equal to the monthly “tariffed rate in effect for the primary residential End User Common Line charge⁹ of the incumbent local exchange carrier serving the area in which the qualifying low-income consumer receives service.” “Tier Two” support is equal to \$1.75 per month. “Tier Three” support is equal to “one-half the amount of any state-mandated Lifeline support or Lifeline support otherwise provided by the carrier, up to a maximum of \$1.75 per month.” If applicable, “Tier Four” provides up to an additional \$25 per month for an eligible resident of Tribal lands, provided the additional support “does not bring the basic local residential rate... below \$1 per month.”

Application of the federal Lifeline support credits to a qualifying customer’s basic residential rate is governed by 47 C.F.R. § 54.403(b), which provides in pertinent part:

Eligible telecommunications carriers that charge federal End User Common Line charges or equivalent federal charges shall apply Tier-One federal Lifeline support to waive the federal End-User Common Line charges for Lifeline consumers. Such carriers shall apply any additional federal support amount to a qualifying low-income consumer’s intrastate rate, if the carrier has received the non-federal regulatory approvals necessary to implement the required rate reduction. Other eligible telecommunications carriers **shall** apply the Tier-One federal Lifeline support amount, plus any additional support amount, to reduce their lowest tariffed (or otherwise generally available) residential rate for the services enumerated in Sec. 54.101(a)(1) through (a)(9), and charge Lifeline consumers the resulting amount.

47 C.F.R. § 54.403(b) (emphasis added). In other words, an ETC may only apply federal Lifeline support to reduce the cost of the carrier’s lowest cost residential service offering that includes all the FCC-defined “supported services.”

⁹ The “End User Common Line” charge is also referred to as the “Subscriber Line Charge” or “SLC.”

In adopting 47 C.F.R. § 54.403(b), the FCC unambiguously determined that an ETC must apply the federal Lifeline support it receives to the carrier's lowest available rate for the supported services:

These rules require that carriers offer qualified low-income consumers the services that must be included within Lifeline service, as discussed more fully below, including toll-limitation service. ILECs providing Lifeline service will be required to waive Lifeline customers' federal SLCs and, conditioned on state approval, to pass through to Lifeline consumers an additional \$1.75 in federal support. ILECs will then receive a corresponding amount of support from the new support mechanisms. Other eligible telecommunications carriers will receive, for each qualifying low income consumer served, support equal to the federal SLC cap for primary residential and single-line business connections, plus \$1.75 in additional federal support conditioned on state approval. The federal support amount must be passed through to the consumer in its entirety. In addition, all carriers providing Lifeline service will be reimbursed from the new universal service support mechanisms for their incremental cost of providing toll-limitation services to Lifeline customers who elect to receive them. The remaining services included in Lifeline must be provided to qualifying low-income consumers at the carrier's lowest tariffed (or otherwise generally available) rate for those services, or at the state's mandated Lifeline rate, if the state mandates such a rate for low-income consumers.

Universal Service Order, ¶ 368 (emphasis added).

Likewise, in formulating its initial universal service recommendations to the FCC in 1996, the Federal-State Joint Board on Universal Service (the "Joint Board") determined that the "Lifeline rate" to be made available to qualified, low-income consumers shall be "the carrier's lowest comparable non-Lifeline rate reduced by at least the \$5.25 [now \$8.25] amount of federal support." *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket 96-45, *Recommended Decision*, FCC 96J-3, ¶ 424 (rel. Nov. 8, 1996).

Accordingly, all ETCs must apply the federal Lifeline support discounts to reduce the cost of the carrier's lowest residential rate.

The second shortcoming of the rule as drafted is that it relies on the “basic local exchange service rate,” which defines the calling scope based on a local exchange area. Most wireless providers, including Sprint Nextel, offer customers calling plans that have a national scope with no extra charges based on whether the calls is terminated outside the local exchange. This type of calling plan gives Lifeline customers a valuable alternative to traditional local exchange service.

B. Online Self-Certification Form

25-4.0665 (6) - All ETCs shall either accept the “Lifeline and Link-Up Florida On-Line Self Certification Form” as proof of a subscriber’s eligibility for Lifeline and Link-Up Florida and Lifeline Service or elect to link the ETC’s own Lifeline website to the Commission’s “Lifeline and Link-Up Florida On-Line Self Certification Form” webpage to permit subscribers who access the Commission’s website to apply for service directly with the ETC.

Draft rule (6) is intended to simplify the application process, ensure consumers have easy, centralized access to Lifeline applications, and eliminate unnecessary steps to applying for Lifeline. Sprint Nextel agrees with these objectives and, for the most part, with the means embodied in the proposed rules. It serves both the customer and the provider well to minimize the steps in the application process and to make it as simple as possible. To streamline its Lifeline application process for all jurisdictions where Sprint Nextel is designated as an ETC, the Company is developing a website interface where interested consumers can obtain information about Sprint Nextel’s Lifeline plan and download application materials for their State of residence.

Therefore, it is important that the new Lifeline rules permit (not require) an arrangement whereby the Florida PSC “Lifeline and Link-Up Florida On-Line Self

Certification Form” webpage can be linked to ETC-specific Lifeline websites for ETCs who elect to maintain such websites. (Such a link, for example, would connect a customer who accesses the Commission’s Lifeline website and chooses to apply for Lifeline service from Sprint Nextel to the Sprint Nextel Lifeline webpage.) Such an arrangement eliminates the intermediate step in which the Commission forwards notice of the online application to the ETC and an ETC employee retrieves the information from the PSC website. By directing the consumer directly to the ETC’s website, the consumer is also able to receive detailed information on the Lifeline service plan and the serving carrier can obtain the prospective customer’s self-certification of eligibility. Furthermore having multiple web links would allow the prospective customer to compare the different ETCs’ offerings thus providing the end user with a competitive choice. This website interface will assist not only individual consumers, but also social service agency workers in obtaining information about the Company’s Lifeline offerings. For example, a social worker could help a qualified consumer download, fill out and submit the applications materials before the consumer left the social worker’s office.

Such an arrangement accomplishes two goals: First, it provides a single Commission website to be publicized as part of the Commission’s outreach efforts and a single portal to funnel Lifeline applicants to all ETCs, even those without websites. Second, it provides the flexibility to put the consumer directly in touch with ETCs that maintain Lifeline websites, thereby facilitating the exchange of information and expediting the application process.

C. Documentation

25-4.0665 (7) – The ETC must accept Public Assistance eligibility determination letters, such as those provided for food stamps and Medicaid,

and public housing lease agreements, as proof of the subscriber's eligibility for Link-Up and Lifeline enrollment and verification.

This rule references the acceptance of Medicaid approval letters, etc. for purposes of Lifeline "enrollment." As Staff has affirmed, self-certification of program participation is all that is required for Lifeline enrollment and no documentation is required. This section should be changed and moved to the annual verification requirements section to make it clear that documentation of program eligibility is required for verification only.

D. Methods of Submitting Applications

~~25-4.0665 (8) ETCs must allow customers the option to submit Link-Up or Lifeline applications via mail, facsimile or electronically. ETCs must also allow customers the option to mail or facsimile copies of supporting documents.~~

Sprint Nextel believes this rule is unnecessary and that it may both risk consumer confusion and needlessly increase the cost and complexity of administering the Lifeline program. As discussed above, Sprint Nextel believes the intent of this rulemaking is to simplify the application process, ensure consumers have easy, centralized access to Lifeline applications, and eliminate unnecessary steps to applying for Lifeline. Presently, Sprint Nextel maintains two national Lifeline toll-free numbers for consumers and we include the numbers in our outreach materials. As discussed above, we also plan to augment our outreach efforts with a single new website where interested consumers can obtain information about the Company's Lifeline service offering and download copies of the applicable application materials for their State of residence. Sprint Nextel believes the Commission should provide ETCs the flexibility to create an efficient, standardized application process and not set arbitrary requirements that, while well-intended, may

Sprint Nextel recognizes that consumers may be reluctant to provide a social security number when applying for Lifeline service due to concerns over identity theft and fraud. This concern is relevant for all applicants for telecommunications and other services, not just Lifeline applicants. Sprint Nextel and other ETCs have implemented measures to protect the confidentiality of sensitive information provided by applicants for service and those same procedures apply to information provided by Lifeline applicants. A full social security number is required to verify the identity of the applicant at the time new service is initiated. This is true whether the new applicant seeks to be enrolled in a Lifeline service plan or any other Sprint Nextel service. Presently, Sprint Nextel does not differentiate between existing customers and new customers in processing Lifeline applications. However, it would be possible to no longer require existing customers of Sprint Nextel who wish to switch to a Lifeline service plan to provide a social security number when applying for Lifeline. Sprint Nextel's suggested changes to the proposed rule clarify that a new applicant for Lifeline service who is not a Sprint Nextel customer already may be asked to provide a full social security number as part of the service application process.

G. Notice of Pending Termination

25-4.0665 (15) – If an ETC believes that a subscriber no longer qualifies for Lifeline service, the ETC 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 ETC. If the ETC is a local exchange telecommunications company, the notice shall also inform the subscriber of the availability, pursuant to Section 364.105, F.S., of discounted residential basic local telecommunications service.

The requirement in Section 364.105, Florida Statutes, that discounted residential basic local telecommunications service be provided at 70 percent of the residential local telecommunications service rate for subscribers who no longer qualify for Lifeline applies only to local exchange telecommunications companies. A local exchange telecommunications company is "any company certificated by the commission to provide local exchange telecommunications service in this state on or before June 30, 1995."¹⁰ Wireless ETCs are not local exchange telecommunications companies and are therefore not required to provide the discounted service addressed in Section 364.105. Therefore, it is counterproductive to require wireless ETC to inform subscribers that the discounted service is available. This will only cause confusion and frustrate consumers. Sprint Nextel requests that the draft rule be changed to eliminate the requirement that ETCs who are not local exchange telecommunications companies inform subscribers who no longer qualify for Lifeline that the discounted service is available.

H. Toll Blocking and Toll Limitation

Sprint Nextel proposes these changes if the rule is not stricken in its entirety.

25-4.0665 (19) - Each ETC shall offer the consumer the option of toll limitation as defined in 47 C.F.R. 54.400(d) ~~blocking all toll calls or, if technically feasible, placing a limit on the number of toll calls the consumer can make.~~ The ETC may not charge the consumer an administrative charge or other additional fee for toll limitation blocking options. An ETC may block a Lifeline service subscriber's ability to complete outgoing toll calls access to all long distance service, except for toll-free numbers, and may block the availability to accept collect calls when the subscriber owes an outstanding amount for toll long distance service or amounts resulting from collect calls. The ETC may not impose a charge for blocking toll long distance service. The ETC shall remove the block at the request of the subscriber without additional cost to the subscriber upon payment of the

¹⁰ Section 364.02(8) Florida Statutes.

outstanding amount. An ETC may charge a service deposit before removing the block.

25-4.0665 (20) – An ETC may not collect a service deposit in order to initiate Lifeline service if the qualifying subscriber voluntarily elects toll blocking or toll limitation. If the qualifying subscriber elects not to place toll ~~blocking~~ limitation on the line, an ETC may charge a service deposit.

Sprint Nextel understands from the discussion during the Workshop that staff will eliminate these draft rules because they are virtually identical to the text of 364.10 (2) (b) and (c) and 364.10 (3)(g), Florida Statutes, which apply to telecommunications companies who are ETCs under state law. (Florida rule drafting practice prohibits such verbatim duplication of legislative provisions in state commission regulations.) Sprint Nextel agrees that the rules should be removed. However, if they are not eliminated, the rules either should be clarified to apply only to telecommunications company ETCs as they do under Chapter 364 or, if they are to be applied more broadly, they should be changed to be consistent with FCC rules and definitions with respect to “toll limitation,” “toll blocking,” and “toll control.” (47 C.F.R. Section § 54.400) (See proposed alternative changes above.) This would not change the effect of the rules with respect to permitting consumers to avoid a deposit if they accept toll limitation or prohibiting ETCs from charging for toll limitation. Sprint Nextel would be pleased to provide further details on this distinction if needed.

H. Non-Payment and Outstanding Debt

25-4.0665

~~(22) – An ETC may not discontinue basic local exchange telephone service to a Lifeline subscriber because of nonpayment by the subscriber of charges for nonbasic services billed by the telecommunications company, including long distance. A subscriber who receives Lifeline service shall be required to pay all applicable basic local exchange service~~

~~fees, including the subscriber line charge, E-911, telephone relay system charges, and applicable state and federal taxes.~~

~~(23) An ETC may not refuse to connect, reconnect, or provide Lifeline service because of unpaid toll charges or nonbasic charges other than basic local exchange service.~~

~~(24) An ETC may require that payment arrangements be made for outstanding debt associated with basic local exchange service, subscriber line charges, E-911, telephone relay system charges, and applicable state and federal taxes.~~

These draft rules reproduce almost word-for-word Chapter 364.10 (3) (d), (e) and (f), Florida Statutes, which apply to telecommunications company¹¹ ETCs. As such, it is appropriate to eliminate these proposed rules on the same basis as the draft rule on toll limitation above. However, if these rules are not eliminated, they either should be clarified to apply only to telecommunications company ETCs consistent with the Florida Statutes or, if they are to be applied more broadly, they should be changed to take account of the fact that “basic” and “nonbasic” service distinctions do not have any significance or usefulness in the context of wireless service plans. Sprint Nextel would be pleased to provide further details on these terms if needed.

I. Reporting Requirements

~~25-4.0665 (25) ETCs offering Link-Up and Lifeline service must submit quarterly annual reports to the Commission’s Director of Competitive Markets & Enforcement no later than October 31st, two weeks 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 annual reports shall include the following data if it is produced by the ETC in the normal course of administering its Lifeline program:~~

~~(a) The number of Lifeline subscribers for each month during the quarter.~~

¹¹ See footnote 5, *supra*.

- (b) The number of subscribers denied Lifeline service for each month during the quarter, including the reasons the subscribers were denied.
- (c) The number of subscribers who received Link-Up for each month during the quarter.
- (d) The number of new Lifeline subscribers added each month during the quarter.
- (e) The number of Lifeline subscribers removed from Lifeline service for each month during the quarter
- (f) The number of Lifeline subscribers removed from Lifeline service for each month during the quarter for each of the following reasons:
 - 1. Non-payment;
 - 2. No longer eligible to receive benefits;
 - 3. Abandoned Service;
 - 4. Switched Phone Companies; and
 - 5. Other (specify).
- (g) The number of Lifeline subscribers who have ancillary services in addition to basic telephone service during the quarter.
- (h) The number of Lifeline subscribers who have bundled service offerings during the quarter.
- (i) The number of subscribers who received discounted service, pursuant to Section 364.105, F.S., for each month during the quarter.
- (j) The number of subscribers who have Link-Up and Lifeline through subsection (2) of this rule during the quarter.
- (k) The number of residential access lines with Lifeline service that were resold to other carriers each month during the quarter.
- (l) The entity that submitted each Lifeline application to the ETC during the quarter and whether the application was accepted or denied.

The detailed reporting requirements set forth in this draft rule present a significant cost burden for all ETCs in terms of the hours needed to create each report on a quarterly basis. Further, the rule would require Sprint Nextel and likely other ETCs to create new recordkeeping processes solely for the purpose of complying with the rule, adding further significant costs. As the industry participants urged at the Workshop and during the January 10, 2007 informal meeting, the Commission must balance the benefits and utility of having the information available with the added costs of greater and more frequent

reporting. The Commission must also consider whether its goals can be met at lower cost, including whether existing information is available that substantially accomplish the statutory purpose, as required by §120.54(1)(d), Florida Statutes. Sprint Nextel urges the Commission to identify and adopt the lowest cost alternative by identifying the specific need and use for each piece of data rather than simply casting as broad a net as possible because the data could be useful at some point. Once a specific use for the piece of data under consideration is identified, its value must be balanced with the cost of collecting and remitting the data.

Sprint Nextel believes that the information provided to the FCC by ETCs on a quarterly basis through Form 497 provides sufficient data for the Commission to monitor periodically the progress in increasing Lifeline subscribership and meets the least-cost requirement imposed by §120.54(1)(d). The rationale for providing additional data on a quarterly basis is not sufficiently developed to justify the cost. More detailed reporting is provided presently on an annual basis and that practice should continue.

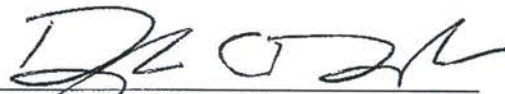
Staff indicated during the January 10th informal meeting that it is not the Commission's intent to require ETCs to create new reporting/recordkeeping processes to collect data that they do not collect already in the course of administering Lifeline programs. Consistent with that statement, Sprint Nextel believes the draft rules should be changed to reflect that ETCs are required to report only the information requested if they collect it in the course of administering their Lifeline program.¹² This would provide most of the information the Commission seeks and avoid creating additional reporting burdens.

¹² For instance, as discussed above, the distinctions of "basic service" and "ancillary services" do not apply in the context of a wireless ETC's Lifeline service plan.

III. Conclusion

Sprint Nextel appreciates the opportunity to participate in the workshop and provide the foregoing comments. We are willing also to provide any further information or clarification to the staff or commissioners to assist in developing the rules.

Respectfully submitted this 27th day of February, 2007,



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Atlanta, GA 30303
(404) 649-0003

Attorney for Sprint Nextel

result in inefficient, confusing and redundant processes that ultimately could confuse consumers and complicate the application process. Such requirements will be particularly time-consuming and burdensome for providers, like Sprint Nextel, that operate as ETCs in multiple jurisdictions.

E. Application Receipt

~~25-4.0665 (9) - ETCs shall provide the subscriber with an application receipt. The receipt must include the date the ETC received the subscriber's application along with a list of the documents, if any, that were provided with the application. The receipt shall be provided within 3 days of the ETC receiving the application.~~

This receipt requirement is also referenced in draft rule (16) and Sprint Nextel recommends striking it there as well. From a policy standpoint, Sprint Nextel believes this rule is unnecessary and would needlessly increase the cost of administering the Lifeline program. A Lifeline subscriber who is concerned about the status of an application may check on the status of the applications at any time by calling Sprint Nextel. From a legal standpoint, Sprint Nextel believes the Commission does not have sufficient jurisdiction to enforce such a requirement on wireless ETCs. Neither state law nor federal rules provide authorization to require ETCs to provide Lifeline application receipts.

F. Social Security Number Requirements

~~Staff Draft 25-4.0665 (10) - ETCs shall only require an existing customer of the ETC wishing to apply for Lifeline service 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.~~

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Legal Department

MANUEL A. GURDIAN
Attorney

07 MAR -1 AM 10:59

AT&T Florida
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
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FLA PUBLIC SERVICE COMM.
OFFICE OF THE
GENERAL COUNSEL

February 27, 2007

Samantha Cibula
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: AT&T Florida's Post-Workshop Comments on Proposed Amendment to
Rule 25-4.0665, Florida Administrative Code**

Dear Ms. Cibula:

Enclosed is BellSouth Telecommunications, Inc. d/b/a AT&T Florida's ("AT&T Florida") post-workshop comments in the above undocketed matter. As will be explained further below, the Florida Public Service Commission ("Commission") should only enact a rule that provides for the most efficient, economical, clear and concise processes and procedures for Eligible Telecommunications Carriers ("ETCs") to meet the Lifeline goals in the State of Florida. In support thereof, AT&T Florida submits the following comments:

BACKGROUND

On January 10, 2007, an informal meeting was held by Commission staff to discuss issues regarding the proposed amendments to Rule 25-4.0065, Florida Administrative Code ("the Rule"). Subsequently, a workshop was held on February 6, 2007, and the staff requested post-workshop comments be filed by February 27, 2007.

AT&T FLORIDA'S COMMENTS

Rule 25-4.0665(6)(a)(8): The proposed rule provides that, if the subscriber chooses to apply for Lifeline service by using the "Lifeline and Link-Up Florida On-Line Self Certification Form," the subscriber must provide the last 4 digits of the subscriber's social security number ("SSN"). AT&T Florida currently requests that a customer provide their full SSN to add Lifeline to an account. The main reason for requiring the full SSN is to verify Lifeline eligibility in conjunction with the Department and Children

and Families ("DCF"). In the past, it has always been our understanding that, without the full SSN, there would be no central database to reconcile AT&T Florida's information with DCF in performing the verification process. The proposed rule, in essence, could cause some eligible users to have to re-certify unnecessarily. That is, if the full SSN is not available to match the eligible subscribers between AT&T Florida's database and DCF's database, the customer will be sent a letter explaining they have 60 days to provide verification of Lifeline eligibility. If the verification is not provided to AT&T Florida with 60 days, the subscriber is placed on Lifeline transitional discount. Accordingly, the proposed rule could unnecessarily delay or frustrate the verification process. It should be noted that, at the February 6, 2007 workshop, DCF representatives stated that they would inquire further into the use of the last four digits for verification purposes. AT&T Florida will defer further comments until DCF has responded to this issue.

Rule 25-4.0665(9): The proposed rule requires ETCs to provide the subscriber with an application receipt within 3 days of the ETC receiving the application. The receipt must include the date the ETC received the subscriber's application along with a list of the documents, if any, that were provided with the application. AT&T Florida believes that an application receipt is unnecessary and recommends that the proposed language not be added to the Rule.

At the workshop, Office of Public Counsel ("OPC") was asked to provide data on the number of calls received in its office regarding the program based Lifeline application submittals. Based on OPC's data for the past 3.5 months, only 10% of the calls received regarding this issue are from AT&T Florida customers. Further, AT&T Florida estimates that the cost of programming and implementing the application receipt requirement into our operating systems would be a minimum of \$200,000 plus the cost of any needed system upgrades. Additionally, annual administrative costs are estimated to be approximately \$75,000 a year. While AT&T Florida understand that customers may want to ensure that their application or re-certification has been received and that they are going to receive the credit they deserve, customers will see the Lifeline benefit on their bills in approximately two billing cycles. If the subscriber has questions in the interim, they may call AT&T Florida to inquire about the status of their application. Accordingly, based on the estimated cost that AT&T Florida would incur, a review of OPC's data, and the minimal associated benefit to subscribers to implement such a rule, AT&T Florida does not believe that the proposed requirement is warranted.

Rule 25-4.0665(11): The proposed rule states that an ETC shall be responsible for an annual verification audit of Lifeline subscribers' continued eligibility. AT&T Florida recommends the requirement not be included because the paragraph is unnecessary. The Federal Communications Commission ("FCC") requires ETCs to provide a certification letter demonstrating that the ETC conducted the annual Lifeline verification of Lifeline subscribers' continued eligibility. Because this requirement is already in the FCC's Rules, the requirement in Subsection (12) that the ETC provide a copy of the certification letter that is required by FCC rules to the Florida Commission should be sufficient.

Rule 25-4.0665(16): The proposed rule requires ETCs to provide the subscriber with an application receipt as stated in subsection (9) above. AT&T Florida recommends that this requirement not be included in this subsection, because it adds an unnecessary and burdensome requirement that substantially increases ETCs' costs of processing Lifeline orders. See AT&T Florida's comments regarding subsection (9) above.

Rule 25-4.0665(18): The proposed rule states that a subscriber may only receive Link-Up and Lifeline service for one access line, with the exception that Lifeline-eligible Deaf or Hard of Hearing subscribers, may qualify for two phone lines at Lifeline service rates if the subscriber uses a Telecommunications Device for the Deaf text phone or Voice Carry-Over phone that requires two lines. AT&T Florida recommends that this requirement not be added to the Rule at this time.

Rule 25-4.0665(25): This proposed rule requires ETCs that offer Link-Up and Lifeline service to submit quarterly reports to the Commission's Director of Competitive Markets & Enforcement no later than two weeks following the ending of each quarter. AT&T Florida recommends that (1) the reporting requirement in this subsection be no more than semi-annually; and (2) the required data only be provided if it is maintained by the ETC in the normal course of business, as there is certain data that AT&T Florida does not track. Specifically, the company does not track the following:

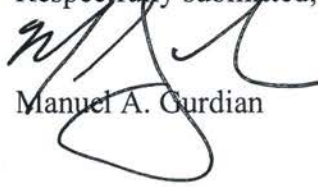
25-4.0665(25)(b) – The proposed rule requires the ETC's report to include the number of subscribers denied Lifeline service for each month during the quarter, including the reasons the subscribers were denied. AT&T Florida does not track the number of subscribers denied Lifeline service or the reason they were denied service.

25-4.0665(25)(f) – The proposed rule requires the ETC to report the number of Lifeline subscribers removed from Lifeline service for each month during the quarter by reason. While AT&T Florida attempts to track the reasons why a Lifeline subscriber is removed from Lifeline, this data is not always available. In some cases the customer does not elaborate as to why they are leaving the company or the company may never speak directly to the customer.

25-4.0665(25)(l) – The proposed rule requires the ETC to report the entity that submitted each Lifeline application during the quarter and whether the application was accepted or denied. Generally speaking, AT&T Florida does not track the entity that submitted each Lifeline application or whether it was accepted or denied.

There is also an added cost to modify AT&T Florida's operating systems to allow such tracking, and AT&T Florida does not believe that it would add any real benefit, if any, to our customers. In addition, AT&T Florida requests that the report should be required no sooner than thirty (30) days after the end of each six (6) month period.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'MAG', written over the printed name.

Manuel A. Gurdian

MAG/vw
#669178

cc: Jerry Hendrix
James Meza III

AUSLEY & MCMULLEN

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FLA PUBLIC SERVICE COMM.
OFFICE OF THE
GENERAL COUNSEL

February 27, 2007

BY HAND DELIVERY


Ms. Samantha Cibula
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Ms. Cibula:

Enclosed are the comments of Windstream Florida, Inc. on the proposed amendments to the Lifeline Rule.

Thank you for your assistance in this matter.

Sincerely,



J. Jeffrey Wahlen

Enclosures

FLORIDA PUBLIC SERVICE COMMISSION

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

Undocketed
Submitted: 2.27.07

WINDSTREAM FLORIDA, INC. POST-WORKSHOP COMMENTS

Windstream Florida, Inc. ("Windstream"), by and through its undersigned counsel, hereby submits the following post-workshop comments on the draft Amendment of Lifeline Rule 25-4.0665 discussed at the February 6, 2007 workshop.

General Position

Windstream supports the efforts to implement Lifeline Rules for all certified Eligible Telecommunications Carriers (ETCs), but believes the draft rule should be amended before adoption.

Procedural Background

On February 6, 2007, a workshop was held by Commission staff to discuss in detail any issues with the proposed amendment to the Lifeline rules. A representative of Windstream participated in staff's workshop and submitted oral comments and a written exhibit (copy attached hereto as Exhibit One). Windstream concurred at the workshop with comments offered by BellSouth Telecommunications, Verizon and TDS Telecom. Windstream's comments on specific portions of the proposed rule are shown below.

Proposed Rules

Rule 25-4.0665 (1)(b):

Windstream proposes that the language in this rule should be clarified so that subsection (1)(b) only applies to those ETCs that have been authorized to rebalance access and local rates. Small LECs that have not rebalanced rates should not be required to adopt the 135% threshold.

Rule 25-4.0665 (3):

Windstream does not support adoption of this section as written, and proposes that this section be amended to read: "The Lifeline discount shall be applied to the tariffed basic or other generally available residential service rate." This language will apply the Lifeline discount fairly to all ETCs - not just Incumbent Local Exchange Companies ("ILECs") that are ETCs. Wireless ETCs do not have "basic local exchange service" and "nonbasic service" so the rule language as proposed does not have meaning for them.

Although many ILECs allow Lifeline subscribers to purchase bundled service packages, not all have made that business decision to do so. The FCC rules on Lifeline do not require companies to apply the Lifeline discount to bundled services and Windstream believes that decision should remain an individual company's business decision.

From the beginning, the purpose of the Lifeline program was to make basic local service available to persons who could not afford the service thereby allowing the customer to remain on or gain access to the public switched network with access to basics dial tone and E911. The service was means tested so that qualifying low income persons would be eligible to participate, based on a public policy assumption that certain persons who could not otherwise afford basic telephone service ought to receive a credit so basic service would be affordable to them. Application of the discount to all bundles that contain basic local service (R-1) does not advance this public policy purpose.

As Exhibit One shows, a customer who chooses Windstream's most expensive bundled package, which includes R-1 service, will be paying a net price of approximately \$43.00 after the Lifeline discount is applied. This net amount is over 250% of the basic service price (\$16.88) without the discount. The public policy assumption underlying the Lifeline program is that eligible persons cannot afford or, alternatively, have difficulty affording, basic local service priced at \$16.88 per month. The validity of this assumption is questionable if a customer, who presumably cannot afford \$16.88 per month, purchases a bundle of services the net cost of which is approximately \$43.00, or 250% more than the cost of basic service. For this reason, Windstream believes that the decision to offer the Lifeline discount to bundled services should be left to the discretion of the ETC, not mandated by FPSC rule. To do otherwise would significantly expand the scope of the Lifeline program and be inconsistent with its underlying public policy purpose.

Rule 25-4.0665 (8):

Windstream is not able to accept applications electronically and to require that we do so would cause the company to incur significant costs that out-weigh the overall benefit of such a process, particularly in light of the new FPSC online process, which appears to be working. Instead, Windstream suggest ETCs continue to work with staff on the FPSC's online application process to improve its effectiveness.

Rule 25-4.0665 (9):

Windstream proposes that section be deleted. Windstream is not aware of situations where one of its customers claims to have signed up for Lifeline, but either did not receive the credit or the credit was delayed. That being the case, Windstream does not believe that the benefit to customers, if any, would be significant enough to justify the cost to the ETCs.

Customers will see the Lifeline benefit on their bills within no more than two months. If the subscriber has questions in the interim about their Lifeline credit, they can call their company to inquire about the status of their application.

Rule 25-4.0665 (11):

Windstream proposes that this paragraph be deleted, because it simply refers to an FCC rule that applies to ETCs whether or not this section is included.

Rule 25-4.0665 (16):

Consistent with its comments on Rule 25-4.0665(9), Windstream proposes that the second sentence regarding an application receipt be deleted.

Rule 25-4.0665 (18):

Windstream believes FPSC lifeline rules should be consistent with FCC rules. Current FCC rules require that only one Lifeline discount be provided per subscriber and until the FCC changes that rule, Windstream does not believe the FPSC should have a contradictory rule. Accordingly, Windstream proposes that this section be deleted.

Rule 25-4.0665 (25):

Windstream believes the current requirement to provide this information annually is sufficient and that the FPSC staff adequately can monitor the Lifeline program using the monthly data available from the FCC and data requests on a case by case basis. Although Windstream understands Staff's desire to attempt to understand Lifeline enrollment trends and the underlying causes of those trends, it believes that requiring all ETCs to submit all of the information specified in the rule is not needed to achieve this result. Simply put, if the Staff notices significant changes in Lifeline enrollment for a particular ETC, it should discuss the underlying

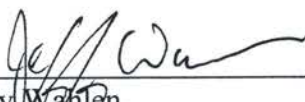
causes with the ETC or send a data request seeking information about the causes. The information the Staff receives in this manner can then be used by staff to improve the program.

If the Staff does not embrace this approach, Windstream proposes that the rule be clarified to state that the list of data (a – l) in subsection (25) must be provided only if the ETC maintains it in the normal course of business. Many of the companies, including Windstream, do not currently track some or much of this information in the format requested and to make changes to our systems to allow such tracking would be very costly.

Conclusion

Windstream appreciates the opportunity to file these post-workshop comments on the draft rule amendments and commits to working with the FPSC staff, OPC, AARP, the Attorney General and other interested persons on the adoption of proposed rule amendments.

Respectfully submitted this 27th day of February, 2007.



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Attorneys for Windstream Florida, Inc.

EXHIBIT ONE

Windstream Florida, Inc.

R-1 (Average of High and Low)	\$10.57
SLC	<u>6.31</u>
	\$16.88
LifeLine Credit	<u>(13.50)</u>
Net R-1 Price	<u>\$3.38</u>
Voice Only Bundle	\$49.95
(R-1, features ¹ and unlimited LD)	
SLC	6.31
Lifeline Credit	<u>(13.50)</u>
Net Bundle Price	<u>\$42.76</u>

Net Bundle Price (\$42.76) is more than two and one-half times (250%) of basic service price (\$16.88)

¹ Includes: Caller ID Deluxe, Enhanced Call Waiting, Caller ID on Call Waiting, Call Return, Repeat Dial, 3-Way Calling, Speed Calling 30, Call Forwarding, Selective Call Rejection, Selective Call Acceptance, Call Selector, Preferred Call Forwarding, Anonymous Call Rejection and the option of Ring Plus (where available).

Samantha Cibula

From: BECK.CHARLES [BECK.CHARLES@leg.state.fl.us]
Sent: Tuesday, February 27, 2007 1:58 PM
To: Samantha Cibula
Cc: WHITE.CHANEL
Subject: Lifeline Post-Workshop Comments

Samantha:

This e-mail follows up on the rule development workshop held at the Florida Public Service Commission on February 6, 2007. I want to reiterate our overall support for the rules proposed by staff.

More Must be Done to Increase Lifeline Enrollment

According to the Florida Public Service Commission's report on Lifeline submitted to Governor, President of the Senate, and Speaker of the House on December 28, 2006, Lifeline enrollment as of September, 2006 stood at 145,734 participants, reflecting a 12.7% participation rate. This participation rate barely exceeds the participation rate of 12.4% recorded in September, 2005, and is lower than the paltry participation rates recorded from 1998 through 2004. See Table 2, *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation*, Florida Public Service Commission, December, 2006.

This is not to say that efforts have not been made by many to increase awareness about the availability of Lifeline services. See *Petition to Implement Automatic Enrollment for Lifeline Service* filed by the Office of Public Counsel and AARP on October 11, 2006, at pages 2-3 for a brief overview of these efforts. Rather, despite these efforts, the Lifeline participation rate still remains far too low -- and far below the national average for Lifeline participation rates. The low Lifeline participation rates in Florida compared to the rest of the country should be kept in mind as the Commission considers rules governing Lifeline service.

The Office of Public Counsel supports the rules proposed by staff because the new rules should make existing Lifeline enrollment a more user-friendly procedure for participants. However, the rules do not address what we consider the most important step that must be taken to increase participation: automatic enrollment. We remain convinced that automatic enrollment will be the most effective means to increase participation in Lifeline.

Lifeline Subscribers Should Be Allowed to Purchase Packages of Services as Part of their Lifeline Service

One important way to make Lifeline more attractive to eligible subscribers is to allow subscribers to purchase the types of services they want to purchase while maintaining their eligibility for a Lifeline credit. At the workshop Ms. White of the Office of Public Counsel testified that many lifeline customers would like to subscribe to packages of services. They may feel that a package contains the most economical bundle of services that meets their needs. Elderly lifeline eligible subscribers may want caller ID in particular to avoid scams or telemarketers who target the elderly. Long distance is a bundled feature desired by lifeline eligible customers because they may have friends and family in other states with whom they

2/27/2007

want to communicate.

From February 2005 through January 2007 the Office of Public Counsel talked with approximately 170 Verizon Lifeline applicants who expressed concern that Verizon would not allow them to subscribe to a package and receive the Lifeline credit. Sometimes the applicants gave up their package in order to get the credit, and others kept the package while forfeiting the Lifeline credit for which they would otherwise be eligible.

All packages offered by the companies should be eligible for the Lifeline credit in order to promote lifeline participation and to provide Lifeline subscribers services which meet their needs. Offering the Lifeline credit only with the basic bundled package would be an improvement over the requirements which exist today, but it is still a second best alternative.

The Rules Should Require ETCs to Provide a Receipt to Applicants

The Office of Public Counsel frequently receives complaints from customers stating that they have not received a Lifeline credit, even though they sent a Lifeline application to their ETC months before.

Subsequent to the workshop, the following information was provided to BellSouth, Verizon and Sprint:

1. On average, we receive 75 calls per week from people who tell us that they have sent their Lifeline application to a company, but the company claims to have not received it.
2. On average, we receive 77 calls per week from people who tell us that they sent their Lifeline recertification to a company, but the company claims to have not received it.
3. Approximately 10% of these calls are from BellSouth customers, 10% are from Embarq customers, and 80% are from Verizon customers.

It turns out that sometimes the Lifeline applicant sent their materials to the wrong address, and the process of determining what went wrong can take more than three months to resolve. Lifeline applicants find these to be an extremely frustrating experience, and many quit pursuing Lifeline or decide to apply for Lifeline through the Office of Public Counsel rather than through the company. Requiring the companies to provide a receipt to Lifeline applicants when the companies receive the application would mitigate the frustration experienced by Lifeline applicants in these situations.

FLORIDA PUBLIC SERVICE COMMISSION

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

Undocketed

TDS TELECOM/Quincy Telephone Company Post Workshop Comments

TDS TELECOM/Quincy Telephone Company (“TDS”) hereby files its post workshop comments on the Florida Public Service Commission’s (“FPSC”) Proposed Amendment of Lifeline Rule 25-4.0665. TDS supports the FPSC’s intent to develop a comprehensive set of rules for all certified Eligible Telecommunications Carriers. TDS supports the vast majority of the proposed rules, however we believe that some of the rules are overly burdensome and provide little if any benefit to increasing the level of Lifeline participation. TDS appreciates the opportunity to file these post-workshop comments and offers the following suggested changes.

TDS TELECOM’s Proposed Changes to Rule 25-4.0665

Rule 25-4.0665(4):

TDS recommends that the language in this rule be clarified that subsection (1)b only applies to those ETC’s that have been authorized to rebalance access and local rates as set forth in section 364.164, Florida Statutes. TDS recommends the following language.

(4) As part of an eligible telecommunications carrier’s (ETC) Lifeline Assistance Plan, an ETC must offer a subscriber eligible for Lifeline service, pursuant to subsection (1) and (2) of this rule, Link Up service in accordance with 47 C.F.R. s.54.411, which is incorporated herein by reference. *ETCs not operating under the provision of Section 364.164, F.S. are exempt from subsection (1)b.*

Rule 25-4.0665(7):

TDS suggested change in this rule is simply clerical. It is our understanding that all ETCs are required to use the simplified Lifeline application form. Therefore, ETCs do not verify eligibility on the front-end of the application process. Verification of eligibility is only done on an annual basis; therefore TDS believes that “*enrollment*” can be stricken from the third line. TDS believes the rule can read as follows:

“..., as proof of the subscriber’s eligibility for Link-up and Lifeline verification.”

Rule 25-4.0665(9):

TDS recommends that this proposed rule be eliminated. In most situations, TDS enrolls customers within one day of receipt of a completed Lifeline application form, and there is no

evidence to suggest that TDS is not processing applications in a timely manner. If for some reason a customer does not return a Lifeline application to the appropriate company or location, it is highly unlikely that there will be any expectation from the customer that they should have received a receipt. TDS believes that the proposed rule does not provide any substantive benefit to Lifeline applicants, and will merely increase company cost and workload.

Rule 25-4.0665(10):

TDS recommends that the proposed rule be eliminated at this time. This is not to suggest that companies should not provide Lifeline service if a customer refuses to provide their social security number. In most situations, TDS has not had any significant issues with customers refusing to provide their social security numbers. TDS does not suggest that companies refuse to provide Lifeline service if a Lifeline applicant refuses to provide their social security number. However, TDS is concerned that adoption of this rule will become the norm rather than the exception. Today, the Department of Children and Family Services (DCF) performs that annual verification for TDS. This process requires TDS to provide the customer social security number in order to match the DCF data base. Unless DCF can verify based on the last four digits of the social security number, TDS believes this will create a greater burden on Lifeline subscribers since they would ultimately be required to provide the ETC with proof of verification. Under the current process, Lifeline subscribers that match to the DCF data base are not burdened with any further verification process.

Rule 25-4.0665(16):

TDS recommends that the language requiring an application receipt be removed from this rule for the reason set forth above in response to rule 25-4.0665(9).

Rule 25-4.0665(18):

TDS supports the comments at the February 6, 2007 workshop that this rule not be implemented at this time. The FCC current rules limit Lifeline service to one line per household.

Rule 25-4.0665(25):

TDS supports the FPSC's interest to analyze data in order to evaluate the status of the Lifeline program. However, TDS believes that the proposed rule to submit quarterly reports to the Commission and certain information requested is overly burdensome, costly, and provides marginal benefits. TDS recommends that all ETC's continue to submit data on an annual basis, and that the data is limited to information that is generally available in the normal course of business. However, if a change is made, TDS recommends the following:

1. ETCs must submit semi-annual reports to the FPSC no later than 30 days following the end of the six month period. The proposed two week filing is not sufficient time to gather the information following the last month of the reporting period. The 30 day following the end of the reporting period is consistent with the FPSC rules regarding the filing of service quality reports.

2. The reports should be limited to the following information as set forth in the proposed rule, they are: 25(a), (c), (d), (e), (i), (j), and (k). With regard to items 25(b), (f), (g), and (h), TDS does not believe the information provides any significant benefits in which to evaluate or advance the Lifeline program, yet would require companies to implement procedures to track information that is not readily available and run special reports. Although TDS has provided some of this information in the past it is a time consuming and manual process.

Rule 25-4.0665(3):

TDS believes that this rule should be eliminated. Although today TDS allows Lifeline subscribers to bundle the Lifeline discount with other offerings, TDS believes that this decision should be left to the individual ETCs business and marketing decisions. In the future, do to competitive pressures; TDS believes it should have the flexibility to determine whether or not to offer the Lifeline discount on bundled services of both regulated and non-regulated services.

Public policy has been established that basic local exchange service is a necessity, and as such the Lifeline program was established to provide discounted basic service to individuals and families that can not afford phone service. As Windstream appropriately pointed out at the workshop, the Lifeline discount allows those that can least afford phone service to receive basic service in the range of \$4-7 dollars per month plus taxes, not for making non-essential services like long distance, cable, and high-speed internet affordable. If the staff believes that bundled services should be available to Lifeline subscribers, those bundled offerings should be limited to regulated non-basic services.

Conclusion

TDS appreciates the opportunity to provide post-workshop comments in support of implementing Lifeline rules for all ETCs. TDS believes that the proposed changes to the rules offered by TDS will not diminish the availability of Lifeline, impede the growth of the Lifeline program, or limit the FPSC's ability to evaluate the effectiveness of the Lifeline program. However, we believe that the proposed changes will assist in ensuring that the program is administered in a cost effective manner, and consistent among all ETCs. TDS is committed to continuing to work with the FPSC staff, the Office of Public Counsel, and the AARP on the adoption of these rules.

MANUEL A. GURDIAN
Attorney

AT&T Florida
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(305) 347-5561

February 27, 2007

Samantha Cibula
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: AT&T Florida's Post-Workshop Comments on Proposed Amendment to
Rule 25-4.0665, Florida Administrative Code**

Dear Ms. Cibula:

Enclosed is BellSouth Telecommunications, Inc. d/b/a AT&T Florida's ("AT&T Florida") post-workshop comments in the above undocketed matter. As will be explained further below, the Florida Public Service Commission ("Commission") should only enact a rule that provides for the most efficient, economical, clear and concise processes and procedures for Eligible Telecommunications Carriers ("ETCs") to meet the Lifeline goals in the State of Florida. In support thereof, AT&T Florida submits the following comments:

BACKGROUND

On January 10, 2007, an informal meeting was held by Commission staff to discuss issues regarding the proposed amendments to Rule 25-4.0065, Florida Administrative Code ("the Rule"). Subsequently, a workshop was held on February 6, 2007, and the staff requested post-workshop comments be filed by February 27, 2007.

AT&T FLORIDA'S COMMENTS

Rule 25-4.0665(6)(a)(8): The proposed rule provides that, if the subscriber chooses to apply for Lifeline service by using the "Lifeline and Link-Up Florida On-Line Self Certification Form," the subscriber must provide the last 4 digits of the subscriber's social security number ("SSN"). AT&T Florida currently requests that a customer provide their full SSN to add Lifeline to an account. The main reason for requiring the full SSN is to verify Lifeline eligibility in conjunction with the Department and Children

and Families ("DCF"). In the past, it has always been our understanding that, without the full SSN, there would be no central database to reconcile AT&T Florida's information with DCF in performing the verification process. The proposed rule, in essence, could cause some eligible users to have to re-certify unnecessarily. That is, if the full SSN is not available to match the eligible subscribers between AT&T Florida's database and DCF's database, the customer will be sent a letter explaining they have 60 days to provide verification of Lifeline eligibility. If the verification is not provided to AT&T Florida with 60 days, the subscriber is placed on Lifeline transitional discount. Accordingly, the proposed rule could unnecessarily delay or frustrate the verification process. It should be noted that, at the February 6, 2007 workshop, DCF representatives stated that they would inquire further into the use of the last four digits for verification purposes. AT&T Florida will defer further comments until DCF has responded to this issue.

Rule 25-4.0665(9): The proposed rule requires ETCs to provide the subscriber with an application receipt within 3 days of the ETC receiving the application. The receipt must include the date the ETC received the subscriber's application along with a list of the documents, if any, that were provided with the application. AT&T Florida believes that an application receipt is unnecessary and recommends that the proposed language not be added to the Rule.

At the workshop, Office of Public Counsel ("OPC") was asked to provide data on the number of calls received in its office regarding the program based Lifeline application submittals. Based on OPC's data for the past 3.5 months, only 10% of the calls received regarding this issue are from AT&T Florida customers. Further, AT&T Florida estimates that the cost of programming and implementing the application receipt requirement into our operating systems would be a minimum of \$200,000 plus the cost of any needed system upgrades. Additionally, annual administrative costs are estimated to be approximately \$75,000 a year. While AT&T Florida understand that customers may want to ensure that their application or re-certification has been received and that they are going to receive the credit they deserve, customers will see the Lifeline benefit on their bills in approximately two billing cycles. If the subscriber has questions in the interim, they may call AT&T Florida to inquire about the status of their application. Accordingly, based on the estimated cost that AT&T Florida would incur, a review of OPC's data, and the minimal associated benefit to subscribers to implement such a rule, AT&T Florida does not believe that the proposed requirement is warranted.

Rule 25-4.0665(11): The proposed rule states that an ETC shall be responsible for an annual verification audit of Lifeline subscribers' continued eligibility. AT&T Florida recommends the requirement not be included because the paragraph is unnecessary. The Federal Communications Commission ("FCC") requires ETCs to provide a certification letter demonstrating that the ETC conducted the annual Lifeline verification of Lifeline subscribers' continued eligibility. Because this requirement is already in the FCC's Rules, the requirement in Subsection (12) that the ETC provide a copy of the certification letter that is required by FCC rules to the Florida Commission should be sufficient.

Rule 25-4.0665(16): The proposed rule requires ETCs to provide the subscriber with an application receipt as stated in subsection (9) above. AT&T Florida recommends that this requirement not be included in this subsection, because it adds an unnecessary and burdensome requirement that substantially increases ETCs' costs of processing Lifeline orders. See AT&T Florida's comments regarding subsection (9) above.

Rule 25-4.0665(18): The proposed rule states that a subscriber may only receive Link-Up and Lifeline service for one access line, with the exception that Lifeline-eligible Deaf or Hard of Hearing subscribers, may qualify for two phone lines at Lifeline service rates if the subscriber uses a Telecommunications Device for the Deaf text phone or Voice Carry-Over phone that requires two lines. AT&T Florida recommends that this requirement not be added to the Rule at this time.

Rule 25-4.0665(25): This proposed rule requires ETCs that offer Link-Up and Lifeline service to submit quarterly reports to the Commission's Director of Competitive Markets & Enforcement no later than two weeks following the ending of each quarter. AT&T Florida recommends that (1) the reporting requirement in this subsection be no more than semi-annually; and (2) the required data only be provided if it is maintained by the ETC in the normal course of business, as there is certain data that AT&T Florida does not track. Specifically, the company does not track the following:

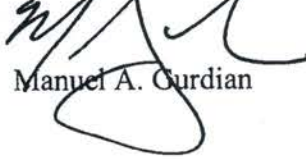
25-4.0665(25)(b) – The proposed rule requires the ETC's report to include the number of subscribers denied Lifeline service for each month during the quarter, including the reasons the subscribers were denied. AT&T Florida does not track the number of subscribers denied Lifeline service or the reason they were denied service.

25-4.0665(25)(f) – The proposed rule requires the ETC to report the number of Lifeline subscribers removed from Lifeline service for each month during the quarter by reason. While AT&T Florida attempts to track the reasons why a Lifeline subscriber is removed from Lifeline, this data is not always available. In some cases the customer does not elaborate as to why they are leaving the company or the company may never speak directly to the customer.

25-4.0665(25)(l) – The proposed rule requires the ETC to report the entity that submitted each Lifeline application during the quarter and whether the application was accepted or denied. Generally speaking, AT&T Florida does not track the entity that submitted each Lifeline application or whether it was accepted or denied.

There is also an added cost to modify AT&T Florida's operating systems to allow such tracking, and AT&T Florida does not believe that it would add any real benefit, if any, to our customers. In addition, AT&T Florida requests that the report should be required no sooner than thirty (30) days after the end of each six (6) month period.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'M. A. Curdian', written over the printed name.

Manuel A. Curdian

MAG/vw
#669178

cc: Jerry Hendrix
James Meza III

Voice | Data | Internet | Wireless | Entertainment



Embarq Corporation
Mailstop: FLTLH00201
1313 Blair Stone Road
Tallahassee, FL 32301
EMBARQ.com

February 27, 2007

Ms. Samantha Cibula
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Proposed Lifeline Rule Development – Undocketed

Dear Ms. Cibula:

At the conclusion of the February 6, 2007 workshop on the proposed Lifeline rule development, staff requested post workshop comments be filed by February 27, 2007. In that regard, attached are Embarq-Florida, Incorporated's comments on the draft rule.

If you have any questions regarding Embarq's comments, please do not hesitate to call me at 850-847-0173.

Sincerely,

Sandra A. Khazraee

Enclosure

Sandra A. Khazraee
REGULATORY MANAGER
LAW AND EXTERNAL AFFAIRS
Voice: (850) 847-0173
Fax: (850) 878-0777

FLORIDA PUBLIC SERVICE COMMISSION

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

Undocketed
February 27, 2006

Embarq - Florida Post-Workshop Comments

Embarq – Florida, Inc. (Embarq) hereby submits the following comments on Staff’s Proposed Amendment of Lifeline Rule 25-4.0665. Embarq supports the Commission Staff’s efforts to implement Lifeline Rules for all certified Eligible Telecommunications Carriers (ETCs).

On January 10, 2007, an informal meeting was held by Commission staff to talk briefly about any issues with the proposed amendment to the Lifeline rules. This was followed on February 6, 2007 by a formal noticed workshop to discuss the draft Lifeline rule changes. Embarq participated in both workshops regarding the amendment of Proposed Rule 25-4.0665 and offers the following written comments in addition to the oral comments made at the meetings. Embarq appreciates the opportunity to work with staff and the other parties in this rulemaking docket.

Rule 25-4.0665 (3):

Embarq would suggest a wording change to this paragraph in the rule in order to address the issue that wireless ETCs do not have “basic local exchange service” and “nonbasic service”. Additionally, although Embarq currently allows Lifeline subscribers to purchase bundled service packages, we believe that should be a business decision and not a rule requirement. The FCC rules on Lifeline do not require companies. Embarq recommends replacing staff’s proposed rule language with the following:

The Lifeline discount shall be applied to the tariffed basic or otherwise lowest generally available residential rate.

Rule 25-4.0665 (4):

As part of an eligible telecommunications carrier’s (ETC) Lifeline Assistance Plan, an ETC must offer a subscriber eligible for Lifeline service, pursuant to subsections (1) and (2) of this rule, Link Up service in accordance with 47 C.F.R. s. 54.411, which is incorporated herein by reference.

Embarq agrees with the comments made by TDS Telecom that the language in this paragraph should be clarified that subsection (1)b only applies to those ETCs that have been authorized to rebalance access and local rates. The following language is recommended to be added to the existing proposed rule language:

ETCs not operating under the provision of Section 364.164, F.S. are exempt from subsection (1)b

Rule 25-4.0665 (8):

ETCs must allow customers the option to submit Link-Up or Lifeline applications via mail, facsimile or electronically. ETCs must also allow customers the option to mail or facsimile copies of supporting documents.

Embarq requests that the requirement to accept applications electronically be omitted. Embarq's systems are not currently able to accept applications electronically and to require electronic acceptance of applications could cause Embarq to incur additional, potentially significant cost. The suggested wording for this paragraph of the rule would be:

ETCs must allow customers the option to submit Link-Up or Lifeline applications via mail or facsimile. ETCs must also allow customers the option to mail or facsimile copies of supporting documents.

Rule 25-4.0665 (9):

ETCs shall provide the subscriber with an application receipt. The receipt must include the date the ETC received the subscriber's application along with a list of the documents, if any, that were provided with the application. The receipt shall be provided within 3 days of the ETC receiving the application.

Embarq's current procedures do not include notification to any group of customers that an application has been received (application receipt) and recommends that this paragraph not be added to the existing Lifeline rules. It appears to add very little if any real benefit to the customers and yet it will increase the Companies' costs and work load. For Embarq, once an application with appropriate documentation is received, it takes approximately 5 business days to process the customer account to add lifeline credits effective back to the date the application is received. The Lifeline credits are detailed on the next customer bill and all bills thereafter. Therefore, customers will see the Lifeline benefit on their bills within no more than two months. If the subscriber has questions in the interim about their Lifeline credit, they can call their company to inquire about the status of their application.

Rule 25-4.0665 (16):

Embarq reiterates the comments made above regarding the application receipt requirement found in paragraph 9 and recommends that the requirement to provide an application receipt not be added in to this rule language as it adds an unnecessary step which increases the Companies' costs of processing Lifeline orders. Specifically, Embarq proposes deleting the following statement from this rule paragraph:

The ETCs shall provide the subscriber with an application receipt as set forth in subsection (9) of this rule.

Rule 25-4.0665 (25):

ETCs offering Link-Up and Lifeline service must submit quarterly reports to the Commission's Director of Competitive Markets and Enforcement no later than two weeks 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:

Embarq believes that requiring quarterly reporting is burdensome and more frequent than is necessary or even useful. Embarq supports an annual reporting requirement. If an annual requirement is found to not be frequent enough to meet the needs of the Commission, reporting should be required no more frequently than semi-annually. The rule as proposed would require the report to be submitted no later than two weeks following the end of the quarter. The data necessary to develop the reports is not available within two weeks following the quarter-end. Embarq proposes the requirement be changed to no later than 30 days following the end of the annual or semi-annual period. Finally, the proposed rule details the various data that should be included in the report. Certain portions of that data are currently not available and would require major system and process changes to capture. Embarq proposes that the rule be changed to read **"The reports shall include the following data if available in the normal course of business:"**

Conclusion

Embarq appreciates the opportunity to comment on these draft rule amendments and commits to working with the FPSC staff and OPC on the adoption of these additional rules. For the reasons stated above, Embarq recommends modifying the staff proposed rules to incorporate the suggestions offered herein.

FLORIDA PUBLIC SERVICE COMMISSION

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

COMMENTS OF FRONTIER COMMUNICATIONS

Frontier Communications of the South, LLC ("Frontier") respectfully submits the following comments on Staff's Proposed Amendment of Lifeline Rule 25-4.0665.

Frontier has fewer than 5,000 access lines in Florida, and would be disproportionately affected by changes in the Rule that would require special processes or systems changes for Florida Lifeline customers that go beyond what is required for Lifeline customers in other states. For example, a significant state-specific Information Technology project could easily wipe out a year of Frontier's earnings in Florida. These comments address specific proposed amendments that Frontier submits would unduly require significant costs without corresponding benefits or that would unduly decrease carriers' revenues.

I. Several of the Proposed Changes Would Add Cost Burdens Out of Proportion to Any Benefits.

The proposed requirement in **Rule 25-4.0665(8)** to accept applications electronically is not something that Frontier is geared to accomplish. If the requirement were interpreted to require applications via email, the lack of security in ordinary email would put the Customer Proprietary Network Information of customers at risk, including extremely confidential financial and possibly even medical-related information that the customer would submit to establish Lifeline qualification. If on the other hand the requirement were interpreted to require all Florida local exchange carriers to establish

secure websites, the costs to Frontier of such a project would be prohibitive in light of the size of its Florida operations. The probability is that Frontier would spend tens of thousands of dollars of IT resources for the potential benefit of at most one or two customers per year, and the benefits to even those few customers would be minimal, given their ability to apply for service by mail or over the telephone.

The proposed requirement in **Rule 25-4.0665(25)** to track Lifeline subscriptions, denials and removals in great detail would be even more onerous to Frontier. These statistics are not tracked in Frontier's customer records systems and it would be prohibitively expensive to overhaul the systems to track the data on an automated basis. It is likely that the required system work would cost in excess of \$100,000, and the costs could well exceed \$1,000,000. The only alternative would be for Frontier to assign employees every quarter to review the records of all subscribers associated in any way with Lifeline service and to tally the data manually. Even then, our systems do not capture why customers are denied Lifeline service or why they are removed from Lifeline. As a result, we would have to create a substantial manual record keeping process, likely to create errors and missing data, to track this information. In the case of missing data we would have to call each denied or removed Lifeline customer to obtain the information, which at best would seriously annoy them. It is not clear to Frontier that the resulting data would be any more valuable to the Commission than something that is "nice to know." Frontier urges the Commission to engage in a more rigorous cost-benefit analysis before requiring additional and expensive regulatory reporting.

Similarly, Frontier urges the Commission not to require an application receipt as proposed in **Rule 25-4.0665 (9)** and **(16)**. This mandate would require manual additions

to Frontier's application processes and would consume time and resources unnecessarily with little if any benefit. Customers would benefit from this requirement only if their applications were lost, which is extremely unlikely. In addition, even if an application somehow gets lost and a receipt is therefore not sent, it is far from clear that the typical customer would know that something was missing. If the telephone company is found to have made an error in processing an application, the customer can be made whole by an appropriate retroactive credit. In addition, customers may call at any time to check on the status of their applications.

II. Several of the Proposals Would Inappropriately Increase the Scope of Lifeline Discounts.

Frontier urges the Commission not to expand Lifeline discounts in a way that would be inconsistent with the Federal program and that would add to the revenue lost by local exchange carriers. In particular, proposed **Rule 25-4.0665(3)** would require carriers to apply the Lifeline discount to bundled service packages that contain Lifeline-eligible services. Carriers may choose to do so under existing rules, but should not be mandated to do so.

Proposed **Rule 25-4.0665(18)** would require carriers to provide multiple Lifeline discounts in certain circumstances for two lines. While Frontier does not object in principle to accommodate hearing-impaired customers, Frontier urges the Commission not to rewrite the FCC's Lifeline requirements, which allow for only one supported Lifeline discount per qualifying subscriber. 47 C.F.R. §§54.403 and 54.407.

III. Conclusion.

Frontier respectfully requests that the Commission not adopt the rule changes addressed in these comments, changes that would unduly increase local exchange carrier costs and unduly decrease their revenues. Frontier also wishes to note its support of the Comments of the Florida Telecommunications Industry Association that are being filed at this time.

Respectfully submitted,

"s/" Gregg C. Sayre

Gregg C. Sayre
Associate General Counsel
Frontier Communications
180 South Clinton Avenue
Rochester, New York 14646-0700

Dated: February 27, 2007

CERTIFICATE OF SERVICE

[FLORIDA PUBLIC SERVICE COMMISSION - Undocketed]

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

I hereby certify that, on this 27th day of February, 2007, the foregoing **Comments of Frontier Communications** in the above-referenced undocketed matter were served as listed below by E-Mail.

"s/" Gregg C. Sayre

Gregg C. Sayre

By E-Mail:

Ms. Samantha M. Cibula
Office of the General Counsel,
at scibula@psc.state.fl.us

20060607

FLORIDA PUBLIC SERVICE COMMISSION

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

Florida Telecommunications Industry Association Post-Workshop Comments

The Florida Telecommunications Industry Association (FTIA), on behalf of its members, hereby submits the following post-workshop comments on Staff's Proposed Lifeline Rule 25-4.0665. The FTIA supports the Commission Staff's efforts to implement Lifeline Rules for all certified Eligible Telecommunications Carriers (ETCs).

On June 21, 2006, the FTIA participated in staff's workshop regarding the adoption of Proposed Rule 25-4.0665. At the workshop, FTIA recommended changes to staff's proposed rule as well as recommendations for additional rules. The FTIA appreciates the opportunity to file these post-workshop comments in support of the proposed rules offered by the FTIA. Additionally, the following comments address staff's proposed rules.

FTIA Proposed Rules

The intent of the FTIA's recommended changes to the staff proposed list of rules is to incorporate by rule all of the Lifeline and Link-Up requirements for ETCs into one Commission document. Over the past decade, the FPSC has issued several orders regarding specific Lifeline requirements that only apply to the incumbent local exchange companies (ILECs), since the ILECs were the only communications providers offering Lifeline and Link-Up programs. However, over the past few years, the FPSC has certified several competitive local exchange carriers as ETCs, and the Federal Communications Commission (FCC) has designated several wireless carriers as ETCs in Florida, all of which are required by FCC rule 47 C.F.R. s. 54.201 to offer Lifeline and Link-Up programs.

In 2005, the Florida Legislature passed SB 1322, which requires the Commission to adopt rules regarding Lifeline and Link-Up programs. Specifically, SB 1322 expanded applicability of Chapter 364.10 from telecommunications companies serving as carrier of last resort to eligible telecommunications carriers, and set forth specific Lifeline requirements.¹ The FTIA supported this legislation and worked closely with the legislature to ensure that all Lifeline requirements established through orders by the FPSC and FCC were incorporated into the Statute.

¹ Commercial mobile radio service providers are not subject to 354.10 or other portions of Chapter 364 (see 364.10(2)(a) and 364.02(14)(c)) and are not subject to Commission jurisdiction as a Telecommunications company. However, they may be designated as eligible telecommunications carriers by the FCC or state commissions and as such may be subject to FCC Lifelines rules that defer certain matters to state procedures in states that mandate Lifeline support.

The FTIA believes that the Staff Proposed Rules should be expanded to incorporate all of the ETC Lifeline requirements, which we believe is the intent of SB 1322. Section 364.10(3) requires the commission to establish procedures for notification and termination of Lifeline service, which the FTIA believes staff accomplishes in rules (1) and (2). However, the FTIA believes that the proposed rules offered by the FTIA meets the legislative intent to incorporate the remaining ETC requirements into rule as required by Section 364.10(3)(j).

The FTIA believes that expanding the rules to incorporate all the Lifeline requirements into one commission document will ensure that all existing and future ETCs are in compliance with commission orders and Florida Statutes.

FPSC Staff Proposed Rules

If it is staff's intent not to proceed with the proposed rules offered by the FTIA, we recommend the following with regard to the staff proposed list of rules:

Rule 25-4.0665 (1):

The intent of this rule is to incorporate section 364.10 (2)(e)(3) regarding notification and termination into rule. The intent of this requirement was to address the recent FCC procedures for verification of continued Lifeline eligibility. The FTIA recommends replacing staff's proposed rule with the following:

Consistent with FCC guidelines, an eligible telecommunications carrier shall conduct an annual verification of lifeline subscribers' program-based eligibility. An eligible telecommunications carrier shall allow a subscriber 60 days following the date of the pending termination letter to demonstrate continued Lifeline eligibility. The notice of pending termination shall contain the telephone number of the eligible telecommunications carrier. In the case of a landline ETC, the notice shall also inform the customer of the availability, pursuant to Section 364.105, F.S. of discounted residential basic local telecommunications service (Lifeline Transitional Discount).

Rule 25-4.0665 (2):

The FTIA supports the staff's proposed rule.

Rule 25-4.0665 (3):

The FTIA recommended several changes to the staff's proposed rule (3) in order to incorporate into rule the need for an ETC to have contact with a Lifeline subscriber who is certified by the Office of Public Counsel but is not an existing LEC customer, and to address the issue of annual verification. The FTIA members will not require subscribers that have been certified by the OPC under the income-based eligibility requirements to provide any further documentation of eligibility prior to establishing Lifeline Service. The FTIA's proposed language is merely meant to clarify that a Lifeline customer that does not have existing service will still need to go through the normal application process for service with his or her LEC. Additionally, the FTIA recommended that language be added to require the OPC to annually verify continued eligibility under the income-based program. This language was added to

address the FCC Order 04-87, docket 03-109, which requires annual verification of continued eligibility under Program-based and Income-based eligibility. The FTIA regrets not having discussed this language with the OPC prior to the workshop, and will commit to working with OPC to achieve a reasonable solution.

Rule 25-4.0665 (4):

The FTIA does not support adoption of the proposed rule. The FTIA members believe that the decision to allow Lifeline subscribers to purchase combined offerings of basic and non-basic service or to purchase "any service offering" should be left to the discretion of the ETC. The purpose of Lifeline Service is to ensure that low-income consumers have access to basic local exchange service. While many of the FTIA members' ETCs permit Lifeline subscribers to purchase designated bundled packages, the FTIA believes that this is a business decision that should be left to the ETC.

Conclusion

The FTIA appreciates the opportunity to file these post-workshop comments, and commits to working with the FPSC staff and OPC on their adoption. For the reasons stated above, the FTIA recommends modifying the staff proposed rules to incorporate the suggestions offered by the FTIA. We believe that memorializing the FTIA recommendations into rule will be beneficial to both the ETCs and the eligible Lifeline subscribers. If staff opts to move forward with the staff proposed rules 1-4, the FTIA recommends adopting the changes offered by the FTIA to staff's rules 1 and 3. The FTIA agrees at this time to strike the language regarding the need for the OPC to annually verify continued income-eligibility until this issue can be further discussed among the parties. Finally, the FTIA does not support adoption of staff proposed rule 4, and suggests that this rule be eliminated. However, if it is staff's intent to move forward on this rule we would suggest deferring any action at this time. The staff indicated at the workshop that they intend to file additional Lifeline rules that may be more controversial. If so, we suggest deferring rule 4 until the next round of rules.

MICHAEL B. TWOMEY

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FLA PUBLIC SERVICE COMM.
OFFICE OF THE
GENERAL COUNSEL

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RECEIVED

July 12, 2006

Samantha M. Cibula, Esquire
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0852

Re: AARP Comments to Lifeline Proposed Rule Development

Dear Ms. Cibula:

The following are AARP's comments to the industry's proposed revisions to Rule 25-4.0665 relating to Lifeline service distributed at the workshop on June 21, 2006.

While AARP accepts that the Staff's proposed revisions to the rule are generally intended to benefit those eligible to receive Lifeline assistance and that Staff intends further measures to attempt an increase in the take rate for Lifeline in Florida, AARP feels obliged to comment on the embarrassingly low percentage of eligible Floridians actually receiving financial assistance and to urge all in a position of responsibility for the program's success to rapidly redouble their efforts to see substantial improvements are achieved.

As noted in the Commission's 2005 Lifeline and Link-Up report to the Governor, Senate President and House Speaker, there were only 139,261 Lifeline subscribers in September 2005, with the result that the Lifeline participation rate in Florida at that point was only 12.4 percent of the over 1.12 million households eligible to receive financial assistance. Our participation rate is not only one of the lowest of all states, but also less than half the national average.

Not only are close to 1 million Florida households not receiving the program's financial assistance they are eligible for, Florida's telecommunications customers, in general, are also leaving tens of millions of their dollars "on the table" to the benefit of low-income households in other states. The net loss for Floridians in 2004 was reportedly \$32.9 million more in Lifeline payments made to the national fund than received by Florida households.

AARP believes that the Florida Public Service Commission has the jurisdiction under current Florida Law to require the automatic enrollment in the Lifeline program of all households that are receiving financial assistance through any of the programs otherwise entitling those households to "program-based" Lifeline or Link-Up assistance. AARP would urge the Commission to open a docket for the purpose of requiring automatic enrollment and to order the same. Automatic enrollment would not only bring much needed financial benefits to many of the 77.6 percent of the households eligible for Lifeline assistance, but not receiving it, but would also turn Florida into a net beneficiary of Lifeline proceeds.

Comments on FTIA Proposal

Subsection (1)(b): AARP agrees with Public Counsel that the portion of the proposed rule tying eligibility for Lifeline assistance under the National School Lunch Program to rate rebalancing under Section 364.164, Florida Statutes, is inappropriate and should be deleted.

Subsection (2): AARP believes that attempting to verify the continuing eligibility of every recipient on an annual basis is too costly and that sample verification audits should be used at the lowest statistically acceptable level.

Subsection (4): AARP agrees with Public Counsel that the Commission does not have the authority to require such actions of the Office of Public Counsel.

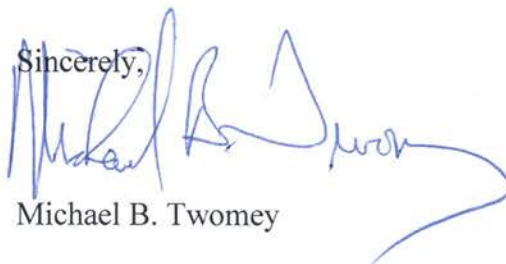
Subsection (5): AARP believes that the option provided by a wireless ETC to create a spending limit should be at no charge to the customer, as it is for the landline eligible carrier's call blocking option.

Subsection (8): AARP agrees with Public Counsel that it would be inappropriate to incorporate tariff or contract payment arrangements, which could change over time, in a rule.

Subsection (10): AARP believes that a wireless eligible telecommunications carrier should not be allowed to unilaterally set a suspension limit on a customer's total account spending, but, rather, that the amount, if there is to be one, should be established in the rule and be uniform for all carriers. Further, AARP agrees with Public Counsel that the rule language should be changed from "will be suspended" to "may be suspended" so as to allow the carrier discretion to suspend service pending receipt of payment, as opposed to mandating such a suspension.

If you have any questions regarding AARP's comments above, please contact me at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael B. Twomey", with a long, sweeping flourish extending to the right.

Michael B. Twomey



RECEIVED

06 OCT 19 AM 11:31

FLA PUBLIC SERVICE COMM.
OFFICE OF THE
GENERAL COUNSEL

October 18, 2006

Samantha Cibula
Public Service Commission
Office of the General Counsel
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Ms. Cibula:

I am writing in response to the notice of proposed rule (25-4.0665) Lifeline program published in last Friday's FAW. This letter shall serve as a formal request, on behalf of AARP Florida, for a hearing on the proposed rule to administer the Lifeline service program as specified in s.364.10, Florida Statutes.

Sincerely,

A handwritten signature in blue ink that reads "Lori K. Parham".

Lori K. Parham
Advocacy Manager for State Affairs
AARP Florida

FLORIDA PUBLIC SERVICE COMMISSION

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

Verizon's Post-Workshop Comments

Verizon Florida Inc. ("Verizon") supports the Post-Workshop Comments being filed by the Florida Telecommunications Industry Association. Verizon submits these additional comments to highlight the jurisdictional issue it raised at the June 21, 2006 workshop concerning proposed rule 25-4.0665 (4), which would permit lifeline discounts on nonbasic services.

As discussed during the workshop, carriers have made different business decisions concerning whether to provide the Lifeline discount to nonbasic services. Some carriers have elected to provide such a discount, while others, like Verizon, have not. Under Florida law, it is certainly permissible for carriers to provide the Lifeline discount for nonbasic services, but they are not required to do so and the Commission does not have authority to implement a rule imposing such a requirement.

The universal service obligation of local exchange carriers in Florida is established by statute, which provides: "Until January 1, 2009, each local exchange telecommunications company shall be required to furnish *basic local exchange telecommunications service* within a reasonable time period to any person requesting such service within the company's service territory." Fl. Statutes Ch. 364.25 (1)(emphasis added). Consistent with the universal service statute, the Florida Lifeline statute only contemplates provision of Lifeline benefits for basic services. See Fl. Statutes Ch. 364.10 (3)(c)(Lifeline customers shall not be subject to residential basic local telecommunications service rate increases authorized by Fl. Statutes Ch. 364.165(5) until certain conditions met); Fl. Statutes Ch. 364.10(3)(d)(basic local exchange telephone service to a Lifeline customer may not be discontinued because of nonpayment of nonbasic services, but Lifeline customers are required to pay all applicable basic local exchange service fees); Fl. Statutes Ch. 364.10(3)(e)("[a]n eligible telecommunications carrier may not refuse to connect, reconnect, or provide Lifeline service because of unpaid toll charges or nonbasic charges other than basic local exchange service"); Fl. Statutes Ch. 364.10(3)(f)("[a]n eligible telecommunications carrier may require that payment arrangements be made for outstanding debt associated with basic local exchange service, subscriber line charges, E-911, telephone relay system charges, and applicable state and federal taxes").

Under Florida law, "nonbasic service" is defined to mean "any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service, a local interconnection arrangement described in s. 364.16, or a network access service described in s.

364.163.” By definition, therefore, a service package comprised of basic and nonbasic components is itself a nonbasic service. Further, for price cap plan purposes, the Commission has long classified bundled packages as nonbasic services and allowed Verizon to apply the 20% nonbasic price cap flexibility to those services, clearly categorizing bundled packages as nonbasic under Florida law. This same categorization also applies as a matter of sound public policy to bundled packages for purposes of Lifeline discounts. Since bundled service packages typically already include discounts to the rates that would be charged if the services were being provided individually, applying an additional Lifeline discount would not only violate Florida law by treating these nonbasic service packages as if they were basic, but would also generate an unintended double discount beyond that contemplated by the universal service and Lifeline statutes. This double discount would have the perverse effect of punishing carriers for providing bundled service and would inevitably disincent the creation of new packages and continuation of existing ones.

For the reasons set forth above, and those outlined in the Post-Workshop Comments being filed by the Florida Telecommunications Industry Association, Verizon respectfully requests that the Commission not adopt proposed rule 25-4.0665 (4).

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Amendment of Rule 25-4.0665,
Lifeline Service

)
) Undocketed
) Filed February 27, 2007
)

POST-WORKSHOP COMMENTS OF VERIZON FLORIDA LLC

Verizon Florida LLC ("Verizon") files these Post-Workshop Comments pursuant to Staff's direction at the Lifeline Workshop held on February 6, 2006. Below Verizon addresses sections (3), (6), (9) and (25) of proposed Rule 25-4.0665 (the "Proposed Rule").

A. Section (3): Application of Lifeline Discount to Service Packages

Section (3) of the Proposed Rule would require that "[t]he Lifeline service 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 nonbasic service (e.g., a service package combining basic local exchange service with call waiting, call forwarding, and voice mail).*" (Emphasis added.) The italicized language should be deleted from the Proposed Rule for several reasons. First, under Florida law "basic local exchange service" (often referred to as "basic service") is a stand-alone service, not a component of a larger nonbasic service package. Second, by requiring telecommunications carriers to offer the discount for most nonbasic service packages, section (3) would violate Florida law, which only requires wireline ETCs to provide a single Lifeline Assistance Plan for basic service. Third, such a requirement would not be competitively neutral, but would discriminate against wireline carriers.

Fourth, section (3) would not advance the goal of universal service that the federal and state Lifeline programs are designed to foster. Each of these points is discussed in detail below.

1. Section (3) Ignores the Statutory Definitions of Basic and Nonbasic Service

Section (3) of the Proposed Rule assumes that a local carrier may offer a service package comprised of basic service and nonbasic service. Under Florida law, however, a service must either be a basic service or a nonbasic service – it cannot be both.

Florida law provides that basic service consists of the following elements:

voice-grade, flat-rate residential, and flat-rate single-line business local exchange services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multifrequency dialing, and access to the following: emergency services such as "911," all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing. For a local exchange telecommunications company, the term shall include any extended area service routes, and extended calling service in existence or ordered by the commission on or before July 1, 1995.¹

Nonbasic service is defined as "any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service, a local interconnection arrangement described in s. 364.16, or a network access service described in s. 364.163."² In other words, a nonbasic service is any retail service consisting of a different set of elements than basic service. Thus, by definition, when a service offered as a package consists of the basic service elements and additional elements, that service is nonbasic.

¹ Fl. Stat. § 364.02(1).

² Fl. Stat. § 364.02 (10).

Florida's statutory scheme confirms that a local carrier's retail service offering must either be a basic service or a nonbasic service and cannot be a combination of the two. Under Florida law, a local carrier electing alternative regulation may adjust its basic service rates 1% less than the rate of inflation only once in any 12 month period, after giving 30 days notice of its intention to do so.³ For a nonbasic service, the carrier may change its rates on one day's notice and it may increase its rates up to 6% or 20% within a 12-month period, depending on whether it faces competition in an exchange area.⁴ This dichotomy requires that a service fall into one category or the other. Otherwise, most service packages would be hybrids subject to both basic and nonbasic regulation, requiring them to be broken down into basic and nonbasic components and priced and tariffed under different rules. The legislature obviously did not intend the statute to be applied in such an unworkable and irrational manner and, not surprisingly, the Commission has not done so.

The Commission consistently has interpreted "nonbasic service" to include service packages comprised of the basic service elements and other elements. The Commission has approved price cap plans with nonbasic service categories that include packages combining basic service elements and other elements such as vertical features, voice mail and intrastate long distance service. The Commission has not required that such service packages be divided into basic and nonbasic components that are given different regulatory treatment. To the contrary, the Commission has treated these packages as nonbasic services for all purposes, and has applied the nonbasic pricing and tariffing rules to them in their entirety. This consistent

³ Fl. Stat. § 364.051 (2)(c)(3).

⁴ Fl. Stat. § 364.051 (5)(a).

interpretation by the Commission confirms that nonbasic service packages may not be treated as basic service for some purposes and nonbasic service for others.

Section (3) of the Proposed Rule would require that the Lifeline discount be applied to "the telephone portion of any service offering which combines basic local exchange service with nonbasic service." This proposal conceives of a nonbasic service package as a combination of basic and nonbasic service that may be divided into component parts for regulatory purposes. Based on this misconception, Staff proposes to apply the Lifeline discount to the basic service portion of a nonbasic service package. Because this approach contradicts the legislative definitions of basic and nonbasic service, the statutory scheme for telecommunications regulation, and the Commission's consistent interpretation of the statute, section (3) as drafted cannot withstand scrutiny.

2. Section (3) Violates the Florida Requirement that Carriers Offer a Lifeline Assistance Plan that Covers Basic Service

Section (3) would require wireline eligible telecommunications carriers ("ETCs") to apply the Lifeline discount to most service packages. This requirement violates Florida law, which provides that an ETC is required to "provide a Lifeline Assistance Plan to qualified residential subscribers, as defined in a commission-approved tariff or price list."⁵ The statute does not define Lifeline or Lifeline Assistance Plan and thus expresses no intention to change the meanings given those terms under federal law. Federal regulations define "Lifeline" to mean "a retail local service offering" that is (i) available only to qualifying low-income consumers, (ii) provides the applicable discount,

⁵ Fl. Stat. § 364.10 (2)(a).

and (iii) includes the services or functionalities enumerated in C.F.R. section 54.101, which substantially corresponds to basic service in Florida.⁶ Under those regulations, state commissions are required to file or require ETCs to file information with the federal universal service fund administrator “demonstrating that the carrier’s *Lifeline plan* meets the criteria set forth” in federal law.⁷ The Lifeline Assistance Plan under the Florida statute is obviously the Lifeline plan required under federal regulations, and thus a Lifeline Assistance Plan must meet the federal Lifeline criteria. The Florida requirement that ETCs provide a Lifeline Assistance Plan therefore means that they must specify one retail local service offering that meets the federal standard to which they will apply the Lifeline discount.⁸

The Florida universal service and Lifeline statutes confirm that ETCs only must apply the Lifeline discount to one service, and further clarify that this service must be basic service. Lifeline is a universal service program that was created to increase subscribership for low-income consumers.⁹ Under the Florida universal service statute, local exchange carriers’ current universal service obligation is to provide basic service to the consumers in their service territory.¹⁰ Requiring a greater obligation for Lifeline customers (*i.e.*, an obligation to provide them with nonbasic service packages) would be inconsistent with the Florida universal service statute. In accordance with that statute,

⁶ See 47 C.F.R. § 54.401(a). Similarly, ETCs that do not charge federal End-User Common Line charges or equivalent federal charges are required to apply the Lifeline discount “to reduce their lowest tariffed (or otherwise generally available) residential rate for the services enumerated in C.F.R. § 54.101 (a)(1) through (a)(9).” 47 C.F.R. § 54.403(b).

⁷ 47 C.F.R. § 54.401(d)(emphasis added).

⁸ Contrary to the suggestion made at the hearing (*see* T.20), a Lifeline Assistance Plan is not simply the Lifeline discount itself. The plain meaning of the word “plan” is broader than “discount,” and the federal background dispels any possibility that the legislature could have intended a meaning so at odds with the language it chose.

⁹ See *In re Federal-State Joint Board on Universal Service, First Report and Order*, CC Docket No. 96-45, FCC 97-157 at ¶ 333 (rel. May 8, 1997)(“FCC Universal Service Order”).

¹⁰ Fl. Stat. § 364.025. ETCs must provide essentially the same type of service under federal law. See C.F.R. § 54.101.

the Florida Lifeline statute includes a number of provisions addressed only to the obligation to provide the Lifeline discount for basic service. A customer receiving Lifeline benefits is not subject to increases in *basic service* rates due to rate rebalancing until certain conditions are met.¹¹ An ETC may not discontinue *basic service* to a customer receiving the Lifeline discount because of nonpayment for nonbasic services.¹² And an ETC may not refuse to connect, reconnect or provide Lifeline service when the customer pays for *basic service* but fails to pay for nonbasic service.¹³ These provisions confirm that the Lifeline discount must be applied to basic service, but not to nonbasic services.¹⁴

The requirement that wireline ETCs provide the Lifeline discount on basic service to eligible consumers does not, of course, prevent ETCs from voluntarily applying a discount to any or all of their nonbasic services. Some carriers in Florida choose to apply a Lifeline-like discount to nonbasic services, while others do not. Under Florida law, this decision must be left to a carrier's business judgment.

3. Section (3) Would Discriminate Against Wireline ETCs

Section (3) of the Proposed Rule fails to comply with the policy of competitive neutrality. The FCC adopted the recommendation of the Federal-State Joint Board on Universal Service ("Joint Board") that competitive neutrality be adopted as a principle on which the FCC bases its policies for the preservation and advancement of universal

¹¹ Fl. Stat. § 364.10 (3)(c).

¹² Fl. Stat. § 364.10 (3)(d).

¹³ Fl. Stat. § 364.10 (3)(e).

¹⁴ Staff appears to recognize that the Lifeline discount only must be applied to basic service, because of its novel attempt in section (3) to characterize service packages as being combinations of basic and nonbasic services. Staff apparently drafted section (3) in this manner so it could argue that the Lifeline discount was being applied to the basic service portion of the package. As discussed above, however, service packages may not be characterized this way under Florida law.

service.¹⁵ The FCC concluded that this principle "is consistent with several provisions of section 254 including the explicit requirement of equitable and nondiscriminatory contributions,"¹⁶ a requirement that also applies to state Lifeline programs.¹⁷ The FCC defined the principle of competitive neutrality as follows:

COMPETITIVE NEUTRALITY – Universal service support mechanisms and rules should be competitively neutral. In this context, competitive neutrality means that the universal service support mechanisms and rules neither unfairly advantage nor disadvantage one provider over another and neither unfairly favor nor disfavor one technology over another.¹⁸

The principle of competitive neutrality applies to federal Lifeline programs¹⁹ and as discussed below is a policy that has been endorsed by this Commission. Section (3) of the Proposed Rule fails to meet the competitive neutrality standard for at least two reasons: (i) it discriminates between wireline and wireless ETCs; and (ii) it exacerbates the discrimination that already exists between ETCs and other communication service providers.

a. Section (3) discriminates between wireline and wireless ETCs

Proposed section (3) would apply to wireline ETCs and not wireless ETCs. In part this is true because this section uses the terms "basic local exchange service" and "nonbasic service" that under Florida law apply to wireline carriers. As the wireless carriers at the workshop explained, they do not have service plans that conform to the

¹⁵ FCC Universal Service Order ¶ 46 (rel. May 8, 1997) ("FCC Universal Service Order").

¹⁶ *Id.* at ¶ 48.

¹⁷ 47 U.S.C. § 254(f).

¹⁸ *Id.* at ¶ 47.

¹⁹ See FCC Universal Service Order ¶ 364. This Commission may adopt Lifeline rules only to the extent they are "not inconsistent with the [FCC's] rules to preserve and advance universal service." 47 U.S.C. § 254 (f). Further, the Commission consistently has articulated its own policy of competitive neutrality, as discussed below.

Florida definition of basic service.²⁰ Rather, one of their duties under federal law is to apply the Lifeline discount to their lowest tariffed or otherwise generally available residential rate, which generally is a package of services that includes more than just basic service.²¹ More fundamentally, the Commission lacks jurisdiction over wireless carriers except to the extent delineated under Chapter 364 or "specifically authorized by federal law."²² Staff has not pointed to any provisions of Chapter 364 or federal law specifically authorizing the Commission to establish Lifeline rules for wireless carriers, which may explain why section (3) is drafted in terms that only would apply to wireline carriers.

Assuming that Staff intends to apply section (3) only to wireline carriers, the result would be that wireline carriers would be required to provide the Lifeline discount to virtually all of their service packages, while their wireless competitors only would be required to apply the discount to their lowest tariffed or otherwise generally available residential rate. Because Florida requires ETCs to absorb the \$3.50 state portion of the Lifeline discount, requiring wireline carriers to expand their Lifeline programs while not requiring wireless carriers to do so obviously would put wireline carriers at a competitive disadvantage. In short, section (3) would result in significant discrimination between wireline and wireless carriers, and thus would fail to meet the competitive neutrality standard.

b. Section (3) would discriminate between wireline ETCs and non-ETCs

²⁰ T.23-26.

²¹ See T.23-25; 47. C.F.R. § 54.403(b).

²² Fl. Stat. § 364.011.

The Commission has long recognized that requiring ETCs to fund the \$3.50 portion of the Lifeline discount through their rates has the potential to cause competitive harm to wireline carriers, especially incumbent local exchange carriers ("incumbent LECs"). In 1997, the FCC noted that "[t]he Florida PSC points out that this method of generating Lifeline support from the intrastate jurisdiction could result in some carriers (*i.e.*, ILECs) bearing an unreasonable share of the program's cost."²³ In 1999, the Commission again recognized the problem, stating:

Although the absence of explicit state level funding of Lifeline may have been appropriate under rate of return regulation, where a LEC could apply for rate increases if needed, we believe that in the long term this policy is likely not sustainable in a competitive environment. Local exchange companies with qualifying customers could provide a disproportionate share of the state matching funds for those customers, while providers with no Lifeline customers would contribute nothing. The provider serving the most low-income customers thus would be disadvantaged.²⁴

Although the Commission's concern about incumbent LECs bearing a disproportionate share of Lifeline's cost may have seemed theoretical in the late 1990s, it certainly is not today.

This Commission has documented the explosion in Florida intermodal competition, stating that "[w]ireless, VoIP, and broadband services are fulfilling the expectations of competition and represent a significant portion of today's communications market in Florida."²⁵ The Commission recently noted that Florida local exchange companies served 1 million fewer lines in May 2006 than they did in June

²³ FCC Universal Service Order ¶ 361.

²⁴ Florida Public Service Commission Report on Universal Service and Lifeline Funding Issues, p. 26 (February 1999).

²⁵ 2006 Annual Competition Report to the Governor and the Legislature, p. 2 ("Florida Competition Report").

2001,²⁶ a direct result of the competition they now face. According to the FCC's most recent report on local competition, there were far more wireless subscribers (14.1 million) in Florida as of June 2006 than there were local exchange access lines (10.6 million).²⁷ Based on incomplete data, this Commission was able to determine that there are now more than 662,000 VoIP subscribers in Florida,²⁸ which almost certainly understates the total by a wide margin. And the number of Florida broadband lines continues to expand rapidly, reaching approximately 3 million at last count by the Commission, an increase of 25% over the previous year.²⁹ All of these facts demonstrate that telephone competition is booming in Florida, multiplying the number of telecommunications and communications services being subscribed to by consumers, including low-income Floridians.

In the new competitive environment, incumbent LECs face vigorous competition from providers such as cable companies, CLECs and wireless carriers that are not required to spend a penny on Lifeline service. Because of the intense competition that incumbent LECs now face, it is no longer possible for them simply to spread the cost of Lifeline to their customer bases without losing customers. Imposing a requirement on wireline ETCs that they provide Lifeline discounts on virtually all service packages would exacerbate the competitive disadvantage they already face. Section (3) thus fails to meet the competitive neutrality test for this additional reason.³⁰

²⁶ *Id.* at 23.

²⁷ Local Telephone Competition: Status as of June 30, 2006, Tables 7 and 14 (January 2007)(FCC Wireline Competition Bureau).

²⁸ *Id.* at 3.

²⁹ *Id.*

³⁰ At the workshop, AARP argued that expanding the Lifeline program while requiring incumbent LECs to continue to absorb the \$3.50 state portion of the Lifeline discount was appropriate because incumbent LECs agreed to expand the Lifeline program in 2003 as part of the rate rebalancing legislation. T.31-32. In fact, in 2003 incumbent LECs agreed to expand Lifeline eligibility to otherwise eligible customers

4. Section (3) Fails to Advance the Goal of Universal Service

Lifeline is a universal service program that was created to increase subscribership for low-income consumers in order to ensure that they have a basic connection to the network for access to emergency services and to integrate them into the economy – *even if they could not otherwise afford telephone service*. Hence, the term “Lifeline.” Proposed section (3) would not advance the goal of universal service because its principal effects would be to encourage Lifeline customers who already have basic service to upgrade to nonbasic service packages and to make the Lifeline discount available to Lifeline-eligible customers who are already subscribing to nonbasic service packages. In other words, proposed section (3) would not increase telephone subscribership, but would merely provide a “Lifeline” discount to additional customers who *already have telephone service*. Indeed, Staff acknowledged at the January 10, 2007 workshop that it had not studied what effect section (3) would have on telephone subscribership. Because a requirement that the Lifeline discount be applied to nonbasic packages would not promote federal and state universal service policy, it should not be included in the Proposed Rule.

A rule requiring ETCs to apply the Lifeline discount only to basic service does not prevent Lifeline customers from receiving additional, nonbasic services. Verizon Lifeline customers, for example, may buy vertical features on an a la carte basis from Verizon’s tariff or may select between one of two packages including just vertical services. They

meeting an income eligibility test of at 135% or less of the federal poverty income guidelines; to not increase rates for Lifeline customers; and to spend \$1 million advertising their Lifeline plans. The incumbent LECs complied with each of these requirements. **[WAS \$1 MILLION FOR EACH ILEC OR FOR EVERYONE?]**

also may buy separately other nonbasic services such as voice mail and long distance service and unregulated services such as broadband and video service. Alternatively, the customer may forego the Lifeline discount and accept a nonbasic package, which is offered at a discount from the sum of the individual tariffed service rates. Eligible customers are thus able to buy basic service at deeply discounted rates, to add nonbasic services at tariffed rates, or to forego the Lifeline discount and choose a tariffed package that meets their needs. This approach complies with state universal service law and policy as they have been applied in Florida for many years, and should continue.

For the foregoing reasons, section (3) as drafted would violate Florida law and policy and would be irrational, arbitrary and capricious. Accordingly, section (3) should be modified in the manner Verizon has proposed.

B. Section 6: Self-Certification Forms

Section (6) of the Proposed Rule would require ETCs to accept the "Lifeline and Link-Up Florida On-Line Self Certification Form" as proof of a subscriber's eligibility for Link-Up and Lifeline Service. Verizon proposes that the rule be modified to refer to the "Simplified Enrollment Form" to convey the true intent of the form.

C. Section (9): Application Receipts

Section (9) of the Proposed Rule would require ETCs to provide a Lifeline application receipt within three days that provides the date of receipt and the documents provided with the application. Providing an application receipt would increase ETCs'

work time and costs without any substantial benefit to customers. In most cases, a receipt is a solution in search of a problem. For example, when a customer submits an incorrect or incomplete application, Verizon provides the customer with a personalized letter detailing the reasons why Lifeline was not added to the account and the steps the customer must take to receive Lifeline. (**See attached Exhibit __**). A customer that has submitted a correct and complete form normally can expect to see the Lifeline benefit on his or her bill within one to two billing cycles. If a customer's application has not been received, obviously the ETC will not be able to provide a receipt. If a customer is concerned that Verizon has not received its application, the customer is always free to call Verizon to verify receipt.

D. Section (25): Quarterly Reports

Section (25) of the Proposed Rule would require ETCs offering Link-Up and Lifeline service to submit extensive quarterly Lifeline reports to the Commission. Such reporting requirements would impose a significant new regulatory burden on ETCs. Verizon generally agrees with other carriers that have requested that the reporting requirements be reduced. In particular, Verizon opposes the move to quarterly reporting, which would quadruple the regulatory burden that carriers would have to shoulder. Moreover, Verizon submits that the proposed requirement that carriers report the reasons why Lifeline service was denied constitutes regulatory overkill. Verizon tracks the reasons why customers were denied Lifeline when they apply through the OPC income eligibility certification process, but not when Lifeline is denied for program-based enrollment. Carriers should not be required to create tracking processes to

provide such information. Finally, Verizon notes again that obtaining applicants' full social security numbers is critical to the recertification process, and therefore requests that section (25) require full social security numbers, not just the last four digits.

For the foregoing reasons, Verizon requests that the Commission adopt Verizon's requested modifications to the Proposed Rules.

Respectfully submitted on February 27, 2007.

By:

 ^{OR}

Dulaney L. O'Roark III
6 Concourse Parkway, Suite 600
Atlanta, Georgia 30328
Phone: (770) 284-5498
Fax: (770) 284-5488
Email: de.oroark@verizon.com

Attorney for Verizon Florida LLC

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL
RICHARD D. MELSON
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

March 15, 2006

Mr. John Rosner
Joint Administrative Procedures committee
Room 120, Holland Building
Tallahassee, FL 32399-1300

Re: Chapter 2005-132, Laws of Florida

Dear Mr. Rosner:

I apologize for not responding to your February 24, 2006, letter earlier, but I have been out of the office. The Commission has adopted rules implementing the fee change provisions of Chapter 2005-132, Laws of Florida, (See attached letter of Chris Moore to your office). The rules concerning the Lifeline/Linkup provisions of the statute are being developed in conjunction with a wider review of the Lifeline/Linkup program in Florida. Currently, a workshop on Lifeline/Linkup is scheduled for April 11, 2006. The affected parties' input on the subject will be used to aid in the formulation of whatever amendments to the Commission's rules may be needed to implement the changes to the statute.

Sincerely,

A handwritten signature in cursive script that reads "David Smith".

David Smith
Attorney Supervisor

DES

Enclosure

cc: Chris Moore
Samantha Cibula
Beth Salak

Chapter 2005.des.doc

STATE OF FLORIDA

COMMISSIONERS:
RUDOLPH "RUDY" BRADLEY, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
LISA POLAK EDGAR
ISILIO ARRIAGA



OFFICE OF THE GENERAL COUNSEL
RICHARD D. MELSON
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

March 15, 2006

VIA FACSIMILE

Mr. John Rosner
Joint Administrative Procedures Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 050681-TP - Rule Nos. 25-24.511, 25-24.512, 25-24.567, 25-24.569,
25-24.720, 25-24.730, 25-24.810, and 25-24.815, F.A.C.

Dear Mr. Rosner:

The Commission has approved the adoption of Rules 25-24.511, 25-24.512, 25-24.567,
25-24.569, 25-24.720, 25-24.730, 25-24.810, and 25-24.815 without changes.

We plan to file the rule for adoption on December 14, 2005.

Sincerely,

Christiana T. Moore
Associate General Counsel

050681 JAPC Adopt.ctm.doc

Enclosure

c: Division of the Commission Clerk
and Administrative Services



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FLA PUBLIC SERVICE COMM.
OFFICE OF THE
GENERAL COUNSEL

April 10, 2006

Samantha Cibula
Public Service Commission
Office of the General Counsel
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Ms. Cibula:

I am writing in response to the notice of development of proposed rules for the Lifeline program published in last Friday's FAW. This letter shall serve as a formal request, on behalf of AARP Florida, for a rule hearing to adopt rules to administer the Lifeline service program as specified in s. 364.10, Florida Statutes.

Sincerely,

A handwritten signature in black ink that reads "Lori K. Parham".

Lori K. Parham
Advocacy Manager for State Affairs
AARP Florida

RECEIVED

06 APR 27 PM 2:01

FLA PUBLIC SERVICE COMM.
OFFICE OF THE
GENERAL COUNSEL



April 27, 2006

Ms. Samantha Cibula
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Rule 25-4.0665

Dear Ms. Cibula:

In accordance with the Notice of Proposed Rule Development issued April 10, 2006, the Florida Telecommunications Industry Association, on behalf of its member companies, hereby requests a rule development workshop to discuss the proposed Rule 25-4.0665 which addresses the adoption of provisions relating to Lifeline service.

Sincerely,

Susan C. Langston

Susan C. Langston
Executive Director

cc: Curtis Williams, FPSC

BELLSOUTH

RECEIVED

06 MAY -2 AM 11:27

BellSouth Telecommunications, Inc.
Regulatory & External Affairs
150 South Monroe Street
Suite 400
Tallahassee, FL 32301

FLA PUBLIC SERVICE COMM.
OFFICE OF THE
GENERAL COUNSEL

Nancy H. Sims
Director

850 577 5555
Fax 850 222 8640

Nancy.Sims@Bellsouth.com

May 1, 2006

Samantha Cibula
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Rule Development for Proposed Adoption of Rule 25.4.0665, Lifeline Service

Dear Samantha

In response to the "Notice of Proposed Rule Development" issued April 10, 2006, BellSouth Telecommunications, Inc. submits the following responses.

If you have any further questions, please feel free to contact our office.

Thank you,



Director - Regulatory/External Affairs

BellSouth Telecommunications, Inc.
FL Regulatory Request - Undocketed Matter
Proposed Rule Development - Lifeline Services

REQUEST: Florida Public Service Commission staff initiated the development of Rule 25-4.0665, Florida Administrative Code, to adopt provisions relating to Lifeline service for review.

RESPONSE: BellSouth is in agreement with the proposed Rule 25-4.0665 distributed with Notice of Proposed Rule Development issued April 10, 2006.