

# I. Meeting Packet



**State of Florida**  
**Public Service Commission**  
**INTERNAL AFFAIRS AGENDA**  
Wednesday, September 25, 2013  
Immediately following Commission Conference  
Room 105 - Gerald L. Gunter Building

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1. Draft Reply Comments Regarding Modernizing the E-rate Program for Schools and Libraries. Approval is sought. (Attachment 1)
2. Draft Ex Parte Comments in Response to the Lifeline Reform 2.0 Coalition's Federal Communications Commission Petition for Rulemaking to Further Reform the Lifeline Program. Approval is sought. (Attachment 2)
3. Draft Comments in Response to the Federal Communications Commission Further Notice of Proposed Rulemaking Regarding Internet Protocol Captioned Telephone Service. Approval is sought. (Attachment 3)
4. Leadership Briefing to the Public Service Commission, by Leo Lachat, Division of Emergency Management. (Attachment 4)
5. Overview of the Role of the Public Service Commission for Emergency Support System 12, by Rick Moses, Public Service Commission. (No Attachment)
6. Public Service Commission Legislative Budget Request for Fiscal Year 2014-15. Consensus is sought. (Attachment 5)
7. Executive Director's Report. (No Attachment)
8. Other Matters. (No Attachment)

BB/mj



State of Florida



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

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

**DATE:** September 16, 2013  
**TO:** Braulio L. Baez, Executive Director  
**FROM:** Office of Telecommunications (Fogleman, Long) *LF*  
 Office of General Counsel (Miller) *CM*  
**RE:** Draft Reply Comments regarding modernizing the E-rate program for Schools and Libraries.

**Critical Information:** Please place on the September 25th Internal Affairs. Reply comments are due October 16th. Approval of comments is sought.

On July 23, 2013, the FCC released a 175-page Notice of Proposed Rulemaking (NPRM) to review and update the schools and libraries universal service support mechanism. This NPRM is related to the announcement by President Obama regarding the ConnectED initiative that seeks to connect schools and libraries serving 99 percent of our students to next-generation high-capacity broadband (with speeds of no less than 100 Mbps and a target speed of 1 Gbps) and to provide high-capacity wireless connectivity within those schools and libraries within five years. President Obama has called on the FCC to modernize and leverage the E-rate program to help meet those targets. Comments and reply comments are due on September 16, 2013 and October 16, 2013, respectively. Staff is seeking approval of reply comments to the FCC.

While 2012 data regarding carrier contributions by state is not available, staff estimates that Florida is last in terms of recovering funds through the schools and libraries program for 2011. Below is estimated data for the top five net contributing states and the top five net recipient states for 2011 schools & libraries funds based on the FCC's Universal Service Monitoring Report.

**Schools & Libraries Program Payments and Estimated Contributions for 2011**

State	Top Five Net Contributors			State	Top Five Net Recipients		
	Payments from USF	Estimated Contributions	Net		Payments from USF	Estimated Contributions	Net
Florida	\$77	\$145	(\$68)	Texas	\$235	\$155	\$80
Pennsylvania	\$64	\$93	(\$29)	California	\$321	\$243	\$77
Virginia	\$41	\$68	(\$27)	Oklahoma	\$58	\$24	\$33
Massachusetts	\$26	\$52	(\$26)	Alaska	\$30	\$6	\$24
Maryland	\$24	\$50	(\$26)	Alabama	\$59	\$35	\$24

\$ in millions

While Florida was the largest net contributor to the schools and libraries program by a large margin in 2011 at \$68 million, preliminary commitment data for 2012 shows Florida may be in the range of \$30 million for 2012 which is more in line with the other large net contributing states. The NPRM does not address the contribution mechanism for the fund, but does indicate the possibility that reforming this program may increase the fund size.

The FCC plans to focus E-rate funds on supporting high-capacity broadband to and within schools and libraries, and seeks comment on updating the list of services eligible for E-rate support. While the FCC asks for comments to either temporarily or more permanently increase the inflation-adjusted cap (presently just over \$2.38 billion), it also noted the potential for overlap in funding broadband deployment through the new Connect America Fund. Since Florida continues to be one of the largest net contributors to the federal universal service fund overall, staff believes that urging the FCC to continue to be mindful of the fund size and to pursue other cost-cutting measures before contemplating a fund increase will be beneficial to Florida's consumers and is consistent with past Commission positions. The draft reply comments (Attachment A) take the following positions:

- Oppose the expansion of the size of the schools and libraries program until the effects of the reform of the high-cost program can be determined and proposed changes to the school and libraries program are implemented.
- Support referral to the Federal-State Joint Board on Universal Service regarding increasing the size of the program.
- The proposed comments specifically endorse the continued use of state master contracts that incorporate competitive bidding consistent with Florida law.

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of )  
 )  
Modernizing the E-rate ) WC Docket No. 13-184  
Program for Schools and Libraries )  
 )

**REPLY COMMENTS OF THE  
FLORIDA PUBLIC SERVICE COMMISSION**

CHAIRMAN RONALD A. BRISÉ

COMMISSIONER LISA POLAK EDGAR

COMMISSIONER ART GRAHAM

COMMISSIONER EDUARDO E. BALBIS

COMMISSIONER JULIE I. BROWN

October 16, 2013



The Florida Public Service Commission (FPSC) submits these reply comments in response to the Notice of Proposed Rulemaking (NPRM) released by the Federal Communications Commission (FCC) on July 23, 2013.<sup>1</sup> These comments address the issues relating to how to minimize any overlap in funding for broadband, while extending the reach of both the Connect America Program and the schools and libraries program. We believe that the FCC should evaluate the changes it has made in the Connect America Fund and any changes to the schools and libraries program before considering expanding the funding of the schools and libraries program. Furthermore, we believe that it would be beneficial to refer this issue to the Federal-State Joint Board on Universal Service (Joint Board). In addition, we support the use of state contracts that include competitive bidding as a central component to ensure efficiency and minimize waste, fraud, and abuse of the program funds.

#### **ADDITIONAL FUNDING**

Within this NPRM, the FCC notes that the reforms in the high-cost proceeding will likely have a positive effect on the schools and libraries program. The new Connect America Fund has the explicit purpose to accelerate broadband build-out to the 18 million Americans living in rural areas who currently have no access to robust broadband infrastructure. This targeted high-cost support should push down the costs associated with broadband expansion in high-cost areas for all consumers, including schools and libraries. Yet the FCC seeks comment through this NPRM on potentially increasing the size of the program (either temporally or permanently) beyond its current inflation adjusted cap of approximately \$2.38 billion.

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<sup>1</sup> FCC Notice of Proposed Rulemaking, FCC 13-100, WC Docket No. 13-184, released: July 23, 2013.

The FPSC concurs with the comments of the United States Telecom Association that the FCC should delay expanding funding for the schools and libraries program at this time until the effects of the high-cost reforms are better known and any changes within the schools and libraries program are implemented.<sup>2</sup> Several of the proposals outlined by the FCC suggest the phase down of support for certain services.<sup>3</sup> The FPSC believes that redirecting support from services that are no longer central to the FCC's policy supporting broadband would be better than an expansion in the fund size at this time.

The FPSC also agrees with the comments of the National Association of State Utility Consumer Advocates that the consequences of such an expansion should also be considered in the context of how the universal service funds are collected from telecommunications carriers.<sup>4</sup> These fees are overwhelmingly passed onto end-users and ultimately affect the affordability of service. Last year, the FCC issued an NPRM seeking comments on reform of the USF assessment methodology noting that the USF contribution base is shrinking as customers migrate to communication services that do not contribute to the fund.<sup>5</sup> As a result, some aspects of the current contribution methodology may result in competitive distortions as contribution obligations differ depending on how the service is provided. Given the decline in assessment base, increases in the universal service fund absent assessment reform would only exacerbate this problem.

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<sup>2</sup> Comments of USTA, September 16, 2013, p. 12.

<sup>3</sup> FCC Notice of Proposed Rulemaking, FCC 13-100, WC Docket No. 13-184, released: July 23, 2013; these services including paging, directory assistance, and certain calling features such as inside wiring maintenance plans, call blocking, 800 number services and text messaging services.

<sup>4</sup> Comments of NASUCA, September 16, 2013, p. 2.

<sup>5</sup> FCC 12-46, Further Notice of Proposed Rulemaking, WC Docket No. 06-122, released April 30, 2012, par. 4.



## **JOINT BOARD REFERRAL**

The FCC also seeks comment on the appropriate role for the Joint Board in providing the FCC with advice and guidance on any temporary, long-term, or permanent approach to providing additional funds for the schools and libraries program. The FPSC supports a referral by the FCC to the Joint Board regarding the necessity and the amount of any increase in the program size. We believe that the perspective of the Joint Board could bring a balanced recommendation and provide useful state insights into reforming the program.

## **CONTINUED USE OF STATE MASTER CONTRACTS WITH COMPETITIVE BIDDING**

The FPSC agrees with the comments of Florida Department of Management Services Division of Telecommunications and the National Association of State Chief Information Officers that recommend the continued use of state master contracts for E-rate funding.<sup>6</sup> In Florida, such master contracts are required to include a competitive bidding process that we believe is sufficient to address concerns regarding how service providers are selected.<sup>7</sup> We believe that a competitive bidding component should be included in any state master contract that is eligible for support under the schools and libraries program.

## **CONCLUSION**

The FPSC opposes expanding the size of the schools and libraries program at this time. Expanding the size of the fund should not be the first option to consider. Instead, the FCC and the

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<sup>6</sup> Comments of Florida Department of Management Services, September 16, 2013, pp. 13-14 and Comments of the National Association of State Chief Information Officers, September 13, 2013, p. 3.

<sup>7</sup> Chapter 287, Florida Statutes; Chapter 60A-1, Florida Administrative Code.

Florida Public Service Commission  
WC Docket No. 13-184  
October 16, 2013

Joint Board should consider redirecting existing support from proposed changes as well as the expanded role of the high-cost program. Finally, such changes should not be considered in a vacuum. Any increases have real effects on consumers who will ultimately pay for such expansions. In the presence of a shrinking assessment base, such expansion is unwarranted. Finally, the FPSC supports the use of state contracts that include competitive bidding as a central component to ensure efficiency and minimize waste, fraud, and abuse of the program funds.

Respectfully submitted,

/ s /

Cindy B. Miller, Senior Attorney  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
(850) 413-6082

DATED: October 16, 2013





## Public Service Commission

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

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

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**DATE:** September 16, 2013  
**TO:** Braulio L. Baez, Executive Director  
**FROM:** Robert J. Casey, Public Utilities Supervisor, Office of Telecommunications *PR*  
Cindy B. Miller, Senior Attorney, Office of the General Counsel *C.B.M.C.* *BAN*  
**RE:** Draft Ex Parte Comments in Response to the Lifeline Reform 2.0 Coalition's Federal Communications Commission (FCC) Petition for Rulemaking to Further Reform the Lifeline Program.  
**CRITICAL INFORMATION:** Please place on the September 25, 2013 Internal Affairs. **COMMISSION APPROVAL OF COMMENTS IS SOUGHT**

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On June 28, 2013, the Lifeline Reform 2.0 Coalition ("Coalition")<sup>1</sup> filed a Petition for Rulemaking to Further Reform the Lifeline Program ("Petition"). On July 15, 2013, the FCC issued Public Notice DA 13-1576, seeking comments on the Coalition's Petition. **COMMISSION APPROVAL OF COMMENTS IS SOUGHT.**

The Coalition proposes two measures in its reform package that concern staff. The Coalition believes all eligible telecommunications carriers (ETCs) should review a government-issued photo ID at the time of enrollment, and retain copies of ID and proof of eligibility documentation.

Staff believes that review of a valid government-issued photo identification such as proposed by the Coalition is unnecessary in Florida when Florida's Lifeline Electronic Coordinated Enrollment process is used. Staff's draft comments encourage the FCC to consider the following:

1. The Coalition should be commended for their efforts to combat waste, fraud and abuse in the Lifeline program. However, the FPSC believes a review of a valid government-issued photo identification such as proposed by the Coalition is burdensome and unnecessary in Florida when Florida's Lifeline Electronic Coordinated Enrollment process is used.
2. ETCs can easily retain the FPSC notification as proof the Lifeline applicant has been verified as eligible for participation in the Lifeline program without the need for retention of a copy of the applicant's government-issued photo identification.

Staff is seeking Commission approval to submit these Ex Parte comments.

cc: Lisa Harvey

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<sup>1</sup> Boomerang Wireless, LLC, Blue Jay Wireless, LLC, Global Connection Inc. of America, i-wireless LLC and Telrite Corporation. All Coalition members listed have a pending wireless ETC designation petition at the FCC for Florida or have already been approved as a wireless ETC in Florida.



**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

**DRAFT**

In the Matter of:	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Petition for Rulemaking to Further Reform the Lifeline Program	)	WC Docket No. 11-42
	)	
Lifeline and Link Up	)	WC Docket No. 03-109
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Advancing Broadband Availability Through Digital Literacy Training	)	WC Docket No. 12-23

**EX PARTE COMMENTS OF  
THE FLORIDA PUBLIC SERVICE COMMISSION**

CHAIRMAN RONALD A. BRISÉ  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

September 25, 2013



## INTRODUCTION AND SUMMARY

On February 6, 2012, the Federal Communications Commission (“FCC”) released a Report and Order and Further Notice of Proposed Rulemaking (FCC 12-11) regarding Lifeline and Link Up Reform and Modernization. On June 28, 2013, the Lifeline Reform 2.0 Coalition (“Coalition”)<sup>1</sup> filed a Petition for Rulemaking to Further Reform the Lifeline Program (“Petition”). The Coalition proposed three core measures that serve as the centerpiece of its reform package, including:

- Reviewing government-issued photo Identification at the time of enrollment;
- Retaining copies of Identification and proof of eligibility documentation; and
- Requiring employee review and approval of enrollments prior to activation

On July 15, 2013, the FCC issued Public Notice DA 13-1576, seeking comments on the Coalition’s Petition. The Florida Public Service Commission (FPSC) submits these Ex Parte comments in response to the comments and reply comments received by the FCC regarding the Coalition’s Petition. The FPSC encourages the FCC to consider the following:

1. The Coalition should be applauded for their efforts to combat waste, fraud and abuse in the Lifeline program. However, the FPSC believes a review of a valid government-issued photo identification such as proposed by the Coalition is burdensome and unnecessary in Florida when Florida’s Lifeline Electronic Coordinated Enrollment process is used.

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<sup>1</sup> Boomerang Wireless, LLC, Blue Jay Wireless, LLC, Global Connection Inc. of America, i-wireless LLC and Telrite Corporation. All Coalition members listed have a pending wireless ETC designation petition at the FCC for Florida or have already been approved as a wireless ETC in Florida.

2. Eligible Telecommunications Carriers (ETCs) can easily retain the FPSC notification as proof the Lifeline applicant has been verified as eligible for participation in the Lifeline program without the need for retention of a copy of the applicant's government-issued photo identification.

1. **REVIEWING GOVERNMENT-ISSUED PHOTO IDENTIFICATION AT THE TIME OF ENROLLMENT**

In its Petition, the Coalition proposes that “[a]ll Lifeline ETCs should be required to request and review valid government-issued photo identification from Lifeline applicants before enrolling subscribers in the Lifeline program.” The FPSC supports the Michigan Public Service Commission comments<sup>2</sup> which state that “[t]he in-person requirement prohibits customers from subscribing by telephone and on-line, and discriminates against consumers that do not have ready access to transportation. Similarly, a requirement for government-issued photographic identification discriminates against consumers that do not have ready access to transportation to obtain the necessary identification.” The FPSC also supports Cox Communications, Inc.’s reply comments<sup>3</sup> describing the Coalition proposal as burdensome with little benefit. The in-person requirement to review government-issued photo identification would prohibit customers from applying for Lifeline through on-line Lifeline Electronic Coordinated Enrollment processes such as is available in Florida.

In 2010, the National Broadband Plan recommended that the FCC encourage state agencies responsible for Lifeline and Link Up to streamline benefit enrollment and suggested the use of unified online applications for social services. (FCC 12-11, ¶171) The Florida Lifeline Electronic Coordinated Enrollment Process is consistent with the vision of the FCC. Florida implemented a streamlined, efficient, and verifiable Lifeline Electronic Coordinated Enrollment process to eliminate

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<sup>2</sup> Comments of the Michigan Public Service Commission, WC Docket No. 11-42, filed August 14, 2013.

<sup>3</sup> Reply Comments of Cox Communications, Inc., WC Docket No. 11-42, filed August 29, 2013.

the possibility of fraud, waste, and abuse as was recommended in the National Broadband Plan and mentioned in FCC Order 12-11.

The FCC's March 4, 2011 Notice of Proposed Rulemaking also recommended use of a coordinated enrollment process to improve administrative efficiency and protect and improve program access. In this regard, the FCC stated:

We also seek comment on ways to reduce barriers to participation in the program by service providers and low-income households, specifically through the use of coordinated enrollment with other social service assistance programs and the development of a national database that could be used for enrollment and verification of ongoing eligibility. These proposals are intended to improve administrative efficiency, improve service delivery, and protect and improve program access for eligible beneficiaries. (FCC11-32, ¶ 151)

Moreover, the FCC stated:

While we place limitations on how states' automatic enrollment processes can be utilized, we encourage coordinated enrollment and recognize coordinated enrollment as a best practice in light of the overwhelming support in the record and the benefits of coordinated enrollment (FCC 12-11, ¶174)

The FPSC has streamlined Lifeline enrollment processes using current technologies, and reduced paperwork burdens for the FPSC and ETCs, which embodies the objectives mentioned in the Lifeline Reform Order. Requiring a review of a valid government-issued photo identification at the time of application would appear to be contrary to the FCC's goals and objectives to streamline the Lifeline application process.



The Coalition should be commended for their efforts to combat waste, fraud and abuse in the Lifeline program, but consideration should be given to states such as Florida that put in place a streamlined, efficient, and verifiable Lifeline Electronic Coordinated Enrollment process. This process involves a computer interface between the FPSC and the Florida Department of Children and Families (DCF) where no in-person review of government-issued photo identification or even hard-copy application or certification is necessary.<sup>4</sup> Only Lifeline applicants who have been verified as currently participating in Medicaid, the Supplemental Nutrition Assistance Program (SNAP), or the Temporary Assistance to Needy Families (TANF) program are approved through the Florida Lifeline Electronic Coordinated Enrollment process.<sup>5</sup> The DCF uses LexisNexis Risk Solutions to authenticate the identity of people applying online for public assistance. The LexisNexis technology helps the DCF confirm the identification of applicants before processing their benefit applications. By verifying and authenticating the identity of the applicant before processing their application, DCF knows whether the person seeking benefits is truly the individual applying for them.

Consumers already participating in Medicaid, SNAP, or TANF can also apply for Lifeline on the FPSC website. The FPSC mainframe computer automatically conducts a real-time query in the DCF computer to verify the applicant is currently participating in the program(s) checked by the applicant. If the DCF computer response message confirms participation in a qualifying Lifeline program, the FPSC computer automatically generates an e-

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<sup>4</sup> DCF is the Florida administrator for the Medicaid, Supplemental Nutrition Assistance Program, and the Temporary Assistance to Needy Families (TANF) program. Ninety percent of DCF's applications are submitted over the web. A detailed description of the Florida Lifeline Electronic Coordinated Enrollment process was filed at the FCC under WC Docket No. 11-42 on May 31, 2013.

<sup>5</sup> Applicants wishing to qualify for Lifeline using Supplemental Security Income, Federal Public Housing Assistance, Low-Income Home Energy Assistance Program, National School Lunch Free Lunch Program, or Bureau of Indian Affairs Programs can complete a hard-copy Lifeline application available on the FPSC Web site, and submit it to their telephone provider along with verification that they are currently participating in one of these programs.

mail to the appropriate ETC that it has a Lifeline applicant's information available for retrieval on the FPSC confidential website.

In addition to the Florida Lifeline Electronic Coordinated Enrollment process, a computer interface is available for Florida ETCs to conduct a real-time query into DCF's database to determine if a Lifeline applicant is currently participating in Medicaid, the Supplemental Nutrition Assistance Program, or the Temporary Assistance to Needy Families program. Should a Florida ETC use this DCF interface, an in-person review of government-issued photo identification photo of an applicant would be unnecessary.

In its reply comments, the Coalition modified their original comments regarding in-person government issued photo Identification review to add the possibility of "utilizing a database check" or verifying "through other reasonable means." Specifically, the Coalition stated:

ETCs should be required to verify the identity of Lifeline applicants as part of the enrollment process, which could effectively be accomplished by viewing photo identification, by utilizing a database check or through other reasonable means.

The FPSC believes a review of a valid government-issued photo identification such as originally proposed by the Coalition is unnecessary in Florida when Florida's Lifeline Electronic Coordinated Enrollment process is used. The Florida Lifeline Electronic Coordinated Enrollment process utilizes the Florida DCF database to verify current participation in Medicaid, SNAP or TANF.

## **2. RETAINING COPIES OF IDENTIFICATION AND PROOF OF SUBSCRIBER ELIGIBILITY DOCUMENTATION**

In its Petition, the Coalition proposes that the FCC should require ETCs to retain copies of government-issued identification and proof of eligibility. As mentioned above, the FPSC believes that government-issued photo identification is unnecessary and burdensome when the Florida Lifeline



Electronic Coordinated Enrollment process is used. When a Lifeline applicant is approved using Florida's Lifeline Electronic Coordinated Enrollment process, the applicant's information is automatically posted on the FPSC confidential Website for retrieval by the appropriate ETC. The FPSC automatically sends the ETC an e-mail advising that a Lifeline applicant has been approved through Florida's Lifeline Electronic Coordinated Enrollment process and the applicant's information is available for retrieval on the FPSC Website via the ETC's log-in and password. ETCs can easily retain the FPSC notification as proof the Lifeline applicant has been verified as eligible for participation in the Lifeline program without the need for retention of a copy of the applicant's government-issued photo identification.

#### **CONCLUSION**

The FPSC continues to be proactive regarding the Lifeline program to ensure that low-income Florida consumers have the ability to obtain and retain affordable telephone service. The FPSC continues to strive for accountability in the universal service program and safeguard the federal universal service fund from fraud, waste, and abuse. The FPSC encourages the FCC to consider the proposed recommendations noted in these comments.

Respectfully submitted,  
/s/  
Cindy B. Miller, Senior Attorney  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
(850) 413-6082

DATED: September 25, 2013





# Public Service Commission

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

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

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**DATE:** September 16, 2013  
**TO:** Braulio L. Baez, Executive Director  
**FROM:** Curtis J. Williams, Public Utility Analyst IV, Office of Telecommunications  
Robert J. Casey, Public Utilities Supervisor, Office of Telecommunications  
Cindy B. Miller, Senior Attorney, Office of the General Counsel  
**RE:** Draft Comments in Response to the Federal Communications Commission Further Notice of Proposed Rulemaking regarding Internet Protocol Captioned Telephone Service

**CRITICAL INFORMATION:** Please place on the September 25, 2013 Internal Affairs. **COMMISSION APPROVAL OF DRAFT COMMENTS IS SOUGHT**

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On August 26, 2013, the Federal Communications Commission ("FCC") released a Report and Order and Further Notice of Proposed Rulemaking regarding Internet Protocol Captioned Telephone Service.<sup>1</sup> In the Further Notice of Proposed Rulemaking (FNPRM), the FCC is proposing the transfer of responsibilities for administering and overseeing Internet Protocol Captioned Telephone Service to state telecommunications relay service (TRS) programs. Among other things, this would transfer the responsibility for registering and certifying the eligibility of new Internet Protocol Captioned Telephone Service users from providers to the state relay programs. **COMMISSION APPROVAL OF DRAFT COMMENTS IS SOUGHT.**

The FCC also asks for comments on whether captioned telephone service such as CapTel in Florida, and Internet Protocol Captioned Telephone Service should be mandated services to ensure all states will participate in the provision of these services. In addition, the FCC is proposing that states assume the costs of providing intrastate Internet Protocol Captioned Telephone Service. On September 3, 2013, the FNPRM was published in the Federal Register announcing a comment due date of October 18, 2013, and a reply comment due date of November 18, 2013. The following are points staff suggests including in the draft comments:

1. The FCC should provide Internet Protocol Captioned Telephone Service minutes and number of Internet Protocol Captioned Telephone Service units by state as soon as possible

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<sup>1</sup> Internet Protocol Captioned Telephone Service is an Internet-based form of telecommunications relay service that permits an individual who can speak, but who has difficulty hearing, to use a telephone and an Internet Protocol-enabled device via the Internet to simultaneously listen to the other party and read captions of what the other party is saying. With Internet Protocol Captioned Telephone Service, the connection carrying the captions between the relay service provider and the relay service user is via the Internet. With Florida's CapTel service, the connection carrying the captions between the relay service provider and the relay service user is via the landline telephone network.



so states can make informed decisions on possible migration of Internet Protocol Captioned Telephone Service to state relay programs;

2. If state funding of intrastate Internet Protocol Captioned Telephone Service is mandated, it should not occur until the FCC is assured that problems such as misuse by people without a hearing loss and the offering of incentives for referrals to use this service, as noted in the Internet Protocol Captioned Telephone Service Interim Order,<sup>2</sup> are corrected;
3. The jurisdictional separation issues in Docket No. WC 04-36 (Internet Protocol-Enabled Services) must be resolved before determining the jurisdiction and associated funding of Internet Protocol Captioned Telephone Service;
4. If a decision is made to require states to assume intrastate Internet Protocol Captioned Telephone Service costs, the FCC must allow time for states to make legislative changes; and,
5. Mandating Internet Protocol Captioned Telephone Service as part of the TRS program may eliminate competition for these services in Florida since, by statute, Florida can have only one relay service provider.

Staff is seeking Commission approval to submit these comments by October 18, 2013.

cc: Lisa Harvey

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<sup>2</sup> In the Matter of Misuse of Internet Protocol Captioned Telephone Service. CG Docket No. 13-24. Order FCC 13-13, Released January 25, 2013.

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Misuse of Internet Protocol (IP) Captioned Telephone Service	)	CG Docket No. 13-24
	)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities	)	CG Docket No. 03-123
	)	

**COMMENTS OF  
THE FLORIDA PUBLIC SERVICE COMMISSION**

CHAIRMAN RONALD A. BRISÉ  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

September 25, 2013



## INTRODUCTION AND SUMMARY

On August 26, 2013, the Federal Communications Commission (“FCC”) released a Report and Order and Further Notice of Proposed Rulemaking (FCC 13-118) regarding Internet Protocol Captioned Telephone Service.<sup>3</sup> In the Further Notice of Proposed Rulemaking (FNPRM), the FCC is proposing to transfer responsibilities for administering and overseeing Internet Protocol Captioned Telephone Service to state telecommunications relay service (TRS) programs. Among other things, this would transfer the responsibility for registering and certifying the eligibility of new Internet Protocol Captioned Telephone Service users from providers to the state relay programs. The FCC also asks for comments on whether captioned telephone service such as CapTel in Florida and Internet Protocol Captioned Telephone Service should be mandated services to ensure all states will participate in the provision of these services. In addition, the FCC is proposing that states assume the costs of providing intrastate Internet Protocol Captioned Telephone Service.

On September 3, 2013, the FNPRM was published in the Federal Register announcing a comment due date of October 18, 2013, and a reply comment due date of November 18, 2013. The Florida Public Service Commission (FPSC) submits these comments in response to the FNPRM regarding Internet Protocol Captioned Telephone Service. The FPSC encourages the FCC to consider the following:

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<sup>3</sup> Internet Protocol Captioned Telephone Service is an Internet-based form of telecommunications relay service that permits an individual who can speak, but who has difficulty hearing, to use a telephone and an Internet Protocol-enabled device via the Internet to simultaneously listen to the other party and read captions of what the other party is saying. With Internet Protocol Captioned Telephone Service, the connection carrying the captions between the relay service provider and the relay service user is via the Internet. With Florida’s CapTel service, the connection carrying the captions between the relay service provider and the relay service user is via the landline telephone network.

1. The FCC should provide Internet Protocol Captioned Telephone Service minutes and number of Internet Protocol Captioned Telephone Service units by state as soon as possible so states can make informed decisions on possible migration of Internet Protocol Captioned Telephone Service to state relay programs;
2. If state funding of intrastate Internet Protocol Captioned Telephone Service is mandated, it should not occur until the FCC is assured that problems noted in the Internet Protocol Captioned Telephone Service Interim Order<sup>4</sup> are corrected;
3. The jurisdictional separation issues in Docket No. WC 04-36 (IP-Enabled Services) must be resolved before determining the jurisdiction and associated funding of Internet Protocol Captioned Telephone Service;
4. If a decision is made to require states to assume intrastate Internet Protocol Captioned Telephone Service costs, the FCC must allow time for states to make legislative changes; and,
5. Mandating Internet Protocol Captioned Telephone Service as part of the TRS program may eliminate competition for these services in Florida since, by statute, Florida can have only one relay service provider.

**1. The FCC should provide Internet Protocol Captioned Telephone Service minutes and number of Internet Protocol Captioned Telephone Service units by state as soon as possible so states can make informed decisions on possible migration of Internet Protocol Captioned Telephone Service to state relay programs.**

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<sup>4</sup> In the Matter of Misuse of Internet Protocol (IP) Captioned Telephone Service. CG Docket No. 13-24. Order FCC 13-13, Released January 25, 2013.

Currently, states do not know the extent of potential obligation they would incur by assuming the intrastate costs of Internet Protocol Captioned Telephone Service. The FCC is proposing that states assume the responsibility of intrastate Internet Protocol Captioned Telephone Service, but have not provided information as to how many Internet Protocol Captioned Telephone Service minutes are historically used in each state, and how many Internet Protocol Captioned Telephone Service units are currently in use in each state. The FPSC urges the FCC to provide historical Internet Protocol Captioned Telephone Service minutes and units by state as soon as possible so states can make informed decisions on possible migration of Internet Protocol Captioned Telephone Service to state relay programs.

**2. If state funding of intrastate Internet Protocol Captioned Telephone Service is mandated, it should not occur until the FCC is assured that problems noted in Order FCC 13-13 are corrected.**

In Order FCC 13-13, the FCC stated that there was dramatic growth in the number of minutes of Internet Protocol Captioned Telephone Service use in 2012, primarily due to misuse. From January to June 2012, the number of minutes increased by 30% and the average monthly rate of growth doubled for the period June to October 2012. The FCC believes that this growth is being caused by the offering of incentives for referrals to use this service, as well as usage of this service by people without a hearing loss. The FCC's interim rules set forth in FCC 13-13 and made final in FCC 13-118 should curb this abuse. However, the FCC should maintain oversight of Internet Protocol Captioned Telephone Service until such time as the abuses are known to be cured and no new abuses occur.



**3. The jurisdictional separation issues in Docket No. WC 04-36 (IP-Enabled Services) must be resolved before determining the jurisdiction and associated funding of Internet Protocol Captioned Telephone Service;**

The FPSC believes the jurisdictional separation issues in Docket No. WC 04-36 (IP-Enabled Services) must be resolved before determining any jurisdiction and associated funding of Internet Protocol Captioned Telephone Service. Since Internet Protocol Captioned Telephone Service calls are Internet-based services, the FCC must first decide whether IP-Enabled Services are "telecommunications services" or "information services" before any allocation of intrastate and interstate responsibilities are attempted. Until such time, the FPSC believes Internet Protocol Captioned Telephone Service should continue to be compensated from the Interstate TRS Fund.

In Docket No. WC 04-36 (IP-Enabled Services), the FCC has pending jurisdictional issues related to Internet-based services, including whether these services are "telecommunications services" or "information services" and how to determine whether calls are interstate or intrastate. If the Commission determines in its IP Enabled Services docket that IP calls are interstate information services subject to the exclusive jurisdiction of the FCC, then Internet Protocol Captioned Telephone Service calls should be recovered solely as interstate calls from the interstate TRS Fund. However, if the Commission finds that IP calls are subject to mixed jurisdiction, then the FPSC contends that the same jurisdictional ruling decided in the IP-Enabled Services docket should be applied to Internet Protocol Captioned Telephone Service. The FPSC believes that the FCC must resolve the issues in its IP-Enabled Services proceeding prior to determining the jurisdiction and funding of Internet Protocol Captioned Telephone Service calls.

**4. If a decision is made to require states to assume intrastate Internet Protocol Captioned Telephone Service costs, the FCC must allow time for states to make legislative changes.**

Section 225 of the Telecom Act directs the FCC to implement regulations for TRS cost recovery that provide for the “jurisdictional separation” of TRS costs; *i.e.*, the costs caused by *interstate* TRS generally are to be recovered from all subscribers for interstate services, and the costs caused by the provision of *intrastate* TRS are to be recovered from each intrastate jurisdiction.

Presently, Internet Protocol Captioned Telephone Service is funded through the interstate TRS fund on a national level. A primary underlying reason for the FCC’s decision to have the interstate TRS Fund reimburse providers for Internet Protocol Captioned Telephone Service calls was the difficulty in ascertaining the location of calls made using IP transmissions. The FCC now opines that Internet Protocol Captioned Telephone Service providers are able to ascertain the origination and destination of Internet Protocol Captioned Telephone Service calls in a manner that would allow for compensation for these calls to be billed to the states. The FCC believes that it should reconsider its prior decision to treat Internet Protocol Captioned Telephone Service as an entirely interstate service and propose instead that this service be treated like traditional captioned telephone service, wherein state relay programs would be required to compensate providers for intrastate Internet Protocol Captioned Telephone Service calls.

Florida’s ability to provide TRS under its current state statutes could be adversely impacted if the FCC requires the states to fund the intrastate portion of Internet Protocol Captioned Telephone Service. Presently, Section 427.704(4)(a)(1.), Florida Statutes, states:

[The commission shall] require all local exchange telecommunications companies



to impose a monthly surcharge on all local exchange telecommunications company subscribers on an individual access line basis, except that such surcharges shall not be imposed upon more than 25 basic telecommunications access lines per account bill rendered. (emphasis added)

The Florida statute provides that the TRS surcharge be collected from only local exchange company access lines. If the FCC decides to require states to assume intrastate Internet Protocol Captioned Telephone Service costs, the Florida Legislature may have to consider a change to the statute as to how the Florida Relay program is funded. To that end, the FCC should allow a minimum of five years for states to make possible legislative changes.

**5. Mandating Internet Protocol Captioned Telephone Service as part of the TRS program may eliminate competition for these services in Florida since, by statute, Florida can have only one relay service provider.**

Competition in Florida between providers of Internet Protocol Captioned Telephone Service may be diminished if the FCC mandates that Internet Protocol Captioned Telephone Service becomes a required service of TRS in order to meet the FCC state certification requirements. Section 427.704(1), Florida Statutes, in part states:

[The commission shall] establish, implement, promote, and oversee the administration of a statewide telecommunications access system to provide access to telecommunications relay services by persons who are hearing impaired or speech impaired, or others who communicate with them. The telecommunications access system shall provide for the purchase and distribution of specialized telecommunications devices and the establishment of statewide

*single provider* telecommunications relay service system which operates continuously. . . (emphasis added)

Consumers currently have a choice of several providers of Internet Protocol Captioned Telephone Service in Florida because Internet Protocol Captioned Telephone Service is regulated at the Federal level. Should the FCC mandate that Internet Protocol Captioned Telephone Service become part of a state's TRS program, Florida would have only one contracted provider pursuant to its current statute. In Order FCC 00-56, the FCC affirmed its belief that competition among TRS providers is preferred, stating:

We agree with commenters that competitive forces are generally the preferred way to improve service quality and bring new services to customers. Although using a single vendor may not automatically lead to poor service quality, we believe that giving consumers a choice among different TRS providers might well improve the quality of TRS service in different states.

In the 2007 Internet Protocol Captioned Telephone Service Declaratory Ruling,<sup>5</sup> the FCC concluded, on an interim basis, that all Internet Protocol Captioned Telephone Service calls would be compensated from the interstate TRS Fund. The FCC explained that this approach was consistent with the treatment of VRS and IP Relay calls, and would provide an incentive for competition among multiple providers to offer this service on a nationwide basis in a manner that would "enhance consumer choice, service quality and available features."

TRS in Florida can have only one provider under state law. Inclusion of Internet Protocol Captioned Telephone Service in Florida's TRS contract would provide a funding mechanism for

---

<sup>5</sup> In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities Internet-based Captioned Telephone Service. CG Docket No. 03-123. FCC 06-182, released January 11, 2007.

the intrastate portion of the service for no other provider except the one under contract with the FPSC. To this end, the FPSC urges the FCC not to include Internet Protocol Captioned Telephone Service as a mandatory service of TRS. Alternatively, should the FCC include Internet Protocol Captioned Telephone Service as a mandatory service of TRS or order that state relay programs shall fund the intrastate portion of Internet Protocol Captioned Telephone Service, the FPSC requests that the FCC provide a waiver provision in the rule for states that have statutory conflicts with the proposed rule, or provide a means for states to default the Internet Protocol Captioned Telephone Service to the FCC similar to universal service low-income default states.<sup>6</sup>

## CONCLUSION

According to the Florida Coordinating Council for the Deaf and Hard of Hearing, nearly three million deaf, hard-of-hearing, deaf-blind, and speech-impaired citizens live in Florida.<sup>7</sup> Florida is the fourth largest state in the U.S. and has the second highest percentage of population who are deaf, hard of hearing, or deaf-blind.<sup>8</sup> The FPSC will continue to be responsive to the needs of the deaf, hard-of-hearing, deaf-blind, and speech-impaired community in Florida. The FPSC encourages the FCC to consider the proposed recommendations noted in these comments.

Respectfully submitted,  
/ s /  
Cindy B. Miller, Senior Attorney  
Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

---

<sup>6</sup> States that have no state-based low-income universal service programs are designated "Federal default states." In Federal default states, the FCC assumes jurisdiction over the Lifeline program.

<sup>7</sup> 2009 Florida Coordinating Council for the Deaf and Hard of Hearing Report to the Governor and Legislature of the State of Florida.

<sup>8</sup> 2007 Florida Coordinating Council for the Deaf and Hard of Hearing Report to the Governor and Legislature of the State of Florida.



Florida Public Service Commission  
CG Docket Nos. 13-24 and 03-123  
September 25, 2013

DATED: September 25, 2013

(850) 413-6082







# Leadership Briefing to the Public Service Commission

Leo Lachat, SERT Chief  
September 25, 2013



# Florida's Emergency Management



## State Emergency Operations Center



# Florida Division of Emergency Management

## Mission Statement

Working together to ensure that Florida is prepared to respond to emergencies, recover from them, and mitigate against their impacts.





# Florida Statute Chapter 252



## State Emergency Management Act



**GET A  
PLAN!**  
[FloridaDisaster.org](http://FloridaDisaster.org)

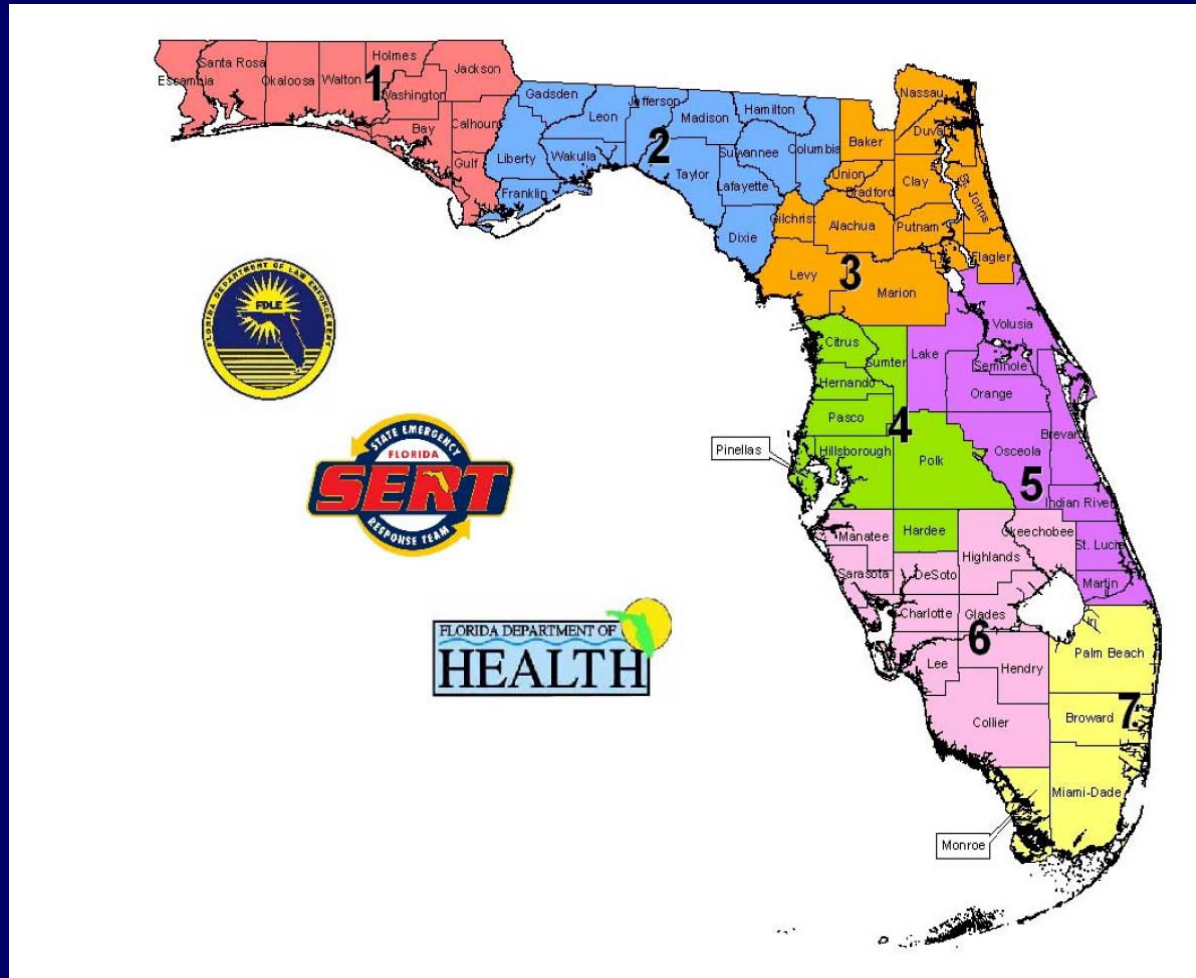
# Comprehensive Emergency Management Plan (CEMP)



- Sets the “Overall Framework”
- Provides guidance to state and local officials on procedures, organization and responsibilities
- Adopts a functional approach that combines the types of assistance to be provided under each Emergency Support Function (*e.g., Transportation, Health*)



# FDEM Operational Regions







**Lightning**



**HAZMAT**



**Fire**



**Tornado**



**Hurricanes**



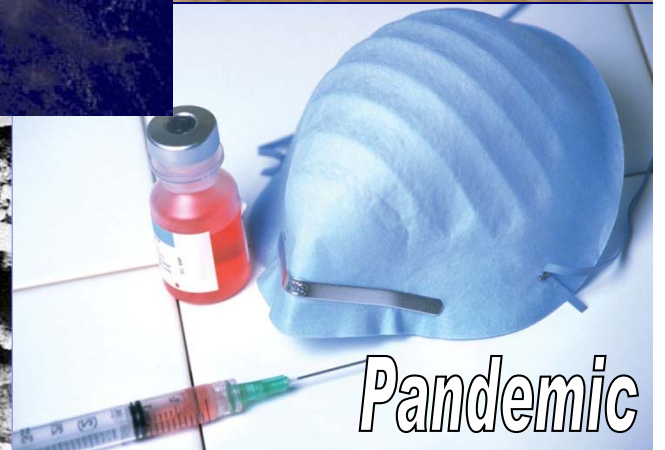
**Flood**



**Mass Migration**



**Bio-Terrorism**



**Pandemic**



# Natural and Technological Hazards

## Natural Hazards

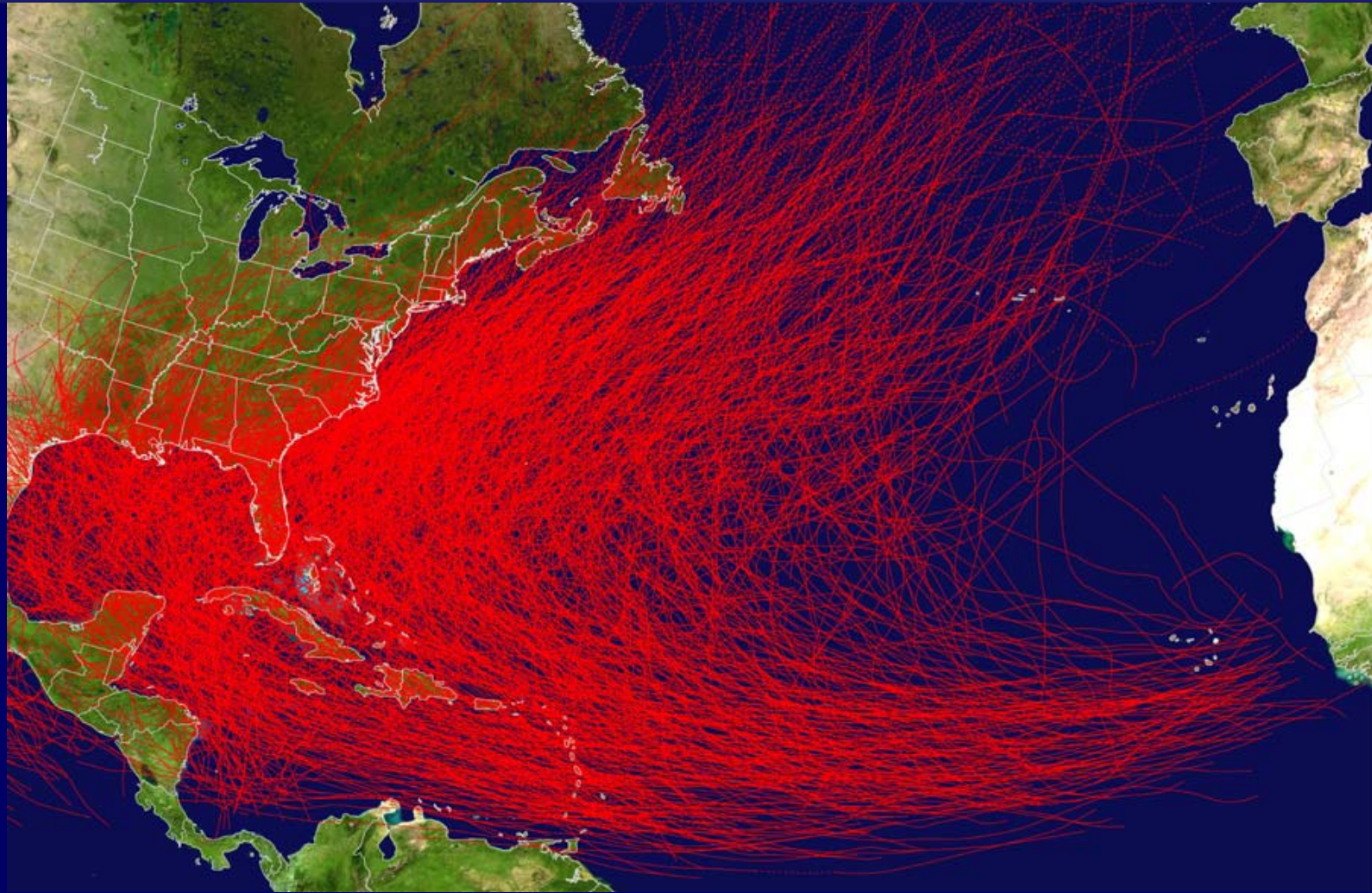
- Hurricanes
- Tornadoes
- Floods
- Drought
- Wildfires
- Severe Thunderstorms
- Severe Heat and Cold

## Technological Hazards

- Terrorism (WMD)
- Mass Migration
- Radiological (REP)
- Hazardous Materials
- Special Events
- Transportation Accidents



# Historical Hurricane Paths



# State Emergency Response Team

- **Comprised of response partners from other state agencies, voluntary agencies and private organizations**
- **Grouped by Emergency Support Function**
- **18 Emergency Support Functions (ESFs)**
- **Emergency Coordinating Officers (ECO)**



# SERT Activation Levels

- **Level 3: Monitoring**
  - Normal, day to day Situational Awareness.
- **Level 2: Partial Activation of SERT**
  - Individual ESF's notified and staffed according to the needs of the event.
- **Level 1: Full-Scale Activation**
  - All ESF's present with 24-hour operation as needed.





# Emergency Support Functions

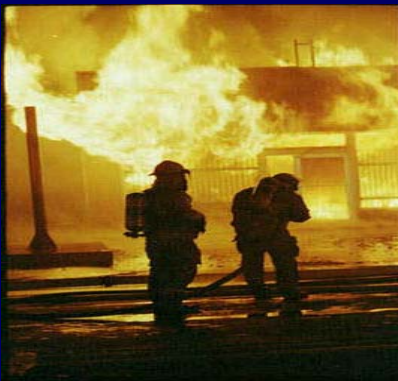
***ESF 1: Transportation (DOT)***

***ESF 2: Communications (DMS)***

***ESF 3: Public Works (DOT)***

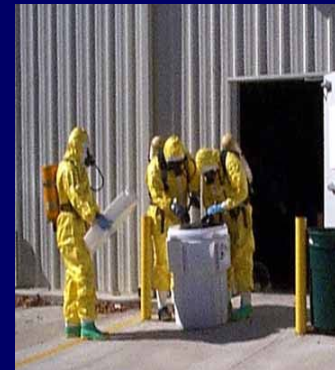
***ESF 4: Fire Fighting (DFS)***

***ESF 5: Info and Planning (DEM)***



# Emergency Support Functions

- ***ESF 6: Mass Care (DBPR)***
- ***ESF 7: Resource Support (DMS)***
- ***ESF 8: Health and Medical (DOH)***
- ***ESF 9: Urban Search and Rescue (DFS)***
- ***ESF 10: Hazardous Materials (DEP)***



# Emergency Support Functions

- *ESF 11: Food and Water (DOACS)*
- *ESF 12: Energy (PSC)*
- *ESF 13: Military Support (DMA)*
- *ESF 14: Public Information (EOG)*





# Emergency Support Functions

- *ESF 15: Volunteers and Donations (VolFL)*
- *ESF 16: Law Enforcement (FDLE)*
- *ESF 17: Animal Protection & Agriculture (DOACS)*
- *ESF 18: Business and Economic Stabilization (DEO)*





# SERT Organization

- **Incident Command System and Unified Command - federal, state, local**
- **Sections and Branches – span of control**
- **Governor – Executive Order**
  - Normally assigns authority to a designated **State Coordinating Officer**
  - The **SERT Chief** oversees all sections and operations in the **SEOC**



# SERT Organization

Governor

State Coordinating Officer

State Emergency Response Team Chief

Operations

Planning

Logistics

Finance/Adm.



# State Watch Office



# State Watch Office



- Staffed 24/7/365
- In constant communication with Florida's 67 County Warning Points and EM Staff, SERT members, Nuclear Power Plants, Federal Partners and Governor's Office
- Where most incident communications start and finish
- Operations, Plans, Meteorology...others as needed





# State Logistics Response Center



# State Logistics Response Center

- **200,000 sq ft warehouse in Orlando**
- **Used to store commodities needed for initial disaster response**
- **20,000 sq ft of office space**
- **Can accommodate 120 tractor trailers**
- **Helicopter Landing Zone**
- **Emergency back-up generator**





# State Logistics Response Center



# Guiding Principles for the SERT

- The following series of slides portray common guiding principles for the SERT across all entities
- Based on lessons learned and historical experiences
- Form a common basis and approach to roles and responsibilities





# #1 --- Local Ownership

**All disasters start and end at the  
LOCAL level.**

**State and Federal entities should be  
prepared and ready to provide  
support and resources to local  
entities.**



# #2 --- Requesting Assistance

Federal



Governor  
State

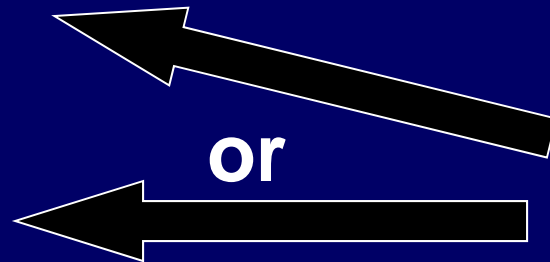


Chairman BoCC  
County



Mayor  
Municipality

Under the Stafford Act and F.S. Chapter 252, only the Elected Leadership has the authority to Declare Emergencies. Only the Governor may request assistance from the President.



or



Incident



# #3 --- Priorities in the First 72 Hours



# #4 --- Operational Rules

1. Meet the needs of the Survivors
2. Take care of the Responders
3. See Rule One





# #5 --- Standing Orders

1. Establish Communication with Areas Impacted
2. Search and Rescue / Security
3. Meet Basic Human Needs
  1. Medical
  2. Water
  3. Food
  4. Shelter
  5. Emergency Fuel
  6. Ice is a distant sixth (Unless it's really hot)
4. Restore Critical Infrastructure
5. Open Schools / Local Businesses
6. Begin the Recovery



# #6 --- Considerations

- Cost Effective
- Mistake Free
- Fast
- Pick One



# #7 --- Change the Outcome

- Focus on the outcome needed
- Plan the mission to achieve that outcome
- Execute the plan
- Monitor the outcome and adjust



# #8 --- Use a Sledge Hammer

- Better to have too much than not enough.
- Push resources into the area of impact, don't wait for requests.
- A quick and overwhelming response is better than a well planned and thought out response.
- If you wait until you have all facts, it becomes harder to change the outcome.





# #9 --- Importance of Flexible Plans

- Neither the Disaster or the Survivors have read your plan, so don't be surprised when they don't do what the plan says.
- The same goes for elected officials, brief them on the plan before the next disaster.



**Questions? ...**  
**Thank You**





State of Florida



## Public Service Commission

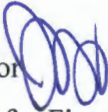
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

---

**DATE:** September 16, 2013

**TO:** Ronald A. Brisé, Chairman  
Lisa Polak Edgar, Commissioner  
Art Graham, Commissioner  
Eduardo E. Balbis, Commissioner  
Julie I. Brown, Commissioner

**FROM:** Braulio L. Baez, Executive Director 

**RE:** FPSC Legislative Budget Request for Fiscal Year 2014-15  
**Critical Information:** September 25, 2013 Internal Affairs. Consensus is Sought.  
Due to Governor's Office of Policy and Budget – October 15, 2013

---

The proposed *Legislative Budget Request for Fiscal Year 2014-15* of \$25,105,910 represents a reduction of the Commission's Fiscal Year 2013-14 adjusted operating budget. Commission staff is recommending two reduction issues for Fiscal Year 2014-15.

As you are aware, senior management has been working to identify areas where we could gain efficiencies within the agency and reduce budget. This budget request is the product of those efforts and results in two agency issues. The first issue represents a reduction of 10 vacant positions at a savings of \$489,895. The second issue is a lease reduction totaling \$154,379. These issues combined results in savings of \$644,274.

The Fiscal Year 2014-15 budget of \$25,105,910 is less than the Fiscal Year 2013-14 adjusted budget of \$25,462,138 due to the reduction issues, the annualizations of the increased employer-paid portion of State Health Insurance, and the Fiscal Year 2013-14 pay increases.

A summary of the budget request is attached.

BB:pq

c: Apryl C. Lynn, Deputy Executive Director - Administrative  
Lisa Harvey, Deputy Executive Director - Technical  
S. Curtis Kiser, General Counsel



## PUBLIC SERVICE COMMISSION FY 2014-15 LEGISLATIVE BUDGET REQUEST

DRAFT

	FTE's	SALARIES & BENEFITS	OTHER PERSONAL SERVICES	EXPENSES	OPERATING CAPITAL OUTLAY	DOAH	ACQUISITION OF MOTOR VEHICLES	CONTRACTED SERVICES	RISK MANAGEMENT INSURANCE	TRANSFER TO DMS - HR SERVICES CONTRACT	DATA PROCESSING SERVICES	Southwood Data Center	ARRA FEDERAL FUNDING	TOTAL
<b>FY 2013-2014 GENERAL APPROPRIATIONS ACT</b>	293.0	\$19,650,121	\$200,588	\$3,695,294	\$266,200	\$6,999	\$0	\$502,804	\$66,479	\$104,380	\$45,699	\$24,884	\$350,000	\$24,913,448
FY 2013-14 Pay Raise Adjustment (9 months, October - June 2014)		255,342												255,342
FY 2013-14 Risk Management Insurance Realignment (8/14/13)									(6,169)			2		(6,167)
FY 2013-14 HR Assessment Realignment (8/21/13)										(5,279)				(5,279)
ARRA Federal Funding ends in FY 2013-14													(350,000)	(350,000)
FY 2013-14 FRS Contribution Adjustment (9/3/13)		553,213										117		553,330
FY 2013-14 State Health Insurance Premium Adjustment (4 Months, March - June 2014)		101,456												101,456
FY 2013-14 SSRC Adjustment												8		8
<b>APPROVED 2013-2014 BUDGET AS ADJUSTED</b>	293.0	\$20,560,132	\$200,588	\$3,695,294	\$266,200	\$6,999	\$0	\$502,804	\$60,310	\$99,101	\$45,699	\$25,011	\$0	\$25,462,138
<b>FY 2014-2015 LEGISLATIVE BUDGET REQUEST</b>														
FY 2013-14 Pay Increase Annualized (3 months)		85,114												85,114
Annualization of FY 2013-14 State Health Insurance Premium Adjustment (8 Months)		202,912												202,912
Lease Space Reduction Issue				(154,379)										(154,379)
FTE Reductions Issue	(10.00)	(429,489)		(56,866)						(3,540)				(489,895)
FY 2014-15 SSRC Adjustment												20		20
<b>TOTAL ESTIMATED PROPOSED LEGISLATIVE BUDGET REQUEST</b>	283.0	\$20,418,669	\$200,588	\$3,484,049	\$266,200	\$6,999	\$0	\$502,804	\$60,310	\$95,561	\$45,699	\$25,031	\$0	\$25,105,910
<b>Increase (Decrease) From FY 2013-2014 Operating Budget as Adjusted.</b>	-3.4%	-0.7%	0.0%	-5.7%	0.0%	0.0%	0.0%	0.0%	0.0%	-3.6%	0.0%	0.1%	0.0%	-1.4%

## II. Outside Persons Who Wish to Address the Commission at Internal Affairs

***OUTSIDE PERSONS WHO WISH  
TO ADDRESS THE COMMISSION AT***

***INTERNAL AFFAIRS  
September 25, 2013***

<b><u>Speaker</u></b>	<b><u>Representing</u></b>	<b><u>Item #</u></b>
Leo Lachat	Divison of Emergency Management	4

# III. Supplemental Materials for Internal Affairs

**NOTE:** The following material pertains to Item 1  
of this agenda.



The FPSC concurs with the comments of the United States Telecom Association that the FCC should delay expanding funding for the schools and libraries program at this time until the effects of the high-cost reforms are better known and any changes within the schools and libraries program are implemented.<sup>2</sup> Several of the proposals outlined by the FCC suggest the phase down of support for certain services.<sup>3</sup> The FPSC believes that redirecting support from services that are no longer central to the FCC's policy supporting broadband would be better than an expansion in the fund size at this time.

The FPSC also agrees with the comments of the National Association of State Utility Consumer Advocates that the consequences of such an expansion should also be considered in the context of how the universal service funds are collected from telecommunications carriers.<sup>4</sup> These fees are overwhelmingly passed onto end-users and ultimately affect the affordability of service. Last year, the FCC issued an NPRM seeking comments on reform of the USF assessment methodology noting that the USF contribution base is shrinking as customers migrate to communication services that do not contribute to the fund.<sup>5</sup> As a result, some aspects of the current contribution methodology may result in competitive distortions as contribution obligations differ depending on how the service is provided. Given the decline in assessment base, increases in the universal service fund absent assessment reform would only exacerbate this problem. Redirecting support (or savings from reforms) in other universal service programs may reduce this tension if expanding the schools and libraries program is necessary.

<sup>2</sup> Comments of USTA, September 16, 2013, p. 12.

<sup>3</sup> FCC Notice of Proposed Rulemaking, FCC 13-100, WC Docket No. 13-184, released: July 23, 2013; these services including paging, directory assistance, and certain calling features such as inside wiring maintenance plans, call blocking, 800 number services and text messaging services.

<sup>4</sup> Comments of NASUCA, September 16, 2013, p. 2.

<sup>5</sup> FCC 12-46, Further Notice of Proposed Rulemaking, WC Docket No. 06-122, released April 30, 2012, par. 4.

# IV. Transcript

1                                   BEFORE THE  
2                                   FLORIDA PUBLIC SERVICE COMMISSION

3  
4       PROCEEDINGS:           INTERNAL AFFAIRS

5       COMMISSIONERS  
6       PARTICIPATING:       CHAIRMAN RONALD A. BRISÉ  
7                               COMMISSIONER LISA POLAK EDGAR  
8                               COMMISSIONER ART GRAHAM  
9                               COMMISSIONER EDUARDO E. BALBIS  
10                              COMMISSIONER JULIE I. BROWN

11  
12       DATE:                   Wednesday, September 25, 2013

13       TIME:                   Commenced at 10:50 a.m.  
14                               Concluded at 12:02 p.m.

15       PLACE:                  Gerald L. Gunter Building  
16                               Room 105  
17                               2540 Shumard Oak Boulevard  
18                               Tallahassee, Florida

19       REPORTED BY:          LINDA BOLES, CRR, RPR  
20                               Official FPSC Reporter  
21                               (850) 413-6734

## P R O C E E D I N G S

1  
2           **CHAIRMAN BRISÉ:** Good morning. A very  
3 nice room; right? Very nice space.

4           **MR. BAEZ:** I'm glad you like it.

5           **CHAIRMAN BRISÉ:** And this is all within  
6 the concept of downsizing and managing our space.  
7 So I think our staff has done a fantastic job in  
8 working this transition to this space. So thank you  
9 all for doing that.

10           So we will call this Internal Affairs  
11 meeting to order. Today is September 25th. And  
12 we'll go right ahead to Item Number 1.

13           **MR. FOGLEMAN:** Good morning,  
14 Commissioners. Greg Fogleman on behalf of  
15 Commission staff.

16           Staff seeks approval of the attached draft  
17 reply comments. These reply comments are in  
18 response to an FCC Notice of Proposed Rulemaking to  
19 Reform the Schools and Libraries Program.

20           The proposed comments or proposed reply  
21 comments oppose the expansion of the increase of the  
22 schools and libraries funding size until the effects  
23 of the reform of the high-cost program are  
24 implemented and any kind of reform that, that are  
25 teed up in this proposal are effectuated.



1           The draft comments also support referral  
2 to the State-Federal Joint Board on Universal  
3 Service. Also, the reply comments also endorse  
4 continued use of the State Master Contracts as  
5 referenced by the Department of Management Services.

6           Staff has one correction. On page 6,  
7 there's a typo in the header. It should be  
8 "Continued Use of State Master Contracts with  
9 Competitive Bidding." So we have that one  
10 correction. With that, staff is available for  
11 questions.

12           **CHAIRMAN BRISÉ:** All right.  
13 Commissioners, any questions?

14           Commissioner Balbis.

15           **COMMISSIONER BALBIS:** Thank you, Mr.  
16 Chairman.

17           I had a couple of concerns with these  
18 comments that I'd like to air out and hear from my  
19 colleagues on this, and I talked with staff about  
20 it.

21           I think that generally, you know, I'm  
22 supportive with the content of it. My concern is  
23 that maybe how it's worded may give the wrong  
24 impression. I, you know, for example, on, on page  
25 6 at the bottom, the conclusion: "The PSC opposes

1 expanding the size of the Schools and Libraries  
2 Program at this time." I personally am not against  
3 expanding the size of the program. I think that  
4 what we have been consistent in doing is preventing  
5 Florida to continue being a donor state and not a  
6 recipient state. And so if there's a way that they  
7 can expand those programs with the savings or the  
8 reductions to the high-cost program or something to  
9 that effect, you know, I certainly would be in favor  
10 of that. But I do agree with staff's comments  
11 that -- being against any overall increase in it.  
12 So I don't know if there's some potential rewording  
13 that, that can be made or not.

14 **MR. FOGLEMAN:** Based on our meeting, we've  
15 had some time to kind of redraft some language. I  
16 have some draft language, if you'd like to --

17 **COMMISSIONER BALBIS:** Okay.

18 **COMMISSIONER GRAHAM:** Mr. Chairman, if I  
19 may.

20 **CHAIRMAN BRISÉ:** Sure.

21 **COMMISSIONER GRAHAM:** J.R., can you hear  
22 us back there?

23 **MR. KELLY:** No.

24 **COMMISSIONER BALBIS:** (Inaudible.)

25 **COMMISSIONER GRAHAM:** Well, I mean, just

1 in general, I mean. (Inaudible.) I'm right across  
2 the table.

3 **CHAIRMAN BRISÉ:** Okay. All right. Is  
4 there anything that we can do to raise the volume on  
5 these mikes?

6 **MR. BAEZ:** We've got, we've got Mike on  
7 some kind of line. He's, he's tending to the  
8 levels.

9 **CHAIRMAN BRISÉ:** Okay.

10 **COMMISSIONER EDGAR:** What?

11 (Laughter.)

12 **CHAIRMAN BRISÉ:** Is that better J.R.? Did  
13 you hear him?

14 **MR. BAEZ:** Say again? Well, I'm, I'm a  
15 big mumblor, so I'm not the best person to --

16 **COMMISSIONER GRAHAM:** We have someone in  
17 the back that's waving at you.

18 **MR. BAEZ:** I'm sorry?

19 **COMMISSIONER GRAHAM:** I'm sorry. I  
20 thought he was trying to get your attention.

21 **MR. BAEZ:** So how's the noise level  
22 back -- the sound level at the back?

23 **SPEAKER:** It's getting better.

24 **MR. BAEZ:** It's getting better?

25 **SPEAKER:** Getting a little better.

1           **MR. BAEZ:** Thanks, Paul.

2           **CHAIRMAN BRISÉ:** Commissioner Balbis.

3           **COMMISSIONER BALBIS:** Thank you, yeah.

4           I think adding that sentence does make it  
5 clearer as our position -- at least what my position  
6 is on it. I think that's exactly as we discussed  
7 during my briefing. So I don't know if other  
8 Commissioners have comments on it.

9           **COMMISSIONER GRAHAM:** Yeah. I have a  
10 comment.

11           As Commissioner Balbis has said, you know,  
12 this has been a problem for years and years where we  
13 were just such a huge donor state. I don't  
14 necessarily want to expand the program. You know, I  
15 don't want to spend more because we have more to  
16 spend. I just want to give less. But anything that  
17 gets us closer to not being a donor state is a step  
18 in the correct direction.

19           **CHAIRMAN BRISÉ:** Sure. I have a question  
20 with respect to -- sort of a broad question.

21           The high-cost, low income fund, are those  
22 funds transferable to the rate? I don't -- I'm not  
23 sure that that's, that's feasible, so I just don't  
24 want us to put numbers out there sort of reflecting  
25 our ignorance.



1           **MR. FOGLEMAN:** Well, right now the Schools  
2 and Libraries Program is capped and it's indexed by  
3 inflation. So to the extent that you wanted to do  
4 something with it to stay within an overall size of  
5 the program, it would take action by the FCC. You  
6 would have to adjust the cap and note that, okay,  
7 we're going to increase the Schools and Libraries  
8 Program by X because we think it's prudent, and, all  
9 right, well, we've noticed some savings in, say, the  
10 high-cost program because we've gone to the  
11 (inaudible) fund, we're not funding support in areas  
12 where there's a competitor that is not receiving any  
13 support. So there's this savings, so we're going to  
14 redirect it.

15           It would take action by the FCC. There's  
16 nothing in the statute, the Telecom Act, that would  
17 prohibit such a decision.

18           **CHAIRMAN BRISÉ:** Okay. So within the  
19 context of the Connect America process these  
20 comments would be appropriate.

21           **MR. FOGLEMAN:** I believe so.

22           **CHAIRMAN BRISÉ:** All right. Any further  
23 comments on, on these comments?

24           So I have a question. I always -- with  
25 all these programs do we think that our state

1 appropriately utilizes the program? I mean, because  
2 it's one thing to be a donor and you know that  
3 you're a donor --

4 **MR. FOGLEMAN:** Right.

5 **CHAIRMAN BRISÉ:** -- but then not actively  
6 pursuing the funds.

7 **MR. FOGLEMAN:** I mean, in, in, in the  
8 initial comments, I mean, there were a number of  
9 schools that provided some comments. I think  
10 Miami-Dade County, really a good set of comments.  
11 And they indicated there were a couple of years  
12 where they didn't have the matching funds, and that  
13 actually happens to result in that first year on the  
14 table why we're such a large net contributor. We  
15 estimate that, you know, based on commitments for  
16 the next year it will be back kind of in the range  
17 of other large net contributors.

18 So I think there are, have been some  
19 instances where school districts haven't been able  
20 to come up with their state match and we haven't  
21 been able to pull down the dollars that we would  
22 otherwise have access to. So I think that's kind of  
23 a problem. As far as what they're doing with the  
24 actual funds, I can't really tell. I can't speak to  
25 that.

1           **CHAIRMAN BRISÉ:** I understand.

2           Any further questions? All right. I  
3 think we're in a position to entertain a motion.

4           **COMMISSIONER BALBIS:** Mr. Chairman, with  
5 the additional sentence on page 5 I'm comfortable  
6 with the comments, and I would move to authorize  
7 staff to submit these comments.

8           **CHAIRMAN BRISÉ:** All right. It's been  
9 moved. Is there a second?

10          **COMMISSIONER GRAHAM:** Second.

11          **CHAIRMAN BRISÉ:** Okay. It's been moved  
12 and seconded. Any additional comments?

13          Okay. Seeing none, all in favor.

14          (Vote taken.)

15          All right. Thank you very much.

16          Moving on to Item Number 2

17          **MR. CASEY:** Good morning, Commissioners.  
18 Bob Casey on behalf of staff.

19          Item Number 2 addresses staff's  
20 recommended comments to the FCC regarding a petition  
21 filed by the Lifeline Reform 2.0 Coalition, which is  
22 made up of five wireless providers, four of which  
23 have wireless ETC petitions pending at the FCC for  
24 Florida, and one which has already been granted ETC  
25 designation in Florida by the FCC.

1           The coalition submitted comments to the  
2           FCC recommending that all ETCs, both wireline and  
3           wireless, be required to review government-issued  
4           photo identification at the time of enrollment and  
5           retain copies of the photo identification.

6           Staff believes these requirements would be  
7           burdensome and unnecessary when using the Florida  
8           Electronic Lifeline Coordinated Enrollment process  
9           through the Department of Children and Families or  
10          through application on the PSC website.

11          The DCF/PSC coordinated enrollment process  
12          uses LexisNexis Risk Solutions to authenticate the  
13          identity of Lifeline applicants, making an in-person  
14          review of a government-issued ID unnecessary.

15          Staff is seeking Commission approval to  
16          submit these ex parte comments to the FCC to ensure  
17          that when considering the coalition petition the FCC  
18          takes into consideration states such as Florida  
19          which have a verifiable electronic coordinated  
20          enrollment process. And staff is available for  
21          questions.

22                 **CHAIRMAN BRISÉ:** Okay. Commissioners,  
23                 questions?

24                 **COMMISSIONER BALBIS:** I have a question.

25                 **CHAIRMAN BRISÉ:** Sure.



1                   **COMMISSIONER BALBIS:** And, Mr. Casey, we  
2 discussed this in my briefing. And one of the, one  
3 of the initial concerns that I had about this was,  
4 was that this state has already been recognized for  
5 our programs to eliminate fraud and abuse of this  
6 type of program. And I want to make sure that by  
7 providing these comments and not requiring a photo  
8 identification it doesn't make it easier for someone  
9 to fraudulently access these funds. So could you  
10 please respond?

11                   **MR. CASEY:** Yes. In here we're specifying  
12 that when our Lifeline Electronic Coordinated  
13 Enrollment process is used the photo ID is not  
14 necessary.

15                   Now if they -- the main reason for the  
16 photo ID that they came up with is, the main idea  
17 was that these wireless companies set up tents in  
18 states outside of, say, DCF, they'll set up tents  
19 and have people come and apply there and they'll  
20 give them phones out.

21                   Well, they said, "Well, let's come up with  
22 some photo ID to fight fraud, waste, and abuse."  
23 This was their own idea. Say, "Sure. Let's, let's  
24 have photo ID requirement in-person review for all  
25 ETCs, wireline and wireless." And, of course, with

1 our system, our system is so advanced and  
2 streamlined that it's unnecessary, that we don't  
3 have to have it. So what we're saying is when using  
4 our system, you don't need a photo ID review at the  
5 time of enrollment.

6 As a matter of fact, the -- in a  
7 conversation with FCC staff we were told that  
8 Florida has the only verifiable Electronic Lifeline  
9 Coordinated Enrollment process in the United States.  
10 We're very proud of that.

11 **COMMISSIONER BALBIS:** So without requiring  
12 photo identification we're not going to increase the  
13 likelihood of waste, fraud, and abuse, are we?

14 **MR. CASEY:** No. Not in my opinion, no.

15 **COMMISSIONER BALBIS:** Okay.

16 **CHAIRMAN BRISÉ:** So your suggestion is  
17 that the people through DCF and so forth have  
18 already been identified.

19 **MR. CASEY:** Yes.

20 **CHAIRMAN BRISÉ:** And so therefore once  
21 they go through the automated system, you know, that  
22 person's identity is already within the system  
23 and --

24 **MR. CASEY:** It's been verified.

25 **CHAIRMAN BRISÉ:** -- the identification is,

1 sort of corroborates the identification that is on  
2 file so you don't have duplicates and so forth.

3 **MR. CASEY:** Yes, sir.

4 **CHAIRMAN BRISÉ:** Okay. All right. Any  
5 further questions or comments?

6 **COMMISSIONER BROWN:** I would move approval  
7 of the comments as proposed.

8 **COMMISSIONER EDGAR:** Second.

9 **CHAIRMAN BRISÉ:** Okay. It's been moved  
10 and seconded. All in favor.

11 (Vote taken.)

12 All right. Thank you very much.

13 **MR. WILLIAMS:** Good morning,  
14 Commissioners. Curtis Williams on behalf of staff.

15 Item Number 3 presents draft comments  
16 addressing the FCC's Further Notice of Proposed  
17 Rulemaking regarding Internet Protocol Captioned  
18 Telephone Service, or IPCTS.

19 In the notice, the FCC proposes the  
20 transfer of responsibilities for administering and  
21 overseeing Internet Protocol Captioned Telephone  
22 Service to state relay programs, including  
23 registration, certification, and assumption of  
24 intrastate Internet Protocol Captioned Service  
25 costs.

1           The FCC also seeks, asks for comments on  
2 whether landline or Internet Protocol Captioned  
3 Telephone Service should be mandated services to  
4 ensure that all states participate.

5           Staff recommends the following points be  
6 included in your comments to the FCC.

7           First, the FCC should provide Internet  
8 Protocol Captioned Telephone Service minutes and the  
9 number of units by state so states can make informed  
10 decisions on possible migration of IPCTS to state  
11 relay programs.

12           Number 2, if state funding of IPCTS is  
13 mandated, it should not occur until problems related  
14 to misuse are resolved.

15           Number 3, jurisdictional separation issues  
16 in Docket Number WC 04-36 addressing whether  
17 IP-enabled services or telecommunications services  
18 or information services should be decided before any  
19 allocation of cost.

20           Number 4, if the FCC decides to transfer  
21 IPCTS costs to states, the FCC should allow time for  
22 states to make appropriate legislative changes.

23           And lastly, Number 5, mandating IPCTS as  
24 part of the telecommunications relay program may  
25 eliminate competition for these services in Florida

1 since, by statute, Florida is -- we only have one  
2 provider for relay.

3 Staff is seeking your approval to submit  
4 these comments by October 18th, 2013, and we are  
5 available for questions.

6 **CHAIRMAN BRISÉ:** Okay. Commissioners,  
7 comments or questions?

8 (No response.)

9 If there are no comments or questions --

10 **COMMISSIONER BALBIS:** For some reason I  
11 have a note on page 11.

12 **CHAIRMAN BRISÉ:** Okay.

13 **COMMISSIONER BALBIS:** The first sentence  
14 in the conclusion, I'm trying to -- I'm good. I had  
15 a note there and it just came to my mind why I put  
16 it there. So with that, I move approval of  
17 authorizing staff to submit these comments.

18 **COMMISSIONER GRAHAM:** Second.

19 **CHAIRMAN BRISÉ:** Okay. It's been moved  
20 and seconded. Any further comments?

21 (No response.)

22 All right. Seeing none, all in favor.

23 (Vote taken.)

24 All right. Thank you.

25 Yes, sir.



1           **MR. KISER:** This is a very excellent,  
2 well-written memorandum. They're to be  
3 congratulated on that because of one very important  
4 issue; all through this, and particularly over on  
5 the bottom of page 1 and all of page 2, staff  
6 refrained from constantly using an acronym. They  
7 spelled it out every single time, and that is a  
8 breath of fresh air.

9           (Laughter.)

10          **CHAIRMAN BRISÉ:** That's true. And in  
11 telecom that is -- you have an acronym for your own  
12 name.

13          **MR. KISER:** That's right.

14          **CHAIRMAN BRISÉ:** All right. Moving on to  
15 Item Number 4. And we are glad to have Mr. Leo  
16 Lachat.

17          **MR. LACHAT:** Lachat. Thank you, Mr.  
18 Chairman.

19          **CHAIRMAN BRISÉ:** He is with the -- he is  
20 the Bureau Chief of the State Emergency Response  
21 Team in the State Emergency Operations Center for  
22 the Florida Division of Emergency Management.  
23 That's a mouthful.

24                 He has worked in the public sector at the  
25 state level for 27 years, 18 of which he has been

1 directly connected with the Florida Department of  
2 Emergency Management and the State Emergency  
3 Response Team.

4 In the past he has been deployed to serve  
5 as the Deputy State Coordinating Officer in the  
6 panhandle region for Hurricane Ivan and as the State  
7 of Florida Operations Liaison Officer and Deputy  
8 Incident Commander for the Florida Task Force in  
9 Coastal Mississippi following Hurricane Katrina.

10 And we want to thank you for your  
11 participation here with us today.

12 **MR. LACHAT:** Thank you, Chairman and  
13 Commissioners. I want to thank you on behalf of  
14 Bryan Koon, who is our Director, of course, for this  
15 invitation.

16 I've done hundreds of these agency briefs  
17 and agency head briefs over time. This is the first  
18 one I've been invited to do in front of the PSC. So  
19 thank you. I get to check that box off. This has,  
20 this has really been nice.

21 Rick Moses, I'll just point him out, Rick  
22 Moses has been your Emergency Coordinating Officer  
23 for the department. Rick and his team do an  
24 excellent job in our EOC -- as we go through the  
25 briefing I'll try to point out things specific to

1 this agency, of course -- but I just want to say  
2 that up-front. Rick and his team are excellent  
3 working with us in the Emergency Operation Center.

4 Now I've got 33 slides. This might look a  
5 little scary, but I'm going to do it very quickly, I  
6 promise you. So if there's questions, please let me  
7 know. And what's even scarier is you handed me this  
8 device. So until I get the feel for it, just bear  
9 with me.

10 (Laughter.)

11 Okay. I'm clicking the back one. Click  
12 the front one. Okay. Do I have to aim it at  
13 anything?

14 **COMMISSIONER GRAHAM:** It's all about the  
15 batteries. It comes back to power.

16 (Technical assistance provided.)

17 **MR. LACHAT:** All right. There it is. The  
18 state EOC is actually located right across the  
19 street from the Public Service Commission. The  
20 building was built in 1995/96. We occupied it in  
21 '96.

22 Just some highlights about it. We have  
23 redundant communication systems. We have an  
24 underground water tank that provides backup water to  
25 the facility in the event that we lose city water

1 here. We have a generator that provides minimal  
2 backup power to the facilities. It will not do, it  
3 will not do air conditioning and heating and that,  
4 but it will power communications and computers and  
5 that sort of thing. It's been built to a  
6 200-mile-an-hour wind load, but it'll only be  
7 certified by the engineers to 160. But it was built  
8 to a 200-mile-an-hour wind load. So we have used it  
9 very well over the years.

10 Our mission statement for the Division, I  
11 won't read this, but basically it incorporates the  
12 four functions of emergency management, which are  
13 preparedness, response, recovery, and mitigation.  
14 That's the four phases of emergency management that  
15 we work under, and that's federal, state, and local.

16 Chapter 252 is the State Emergency  
17 Management Act. That is basically the act that  
18 allows us to be what we are and to act -- you know,  
19 to do what we do. That gives us our focus, so to  
20 speak. For the Division it also incorporates things  
21 like the Executive Orders, the Governor's powers,  
22 the things that we do as, as a State Emergency  
23 Response Team. So that's our reference.

24 The Comprehensive Emergency Management  
25 Plan is how we operate in a, in a disaster

1 environment on a day-to-day basis. It's the basic  
2 framework for how we operate. The PSC has a  
3 connection to that. In fact, they've written  
4 sections of it. The federal government has a  
5 national response framework. We dovetail into it  
6 with our CEMP. And then the counties who are  
7 responsible for emergency management at the local  
8 level, they each have theirs as well. So all of  
9 these things are interconnected at the various  
10 levels of government. That's very important, and  
11 you'll see as we go through this a little further  
12 why that's so important.

13           These are our operational regions in  
14 Florida. We have seven of them. We have a  
15 full-time staff member in each of these areas who,  
16 who works as a liaison to each of the counties in  
17 that area. So the seven regions, that person is  
18 equipped with an automobile, radios, and other  
19 equipment. So both during what we call blue sky is  
20 day to day, gray sky is during a disaster event,  
21 we've got liaisons out in the field already before  
22 we deploy people out there further. So we've  
23 already got someone working with the counties.

24           You'll notice that FDLE and Health are  
25 also labeled on there because they realigned their



1 regions to match ours. We worked together so we  
2 would be able to coordinate those elements together.  
3 And you've heard of the Regional Deployment Security  
4 Task Forces and so forth; this is all interconnected  
5 in that regard.

6 Okay. Just an example of some of the  
7 categories of events that we deal with in Florida.  
8 A lot of people associate us with hurricanes and  
9 that's about it, tornadoes and maybe a little bit of  
10 bad weather. But if you look at all of these items  
11 up there, we have dealt with every one of these in  
12 the past ten to 15 years. There isn't an item up  
13 there we haven't dealt with, and that gets  
14 interesting.

15 We dealt with the -- the pandemic one  
16 might be one or bio-terrorism might be a question,  
17 "What is that one?" That was the building down in  
18 South Florida that we dealt with after 9/11 when we  
19 had the anthrax episode.

20 Now this is just a small group of the ones  
21 that we deal with. There's probably a total of 26  
22 to 30 that we deal with on an everyday basis.

23 A couple of other listed real quickly  
24 here. You'll notice some things like special  
25 events. Special events, we have Super Bowls in the

1 state which require that we be working with the  
2 counties for preparedness on those activities. We  
3 have large automobile racing activities in the  
4 state. There's a lot of special events that occur  
5 in Florida obviously because of its destination as a  
6 tourism location, so those things are on our radar  
7 as well. Those are important to us. This gives you  
8 a couple of examples.

9 We have -- we work with basically four  
10 nuclear power plants in this state. That's an area  
11 that sometimes is forgotten that we're connected to.  
12 We run a number of exercises, we run a lot of  
13 planning and preparedness activities with those  
14 power plants. In fact, Rick is very involved with  
15 that team over in our EOC. So we deal with those as  
16 well. And we can't forget that we have a small  
17 nuclear, training nuclear reactor at Gainesville.  
18 So we're definitely involved in that aspect.

19 Okay. Do you think anybody doesn't have a  
20 hurricane problem on the East Coast? This is all  
21 the historical paths going back to about I think  
22 it's 1851 that were pulled down from the National  
23 Weather Service office. If anyone basically from  
24 Canada to Texas thinks they don't have a threat,  
25 they -- I'm sorry, but history will tell them

1 differently.

2           So is it important that they all be  
3 prepared? Yes. And, of course, things like the  
4 Emergency Management Assistance Compact, which is  
5 the sharing of resources between states, that has  
6 gotten very strong over the last two decades where a  
7 state doesn't have to maintain a huge amount of  
8 human capital and resources. They can -- we share  
9 things over the border. And we're not talking about  
10 FEMA. We're talking state to state, which has been  
11 very important to this, to this profession. But you  
12 can see there that, especially the southeast, it's  
13 intense.

14           Our response team is comprised of --  
15 everyone thinks it might be just state agencies but  
16 it's not. It's private partners, so that means  
17 you've got people in the audience here that are very  
18 involved with us. We've got a lot of power  
19 companies involved in this effort connected in  
20 through ESF 12, but we also have supermarkets,  
21 pharmacies, gasoline distributors. I mean, you name  
22 it. The private sector is very involved.  
23 Non-profits, the Red Cross, the Salvation Army. I  
24 mean, I could list hundreds of names of people that  
25 are involved. A lot of pharmacies involved,

1 Walgreens and others, CVS. I don't want to leave  
2 anybody out. But when you start going down that  
3 road, it's very extensive.

4 Especially the lessons learned after 2004  
5 when the private sector saw how important it was to  
6 get back up into business and get things rolling  
7 again and not lose market share, they got a really  
8 focused interest in this in backup generators and  
9 having their stores back up online.

10 The effort of doing that has allowed us to  
11 respond better because we can concentrate in areas  
12 where the needs are greater and the devastation is  
13 worse. And we can -- the private sector can take  
14 care of the other aspects of this. You know, the  
15 market will drive it and it has. It's been  
16 significant.

17 We're grouped into 18 emergency support  
18 functions -- I'm going to go through these very  
19 quickly so you get an idea -- and every one of them  
20 is headed by an Emergency Coordinating Officer that  
21 is designated under Chapter 252. That ECO comes in  
22 and he's responsible -- or he has to have two  
23 things: Your authority to act, and the ability to  
24 spend your budget when we make decisions over there.  
25 That's the requirements of an ECO. If they can't

1 make decisions and take actions on your behalf, we  
2 really need somebody else. And that's been the way  
3 it's been for a while, and that's what they do is  
4 they represent you in that regard.

5 Now we talk about coordinating with the  
6 agency, we're not talking about doing it completely  
7 independent, but they have to have that ability  
8 because we make decisions very quickly over there.

9 These are our activation levels:  
10 Monitoring, partial, and then full-scale. Pretty  
11 simple. We're always monitoring even when nothing  
12 is happening because, you know, that makes sense.  
13 Partial is when we need a certain select group in.  
14 And then full-scale is when we're going full speed.  
15 We could have anywhere from five to seven hundred  
16 people in that EOC. That's how busy it will get  
17 over there when we're at full scale.

18 These are our functions. I'll just go  
19 through them quickly. The letters in parentheses  
20 are the lead agencies for that. That means there's  
21 several agencies or entities connected. And I'll  
22 just give you DOT. For instance, on transportation  
23 DOT has got the lead, but connected to that is the  
24 Army Corps of Engineers, the Water Management  
25 Districts. Public Works Departments are connected



1 to it because that's all, because they also have  
2 3 -- 1 and 3 are combined. So those are just  
3 examples.

4 ESF 2, DMS has got communications, but the  
5 telephone companies and so forth are connected  
6 through that as well. We've got, you know, private  
7 and public connections in that.

8 Fire fighting, DFS, but we've got Forestry  
9 as well. They've got the Fire Marshal's Office,  
10 okay, and so forth and so on. We'll go through  
11 these very quickly.

12 Mass care people, resource  
13 support/purchasing. Health and medical is a big one  
14 to us for obvious reasons. Urban search and rescue  
15 and so forth. DEP has got the hazmat capability,  
16 but the Coast Guard is connected to that as well.  
17 That's another one, multiple connections.

18 Agriculture, food and water. We use the  
19 school feeding programs. Those are important to us.  
20 Of course, the military affairs plays a big one.

21 There's yours, ESF 12 is the Public  
22 Service Commission. You can see that listed. So  
23 that's 12.

24 All right. And then we finish with, we  
25 round out with the other 18. We created 17 and 18

1 since '98. 17 came out of the wildfire season in  
2 '98 because we had animals running loose on  
3 highways. When the poles and so forth burned down  
4 and barbed wire was out, we were able to -- we saw  
5 the reality of we better get something going here  
6 with the state veterinary association and animal  
7 hospitals because we had livestock out on the roads,  
8 and that posed another danger as well. And that has  
9 really been a great addition to us was ESF 17  
10 because it has led to the pet-friendly shelter  
11 development when people evacuate. There's a lot  
12 more emphasis now on animals and that's been a great  
13 thing.

14 18, ESF 18 came about as a result of 2004  
15 obviously because of the, the impact to businesses  
16 in the state. And I mentioned something earlier  
17 about it's in their best interest to get back on  
18 board and to be back in motion again, so to speak,  
19 so that they don't lose market share and so forth in  
20 a community. So 18 is, is that connecting point for  
21 businesses to be connected to us. And we opened  
22 that up very, very wide to our business community in  
23 Florida.

24 We worked under Incident Command System  
25 and Unified Command. When the federal government

1 comes in here, they're not acting on their own.  
2 They're in our EOC and they're unified. That's  
3 important because I know the perception of the  
4 public is we don't want FEMA out in the communities  
5 doing things independent of what the state  
6 priorities are and then obviously the local  
7 priorities. So Unified Command is a very big deal  
8 to us in emergency management, and we have practiced  
9 that very carefully over the years and FEMA has been  
10 very good about working with us on it.

11 Incident Command System is just an  
12 organizational system that's used throughout the  
13 first responder field. I won't go into a whole lot  
14 of detail about it, but it's a way to organize an  
15 event and to manage an event. And we use that very  
16 carefully because our locals are trained, the  
17 federal is trained that way, so therefore it's a  
18 common operating style that we can use in a disaster  
19 event. So we follow that.

20 Sections and branches, span of control,  
21 we've got things isolated, very organized in the  
22 EOC. The Governor can issue an Executive Order --  
23 that's really the powers behind this -- when it's  
24 necessary to activate the EOC, and it allows us  
25 certain things like the purchasing provisions are

1 reduced or waived, there are some things with  
2 budgeting that can be done, these are things that  
3 you can do legally, and his staff working with us,  
4 some things that the state can do to take care of  
5 itself, so to speak, quickly.

6 He'll designate a State Coordinating  
7 Officer. That's normally the Director of Emergency  
8 Management, but it could be someone else. Depending  
9 on what the event is, the color wheel swings. You  
10 know, we look at it as a wheel. If it's a, if it's  
11 not a hurricane, it might be some other kind of  
12 event. Let's say a pandemic just for instance. He  
13 might designate the Secretary of Health to be the  
14 State Coordinating Officer, and then that EOC is in  
15 support of that Secretary as the SCO. So that could  
16 be anybody depending on what the event is. Normally  
17 it's the Director. And then I'm the SERT Chief. I  
18 oversee all the operations part in the EOC. So  
19 that's my role in that.

20 This is just a quick schematic. That's  
21 how it works. Incident command system has us broken  
22 out into four basic components: Ops, plans,  
23 logistics, and finance. Everything is organized  
24 underneath those four components.

25 The State Watch Office is a 24/7 wing of

1 the state EOC. This is the communications hub for  
2 the state for emergency management. And just a  
3 quick shot at the room. They're 24/7. All  
4 incidents are reported in from the county to the  
5 state, and at that point notifications are made to  
6 leadership and to the team, and then from there we  
7 make decisions on how we operate next. So that's  
8 very important.

9 They get between eight to twelve thousand  
10 incidents reported a year, and most of them are  
11 hazardous materials and weather issues. Okay?  
12 Just, just so you're aware of that.

13 This is the State Logistics Response  
14 Center. This is a warehouse down in the Orlando  
15 area, and it's -- it houses basic, a basic three- to  
16 four-day supply level based on what our experience  
17 has been of water, food, things like diapers and,  
18 you know, important upfront supplies real quick.  
19 Because now with just-in-time inventory control in  
20 this country you can't get things just picking up  
21 the phone, "Hey, deliver it this afternoon."

22 So what we've invested in is a place where  
23 we can get a basic level of commodities going within  
24 a few hours, okay, to get the initial push going  
25 until the private sector can catch up with



1 production. And that's typically how things are  
2 done these days.

3 So just some characteristics -- there's  
4 what it looks like inside. It's got office spaces  
5 on the outside. We can bring in tractor-trailers  
6 and so forth unloading, but this is how it's stocked  
7 right now. It's a pretty good amount of stuff, but  
8 you'll be surprised. This won't last very long when  
9 you start dealing with a state of this size, and  
10 especially what we did in '04.

11 I'm going to go through a group of slides  
12 and this will be the end of it. There's a group of  
13 common principles here that we work with, and these  
14 are really from lessons learned.

15 All events are local. We don't take over  
16 the ownership of an event. We, we have excellent  
17 county emergency management offices and we come in  
18 to support those offices. If they need our help,  
19 we're coming in to help them. We don't take over  
20 though. The state isn't -- we're not doing that.  
21 We coordinate assistance to our local EM directors,  
22 and that's very important. That's why we're there  
23 is to help them.

24 Requesting assistance, another example.  
25 Only the Governor can go to the President. That's

1 the Stafford Act. That's federal law. So  
2 everything has to come up from a city to a county.  
3 The county has got the lead, 252, then it goes to  
4 the Governor, and then we go to the President when  
5 the Governor has made his decision that he wants to  
6 request. There's a lot of detailed processing of  
7 damage -- discounts for damage, that doesn't count  
8 for damage. So there's a lot of requirements under  
9 Stafford that we have to meet to come up with the  
10 thresholds to request.

11 This one to me is one of the most  
12 important slides I'm going to show you. And, again,  
13 I promise I'm wrapping it up here soon. This is the  
14 first 72 hours after impact on an event. Let's say  
15 a hurricane hits a community. The first 72 hours  
16 this is what we're trying to do. This is what we're  
17 focused on in that EOC with all of our deploying  
18 teams out in the field with everybody down range.  
19 Okay? We're trying to secure the area, we're trying  
20 to search that area for people that need help, and  
21 we're trying to stabilize that community. Okay?

22 Now if you think about how we try to  
23 educate the public and we ask them, please have your  
24 supplies, please have your -- please be prepared, we  
25 always ask them to do that for the first 72 hours.

1 Okay? That's been our push for decades. This is  
2 why. We are focusing on trying to get into the  
3 community and help them get stabilized. We can't  
4 get food, water, ice, all of that stuff going  
5 immediately. That's not the focus. This is the  
6 focus. We're trying to get people out of rubble,  
7 we're trying to get people, we're trying to get  
8 people settled in shelters, we're trying to do those  
9 types of things. That's why we constantly have to  
10 remind the public, please have everything you need  
11 for the first 72 hours, because the more we can get  
12 that done, the more we can do this more quickly. So  
13 that's critical to us.

14 Operational rules. This may seem a little  
15 bit funny, but it really is important to us. We do  
16 two things in the EOC. We deal with survivor issues  
17 and responder issues. If it's anything else, it  
18 doesn't belong in the EOC. If it doesn't, if it  
19 doesn't change a survivor or responder issue, we  
20 don't want it and we will quickly get it out of that  
21 building because that's what we deal with.

22 These are our standing orders. Anybody in  
23 the field, in the EOC, anywhere, who's dealing with  
24 response can just pull this up or think about it in  
25 their mind. These are our focuses.

1           Establish communication is the most  
2 important thing we can do. We've learned that in so  
3 many events. You've got to have calm with the area  
4 that's been affected.

5           Search and rescue/security. I just talked  
6 about the first 72 hours.

7           Then we've got a list of basic human  
8 needs. That's critical and they're in that order.  
9 Ice is a distant sixth. The reason why we only do  
10 ice is because of pharmaceuticals. Some  
11 pharmaceuticals have to be put on ice and that's why  
12 we're even in the business of providing it. We're  
13 not doing it for convenience. I mean, it's nice to  
14 do it and sometimes -- that's if we're able to do  
15 it. But the reason for it is medical. So if we --  
16 in those regards that's a priority.

17           Then number 4 is where the PSC is very  
18 involved. As we get into restoring critical  
19 infrastructure, communications, power, okay, and so  
20 forth, that's where Rick and his team are very  
21 integrated with us on that priority and then so  
22 forth -- opening schools, local businesses -- then  
23 we begin the recovery. The recovery could last ten  
24 to 15 years in a community. It's amazing.

25           All right. Considerations. We get to

1 pick one of these considerations. They can be  
2 cost-effective, mistake free, and fast. We deal  
3 with this issue constantly in our EOC. That \$200  
4 worth of water that's hanging underneath that CH-47  
5 Chinook, that helicopter operates about \$8,000 an  
6 hour. Okay? We're doing that because a bridge went  
7 out and a water line got cut down in South Florida.  
8 This was the only water we could get to a  
9 community -- elderly, kids, and so forth. So in  
10 that regard we had to do fast. We will do fast most  
11 of the time, but I want to be, I want to be clear,  
12 we're not blatant about fast. But if fast is what  
13 we need to do, we'll do it.

14 And so it's not always cost-effective and  
15 it's definitely not always mistake free. But when  
16 we've got to get in and we've got to get things done  
17 quickly, that's the one we'll take.

18 We want to change outcomes; that's our  
19 goal. We don't -- we're not worried about process.  
20 We're very focused on outcomes there. Okay? And  
21 Craig Fugate, I've borrowed this from him over the  
22 years, the sledgehammer approach. He wanted to push  
23 stuff in, he wanted to push it in hard. He didn't  
24 want to wait until he had the facts because it's too  
25 late then. You've got to get in quickly, you've got

1 to move things. And, quite frankly, that's how the  
2 team has been trained to operate, and it works. We  
3 did that in '04 and we did it in '05 with all the  
4 hurricanes. We've done it with a number of events.

5 And flexible plans. A little humor:  
6 Don't be surprised if the survivors haven't read  
7 your plan or the leadership, so they're not going to  
8 follow it. So we understand that. Okay? So we  
9 have to be flexible with our plans.

10 But the bottom one is important because  
11 you have allowed me to do this today as, as senior  
12 officials here to allow me to come in and do this,  
13 and I appreciate this and that has helped with this  
14 part of it. So thank you for letting me do this and  
15 come in and brief you on this. And that's it. I  
16 hope that hasn't been too long, but thank you.

17 **CHAIRMAN BRISÉ:** Thank you very much.  
18 Very, very informative. I don't know if there's any  
19 questions or comments by my fellow Commissioners.

20 Commissioner Brown.

21 **COMMISSIONER BROWN:** Well, I want to thank  
22 you very much. It was very interesting and I  
23 appreciate it. I thank, I thank the Chairman for  
24 bringing them here. This is a very interesting  
25 presentation. And I also want to thank -- you know,



1 the EOC is always so well prepared, well planned.

2 **MR. LACHAT:** Thank you.

3 **COMMISSIONER BROWN:** Visiting the center,  
4 it's very impressive. But there's a few things that  
5 I learned. I didn't know about the supply -- State  
6 Logistic Response Center. How many supplies does  
7 it -- is it for the whole population of Florida?  
8 You said three to four days, so how --

9 **MR. LACHAT:** No, Commissioner. It's only  
10 a small -- it really is priming the, the pump  
11 basically. It just gets us going for a few days.  
12 In, in an event like one of the hurricanes we had in  
13 '04, it might allow us a day to two days' worth. We  
14 would burn that down very quickly.

15 **COMMISSIONER BROWN:** To cover -- how many  
16 people is it supposed to accommodate?

17 **MR. LACHAT:** I mean, maybe -- it depends  
18 on the size of it, but you probably would be able  
19 to -- oh, gosh, I hate to even -- maybe Orlando for  
20 a day, you know, the typical amount of damage that  
21 would occur. It depends on how widespread the  
22 damage is.

23 We set up points of distribution in  
24 different areas where those supplies go to and then  
25 they're handed out. But that -- we're looking at

1 electrical grids, we're looking at closed  
2 supermarkets. We're not going to put up one of  
3 these pods or put up one of these distribution  
4 points where supermarkets are opened. That doesn't  
5 make any sense. So we're going to go to areas that  
6 are devastated. And that's -- you know, we're being  
7 real careful about that.

8 So power is one of those intelligence  
9 indicators to us that tells us where we need to go,  
10 you know, and that's why we work closely with Rick  
11 and his team in ESF 12. We, we look for where the  
12 grid is down because that's going to probably be  
13 where the problems are obviously. That's the  
14 indicator. So I could give you a better answer and  
15 I will, I'll follow up on that, but it really is  
16 just to get things started.

17 **CHAIRMAN BRISÉ:** Sure.

18 **COMMISSIONER BROWN:** The water tank that  
19 you mentioned, how, how much -- what's the supply  
20 that that holds?

21 **MR. LACHAT:** Oh, over there? It's  
22 approximately 8,000 gallons. It's buried in our  
23 parking lot. It's a stainless steel tank that was  
24 put in when the building was built, and it's just  
25 minimal until they can get the water lines repaired.

1                   **COMMISSIONER BROWN:** Uh-huh.

2                   **MR. LACHAT:** Yeah. But it's just a  
3 minimal backup system.

4                   **COMMISSIONER BROWN:** Just one last  
5 question.

6                   You've been with the division a long time,  
7 and have you seen a lot of changes that have  
8 occurred with the advancements of technology and --

9                   **MR. LACHAT:** Oh, yes. Yes. When I got  
10 there in '95 we had hardly any computers, so we were  
11 doing everything by handwritten form. Now we have  
12 tracking systems on the missions that -- the  
13 advancements in communications have been extensive,  
14 especially extensive, radios.

15                   But what I am seeing though on the other  
16 side is that the depths of inventory and so forth  
17 aren't there anymore. This country is into  
18 just-in-time provisions, and so that has made it a  
19 little more difficult, that part of it. But, yeah,  
20 there's been a lot of advancements.

21                   **COMMISSIONER BROWN:** Thank you so much.

22                   **MR. LACHAT:** You're very welcome,  
23 Commissioner.

24                   **CHAIRMAN BRISÉ:** Commissioner Edgar.

25                   **COMMISSIONER EDGAR:** Thank you.

1           We are very, very proud of the work that  
2 the DEM team does and the results. And when I speak  
3 in other states, I always brag on our DEM team and  
4 on the work that we've done and the models that -- I  
5 say "we," I can take no credit for it -- but we as a  
6 state can model for other parts of the country, and  
7 I talk about the mantra of "Prepare, Respond,  
8 Recover."

9           Leo has been, as you can see, an integral  
10 part of the work over there. But I cannot believe  
11 it's been 18 years.

12           **MR. LACHAT:** It's been 18 years.

13           **COMMISSIONER EDGAR:** Really? We worked  
14 together very closely, Leo and I did, in the  
15 Governor's Office before he went to DEM. And we  
16 look exactly the same.

17           (Laughter.)

18           **MR. LACHAT:** Thank you for that.

19           **COMMISSIONER EDGAR:** Done.

20           **CHAIRMAN BRISÉ:** Commissioner Balbis.

21           **COMMISSIONER BALBIS:** You indicated that  
22 it's important that the representative for each one  
23 of the functions has the appropriate authority.

24           **MR. LACHAT:** Yes.

25           **COMMISSIONER BALBIS:** Concerning the

1 Public Service Commission, does our representative  
2 have -- what authority does he need and does he have  
3 it?

4 **MR. LACHAT:** He has it. Rick is very  
5 effective over there. We've had -- the reason why  
6 we want to remind the agencies of that, we've had  
7 ECOs that have been appointed where they have to,  
8 they have to call back for everything to their  
9 agency, and that really kind of defeats the purpose  
10 of having that person over there representing the  
11 agency head.

12 Rick, Rick does. Rick handles this very  
13 well over there, and his team. But we just, we want  
14 to remind them because that is really the importance  
15 of that assignment to whoever your ECO is. They  
16 have to be able to operate a little independently of  
17 senior staff over here and the Commission. They're  
18 operating on your behalf.

19 We understand there's going to be  
20 significant issues from time to time they've got to  
21 come back and deal with. We understand that. But  
22 it's the day-to-day, you know, they can make a  
23 decision on things that are important because we've  
24 got to move quickly. That's, that's the issue  
25 sometimes. So to answer, yes, he's good.

1                   **COMMISSIONER BALBIS:** Okay.

2                   **MR. LACHAT:** Thank you for that.

3                   **CHAIRMAN BRISÉ:** Did you want to --

4                   **COMMISSIONER EDGAR:** Just one more comment  
5 because Leo, I know, is much too courteous to say  
6 this, so I'll say it. I have had the opportunity  
7 to, for a variety of reasons in different roles, to  
8 be at, across the street when it's been activated  
9 and in the middle of their very, very important  
10 efforts and emergency situations. And it's  
11 incredibly impressive and cool to see, but they  
12 don't need those of us coming over there to just  
13 watch and see what they're doing. They're always  
14 very welcoming, but they need to keep, have the  
15 operations and for those people that are doing the  
16 important work not be distracted.

17                   **MR. LACHAT:** Well, we, we would certainly  
18 appreciate a visit. But I thank you for saying  
19 that. But we would appreciate a visit because it is  
20 important for you to see especially what your team  
21 is doing. But, no, thank you for that because,  
22 yeah, it's a very busy place over there.

23                   **COMMISSIONER BALBIS:** So we are allowed to  
24 go?

25                   **MR. LACHAT:** Yes, of course.



1                   **COMMISSIONER EDGAR:** One at a time.

2                   **CHAIRMAN BRISÉ:** One at a time.

3                   (Laughter.)

4                   I think, I think most of us have been, so  
5 you're the next one to go.

6                   Commissioner Graham.

7                   **COMMISSIONER GRAHAM:** Curiosity question.  
8 With everything you have in storage over in Orlando,  
9 what happens when you guys start getting close to  
10 the shelf life on that stuff?

11                   **MR. LACHAT:** We have a -- thank you for  
12 asking that, Commissioner. What we've arranged with  
13 the vendors that we've got -- it was all done in  
14 competitive bids and RFQs. We -- they, they remove  
15 it, the vendors. We only pay for it -- so, I'm  
16 sorry, I should have mentioned that. We pay for it  
17 if we use it. So they're doing, they're doing the  
18 movement of that inventory with us.

19                   **COMMISSIONER GRAHAM:** So it's a win, it's  
20 a win-win. They get to use our storage.

21                   **MR. LACHAT:** Yes, that's correct.

22                   **COMMISSIONER GRAHAM:** Got you.

23                   **MR. LACHAT:** They're actually storing  
24 inventory, that's correct, and then they, they move  
25 it. But, yeah, we're not buying it until we

1 actually use it.

2 **COMMISSIONER GRAHAM:** That's a great idea.

3 **MR. LACHAT:** That's a great question.

4 Thank you for that.

5 **CHAIRMAN BRISÉ:** Did you have a question?

6 **COMMISSIONER BROWN:** Just a follow-up on  
7 that. Thank you so much. A follow-up to that  
8 question.

9 How do you deploy and disperse the  
10 supplies?

11 **MR. LACHAT:** We, actually we hire  
12 tractor-trailers in reverse to come back out. We  
13 use an enormous amount of trucks in a major event.  
14 We'll tie up shipping pretty good on the, in the  
15 southeast. It's amazing.

16 In the '04 season with the four  
17 hurricanes, we had locked up about, just about all  
18 the trucking excess there was just moving supplies  
19 within the state, moving them into the state and so  
20 forth. Yeah. It's -- so we use, we use private  
21 trucking contracts.

22 **COMMISSIONER BROWN:** Thank you.

23 **CHAIRMAN BRISÉ:** All right. Well, we want  
24 to thank you for your presentation today.  
25 Definitely informative. And also helps remind us of

1 our function within that space and how -- as we had  
2 a few weeks ago talked about our role in economic  
3 development. And so I'm glad that we're talking  
4 about our role in protecting our infrastructure even  
5 in times of disaster. So thank you.

6 **MR. LCHAT:** Thank you, Chairman and  
7 Commissioners. Thank you all. Thank you.

8 **CHAIRMAN BRISÉ:** Okay. Moving on to Item  
9 Number 5. It's a continuation.

10 **MR. MOSES:** I'm sort of scared to get up  
11 here after that.

12 (Laughter.)

13 No. I'm here to just give you a little  
14 bit more granular information as far as what our  
15 functions are when they're activated over there and  
16 even sometimes when they're not activated.

17 Our primary function is we report to the  
18 infrastructure branch. Danny Kilcollins is the  
19 person who's the main person over there that we're  
20 involved with.

21 Part of the ESF 12 function, as you've  
22 probably seen on the slides, it also involves fuels,  
23 Department of Transportation fuels. We do not get  
24 involved with that. They have a separate staff that  
25 does that. I just want to make that clear in case

1 anybody was concerned about that.

2           Whenever they go to a Level 1, and it's at  
3 the discretion of the emergency personnel if they  
4 want us there 24/7, if they do want us there, we are  
5 staffed there for the duration of the event and all  
6 the way through until the referral of the power is  
7 back up, and we do anything we've got to do to  
8 assist them in that manner.

9           The first thing we normally do when an  
10 emergency has occurred, there is an order that is  
11 issued by the Governor declaring an emergency, and  
12 we try to ensure that in that order there's language  
13 that provides for certain waivers. Without that  
14 provision it makes it much more difficult for the  
15 power companies in particular to utilize other  
16 resources.

17           Some of that language is, for instance,  
18 like a waiver for weigh stations. If they're going  
19 to bring in trucks from other states, it's very  
20 difficult for them to get, say, down to Miami if  
21 they're coming from North Carolina, somewhere like  
22 that, if they've got to stop at all the weigh  
23 stations. So we try to get them waivers at all  
24 those weigh stations.

25           Let's see. Some of the other things. We

1 report outage information three times a day. It  
2 starts at 6:00 in the morning, 11:00 just before  
3 noon, and at 3:00 in the evening. We report the  
4 outage information by county level, and we also have  
5 the estimated restoral times. Once the event has  
6 progressed to where the companies can get in there  
7 and assess the situation, then they'll start giving  
8 us estimated times of restoral for the counties.

9           If they need more granular information  
10 from that, we've got representatives from the  
11 utilities in the room with us during the activation  
12 and they're very helpful in giving us any  
13 information that we may need -- say, nursing homes  
14 or hospitals, or any critical infrastructure that  
15 needs to get the power back up quickly.

16           Those reports, the outage reports, as Leo  
17 explained, the usefulness of them is not so much  
18 just knowing the power is out but knowing where the  
19 power is out so they can make decisions on emergency  
20 shelters, if they need generators to go in there to  
21 get power up for nursing homes in particular.  
22 There's a lot of critical infrastructure that  
23 without the generators it's going to stay down, and  
24 they need to know that information so they can plan  
25 accordingly to do their functions when they're in

1 the emergency center.

2 Let me see. What else did I want to tell  
3 you? Oh, also we authorize contractors to come in  
4 to help with restoral efforts. A lot of times  
5 there's contractors that come in to help remove  
6 debris ahead of the power companies to get them  
7 access in there, and we help authorize and  
8 facilitate that as well.

9 We also get some kind of unusual requests  
10 every once in a while. During the last event that  
11 we had there was a lot of flooding and there was a  
12 radio repeater that was out in the middle of a very  
13 remote flooded zone, and the power company needed to  
14 get a crew back in there and they didn't have any  
15 way of getting in there. So we went and worked with  
16 one of the other ESF functions and were able to get  
17 them a swamp buggy. I was surprised they had one  
18 big enough to carry all that equipment, but they  
19 actually did. So they got it in there.

20 Other staff, you know, everybody keeps --  
21 Leo kept mentioning my name, but it's not me.  
22 There's a whole group of people that work in that  
23 center: Paul Vickery, Clayton Lewis, Melissa  
24 L'Amoreaux, Penny Buys, and Anita Black are all  
25 trained and function in that capacity as well.



1           And also we couldn't function at all if it  
2 wasn't for the utility people. They get in there,  
3 they help us keep our sanity sometimes, and they're  
4 very, very knowledgeable and they have all the  
5 contacts and they get us information very quickly.  
6 I couldn't say enough about them. Anything I can do  
7 to answer any questions?

8           **CHAIRMAN BRISÉ:** All right. Well, thank  
9 you. And we thank you for, for in essence being our  
10 representative there. And I don't know if there's  
11 any questions or comments from my fellow  
12 Commissioners.

13           **COMMISSIONER EDGAR:** They do a great job.

14           **MR. MOSES:** Thank you.

15           **CHAIRMAN BRISÉ:** Thank you.

16           And moving on to Item Number 6.

17           **MR. BAEZ:** Thank you, Mr. Chairman.

18           Commissioners, I want to present the  
19 Commission's legislative budget request for the  
20 2014/2015 fiscal year. The summary you have before  
21 you includes two types of issues. The first are  
22 technical adjustments that as an agency we don't  
23 have control over, and the second are what we'll  
24 call Commission issues which we are proposing.

25           The technical issues, among them you'll

1 notice that this year's summary includes current  
2 year and out year technical adjustments mostly as a  
3 result of legislation that was passed during the  
4 2013 session. I refer you specifically to the pay  
5 raise adjustments that become effective October 2014  
6 [sic].

7 Also we have retirement contribution  
8 adjustments for the funding of actuarial liability  
9 and adjustments to the subsidy for retirees. And,  
10 lastly, standard health insurance adjustments that  
11 were adjusted effective March 1st, 2014 [sic].

12 There are other small typical adjustments;  
13 for instance, risk management, and the DMS-HR  
14 contract, and the shared resource center.

15 Next we have the two Commission issues  
16 that I had mentioned before. We're continuously  
17 looking for opportunities to streamline and work  
18 more efficiently. During this current year we  
19 expect to realize permanent adjustments to our  
20 operating budget.

21 The first item or the first issue concerns  
22 lease, leased space reduction. As you're aware,  
23 this past year we have been consolidating space and  
24 migrating staff from the Easley Building to the  
25 Gunter Building. You're well aware the Clerk's

1 Office has moved to the first floor of the lobby,  
2 and the print office is where IT used to be as you  
3 walk through the, through the tunnel. And as luck  
4 would have it, you're sitting in one of the  
5 examples, one of the prime examples as well. We've,  
6 we've migrated Internal Affairs over to this new,  
7 this new space.

8 By reducing space we've been able to  
9 reduce our current expense appropriation by 154,000  
10 and change. That, that on a yearly level allows us  
11 to recover the cost of the, of the, the improvements  
12 that we did have to make in order to carry out  
13 those, those space reductions. So it's a good  
14 payback schedule. I think it's under two years for  
15 this room in particular.

16 The next issue is the FTE reduction issue.  
17 We have been and continue to work with management to  
18 evaluate workload and responsibilities and staffing  
19 needs. In some instances we were able to  
20 strategically shift and minimize or otherwise  
21 alleviate functions and still maintain high quality  
22 work product. Now some workload shifts came about  
23 due to legislation and technological advances. As  
24 those efficiencies have been realized, we have for  
25 some time been holding positions vacant. And as a

1 result, we're able to remove ten vacant positions  
2 from our work force with an associated savings of  
3 \$489,000 plus. Together these issues represent  
4 total cost reductions of \$644,274.

5 That is the summary of the high points of,  
6 of the proposed LBR, and we'd like your approval.  
7 With your approval, we'd like to present it  
8 October 15th for filing.

9 **CHAIRMAN BRISÉ:** Okay. Any questions?

10 Commissioner Balbis.

11 **COMMISSIONER BALBIS:** You mentioned the  
12 leased space reduction issue.

13 **MR. BAEZ:** Yes.

14 **COMMISSIONER BALBIS:** That we were able to  
15 achieve that by constructing these improvements, and  
16 you mentioned a payback period. What were the costs  
17 of the improvements?

18 **MR. BAEZ:** The number, the exact number  
19 escapes me. I do recall that the payback period  
20 for, for this, for the Internal Affairs room, for  
21 instance, was under two years. So as we -- so if  
22 you, if you take the hundred and, the 154 that we're  
23 picking up, we're under 300,000 for the cost of the  
24 improvements. I can get that, the exact -- I'm  
25 sorry, for the entire first floor. I can get those

1 numbers to you offline.

2 **COMMISSIONER BALBIS:** Okay. And then by  
3 approving this we're not approving a budget. We're  
4 just approving you to submit it.

5 **MR. BAEZ:** No. You're approving a budget  
6 request.

7 **COMMISSIONER BALBIS:** Okay.

8 **MR. BAEZ:** Exactly. And I failed to  
9 mention, I think you can see, you can see in front  
10 of the document that you have is labeled "Draft" for  
11 that. The reason being there are these technical  
12 adjustments that come down the pike from, from OPB  
13 and others across the, across town. So we're not --  
14 we're only able to propose what we can control, not  
15 the adjustments that come from the outside.

16 **COMMISSIONER BALBIS:** Okay. I just wanted  
17 to thank Apryl and yourself for -- I know we had a  
18 meeting and you're making some staff available so I  
19 can learn as much as possible about the budget  
20 process. I want to thank you for that.

21 **MR. BAEZ:** Thank you, Commissioner.

22 **CHAIRMAN BRISÉ:** Commissioner Graham.

23 **COMMISSIONER GRAHAM:** The, the savings  
24 that we realized for getting out of the Easley  
25 Building, what's that total savings? I see you have

1 150,000 here, but is that just the difference, the  
2 amount that we saved from the last budget to this  
3 one?

4 **MR. BAEZ:** That's the amount, that's the  
5 amount of, that's the amount of rent on a recurring  
6 basis that we don't have to pay.

7 **COMMISSIONER GRAHAM:** So is that the total  
8 savings?

9 **MR. BAEZ:** On a yearly basis.

10 **COMMISSIONER GRAHAM:** On a yearly basis.

11 **MR. BAEZ:** Yes.

12 **COMMISSIONER GRAHAM:** I, for some reason I  
13 thought that it was higher than that. I thought I  
14 heard a number of 350,000.

15 **MR. BAEZ:** We'll run that number down for  
16 you.

17 **COMMISSIONER GRAHAM:** Okay. Okay.

18 **CHAIRMAN BRISÉ:** All right. Any further  
19 questions?

20 (No response.)

21 Okay. I want to thank you all for working  
22 on the LBR. We know that this begins the process,  
23 our budget process. And as time progresses, I'm  
24 assuming that you'll be working with the individual  
25 offices and keep us aware of how that process is



1 moving.

2 **MR. BAEZ:** Thank you, Chairman. And to  
3 answer any of your questions going forward, I, I  
4 would offer a minor correction. This really only  
5 opens the public process. Apryl and her staff have  
6 been working -- it seems almost year-round.

7 **CHAIRMAN BRISÉ:** Right. I understand.

8 **MR. BAEZ:** And I would be remiss if I  
9 didn't thank Chuck Hill once again for his work  
10 alongside. So he's, he's had a big part in it too.  
11 But Apryl and her staff have been working year-round  
12 to get these, so it never really ends.

13 And as you say, this is really the result  
14 of other day-to-day work where we can find  
15 efficiencies and so forth. But we do thank you for  
16 the approval.

17 **CHAIRMAN BRISÉ:** All right. I guess we  
18 have to formally approve it. Is there a motion?

19 **COMMISSIONER BROWN:** So moved.

20 **COMMISSIONER EDGAR:** Second.

21 **CHAIRMAN BRISÉ:** It's been moved and  
22 seconded. All in favor.

23 (Vote taken.)

24 All right. Thank you very much.

25 Item Number 7.

1           **MR. BAEZ:** Mr. Chairman, if you would  
2           indulge me, I know that we have a very brief  
3           legislative update since committee meetings have  
4           begun, and we did have a couple -- I think at least  
5           one presentation yesterday. So if I can let  
6           Katherine take over.

7           **MS. PENNINGTON:** Thank you. Good morning.  
8           That's kind of my update. I just wanted to let  
9           everyone know --

10          **MR. BAEZ:** Oh, sorry.

11          **MS. PENNINGTON:** I just wanted to let  
12          everyone know -- that's okay. That's perfect.

13          **CHAIRMAN BRISÉ:** You're welcome to join us  
14          at the table.

15          **MR. BAEZ:** I didn't, I didn't say where  
16          they presented.

17          **MS. PENNINGTON:** Oh, there you go.

18                 I just wanted to let you know that  
19                 committee meetings, we have started the interim  
20                 committee meeting process. There are committee  
21                 meetings this week. There will be committee  
22                 meetings in a couple of weeks as well, the week of  
23                 October 7.

24                 The House Energy Subcommittee met  
25                 yesterday. Mark made a presentation, a basic

1 overview of the Commission and our regulatory  
2 authority and the regulatory compact.

3           There are two new members of the  
4 subcommittee: Representative Hill, who replaced the  
5 late Representative Ford; and the other name escapes  
6 me, but I will get that one to you. Tobia? Tobia,  
7 Representative Tobia.

8           So there were not a lot of questions. We  
9 do have one, one task, one item to provide to the  
10 members. We have a request from Representative  
11 Mayfield relating to private companies, water  
12 companies that have sold utilities to cities  
13 and/or -- municipalities and/or counties over the  
14 last few years.

15           Everything else is pretty quiet. The  
16 Senate Substantive Committee did not meet.  
17 Appropriations are meeting today. The long range  
18 forecast and some, some updates from Economic and  
19 Demographic Research -- is that what it's still  
20 called, Economic and Demographic Research?

21           Not heard a lot about any legislation out  
22 there. The bill that Representative  
23 Rehwinkel-Vasalinda has filed for several years to  
24 repeal the Nuclear Cost Recovery Clause has been  
25 refiled and it is a pure repealer bill, as it has

1       been in past years.

2               The -- we are -- we do understand that  
3       Senator Hays fully intends to refile the water and  
4       wastewater bill based upon the recommendations of  
5       the Study Committee that completed its work a few  
6       months ago.

7               I think that's --

8               **MR. KISER:** You've been circulating the  
9       language on that that differs from what it was last  
10      year.

11              **MS. PENNINGTON:** Yeah. There's really  
12      just -- the language that they sent to us is really  
13      just like a word here and there. And, you know,  
14      sometimes when you say -- you change "may" to  
15      "shall" or "will" to "shall" or "shall" back to  
16      "will," it has, it has an unintended consequence.  
17      And so, you know, Mark and his staff and Marshall  
18      and his staff and some others have been looking at  
19      that language to ensure that there's no consequence  
20      that, that is unintended in that process.

21              And other than that, we, we did have the  
22      retirement yesterday of the Staff Director of the  
23      Energy Subcommittee, Lucretia Shaw Collins. When I  
24      started to work at the Legislature in 1983, she was  
25      working in the Ethics and Elections Committee. So

1 she and I do go way back. And it is, it is  
2 officially -- it is unofficially official, because  
3 Lucretia's last day is September 30th, that Cochran  
4 Keating, one of the former PSC attorneys, will be  
5 the new Policy Chief for the subcommittee beginning  
6 October 1. So we've offered our support and  
7 congratulations to him and look forward to working  
8 with him.

9 If you have any questions, if you have any  
10 issues that you'd like us to research, investigate,  
11 or look into, please let us know.

12 Nancy Harrison is on staff with us now.  
13 She replaced Jade Neal, who left us over the summer.  
14 And we have embarked upon a project of going through  
15 our entire legislative library and scanning those  
16 documents, electronically recording them, and  
17 getting rid of a lot of paperwork, hopefully at  
18 least half of it. The files in that room -- the  
19 1980s, we're still in the 1980s, and they were very  
20 interesting, by the way. But that's a long process,  
21 it's one of our ongoing processes that I hope to be  
22 completed at some point, so.

23 **CHAIRMAN BRISÉ:** Thank you.

24 Any questions? All right. Comments?

25 (No response.)

1 All right. Thank you very much.

2 So there was nothing else?

3 **MR. BAEZ:** Nothing else, Chairman.

4 **CHAIRMAN BRISÉ:** All right. If there is  
5 nothing else for the good of the order -- sure.

6 **COMMISSIONER BALBIS:** I'd like to take the  
7 opportunity -- I do have a new advisor, John Truitt,  
8 who's behind me. So if you see a new face walking  
9 around, it's John. He's already doing a great job.  
10 I've given him a list of people to meet with. He  
11 can't meet with all 300 folks in the agency at the  
12 same time, but if you do see him around, you know,  
13 be sure to welcome him.

14 **COMMISSIONER BROWN:** I also wanted to take  
15 the opportunity to congratulate Chairman Brisé and  
16 Commissioner Graham on getting reappointed. I'm  
17 very excited that we get to continue working  
18 together the next few years, and I'm happy for you.

19 **CHAIRMAN BRISÉ:** Thank you.

20 **COMMISSIONER GRAHAM:** We're happy, too.

21 (Laughter.)

22 **CHAIRMAN BRISÉ:** All right. With that,  
23 Commissioner Brown moves we rise.

24 (Internal Affairs concluded at 12:02 p.m.)

25

1 STATE OF FLORIDA )  
2 COUNTY OF LEON )

CERTIFICATE OF REPORTER

3  
4 I, LINDA BOLES, CRR, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
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7 stated.

8 IT IS FURTHER CERTIFIED that I stenographically  
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13 I FURTHER CERTIFY that I am not a relative,  
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16 attorney or counsel connected with the action, nor am I  
17 financially interested in the action.

18 DATED THIS 15<sup>th</sup> day of October, 2013.

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