



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA
9:30 AM, Monday - November 30, 2009
Room 140 - Betty Easley Conference Center

1. Approve November 10, 2009, Internal Affairs Meeting Minutes. (Attachment 1)
2. Draft 2009 Annual Relay Report to the Legislature on the Status of the Telecommunications Access System Act of 1991. The Final Report is due to the President of the Senate, and Speaker of the House of Representatives by January 1, 2010. Approval is sought. (Attachment 2)
3. Draft Report to the Governor, President of the Senate and Speaker of the House on the Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation. Approval is sought. (Attachment 3)
4. Discussion of Potential Legislative Proposal for the 2010 Session. (Attachment 4)
5. Other matters if any.

MAB/ba

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6068.



State of Florida
Public Service Commission
INTERNAL AFFAIRS MINUTES

Tuesday - November 10, 2009

2:45 pm – 3:20 pm

Room 140 - Betty Easley Conference Center

COMMISSIONERS PRESENT: Chairman Carter
Commissioner Edgar
Commissioner Argenziano
Commissioner Skop
Commissioner Klement

STAFF PARTICIPATING: Bane, Hill, Helton, Graves, Fleming

OTHERS PARTICIPATING: J. R. Kelly – Office of Public Counsel
Mary Rose Sirianni – AT&T
Dr. Mark Jamison – Public Utility Research Center
(PURC)

1. Approve October 27, 2009, Internal Affairs Meeting Minutes.

The minutes were approved.

Commissioners participating: Carter, Edgar, Argenziano, Skop, Klement

2. Draft Joint Comments of the PSC and OPC Regarding FCC Public Notice DA 09-2257, TracFone's Request for Clarification of Universal Service Lifeline Program "One-Per-Household" Rule as Applied to Group Living Facilities. WC Docket No. 03-109. Comments due to the FCC on November 20, 2009. Approval is sought.

The Joint PSC and OPC comments were approved for submittal.

Commissioners participating: Carter, Edgar, Argenziano, Skop, Klement

3. Annual Briefing by Dr. Mark Jamison on the Activities of the Public Utility Research Center (PURC).

Annual briefing by Dr. Mark Jamison from PURC.

Commissioners participating: Carter, Edgar, Argenziano, Skop, Klement

Minutes of
Internal Affairs Meeting
November 10, 2009
Page Two

4. New Item - General Counsel Vacancy.

After some discussion it was decided that a decision will be made concerning the appointment of the PSC's General Counsel at the Monday, November 30 Internal Affairs meeting.

Commissioners participating: Carter, Edgar, Argenziano, Skop, Klement

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: November 19, 2009

TO: Mary Andrews Bane, Executive Director

FROM: Robert J. Casey, Public Utilities Supervisor, Division of Regulatory Analysis *RJC*
Richard A. Moses, Chief of Service Quality, Division of Service, Safety & *RAM*
Consumer Assistance
Lee Eng Tan, Senior Attorney, Office of the General Counsel *LET*

RE: Annual Report regarding the Status of the Telecommunications Access System Act of 1991
Critical Information: ACTION IS NEEDED - Please place on the November 30, 2009 Internal Affairs. Approval of the draft report is sought. The report is due to the President of the Senate and the Speaker of the House of Representatives no later than January 1, 2010.

Staff is seeking approval of the draft Annual Report regarding the Status of the Telecommunications Access System Act of 1991. The report is due to the President of the Senate and Speaker of the House of Representatives no later than January 1, 2010.

Section 427.704(9), Florida Statutes, requires the Commission to annually report to the Senate President and House Speaker on the operation of the telecommunications access system. The report outlines the status of developments of the telecommunications access system, statistics on persons served, call volumes, and revenues and expenditures. It also provides the revenues and expenses of the program which distributes telecommunications devices for the deaf, hard of hearing, deaf/blind and speech impaired citizens in Florida. In addition, major policy and operational issues which affect Florida Relay are discussed.

The report is divided into four sections. Pages 1-15 contain the actual staff analysis. Attached to staff's analysis are three appendixes containing the State Relay Administrator (FTRI) budget (Appendix A, pages 17-18), FTRI's annual report (Appendix B, pages 19-42), and Florida Relay Service Information (Appendix C, pages 43-51). The attached report has been prepared to fulfill the legislative requirement.

RJC
Attachment
cc: Charles Hill

A REPORT TO THE
President of the Senate
Speaker of the House of Representatives

DRAFT



. . . discover communication freedom

*The Status of the
Telecommunications Access System Act of 1991*

The Florida Public Service Commission

DECEMBER 2009

PREPARED BY

The Florida Public Service Commission

Division of Regulatory Analysis



. . . discover communication freedom

*The Status of the
Telecommunications Access System Act of 1991*

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TERMS AND ACRONYMS

Administrator. A nonprofit corporation¹ created by the local exchange telephone companies pursuant to Commission Order No. 24462, dated May 1, 1991. This nonprofit corporation was created in June 1991 and is known as the Florida Telecommunications Relay, Inc. (FTRI). The FTRI has three basic roles: (1) to collect the surcharge revenues from the local exchange telephone companies and pay the relay service provider,² (2) to distribute and maintain specialized telecommunications devices,³ and (3) to provide community outreach and training on use of the relay service and specialized telecommunications devices.⁴ FTRI's office is located in Tallahassee.

Advisory Committee. A group of up to ten individuals recommended by various organizations representing both the telephone industry and individuals with hearing, speech, or dual sensory impairment.⁵ The Advisory Committee's role is to provide input to both the Florida Public Service Commission (FPSC) and the Administrator on the development and operation of the Telecommunications Access System. The Advisory Committee has been actively involved in the implementation of Telecommunications Access System Act since May 1991 and meets with the Commission staff regularly.

ARS (Audible Ring Signaler). A signaler with a ring volume up to 95 decibels which rings when the telephone rings. When the ringer is turned off, a light will still flash when the phone rings.

ASCII. The American Standard Code for Information Interexchange employs an eight bit code and can operate at any standard transmission baud rate including 300, 1200, 2400, and higher. Baud rate is a measure of how fast data is moving between instruments that use serial communication. The standard ASCII character set consists of 128 decimal numbers ranging from 0 through 127 assigned to letters, numbers, punctuation marks, and the most common special characters. Computers use ASCII code, while most telecommunication devices for the deaf use Baudot which has a fixed baud rate of 45.5.

Baudot. A seven bit code, only five of which are information bits. Baudot is used by some text telephones to communicate with each other at a 45.5 baud rate.

CA. A Communications Assistant translates or interprets conversation between two or more end users of telecommunications relay service. CA supersedes the term "TDD operator."

CapTel. A captioned telephone service which uses a telephone that looks similar to a traditional telephone but also has a text display that allows the user, on one standard telephone line, to listen to the other party speak and simultaneously read captions of what the other party is saying.

¹ 427.704(2), Florida Statutes

² 427.705(1)(d)&(g), Florida Statutes

³ 417.705(1)(a), Florida Statutes

⁴ 427.705(1)(a)-(b), Florida Statutes

⁵ 427.706, Florida Statutes

COC. Carrier of Choice.

DBRS. Deaf-Blind Relay Service. DBRS uses an interpreter called a Communications Facilitator who travels to a deaf-blind person's office or home, and makes telephone calls on his/her behalf and interprets the conversation. As an alternate, the deaf-blind consumer could travel to a regional deaf-blind center to place a call through the Communications Facilitator.

Dialogue RC 200. A phone which has voice activated answering, designed for people with any degree of mobility and dexterity loss.

FCC. Federal Communications Commission.

FPSC or Commission. The Florida Public Service Commission, which has overall responsibility for implementation and oversight of the Relay system.⁶

FTRI. The Florida Telecommunications Relay, Inc., which is the nonprofit corporation formed to serve as the Telecommunications Access System Act Administrator.

HCO. Hearing Carry Over is a form of relay service in which the person with the speech disability is able to listen to the other end user and, in reply, the CA speaks the text as typed by the person with the speech disability.

ILA. In-Line Amplifier. This battery operated amplifier connects to most corded telephones allowing a hard-of-hearing user to increase the volume of incoming speech through the handset.

IP CTS. Internet Protocol Captioned Telephone Service. IP CTS allows a person who can speak and who has some residual hearing to simultaneously listen to what is said over the telephone and read captions of what the other person is saying. An Internet connection carries the captions between the relay provider and the user.

Internet Protocol (IP) Relay. Allows people who have difficulty hearing or speaking to communicate with anyone in the world through an Internet connection using a computer and the Internet, rather than with a TTY and a standard telephone line.

Jupiter Speaker Phone. A speaker phone which provides hands-free telephone access and accommodates speech-impaired, hearing-impaired, and mobility-impaired individuals.

NECA. National Exchange Carrier Association is the national fund administrator for the interstate telecommunications relay service fund.

Provider. The entity that provides relay service.⁷

⁶ 427.704(1), Florida Statutes

⁷ 427.704(3)(a), Florida Statutes

TASA. Telecommunications Access System Act of 1991.

TDD. The Telecommunications Device for the Deaf is a type of machine that allows people with hearing or speech disabilities to communicate over the phone using a keyboard and a viewing screen.

TeliTalk. The TeliTalk speech aid is specifically designed to meet the needs of approximately 3,000 speech impaired people in Florida who have had laryngectomies. The TeliTalk Speech Aid is a telephone unit with an electro-larynx device attached and is operated just like any other speech aid, allowing for a variety of neck placements and oral straw use.

TRS. (1) The Tactile Ring Signaler for deaf/blind people is a signaler which vibrates to let the individual know when the telephone is ringing. (2) Telecommunications Relay Service.

TTY. A Text Telephone is a machine that employs graphic communication in the transmission of coded signals through a wire or radio communication system. TTY supersedes the term "TDD" or "telecommunications device for the deaf."

Turbo Code. A feature that allows for enhanced transmission and the capability to interrupt during transmission during relay calls on text telephones. Turbo Code is an enhanced TTY protocol which has a higher data rate than regular Baudot protocol and is in full ASCII compliance.

Tykriphone. A hands-free speakerphone which accommodates speech-impaired and mobility-impaired individuals.

VCO. Voice Carry Over is a form of TRS in which the person with the hearing disability is able to speak directly to the other end user. The CA types the response back to the person with the hearing disability. The CA does not voice the conversation.

VCP. The Volume Control Phone is a phone for the hearing or speech impaired which amplifies the incoming voice from 0 to 40 decibels.

VRS. (1) A Visual Ring Signaler is a signaler which connects to a lamp and makes the light flash on and off when the telephone rings. (2) Video Relay Service is a telecommunications relay service that allows people with hearing or speech disabilities and who use sign language to communicate with voice telephone users through video equipment. The video link allows the CA to view and interpret the party's signed conversation and then relay the conversation back and forth with a voice caller.

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EXECUTIVE SUMMARY

Chapter 427, Florida Statutes, established the Telecommunications Access System Act of 1991 (TASA). Section 427.704, Florida Statutes, requires the Florida Public Service Commission (FPSC or Commission) to submit this annual report to the Legislature regarding the operation of the telecommunications access system.

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.⁸ 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.⁹ To meet the needs of these Florida citizens, the state legislature established a telecommunications access system to provide equitable basic access to the telecommunications network for individuals who are hearing impaired, speech impaired, or dual sensory impaired.

Pursuant to TASA, the Commission is responsible for establishing, implementing, promoting, and overseeing the administration of a statewide telecommunications access system to provide access to telecommunications relay services by people who are hearing or speech impaired and those who communicate with them. To that end, the FPSC directed the local exchange companies (LECs) to form a not-for-profit corporation, known as Florida Telecommunications Relay, Inc. (FTRI). Under oversight by the FPSC, FTRI fulfills some of the requirements of TASA by providing for the distribution of specialized equipment required for telecommunications services to the hearing, speech, and dual sensory impaired and for outreach in the most cost-effective manner.

The tables below provide a statistical summary of the status of the Telecommunications Access System. More detailed information regarding the financial status of the program is in Appendix A of this report. Table 1 shows the Florida relay revenues and expenses for the 2008-2009 fiscal year.

In 1993, the FCC named the National Exchange Carrier Association, Inc. (NECA) as national fund administrator for the interstate TRS fund. NECA has been tracing Video Relay Service (VRS) and Internet Protocol Relay (IP Relay) terminating minutes by state since July 2005 in anticipation of the FCC requiring states to assume the intrastate costs associated with VRS and IP Relay. A proposed FCC rule would require the states to fund the intrastate portion of VRS, IP Relay, and Internet Protocol Captioned Telephone Service (IP CTS), causing Florida to absorb an estimated additional \$30-33 million in relay costs just for VRS and IP Relay. IP CTS is a new service with no cost data available to NECA at this time. This proposed FCC rule is discussed further in Section V.

⁸ 2009 Florida Coordinating Council for the Deaf and Hard of Hearing Report to the Governor and Legislature of the State of Florida.

⁹ 2007 Florida Coordinating Council for the Deaf and Hard of Hearing Report to the Governor and Legislature of the State of Florida.

Table 1. FTRI Financial Report

Account	7/01/08 – 6/30/09
Total Revenue	\$11.3 million
Relay Services Expense	\$ 5.6 million
Equipment and Repairs	\$ 1.9 million
Equipment Distribution	\$ 1.0 million
Outreach	\$ 0.9 million
Administrative Expense	\$ 1.2 million
Revenue less Expenses	\$ 0.7 million

Table 2 shows the amount of equipment distributed from July 1, 2001 through June 30, 2009. The decrease in the number of units distributed since 2005 is due to the increased use of Internet relay services such as VRS, IP Relay, IP CTS, and an increase in the use of wireless services, all of which the current TASA statute does not provide funding for. VRS, IP Relay, and IP CTS are presently federally funded through monies collected through the Interstate TRS Fund by NECA, based on interstate end-user revenues of carriers.

Table 2. FTRI Equipment Distribution History*

Fiscal Year	Total Items Distributed	Average Per Month
7/1/01 - 6/30/02	54,499	4,542
7/1/02 - 6/30/03	60,302	5,025
7/1/03 – 6/30/04	69,500	5,791
7/1/04 – 6/30/05	76,197	6,349
7/1/05 – 6/30/06	56,370	4,697
7/1/06 – 6/30/07	41,337	3,445
7/1/07 – 6/30/08	37,627	3,136
7/1/08 – 6/30/09	36,044	3,004

**The predominant single piece of equipment distributed is the volume control telephone for the hearing impaired.*

Table 3 reflects the number of new recipients receiving equipment and training for the 2008-2009 fiscal year. The drop in the number of equipment recipients and amount of training is largely due to the increased usage of internet and wireless services.

Table 3. New Recipients of Equipment and Training

Type of Recipient	7/01/08 – 6/30/09
Deaf	115
Hard of Hearing	16,798
Speech Impaired	207
Dual Sensory Impaired	50
Total	*17,170

**The number of new recipients is lower than the amount of distributed new equipment referenced in Table 2 because a significant number of recipients received more than one piece of equipment. In most circumstances, clients are allowed to have two pieces of equipment on loan through the program.*

Table 4 provides a historical view of the TASA surcharge collected from each local exchange telecommunications company subscriber's basic telecommunications access line since July 1, 1999.

Table 4. TASA Surcharge History

Fiscal Year	Customer Surcharge
07/01/99 - 06/30/00	\$0.09/access line/month
07/01/00 - 06/30/01	\$0.08/access line/month
07/01/01 - 06/30/02	\$0.12/access line/month
07/01/02 - 06/30/03	\$0.08/access line/month
07/01/03 - 02/28/04	\$0.12/access line/month
03/01/04 - 6/30/04	\$0.13/access line/month
07/01/04 - 6/30/07	\$0.15/access line/month
07/01/07 - Present	\$0.11/access line/month

Additional statistical information is contained in the appendices to this report. Appendix A (pages 17-18) provides the approved budget and actual expenses for FTRI for the fiscal year 2008-09 and the approved budget for fiscal year 2009-10. Appendix B (pages 19-42) is FTRI's annual report to the Commission that contains information on the

equipment distribution program and audited financial statements for FTRI. Appendix C (pages 43-51) contains usage information on the various relay services compiled from Sprint's monthly reports.

I. RECENT DEVELOPMENTS OF THE TELECOMMUNICATIONS ACCESS SYSTEM

Sprint Communications Company, L.P. (Sprint) has been the relay service provider since June 2000. Based on evaluations of the responses to the FPSC's Request for Proposal (RFP) issued in 2004, Sprint was awarded a new contract beginning June 1, 2005, for a three-year period with four one-year extensions upon mutual agreement between Sprint and the Commission. The RFP was issued to receive bids to make Florida Relay Service compliant with both the Florida Telecommunications Access System Act and the federal Americans with Disabilities Act.

Sprint is required to notify the FPSC of its decision whether to extend the relay contract into the option period by June 1 of the year before the current service expires. On May 6, 2009, Sprint notified the Commission of its desire to extend the contract for the option year beginning June 1, 2010. In accordance with the pricing caps agreed to during negotiations of the 2008-2009 contract, Sprint submitted rates for traditional TRS and CapTel captioning service for the third option year of the contract. These rate caps translated into 2010-2011 contract rates of \$0.85 per session minute for traditional TRS and \$1.47 per session minute for CapTel captioning service. Existing contract rates through May 2010 are \$0.80 per session minute for traditional TRS and \$1.40 per session minute for CapTel captioning service.

The FPSC surveyed other states to determine what other relay programs were paying for their services. Many states have confidential contract clauses which do not allow the rates to be made public. Of states that did share information, the FPSC determined that the average cost of traditional TRS was \$1.09 per session minute, and the average cost for CapTel captioning service was \$1.50 per session minute. On June 30, 2009, the Commission approved a third year contract option with Sprint using the negotiated rates of \$0.85 per session minute for traditional TRS and \$1.47 per session minute for CapTel captioning service for the 2010-2011 contract option year.

By Order No. PSC-09-0362-PAA-TP, issued May 26, 2009, in Docket No. 040763-TP, the Commission approved a Fiscal Year 2009-2010 budget of \$11,206,146 for FTRI, the administrator of the Florida relay program. This new budget allows the Commission to maintain the TRS surcharge at \$0.11 per month for the fiscal year 2009-2010, effective July 1, 2009.

II. DISTRIBUTION OF SPECIALIZED TELECOMMUNICATIONS EQUIPMENT

To be in compliance with Section 427.704(9), Florida Statutes (F.S.), which requires the FPSC to file an annual TASA report with the Legislature by January 1, the Relay Administrator must file a report annually with the Commission by November 1 and include the status of the distribution of specialized telecommunications devices. The Relay Administrator, which is presently FTRI, distributes specialized equipment required for telecommunications services to the hearing impaired, speech impaired, and dual-sensory impaired, and also provides outreach and educational programs for Florida Relay Services. FTRI continues to expand its outreach programs which increase consumer awareness of both FTRI's programs and the relay system. FTRI and its 30 regional distribution centers conducted 1,229 outreach activities and signed up 43 new businesses as Relay Friendly Business Partners¹⁰ during the last fiscal year.

Table 5 provides a listing of professionals involved with the certification of client applications for the 2008-2009 equipment distribution program, and Table 6 identifies the types and quantity of equipment that were distributed to end-users for the last two fiscal years. The drop in the number of units distributed between 2007-2008 and 2008-2009 is due to the increased usage of Internet and wireless services by the deaf community for relay purposes. In accordance with Section 407.702, F.S., FTRI, along with 30 regional distribution centers, loans this equipment to qualified deaf, hard of hearing, or speech impaired individuals at no charge for as long as they need it. To receive this equipment, individuals must complete an FTRI application, have it signed by an approved certifier, and either mail it to FTRI or visit a Regional Distribution Center in their area.

Table 5. 2008-2009 Eligibility Certifiers

Category of Certifier	Quantity of Approved Applications
Deaf Service Center Director	6,174
Audiologist	5,670
Hearing Aid Specialist	3,963
Licensed Physician	1,147
State Certified Teacher	3
State Agency	8
Speech Pathologist	192
Federal Agency	13
Total	17,170

¹⁰ Forty-three businesses signed up as "Relay Friendly" partners and were given access to training information designed to help businesses train employees on how to communicate via the Florida Relay Service with individuals who are deaf, hard of hearing, deaf-blind, or speech impaired. Information about both Florida Relay and FTRI has been made available to over 2,549 employees with those businesses.

Table 6. Equipment Distributed by FTRI

Equipment Distributed by FTRI	Units Distributed 7/1/07 - 6/30/08	Units Distributed 7/1/08 - 6/30/09
1. Volume Control Telephones for Hearing Impaired (VCP)	31,542	30,869
2. Audible Ring Signalers (ARS)	3,152	2,452
3. Visual Ring Signalers (VRS)	1,101	959
4. Telecommunications Devices for the Deaf (TDD)	376	247
5. Braille phones, in-line amplifiers, tactile ring signalers, Tykriphones, Dialogue RC 200 units, voice-carry-over phones with large visual displays (CapTel), volume control phones for the speech impaired, Uniphone 1140 units, and voice-carry-over phones.	1,456	1,517
Total	37,627	36,044

III. RELAY CALLING VOLUME

June 1992 was the first month of operation for the relay service, and call volumes have fluctuated since that time. As can be seen in Table 7 below, traditional Relay minutes of use have been declining while CapTel minutes of use have been increasing. In July 2008, there were 312,795 billable minutes of use for traditional relay calls, but in June 2009, the number of billable minutes of use declined to 247,867. Much of the decline is attributed to users changing to IP Relay, VRS, IP CTS, and wireless devices which are currently federally funded through the Interstate TRS Fund.

Traditional relay minutes of use and CapTel minutes of use are tracked separately due to the cost differential of the two services. While relay minutes currently have a cost of \$0.80 per minute, CapTel service has a cost of \$1.40 per minute because of its specialized service.¹¹ CapTel minutes of use for July 2008 were 188,128, while for June

¹¹ When using CapTel service, the captioned telephone user dials the number he or she wishes to call. The user is automatically connected to a captioned telephone relay operator at the TRS facility. The specialized TRS facility equipment, in turn, automatically connects the captioned telephone user's line to a second outgoing line from the TRS facility to the called party. The captioned telephone user does not need to dial an 800 or 711 exchange to reach the TRS facility and set up the call, nor is there any interaction with the relay operator (by either party to the call). The relay operator, instead of typing what the called party says,

2009, the minutes of use increased to 203,077. Florida distributes up to 100 CapTel instruments per month. CapTel minutes of use are expected to increase as the number of CapTel instruments distributed increases and as existing CapTel users become more experienced in operating their CapTel phone.

Table 7. Traditional Relay and CapTel Service Minutes of Use

Traditional Relay and CapTel Minutes of Use July 2008 – June 2009		
Month	Traditional Relay Minutes	CapTel Minutes
Jul	312,795	188,128
Aug	310,192	194,462
Sep	286,832	187,543
Oct	279,521	197,815
Nov	257,784	185,881
Dec	265,988	195,088
Jan	288,837	197,337
Feb	252,021	178,544
Mar	270,401	199,124
Apr	261,062	193,526
May	254,715	203,551
Jun	247,867	203,077

IV. ADVISORY COMMITTEE

In accordance with Section 427.706, Florida Statutes, TASA establishes an Advisory Committee to advise the Florida Public Service Commission and FTRI concerning the Telecommunications Access System. The Advisory Committee provides the expertise, experience, and perspective of people who are hearing impaired or speech impaired to the Commission and to the FTRI regarding the operation of the telecommunications access system. The committee also advises the Commission and the Administrator on any matter relating to the quality and cost-effectiveness of the telecommunications relay service and the specialized telecommunications devices distribution system. Members of the committee are not compensated for their services

repeats what the called party says into a computer and voice recognition technology automatically transcribes it from the relay operator's voice into text, which is then transmitted directly to the user. The use of voice recognition technology allows the captions to appear on the captioned telephone nearly simultaneously with the called party's spoken words. Throughout the call, the relay operator is completely transparent and does not participate in the call by voicing any part of the conversation.

but are entitled to per diem and travel expenses for travel to committee meetings. The Advisory Committee can consist of up to ten individuals recommended by eight different organizations. The following table shows the current members of the TASA Advisory Committee.

Table 8. TASA Advisory Committee

Recommending Organization	Name of Member
Advocacy Center for Persons with Disabilities, Inc.	Steve Howells
League for the Hard of Hearing Florida	Kim Schur
Florida Association of the Deaf, Inc.	Jonathan Ziev
Florida Deaf/Blind Association	Cheryl Rhodes
Florida Telecommunications Industry Association (formerly known as Florida Telephone Association)	Maryrose Sirianni, local telecommunications company representative Demetria G. Clark, long distance telecommunications company representative
Hearing Loss Association of America Florida	Richard Herring
Florida Association of the Deaf, Inc.	Louis J. Schwarz

TASA Advisory Committee Meeting - April 24, 2009

At the April 24, 2009, meeting, the topics discussed included recent FCC and FPSC actions regarding relay service, the FTRI FY 2009-2010 budget, Florida Relay traffic trends, service quality testing, and CapTel service. The TASA advisory committee was updated on the FCC's proposed rulemaking to have states incur the intrastate costs of VRS and IP Relay, and the financial impact rulemaking would have on the Florida Relay program. The TASA advisory committee was informed that a recommendation addressing the FTRI budget was filed on April 23, 2009, for the Commission's consideration at the May 5, 2009 Agenda Conference.¹² The committee was also notified that the FPSC anticipated a letter from Sprint Relay by June 1, 2009, to indicate its desire whether to extend the Florida Relay contract another year for the 2010-2011 option year.

Sprint reviewed the volume of TRS calls it handles and noted that over the last year the volume of traditional TRS calls had been decreasing due to the popularity of VRS and IP Relay. Sprint informed the TASA advisory committee that CapTel service

¹² By Order No. PSC-09-0362-PAA-TP, issued May 26, 2009, the Commission approved FTRI's 2009-2010 budget.

continued to grow at a steady pace with current monthly average minutes of use of 80,393, an increase of approximately 3,000 minutes of use per month. Sprint believes the use of CapTel service will continue to grow in Florida. Sprint reviewed the CapTel advertising done in Florida and noted that the advertising has been very successful. The advertising program included 1,640 television spots to educate consumers about CapTel service. The television spots were run in the markets of Ft. Meyers, Naples, Panama City, Gainesville, Jacksonville, Brunswick, Orlando, Daytona Beach, Melbourne, Tallahassee, Thomasville, Tampa-St. Petersburg, Sarasota, West Palm Beach, and Ft. Pierce. A TASA member questioned why no CapTel PSAs were scheduled for Broward and Dade Counties. Sprint replied that it could look at those locations for future PSA buys.

FTRI made a presentation on its FY 2009-2010 budget which was filed with the FPSC. The FTRI Board of Directors approved a recommendation to maintain the current surcharge level of \$0.11 per access line for the next fiscal year. FTRI noted that the number of access lines of local exchange companies continues to decrease and calculated an additional 3.35 percent decrease for this next fiscal year.¹³ As of February 2009, FTRI had over 413,000 individuals in its client database. FTRI reviewed its outreach plans to create awareness and telephone independence for Florida's deaf, hard of hearing, deaf-blind, or speech disabled. FTRI reiterated its commitment to continue to expand outreach efforts to include broadcast television advertising as well as print media with local newspapers.

TASA Advisory Committee Meeting – November 12, 2009

At the November 12, 2009 meeting, Sprint Relay updates were discussed including current call volumes and CapTel service quality. FTRI provided an update on its annual report and FTRI outreach activities. FPSC staff provided updates on FCC and FPSC actions since the last TASA meeting.

Sprint stated that traditional relay minutes continue to decline. From July 2007 through June 2008, Florida relay averaged 80,321 traditional relay calls per month. From July 2008 through June 2009, Florida averaged 64,788 traditional relay calls. CapTel call volume showed a steady increase. From July 2007 through June 2008, Florida averaged 80,393 CapTel calls per month. From July 2008 through June 2009, Florida averaged 85,036 CapTel calls.

Sprint stated that for the first three quarters of 2009, its average CapTel transcription rate was between 151 and 170 words per minute with an accuracy of 93 percent to 96 percent. CapTel relay calls are unique in that the relay operator revoices what the called party says into a computer which transcribes the operator's voice through

¹³ In accordance with Section 427.704(4)(a)(1), Florida Statutes, the TRS surcharges are only collected from local exchange telecommunications company subscribers on an individual access line basis, except that the surcharge is capped at 25 basic telecommunications access lines per account bill rendered. Although the federal interstate TRS surcharge is levied on landline, wireless, and Internet telecommunications services, the Florida TRS surcharge is not levied on wireless or Internet telecommunications services at this time.

voice recognition software, and the deaf or hard-of-hearing person can read the captions on his CapTel telephone.

The TASA advisory committee was updated on the FCC's proposed rulemaking to have states incur the intrastate costs of VRS and IP Relay and the financial impact the rulemaking would have on the Florida Relay program. Presently, it is estimated that Florida would incur additional costs of \$30 to 33 million per year to the Florida relay program if the FCC decides to impose the intrastate costs of Internet TRS upon the states.

The advisory committee was informed that the PSC is conducting a review of the entire CapTel telephone program. The review covers everything from the initial cost of the CapTel telephone, the cost of the relay service minutes used for CapTel service, and roaming charges when CapTel telephones are taken out of state by users. Presently, if a Florida CapTel user takes the CapTel phone with them on a trip to another state and makes an intrastate call in that state, relay minutes used on that call are charged to Florida's program.

FTRI provided an update on its services and gave an overview of its annual report. In the last fiscal year, FTRI stated that it processed 21,446 customer service calls, and mailed 2,453 applications to individuals requesting equipment. FTRI reviewed its outreach plans to create awareness and telephone independence for Florida's deaf, hard-of-hearing, deaf-blind, or speech-disabled. The relay administrator also reiterated its commitment to promote both the relay and the FTRI equipment program using media, including television and newspaper, and shared proposed television and newspaper ads which it will be using in the future.

V. STATE ACTIVITIES

The Florida TASA surcharge is presently collected from each local exchange telecommunications company subscriber's basic telecommunications access line. Section 427.704(4)(a), Florida Statutes (F.S.), provides that:

The commission shall establish a mechanism to recover the costs of implementing and maintaining the services required pursuant to this part which shall be applied to each basic telecommunications access line. In establishing the recovery mechanism, the commission shall:

1. 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 surcharge shall not be imposed upon more than 25 basic telecommunications access lines per account bill rendered.
2. Require all local exchange telecommunications companies to include the surcharge as a part of the local service charge that appears on the

customer's bill, except that the local exchange telecommunications company shall specify the surcharge on the initial bill to the subscriber and itemize it at least once annually.

3. Allow the local exchange telecommunications company to deduct and retain one percent of the total surcharge amount collected each month to recover the billing, collecting, remitting, and administrative costs attributed to the surcharge.

Revisions to Chapter 364.02, F.S. during the 2009 legislative session redefined basic and non-basic service. Section 364.02 (1), F.S., now defines "Basic local telecommunications service" as voice-grade, single-line, flat-rate residential, and flat-rate single line business local exchange service that provides services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multifrequency dialing, and access to the following: emergency services such as 911, all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing.

Section 364.02 (10), F.S., defines "Non-basic service" as any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service, a local interconnection arrangement described in Section 364.16, or a network access service described in Section 364.163. Any combination of basic service along with a non-basic service or an unregulated service is non-basic service.

With the additional language added to the definition of non-basic service, any basic local service line which has at least one vertical feature would now be considered a non-basic line. Since the Florida relay surcharge is only collected from basic telecommunications access lines, a potential funding problem may arise for Florida Relay services. Differing interpretations of basic and non-basic lines could cause the loss of millions of access lines which the TRS surcharge is presently applied to. If Florida relay services face the loss of millions of access lines to which the TRS surcharge applies to, the present TRS surcharge of \$0.11 per month would skyrocket. The statutory rate cap of \$0.25 per line would have to be raised to cover the cost of Florida TRS services or a broader-based funding mechanism would have to be put in place. The twenty-five access line cap per account for the surcharge may also need to be eliminated.

The FCC has traditionally funded the federal TRS fund through landline and wireless providers. In 2007, the FCC added VoIP providers for TRS funding to create a broader-based and more stable TRS funding mechanism. The concern was that as increasing numbers of consumers replace their traditional analog phone service with interconnected VoIP service, fewer overall interstate telecommunications revenues would be available to support TRS.

VI. FEDERAL ACTIVITIES

Chapter 427, F.S., requires that the relay system be compliant with regulations adopted by the FCC to implement Title IV of the Americans with Disabilities Act. The FCC mandates the minimum requirements for services a state must provide, certifies each state program, and periodically proposes changes in the stipulated services. One such proposed change is the possibility of the states funding the intrastate portion of the cost to provide VRS, IP Relay, and IP CTS services.

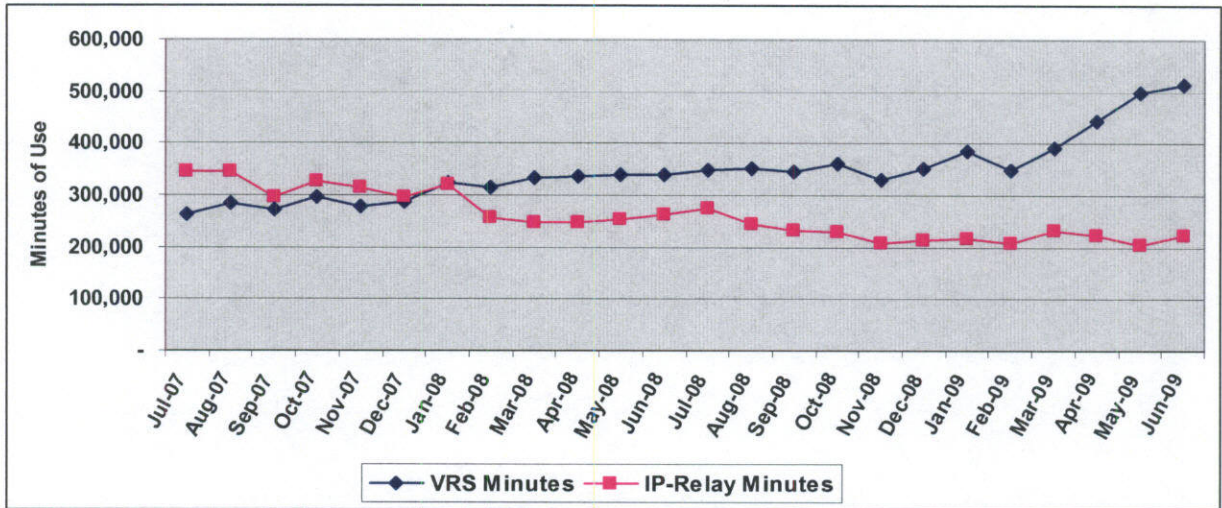
On October 8, 2004, the FPSC submitted initial comments to the FCC in response to its Notice of Proposed Rulemaking regarding Telecommunications Relay Services.¹⁴ The FPSC expressed concerns with the proposed rule in terms of the financial impact on the Florida Relay Service program, possible statutory conflicts, and possible adverse impacts on competition between the providers of Florida VRS and IP Relay. Pursuant to statute, the Florida Relay Service system is to be operated by a statewide single provider.¹⁵ An FCC decision regarding the Notice of Proposed Rulemaking is still pending. The impact the decision will have on the Florida Relay Program can only be estimated at this time.

Presently, interstate and intrastate VRS, IP Relay, and IP CTS services are federally funded through monies collected by the Interstate TRS Fund Administrator, NECA, based on interstate end-user revenues of carriers. The proposed FCC Rule, if adopted, would require the states to fund the intrastate portion of VRS and IP Relay, causing Florida to absorb an estimated additional \$30 million to \$33 million in relay costs. IP CTS intrastate costs would be in addition to this amount, but since it is a new service with no history of minutes of use available at this time, the costs are not known. IP CTS minutes would be reimbursed at the rate of \$1.68 per minute. VRS minutes are presently being reimbursed using a three-tiered rate: 0-50,000 minutes per month at \$6.70 per minute; 50,001-500,000 minutes per month at \$6.44 per minute; and over 500,000 minutes per month at \$6.24 per minute. IP Relay minutes are presently being reimbursed at \$1.28 per minute. As shown in Table 9, the Florida IP Relay minutes of use showed a slight downward trend, while VRS minutes of use showed an sharp upward trend over the last 36 months.

¹⁴ Federal Communications Commission's Report and Order, Order on Reconsideration, and Further Notice of Proposed Rule Making in CG Docket No. 03-123, released on June 30, 2004.

¹⁵ Section 427.704(1), F.S., Powers and Duties of the Commission.

Table 9. VRS and IP Relay Minutes of Use



FCC TRS Orders Released in 2009

- By Order DA 09-12, released February 10, 2009, the FCC clarified that TRS providers submitting minutes for payment from the Interstate TRS Fund must measure the conversation time of each call to the nearest second, and when the time for such calls is expressed in decimal form, the relay provider must round the time to the nearest tenth of a minute. This Order addressed the FCC’s concern that certain TRS providers were improperly “rounding” up conversation minutes that were submitted to the Interstate TRS Fund each month for payment.
- By Order DA 09-1323, released June 15, 2009, the FCC extended the June 30, 2009, registration deadline for users of VRS and IP Relay ten-digit numbers until November 12, 2009. The FCC determined that registration of ten-digit VRS and IP Relay numbers was necessary to facilitate the effective provision of 911 service. The FCC concluded that extending the deadline would ensure a more orderly transition to ten-digit numbering for users of Internet-based TRS.
- By Order DA 09-1436, released June 26, 2009, the FCC sought comments to refresh the record on a Petition for Rulemaking to make Captioned Telephone Relay Service a mandatory form of telecommunications relay service. The FCC recognized captioned telephone service as a form of TRS eligible for compensation from the Interstate TRS Fund in 2003 but did not make it a mandatory service.

Section 427.702(3)(g), F.S., requires that the telecommunications access system use state-of-the-art technology for specialized telecommunications devices and the telecommunications relay service. The statute further encourages the incorporation of new developments in technology, to the extent that it has

demonstrated benefits consistent with the intent of the act and is in the best interest of the citizens of this state. In keeping with the intent of this statute, Florida participated in a captioned telephone service trial with Sprint using the CapTel captioning telephone. It was determined during the trials that sixty-four percent of the usage was from new users that had not previously used voice carry-over or relay services. Because of the elderly population in Florida, the captioning telephone service benefits a large population that has not been previously assisted with their hearing impairments. The PSC approved an amendment to the Sprint contract effective March 1, 2004, to make CapTel captioning telephone service available to the nearly three million citizens who are deaf or hard of hearing in Florida.¹⁶

- The FCC, by Order DA 09-1461, released June 26, 2009, waived for one year a requirement which requires traditional TRS providers to “automatically and immediately” call an appropriate Public Safety Answering Point when receiving an emergency, 711-dialed call placed over an interconnected Voice over Internet Protocol service. The record reflects that traditional TRS providers continue to encounter significant challenges in reliably identifying the physical location of (and therefore an appropriate PSAP for) an interconnected VoIP caller who dials 711, rather than 911, to reach emergency personnel.

The FCC also clarified that the requirement that an Internet-based TRS user’s “toll free number be directed to the ten-digit, geographically appropriate number” means that a user’s toll free number must be directed to the user’s ten-digit geographic number in the Service Management System (SMS)/800¹⁷ database and not in the Internet-based TRS numbering directory.

- By Order DA 09-2084, released September 18, 2009, the FCC confirmed that it currently does not allow compensation for services that enable individuals who are deaf, hard of hearing, or speech disabled to communicate with each other via VRS. Section 225 of the Communications Act defines “telecommunications relay services” as telephone transmission services that provide the ability for an individual who has a hearing impairment or speech impairment to engage in communication by wire or radio with a hearing individual.

The release of Order FCC 08-151¹⁸ which adopted a system for assigning users of Internet-based TRS, specifically VRS and IP Relay, ten-digit telephone numbers linked to the North American Numbering Plan may be the initial step in the jurisdictional separation of costs for VRS, IP Relay, and IP CTS. The FCC has repeatedly stated that the interstate and intrastate costs of these TRS services would eventually be separated once the two ends of a call made over these internet services

¹⁶ Order PSC-04-0117-PAA-TP, issued January 30, 2004, in Docket No. 991222-TP.

¹⁷ The SMS/800 is a centralized system that supports the centralized toll-free service administration.

¹⁸ In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123, WC Docket No. 05-196, released June 24, 2008.

were known. States would be assuming the intrastate costs of VRS, IP Relay, and IP CTS. By assigning telephone numbers to these Internet services, the beginning and ending points of the calls will now be known.

VII. CONCLUSION

FTRI continues to expand its outreach programs which increase consumer awareness of both FTRI's programs and the relay system. FTRI and its 30 regional distribution centers conducted 1,229 outreach activities and signed up 43 new businesses as Relay Friendly Business Partners during the last fiscal year. Florida continues to place emphasis on service quality, which has resulted in increased typing speed for not only Florida but also for all of the states served by Sprint. Furthermore, the increased distribution and service improvement of CapTel has enriched the lives of people who would not normally use traditional relay service. The Commission expects these positive trends to continue but will continue to pursue service quality improvements through testing of relay operator typing and CapTel telephone captioning.

The Telecommunications Relay industry is changing rapidly. Traditional relay service minutes have been decreasing, because users are transitioning to the more efficient technologies of IP Relay, VRS, IP CTS, CapTel captioning service, and Blackberry or palm wireless devices. An FCC mandate requiring states to assume the intrastate costs of three of these newer technologies, VRS, IP Relay, and IP CTS, may have a major impact on the Florida Relay Service. The proposed FCC rule would require Florida to fund an estimated additional \$30 million to \$33 million in annual relay costs. Florida could possibly experience a financial shortfall in relay surcharge revenue due to a statutory relay surcharge cap of \$0.25 per access line. The FCC has not provided states with a timeline as to when this proposed rule may be adopted; however, release of Order FCC 08-151, requiring registration of telephone numbers to VRS and IP Relay customers by November 12, 2009, may initiate the jurisdictional separation of costs. When the new FCC rule is adopted, an examination of the Florida Statutes regarding relay services will need to be completed to ensure Florida's Relay program is in accordance with any new federal laws.

The new definitions of basic and non-basic service in Chapter 364.02, Florida Statutes, could cause the loss of millions of access lines which the TRS surcharge is presently applied to and cause the present TRS surcharge of \$0.11 per month to increase significantly. Without clarification of what lines TRS surcharges should apply to, the statutory rate cap of \$0.25 per line may have to be raised to cover the cost of TRS services or a broader-based funding mechanism would have to be put in place.

FTRI Budget for 2008-2009 and 2009-2010 Fiscal Years

	Commission Approved Budget 2008-2009 \$	Actual Revenue And Expenses 2008-2009 \$	Commission Approved Budget 2009-2010 \$
Operating Revenue			
<i>Surcharges</i>	11,574,081	11,105,726	10,990,455
<i>Interest Income</i>	653,587	149,508	215,691
<i>Miscellaneous Income</i>	0	0	0
<i>Total Revenues</i>	12,227,668	11,255,234	11,206,146
<i>Surplus Account</i>	17,258,366	18,539,976	20,068,401
GRAND TOTAL FUNDS	29,486,034	29,795,210	31,274,547
CATEGORY I. Operating Expenses/ Relay Services			
<i>Sprint Relay</i>	6,521,004	5,646,632	5,520,973
CATEGORY II. Equipment & Repairs			
<i>TDD Equipment</i>	25,305	14,640	28,600
<i>Large Print TDDs</i>	2,520	7,407	2,520
<i>VCO/HCO – TDD</i>	22,320	249,007	16,650
<i>VCO Telephone</i>	25,093	12,974	14,514
<i>Dual Sensory Equipment</i>	0	0	87,000
<i>CapTel Phone Equipment</i>	107,190	107,062	206,712
<i>VCP Hearing Impaired</i>	2,102,969	1,304,890	1,928,192
<i>VCP Speech Impaired</i>	36,027	21,346	23,515
<i>TeliTalk Speech Aid</i>	54,000	54,000	54,000
<i>Jupiter Speaker Phone</i>	14,490	0	11,928
<i>In-Line Amplifier</i>	3,305	2,874	3,520
<i>ARS Signaling Equipment</i>	96,736	50,850	78,774
<i>VRS Signaling Equipment</i>	60,223	34,255	53,382
<i>TRS Signaling Equipment</i>	0	0	0
<i>Telecom Equipment Repair</i>	80,128	49,710	72,115
<i>Remaining Basis on Disposed Assets</i>	0	0	0
TOTAL CATEGORY II	2,630,306	1,909,015	2,581,422
CATEGORY III. Equipment Distribution & Training			
<i>Freight-Telecom Equipment</i>	38,711	32,868	39,088
<i>Regional Distribution Centers</i>	1,240,588	925,595	1,082,500
<i>Workshop Expense</i>	10,000	6,083	10,000
<i>Training Expense</i>	0	0	0
TOTAL CATEGORY III	1,289,299	964,546	1,131,588

	Commission Approved Budget 2008-2009 \$	Actual Revenue And Expenses 2008-2009 \$	Commission Approved Budget 2008-2009 \$
CATEGORY IV. Outreach			
<i>Outreach Expense</i>	956,542	856,991	911,344
TOTAL CATEGORY IV	956,542	856,991	911,344
CATEGORY V. General & Administrative			
<i>Advertising</i>	5,728	3,267	5,232
<i>Accounting/Auditing</i>	24,076	23,069	26,450
<i>Legal</i>	72,000	72,000	72,000
<i>Computer Consultation</i>	42,580	43,538	45,779
<i>Bank Charges</i>	2,089	2,336	2,407
<i>Dues & Subscriptions</i>	3,504	1,929	2,991
<i>Furn. & Equip. Purchase</i>	15,128	9,370	7,521
<i>Less: Capitalized Portion</i>	0	(3,620)	0
<i>Depreciation</i>	0	13,946	0
<i>Office Equipment Lease</i>	3,470	3,420	3,470
<i>Insurance- Health/ Life/Disability/Other</i>	221,870	231,326	309,002
<i>Office Expense</i>	23,623	16,928	15,629
<i>Postage</i>	19,816	10,213	17,989
<i>Printing</i>	5,248	2,204	4,200
<i>Rent</i>	93,698	91,262	96,578
<i>Utilities</i>	13,052	7,794	13,201
<i>Retirement</i>	69,061	59,564	63,250
<i>Employee Compensation</i>	590,269	491,539	540,600
<i>Temporary Employment</i>	53,956	20,542	20,480
<i>Taxes – Payroll</i>	49,315	41,770	45,515
<i>Telephone</i>	32,168	20,530	20,107
<i>Travel & Business</i>	32,448	16,937	21,601
<i>Equipment Maintenance</i>	3,835	2,773	2,396
<i>Employee Training/Dev</i>	14,660	13,199	11,132
<i>Meeting Expense</i>	4,795	2,049	3,394
<i>Remaining Basis of Disposed Assets</i>	0	0	0
TOTAL CATEGORY V	1,396,389	1,197,885	1,350,924
GRAND TOTAL EXPENSES	12,793,540	10,575,069	11,496,251

Florida Telecommunications Relay, Inc.



Annual Report 2008 - 2009

TASA – Florida Statutes Chapter 427

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Message from the Executive Director



As you read in the subsequent pages, you'll find both the Equipment Distribution Program (EDP) and Outreach program had a productive fiscal year 2008 / 2009. Here are a few highlights:

- 17,170 new clients were served throughout the state.
- 38,130 different services were provided to individuals.
- 36,044 pieces of specialized telecommunications equipment were distributed.
- 1,229 outreach activities were performed by FTRI and the regional distribution centers (RDC) throughout Florida.
- 43 new businesses have partnered with FTRI to educate their 2,549 employees about the Florida Relay and Equipment Distribution Program.
- Processed 21,446 customer service calls.
- Mailed 2,453 applications to individuals requesting them.
- Processed more than 64,427 EDP forms.
- We continued our extensive educational, training and support efforts through workshops and daily interactions with RDCs.
- We continued to collaborate with other organizations and / or state agencies for outreach activities.
- We continued to place a high priority on protecting the integrity of client information by making security enhancements to our processing system.
- We operated within budget requirements.
- We received high marks from the external auditors for the financial records and internal controls FTRI has in place.

These highlights are some of our accomplishments in fiscal year 2008 / 2009 that reflect the broad scope of the FTRI organization to provide quality service to the residents of Florida.


James Forstall, FTRI Executive Director



TASA Requirements

In response to the Telecommunications Access System Act of 1991 (TASA), the Florida Public Service Commission (FPSC) directed the local exchange companies (LECs) to form a not-for-profit corporation to fulfill the requirements of TASA. Florida Telecommunications Relay, Inc. (FTRI) registered with the Florida Department of State as a not-for-profit corporation effective June 13, 1991, and is exempt from Florida sales tax as a 501(c) (3) organization.

Mission Statement

Florida Telecommunications Relay, Inc. (FTRI), as the designated administrator, shall carry out the intent of the Telecommunications Access System Act (TASA) by providing access terminals required for basic telecommunications services to hearing impaired, speech impaired, and dual sensory impaired persons in the most cost effective manner.

Equipment Distribution Program

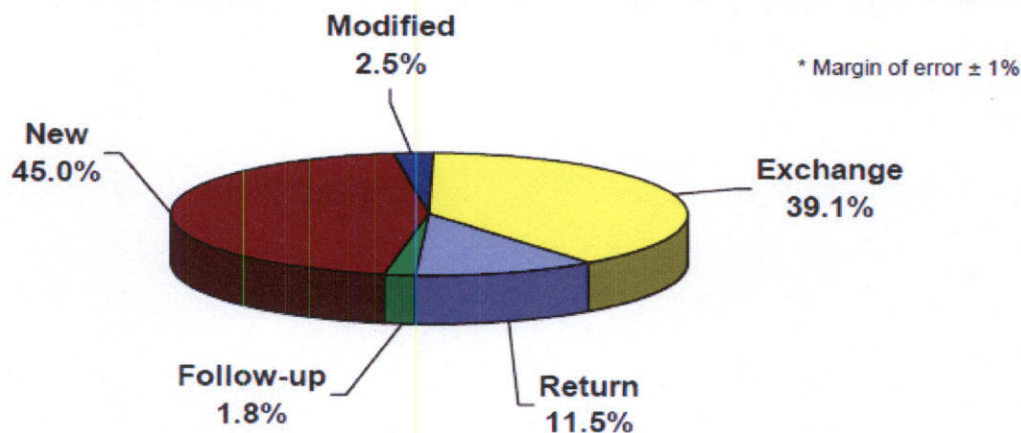
FTRI utilizes a regional distribution system for approximately eighty percent of the state of Florida, with centralized distribution from the administrative office in Tallahassee accounting for the remaining twenty percent.

FTRI contracted with twenty-one non-profit agencies to provide services as Regional Distribution Centers (RDCs). In these areas, persons who are deaf, hard of hearing, or speech impaired have applications certified and processed (**New** service), and receive equipment and training, and are supplied with any additional services. These may include modifying from one type of equipment to another (**Modified** service), exchanging for the same type of equipment (**Exchange** service), returning any equipment that is no longer necessary (**Return** service), and additional training services as needed (**Follow-up** service).

Additional training on equipment is provided to individuals requesting the training at no charge.

Client Services

The total number of EDP services provided by FTRI for fiscal year 2008 / 2009 was 38,130*. The average number of EDP services provided monthly was 3,178.

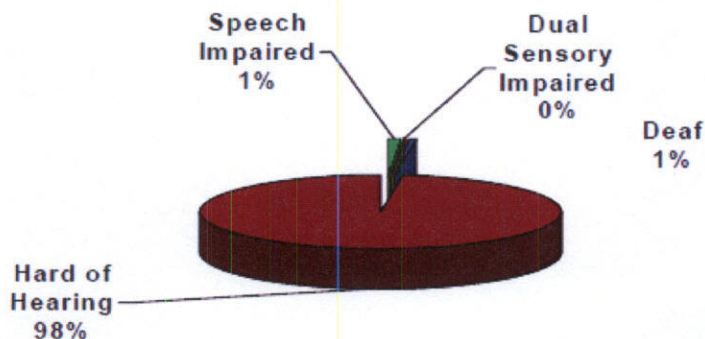


New Client Eligibility

FTRI served 17,170 new clients during the reporting period. Clients certified as eligible for the FTRI program are classified into four distinct groups:

Group	New Clients
Deaf	115
Hard of Hearing	16,798
Speech Impaired	207
Dual Sensory Impaired	50
Total	*17,170

* The number of new recipients is lower than the amount of distributed new equipment because a significant number of recipients received more than one piece of equipment. Margin of error ± 1%.



New Client Certification

Professionals involved with the certification of client applications for the equipment distribution program were as follows:

Category of Certifier	Quantity of Approved Applications
Deaf Service Center Director	6,174
Audiologist	5,670
Hearing Aid Specialist	3,963
Licensed Physician	1,147
State Certified Teacher	3
State Agency	8
Speech Pathologist	192
Federal Agency	13
Total	17,170

New Client Age Groups

The 2008 / 2009 breakdown of new recipients by age group is as follows:

Age Group	Recipients
4 – 9	23
10 – 19	53
20 – 29	47
30 – 39	97
40 – 49	277
50 – 59	703
60 – 69	2,279
70 – 79	4,590
80 – 89	7,046
90 – 99	1,975
100 – 109	80
DOB not provided	0
Total	17,170

More people in the 80 to 89 age group received equipment than those of any other specific age group. Approximately eighty percent of all recipients served in this fiscal year were seventy years of age or older.

New Client County of Residence

FTRI is a statewide program serving all 67 counties. The following is a breakdown of **new** clients by county of residence:

County	Recipients	County	Recipients
Alachua	215	Lake	409
Baker	8	Lee	831
Bay	105	Leon	373
Bradford	22	Levy	54
Brevard	442	Liberty	9
Broward	1,900	Madison	15
Calhoun	8	Manatee	367
Charlotte	333	Marion	647
Citrus	437	Martin	155
Clay	93	Monroe	5
Collier	275	Nassau	66
Columbia	50	Okaloosa	89
Dade	375	Okeechobee	30
DeSoto	43	Orange	853
Dixie	21	Osceola	127
Duval	596	Palm Beach	1,663
Escambia	243	Pasco	730
Flagler	120	Pinellas	925
Franklin	41	Polk	487
Gadsden	52	Putnam	89
Gilchrist	18	Santa Rosa	94
Glades	19	Sarasota	679
Gulf	7	Seminole	271
Hamilton	27	St. Johns	97
Hardee	14	St. Lucie	219
Hendry	26	Sumter	172
Hernando	379	Suwannee	42
Highlands	219	Taylor	44
Hillsborough	565	Union	7
Holmes	31	Volusia	634
Indian River	160	Wakulla	38
Jackson	45	Walton	21
Jefferson	18	Washington	17
Lafayette	4		
		Total	17,170

Counties in **bold** are located close to Regional Distribution Centers. RDC contracts do not assign counties to specific contracted entities in order to assure that clients receive the best and most convenient service available.

Equipment

FTRI currently distributes the following specialized telecommunications equipment:

1. Text Telephone (TTY)
2. Volume Control Phone for the Hearing Impaired (VCPH)
3. Volume Control Phone for the Speech Impaired (VCPS)
4. Voice Carry-Over Telephone (VCO)
5. Large Visual Display TTY (LVDTTY)
6. TeleBraille TTY (TBTTY)
7. In-Line Amplifier (ILA)
8. Voice Carry-Over / Hearing Carry-Over / TTY (VCO / HCO / TTY)
9. Gewa Telephone
10. Dialogue RC 200 w/ Air Switch
11. TeliTalk Speech Aid phone
12. Captioned Telephone (CapTel)

FTRI also distributes amplified, flashing, or vibrating ringer devices to alert clients to incoming telephone calls. These devices are:

1. Audible Ring Signaler (ARS)
2. Visual Ring Signaler (VRS)
3. Tactile Ring Signaler (TRS)

Each piece of equipment is supported by the standard manufacturer warranty. Equipment that is determined to be out of warranty is retired and replaced due to the economics of purchasing new equipment versus repairing old equipment.

Equipment Vendors

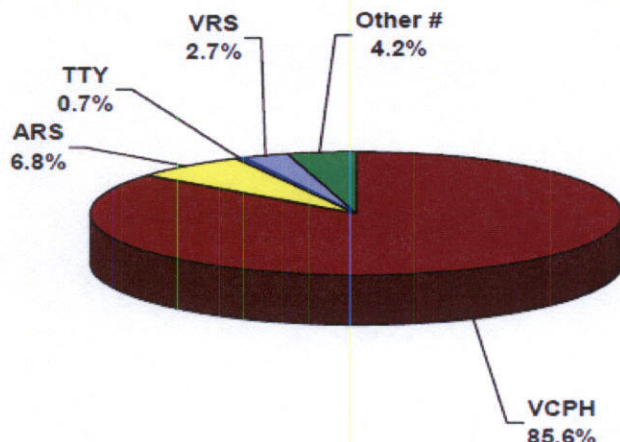
FTRI works with several equipment vendors to supply specialized telecommunications equipment. Some of these include:



Distributed Equipment

FTRI distributes both new and refurbished equipment. Equipment distributed during fiscal year 2008 / 2009 numbered 36,044* units. The monthly equipment distribution average was 3,004.

* Margin of error ± 1%



More than three percent of all distributed equipment in fiscal year 2008 / 2009 included BrailleTTY phone, in-line amplifier, tactile ring signaler, voice-carry-over phones with large visual display, phones for the speech impaired, hearing-carry-over phone, voice-carry-over phone, and captioned telephone.

Quality Assurance

FTRI maintains a quality assurance system to monitor the services, training, and equipment provided by contracted agencies. Questionnaires are sent to a random selection of clients served by each Regional Distribution Center or the FTRI office. FTRI also contacts clients by telephone for quality assurance.

Approximately thirty-four percent of new clients served were mailed quality assurance surveys. Of the approximately 5,910 questionnaires sent during this fiscal year, FTRI received 1,515 responses for a twenty-six percent return rate. Ninety-seven percent of the responses were positive. All negative responses were addressed directly by FTRI and forwarded to the appropriate RDC for follow-up.

How do you like your new phone from FTRI?

LET FREEDOM ((RING))
... and discover telephone freedom and independence

Florida Telecommunications FTRI Relay, Inc.
Equipment Distribution Program

FTRI provides specialized telephone equipment to qualified Florida residents who are deaf, hard of hearing, deaf/blind, or speech impaired at no charge. FTRI records those that you received equipment from one of our Regional Distribution Centers (RDC). FTRI wants to make sure the customer service you received is up to our high standards.

Please take a few minutes to answer the following questions about your experience with the Regional Distribution Centers (RDC) in your area and mail this prepaid postcard to FTRI. If you have any questions or comments, please call:

FTRI Customer Service:
1-800-222-3448 (V)
or 1-888-447-5020 (TTY)
Monday-Friday 8:30 a.m.-5:00 p.m.

Postcard always pre-addressed and insured.



Throughout the past fiscal year FTRI's outreach efforts have stabilized throughout the state. The regional distribution centers (RDCs) continue to provide outreach services to their respective communities to disseminate information about FTRI's programs and Florida Relay Service.

The following activities were conducted.

Outreach Activities
FTRI / RDC conducted 1,229 outreach activities throughout the state
FTRI published and mailed 42,084 "We Have Moved" postcards in the Fort Lauderdale and Pensacola areas
Developed new marketing materials including the "5 Minute Hearing Test", posters with RDC customized tear-off pads, and updated quality assurance cards
Administered a statewide print media campaign using customized RDC ads covering 15 major markets
Updated the FTRI Specialized Equipment Receipt to include information from the Request to Modify Form - combining these forms reduced paperwork and printing cost
43 businesses signed up as "Relay Friendly Business Partners Program" (BPP) through the FTRI website
Information about both Florida Relay and FTRI EDP have been made available to over 2,549 employees through the BPP
Distributed 97 Relay Educational Kits to schools throughout Florida
FTRI continued to partner with organizations and / or state agencies (FAD, FLALDA, HLA-FL, AGBELL-FL, FSDB, Sprint, TSC, FDOE, FDOEA, FDOH, FDVR, FASC, FLAA, FLASHA, FLA, FCCDHH, FSHHP) for outreach activities
Developed and produced three new Public Service Announcements (PSAs) in English and Spanish to promote FTRI EDP and Florida Relay
Purchased local broadcast media time statewide for both Florida Relay and FTRI EDP PSAs in all 10 major markets and received, at no extra cost to FTRI, thousands of dollars of value-added coverage including live interviews, web presence, and extra rotator runs
Partnered with the Public Service Commission to promote telephone access statewide by issuing a joint press release promoting ADA month
Developed and released a series of 7 pre-approved print advertisements for healthcare professionals (Hearing Aid Specialists and Audiologists) to use in their local newspapers
Launched a pilot program using a digital picture frame that advertises the FTRI program in the service provider's waiting room
Hosted a series of events to promote Deaf Awareness in the Tallahassee area
Reprinted FTRI application in Braille
Launched an online marketing campaign using Google AdWords and Facebook
Developed and implemented web-based training programs for RDC staff on important topics relative to the FTRI program
Provided approximately 768 (EDP) and 1,230 (Outreach) hours of comprehensive training to RDCs during this fiscal year



Outreach

FTRI – Equipment Distribution Program

FTRI continued to air 30 second PSAs (Public Service Announcements) targeted to reach individuals with hearing loss to create awareness about the specialized telephones that are available to Florida residents at **no charge**. These PSAs were aired statewide.

Below are excerpts taken from the FTRI EDP PSAs that continued to air throughout Florida local broadcast television.



A new FTRI quality assurance card (pictured below) for off-site distribution was published and mailed to clients that received FTRI services at off-site locations throughout the state.

Front

How do you like your new phone from FTRI?

FTRI offers a variety of specialized telephones to qualified applicants...
...and you don't have to shell out a dime!

Florida Telecommunications FTRI Relay, Inc.
Equipment Distribution Program

FTRI provides specialized telephone equipment to qualified Florida residents who are deaf, hard of hearing, deaf-blind, or speech impaired at no charge. FTRI records show that you received equipment from one of our Regional Distribution Centers (RDC). FTRI wants to make sure the customer service you received is up to our high standards.

Please take a few minutes to answer the questions below about your experience with the RDC in your area and mail the prepaid postcard to FTRI. If you have any questions or comments, please call.

FTRI Customer Service
1-800-222-3448 (V)
or 1-888-447-6620 (TTY)
Monday - Friday 9:30 a.m. - 5:00 p.m.
We will be happy to assist you. Thank you.

FTRI Equipment Distribution Program

1. Was the trainer professional and courteous to you? Yes No
2. Were you given the opportunity to try different telephones? Yes No
3. If you participated in group training, how many other people were in your group?
 1 2 3 4 5 6 more than 6 did not participate in group training
4. Approximately how long did your training last?
 30 minutes 1 hour 1.5 hours more than 1.5 hours no training provided
5. Was the amount of time you had for training on the telephone straight? Yes No
6. Are you happy with your new telephone? Yes No

If No, please explain: _____
Additional comments: _____

Back

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 100 TALLAHASSEE, FL
POSTAGE WILL BE PAID BY ADDRESSEE

FLORIDA TELECOMMUNICATIONS RELAY INC
1620 E. PARK AVE. STE. 101
TALLAHASSEE FL 32301-0612

Share the good news!

FTRI's specialized telephones are for **EVERYONE** who qualifies. If you know someone you think can benefit, please pass along this customer service number and tell them to call us today.

1-800-222-3448 (V)
1-888-447-6620 (TTY)

Want to learn more about your specialized telephone?
Visit our web site: www.ftri.org

Florida Telecommunications FTRI Relay, Inc.
1620 E. Park Ave., Suite 101
Tallahassee, FL 32301-0612
www.ftri.org





FTRI developed and mailed "FTRI Has Moved" postcards to thousands of active clients that reside in areas where several local Regional Distribution Centers (RDCs) have relocated their offices.

Front

Back

FTRI has MOVED
 Now located at:
 Disability Resource Center, Inc.
 625 Highway 231
 Panama City, FL 32405

We hope you are enjoying FTRI's special telephone. If you have any questions or problems, please visit us at our new location.

Esperamos que estén disfrutando con el uso del teléfono especial de FTRI. Si tienen alguna pregunta o algún problema, por favor veanlos a nuestro local nuevo.

www.ftri.org | 850-769-6890

If you have any family or friends who could benefit from our program please help us help someone else by referring them to FTRI at:

Si tienes parientes o amistades que podrían beneficiarse con nuestro programa, por favor ayúdanos a ayudarlo a alguien más recomendándoles al FTRI en:

850-769-6890 (V./TTY)
www.drcpc.org

The Florida Link (FTRI's newsletter) is now available online at www.ftri.org/newsletter.
El Enlace de la Florida (boletín de FTRI) ya está a su disposición en la red www.ftri.org/newsletter.

Florida Telecommunications FTRI Relay, Inc.
 1820 E. Park Avenue, Suite 201
 Tallahassee, FL 32304
 www.ftri.org

NON-PROFIT ORG
 U.S. POSTAGE
 PAID
 Tallahassee, FL
 Master Mailbox

FTRI developed and disseminated pre-approved print ads for Healthcare Professionals such as hearing aid specialists and audiologists throughout the state.

FTRI

If you have a hearing loss, you may qualify for an amplified phone at no cost.

This ad is approved by FTRI - 025/08

FTRI

Having trouble hearing on the phone?

We may be able to help. Stop by to see if you qualify for an amplified phone.

This ad is approved by FTRI - 025/08

FTRI

Qualified Florida residents don't have to shell out a dime for an amplified phone.

This ad is approved by FTRI - 025/08

FTRI

Having trouble hearing on the phone?

We may be able to help. Schedule an appointment to see if you qualify for an amplified phone.

This ad is approved by FTRI - 025/08

FTRI

Having trouble hearing on the phone?

We may be able to help. Call for an appointment to see if you qualify for an amplified phone.

This ad is approved by FTRI - 025/08

FTRI

Qualified Florida residents don't have to shell out a dime for an amplified phone.

This ad is approved by FTRI - 025/08

Do you have a hearing loss?

Stop by to see if you qualify for an amplified phone.

FTRI



FTRI, at the request of RDCs, developed and disseminated posters with customized tear-off pads for all 21 RDCs. The customized tear-off pads, that include 50 sheets of customized RDC information, are inserted into an opening at the bottom of the poster. These posters are strategically posted at locations with high traffic of potential FTRI clients such as grocery stores, physician offices, pharmacies, senior centers, assisted living facilities, libraries, YMCAs, hospitals, medical clinics, community centers, etc. Over 2,100 posters and 5,250 tear-off pads have been distributed to the RDCs. Refill pads can be ordered through the FTRI office.

Poster

**AMPLIFIED
TELEPHONES**
to qualified
Florida residents
and you don't have to *shell* out a dime.



ELIGIBILITY REQUIREMENTS

Verification of hearing loss
(Wearing hearing aids, results of a hearing test, etc)

Proof of Florida residency
(FL Drivers License, FL Voters Registration card, etc)

FOR MORE INFORMATION CALL:

Florida Telecommunications Relay, Inc
800-222-3448 | www.ftri.org | outreach@ftri.org

Customized tear-off pad

Florida Telecommunications Relay, Inc. *Amplified Telephones at no charge for Hard of Hearing Florida residents*

ELIGIBILITY REQUIREMENTS:
 Verification of hearing loss
(Wearing hearing aids, results of a hearing test, etc)
 Proof of Florida residency
(Florida Drivers License, Florida Voters Registration card, etc)
 For more information, please contact:
 Deaf Service Center of Palm Beach County, Inc.
 West Palm Beach (561) 802-3353 M-F 9am-4:30pm / Delray Beach (561) 278-6444 M-F 9am-1:30pm

To order refill pads, call:
800-222-3448



Florida Relay

The Florida Relay PSA continued to air throughout the state on local broadcast television in major media markets. Below are excerpts taken from a Florida Relay PSA.



Business Partnership Program

Forty-three businesses signed up as a "Relay Friendly" partner and were provided access to training information designed to help businesses train employees on how to communicate via the Florida Relay Service with individuals who are deaf, hard of hearing, deaf/blind, or speech impaired. Information about both Florida Relay and FTRI EDP has been made available to over 2,549 employees with those businesses.

TASA Approved Certifiers

FTRI partnered with 102 *new* TASA approved certifiers who referred individuals with hearing loss to the FTRI programs to receive specialized telephones and services. FTRI provides all certifiers, as well as other collaborated partners, with applications, brochures and other printed materials for dissemination to people that visit their office or agencies.

Closing Statement

FTRI continues to maintain its status as an administrative center, concentrating on oversight of the Regional Distribution Center (RDC) contractors, and equipment vendors. The FTRI administrative office directly serves approximately twenty percent of Florida's residents statewide. Since the inception of the Equipment Distribution Program in 1986, over 413,000 residents have been provided with telecommunications equipment and support services.

**Florida Telecommunications
Relay, Inc.**

Financial Statements

June 30, 2009

Florida Telecommunications Relay, Inc.
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Carr, Riggs & Ingram, LLC
 1713 Mahan Drive
 Tallahassee, Florida 32308

(850) 878-8777
 (850) 878-2344 (fax)
www.crepa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
 Florida Telecommunications Relay, Inc.
 Tallahassee, Florida

We have audited the accompanying statement of financial position of the Florida Telecommunications Relay, Inc. (a nonprofit organization) as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Telecommunications Relay, Inc. as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenses by category is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Carr, Riggs & Ingram
 Tallahassee, Florida
 August 19, 2009

Florida Telecommunications Relay, Inc.
Statement of Financial Position

<i>June 30,</i>	2009
Assets	
Current assets	
Cash and cash equivalents	\$ 19,837,470
Accounts receivable	891,831
Prepaid expenses	182
Total current assets	20,729,483
Property and equipment - at cost	
Office furniture	45,910
Office equipment	103,779
Dual sensory equipment	62,083
	211,772
Less: accumulated depreciation	(184,102)
Net property and equipment	27,670
Other assets	8,939
Total assets	\$ 20,766,092
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 1,533,068
Accrued leave payable	12,883
Total current liabilities	1,545,951
Net assets	
Unrestricted net assets	19,220,141
Total liabilities and net assets	\$ 20,766,092

See accompanying notes to financial statements.

Florida Telecommunications Relay, Inc.
Statement of Activities

<i>Year ended June 30,</i>	2009
Revenues	
Surcharge revenue	\$ 11,105,726
Recovery from RDC's	-
Investment earnings	149,508
Total revenues	11,255,234
Expenses	
Category I - Relay service	5,646,632
Category II - Equipment & repair	1,909,015
Category III - Equipment distribution	964,546
Category IV - Outreach expenses	856,991
Category V - General & administrative expenses	1,197,885
Total expenses	10,575,069
Change in unrestricted net assets	680,165
Net assets, beginning of year	18,539,976
Net assets, end of year	\$ 19,220,141

See accompanying notes to financial statements.

Florida Telecommunication Relay, Inc.
Statement of Cash Flows

<i>Year ended June 30,</i>	2009
Cash flows from operating activities:	
Cash from surcharge revenues	\$ 11,166,134
Investment earnings	149,508
Cash paid for goods and services	(9,763,730)
Net cash provided by operating activities	1,551,912
Cash flows from investing activities:	
Acquisition of fixed assets	(17,862)
Disposition of fixed assets	-
Net cash (used in) provided by investing activities	(17,862)
Net increase in cash	1,534,050
Cash at beginning of year	18,303,420
Cash at end of year	\$ 19,837,470
Cash provided by operating activities:	
Change in net assets	\$ 680,165
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,946
Changes in operating assets and liabilities:	
Accounts receivable	62,408
Prepaid expenses	20,291
Sick leave	3,402
Accounts payable	771,700
Net cash provided by operating activities	\$ 1,551,912

No cash paid for taxes or interest during the year.

See accompanying notes to financial statements.

Florida Telecommunications Relay, Inc. Notes to Financial Statements

NOTE 1 – NATURE OF BUSINESS

The Florida Telecommunications Relay, Inc. (the Organization) is a not-for-profit corporation designated as the Administrator of the Telecommunications Access System Act, pursuant to s.427.704 (2), F.S., and is responsible for providing relay services and the distribution of specialized telecommunications devices. The devices for the deaf, hard of hearing, and speech impaired persons are distributed free of charge to clients certified by designated specialists in the speech and hearing field. The Florida Public Service Commission regulates the Organization, which is funded through a surcharge on telephone bills of residents of the State of Florida.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The Organization maintains its accounts and prepares financial statements on the accrual basis of accounting. Revenues are recognized in the period earned, whether or not received; expenses are recognized in the period in which the obligation is incurred, whether or not paid.

Accounts Receivable

Accounts receivable consist of surcharges collected by the various telephone companies for the previous month. All collections are due to the Organization from the telephone companies by the 15th of the month following the month of collection. No provision for bad debts has been provided since historically all amounts are collected each month.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, which is five years. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

The Organization has adopted the policy of recording the purchase of the specialized telecommunications equipment, distributed to its clients, as an expense of the period, while the Organization retains certain rights and obligations to such equipment.

Income Taxes

The Organization, a Florida nonprofit corporation, is tax exempt under Internal Revenue Code Section 501(c)(3) and has been determined to be other than a private foundation. Therefore, no provision for income taxes has been made.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Florida Telecommunications Relay, Inc.
Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 3 – RETIREMENT PLAN

The Organization contributes to a multi-employer, non-contributory, defined benefit pension plan, sponsored by the National Telecommunications Cooperative Association. Employees begin participating in the plan quarterly coincident with their date of employment. Contributions to the plan are paid quarterly and based on 11.7% of compensation for all full-time employees and part-time employees, who work at least 1,000 hours per calendar year. Benefits will be paid to participants in an amount dependent on years of service and the final average salary as defined in the Plan Document. Retirement expense for the fiscal year ended June 30, 2009 was \$59,564.

NOTE 4 – CONCENTRATION OF RISK

Florida Telecommunications Relay, Inc. maintains two bank accounts at Regions Bank. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this institution exceeded FDIC limits by \$19,587,452. At June 30, 2009, FTRI's cash balance in the two accounts total \$1,081,028 and \$18,756,424.

Regions Bank qualifies as a public depository under Chapter 280, Florida Statutes which defines the Florida Security for Public Deposits Act. Florida Telecommunications Relay, Inc. considers itself a qualified public depositor under this Act. The Act provides that qualified public depositories must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the Organization's name, nor specify which collateral is held for the Organization's benefit. The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the Organization for any deposits not covered by depository insurance or collateral pledged by the depository, as previously described. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

Supplementary Information

Florida Telecommunications Relay, Inc. Schedule of Expenses by Category

Year ended June 30,	2009
Category I - Relay Service	
Dual party relay provider	\$ 5,648,632
Category II - Equipment and Repair	
TTY equipment	14,640
VCP hearing impaired	1,304,890
VCPH cordless	249,007
VCPS-RC200	7,407
CapTel equipment	107,062
VCP speech impaired	21,346
In-line amplifiers	2,874
VCO telephone	12,974
ARS/VRS signaling equipment	85,105
TellTalk Speech aid phone	54,000
Telecommunications equipment repair	49,710
Remaining basis on disposed assets	-
Subtotal - Category II	1,909,015
Category III - Equipment Distribution	
Freight/Telecommunications equipment	32,868
Regional distribution centers	925,595
Workshop expense	6,083
Subtotal - Category III	964,546
Category IV - Outreach	
Outreach expenses	856,991
Category V - General and Administrative	
Advertising	3,267
Accounting/Auditing	23,069
Legal	72,000
Computer consultation	43,538
Bank charges	2,336
Dues and subscriptions	1,929
Furniture and equipment purchased	9,370
Less: Capitalized portion	(3,620)
Depreciation	13,946
Remaining basis of disposed assets	-
Office equipment lease	3,420
Insurance - health, life, disability & other	231,326
Office expenses	16,928
Postage	10,213
Printing	2,204
Rent	91,282
Retirement	59,564
Employee compensation	491,539
Payroll taxes	41,770
Temporary employment	20,542
Telephone and fax	20,530
Travel and business expense	18,937
Utilities	7,794
Equipment maintenance	2,773
Employee training	13,199
Meeting and interpreter expense	2,049
Subtotal - Category V	1,197,885
Total expenses	\$ 10,575,069

See independent auditors' report.

APPENDIX C

Florida Relay Service Information: Sprint

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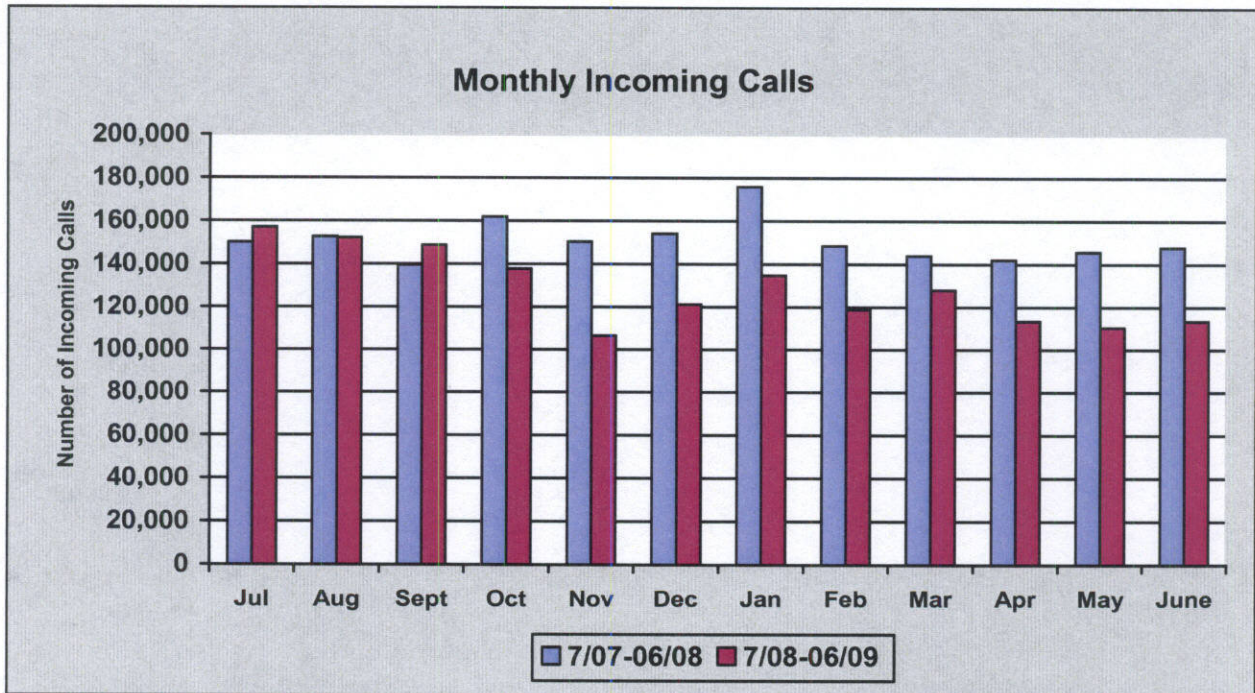
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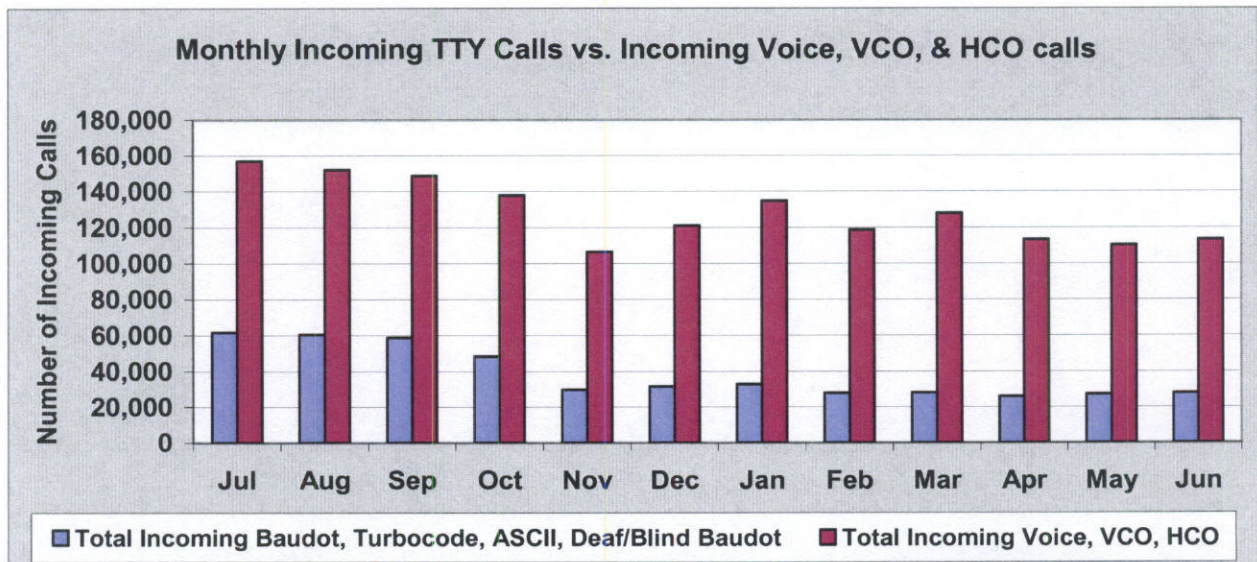
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CapTel Minutes and Charges.....51

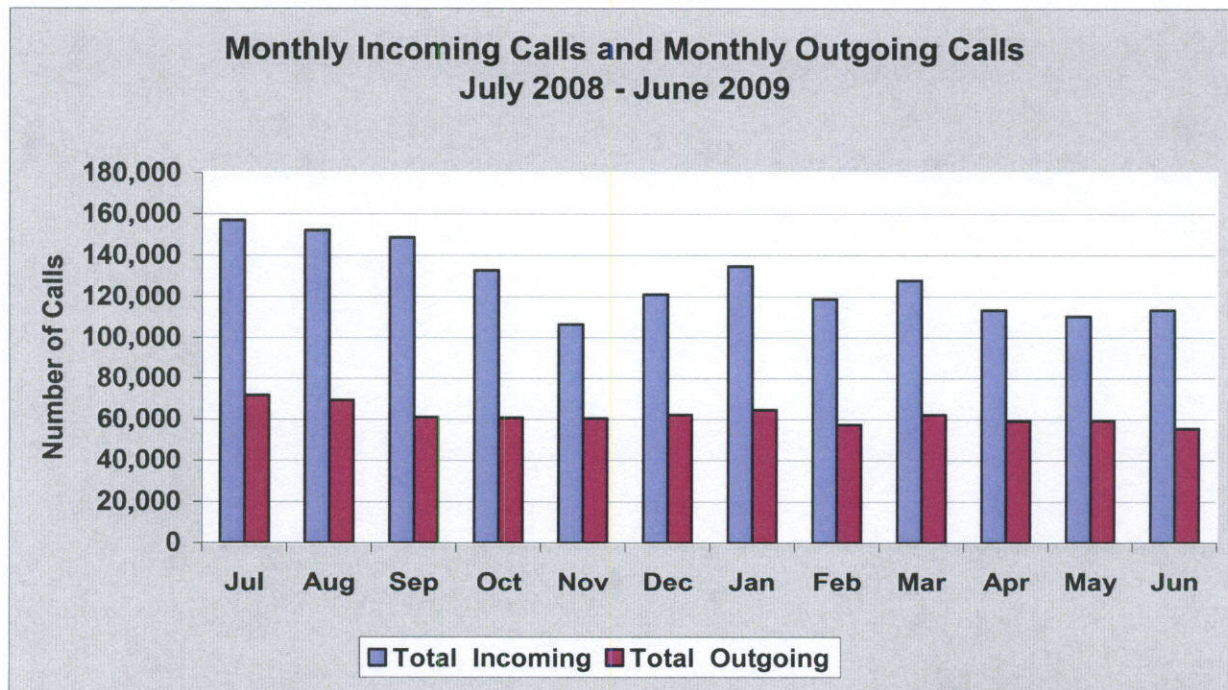
Monthly Incoming Calls			
Total Incoming Calls July 2007 – June 2008		Total Incoming Calls July 2008 – June 2009	
Jul	150,150	Jul	156,994
Aug	152,671	Aug	152,144
Sep	139,475	Sep	148,734
Oct	161,826	Oct	137,753
Nov	150,438	Nov	106,397
Dec	154,121	Dec	121,074
Jan	175,874	Jan	134,701
Feb	148,482	Feb	118,744
Mar	143,903	Mar	127,831
Apr	141,971	Apr	113,277
May	145,659	May	110,307
Jun	147,772	Jun	113,283
Total	1,812,342	Total	1,541,239



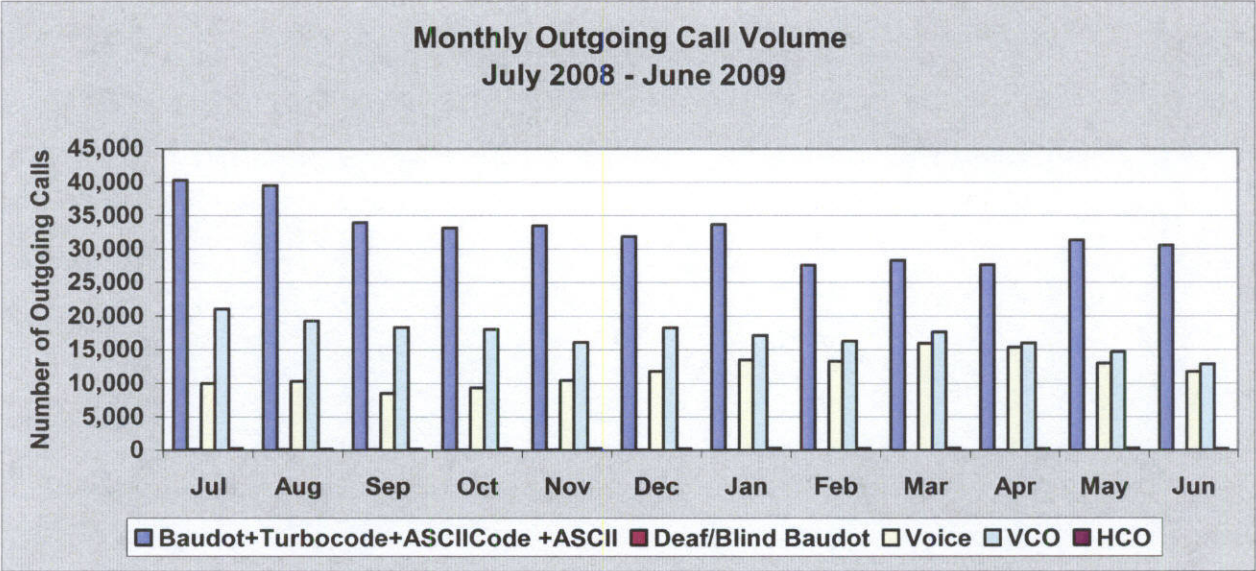
Monthly Incoming Calls by Type July 2008 – June 2009									
	Incoming Baudot	Incoming Turbocode	Incoming ASCII	Incoming Deaf/Blind Baudot	Total Incoming Baudot, Turbocode, ASCII, Deaf-Blind Baudot	Incoming Voice	Incoming VCO	Incoming HCO	Total Incoming Voice, VCO, HCO
Jul	44,838	16,690	126	147	61,801	81,001	13,710	482	156,994
Aug	44,202	15,950	233	271	60,656	77,708	13,494	286	152,144
Sep	43,695	14,655	243	155	58,748	75,927	13,621	438	148,734
Oct	35,009	12,630	658	41	48,338	76,498	12,478	439	137,753
Nov	18,686	10,509	622	48	29,865	65,918	10,423	191	106,397
Dec	19,909	10,949	668	59	31,585	77,591	11,725	173	121,074
Jan	21,553	10,710	641	32	32,936	90,049	11,493	223	134,701
Feb	17,566	9,457	781	20	27,824	79,958	10,782	180	118,744
Mar	17,327	9,916	869	7	28,119	87,836	11,641	235	127,831
Apr	16,174	8,822	930	35	25,961	76,273	10,798	245	113,277
May	16,823	9,656	620	26	27,125	72,881	10,067	234	110,307
Jun	17,835	9,317	765	31	27,948	75,987	9,186	162	113,283
Total	313,617	139,261	7,156	872	460,906	937,627	139,418	3,288	1,541,239



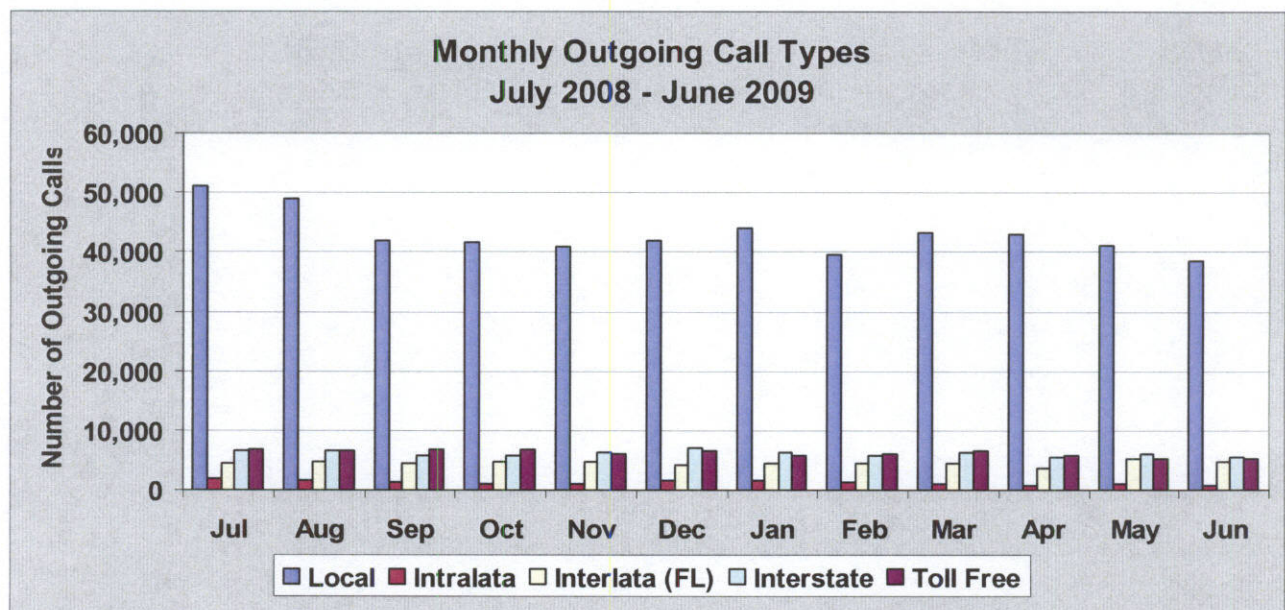
Monthly Incoming and Monthly Outgoing Calls July 2008 – June 2009				
	Total Incoming	Incomplete Outgoing	Complete Outgoing	Total Outgoing
Jul	156,994	18,437	53,447	71,884
Aug	152,144	17,556	51,867	69,423
Sep	148,734	14,822	46,305	61,127
Oct	132,753	14,768	46,054	60,822
Nov	106,397	15,093	45,351	60,444
Dec	121,074	15,455	46,787	62,242
Jan	134,701	16,694	47,973	64,667
Feb	118,744	16,337	41,137	57,474
Mar	127,831	19,572	42,698	62,270
Apr	113,277	17,177	41,848	59,301
May	110,307	17,465	42,010	59,475
Jun	113,283	15,272	40,160	55,432
Total	1,536,239	198,648	545,637	744,561



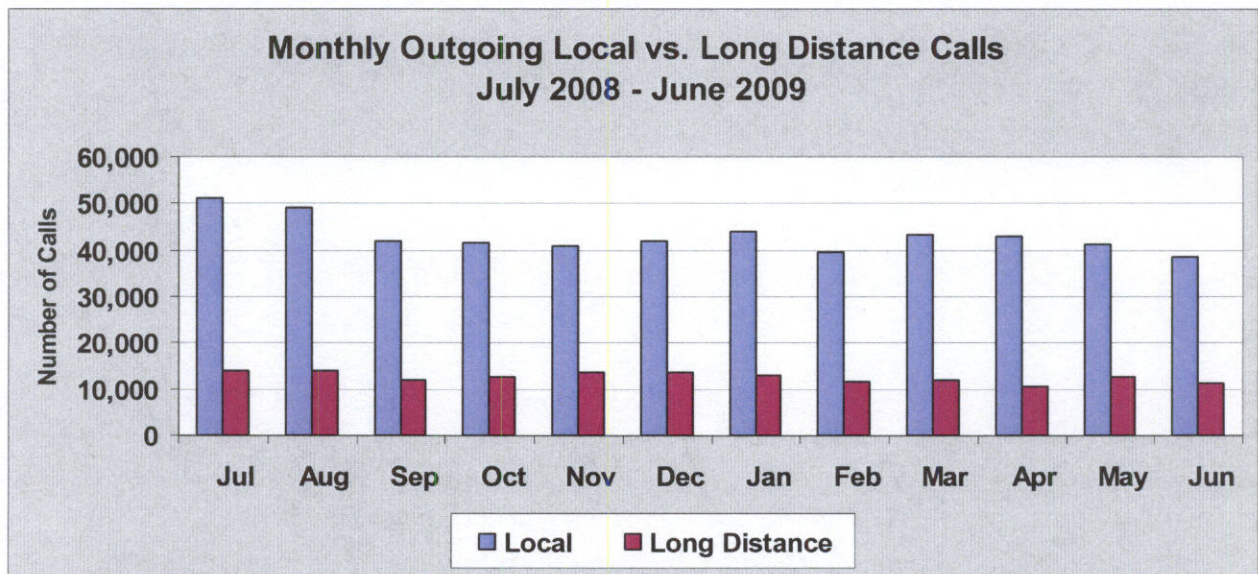
Monthly Outgoing Call Volume July 2008 – June 2009									
	Outgoing Baudot	Turbo Code	Outgoing ASCII	Baudot +Turbo Code +ASCII	Outgoing Deaf/ Blind Baudot	Outgoing Voice	Outgoing VCO	Outgoing HCO	Total Outgoing
Jul	20,396	19,846	109	40,351	159	10,007	21,070	297	71,884
Aug	20,727	18,652	162	39,541	123	10,298	19,262	199	69,423
Sep	18,014	15,797	168	33,979	123	8,543	18,294	188	61,127
Oct	16,880	15,749	549	33,178	89	9,324	17,984	247	60,822
Nov	15,445	17,496	585	33,526	83	10,479	16,058	298	60,444
Dec	14,991	16,365	526	31,882	79	11,801	18,259	221	62,242
Jan	17,007	16,172	498	33,677	65	13,500	17,100	325	64,667
Feb	13,775	13,260	594	27,629	50	13,275	16,252	268	57,474
Mar	13,508	14,091	733	28,332	11	15,944	17,641	342	62,270
Apr	14,189	12,735	719	27,643	67	15,381	15,953	257	59,301
May	16,270	14,614	488	31,372	62	13,024	14,709	308	59,475
Jun	16,241	13,747	612	30,600	14	11,746	12,858	214	55,432
Total	197,443	188,524	5,743	391,710	925	143,322	205,440	3,164	744,561



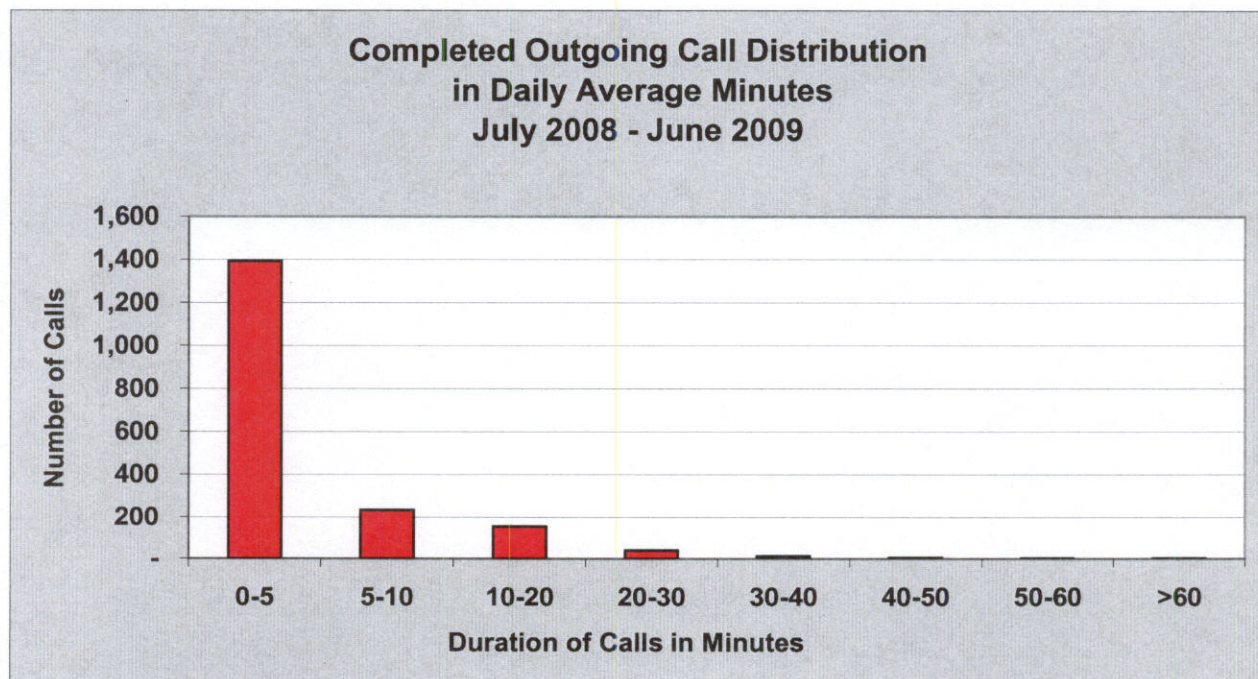
Monthly Outgoing Call Types July 2008 – June 2009							
Month	Local	Intralata	Interlata (FL)	Interstate	Toll Free	Misc. (COC,Dir Assistance, Internat'l)	Total Outgoing
Jul	51,180	1,841	4,571	6,640	6,826	826	71,884
Aug	48,936	1,568	4,644	6,518	6,435	1,322	69,423
Sep	42,009	1,371	4,350	5,823	6,733	841	61,127
Oct	41,546	1,179	4,633	5,753	6,761	950	60,822
Nov	40,822	1,172	4,652	6,272	5,985	1,541	60,444
Dec	41,851	1,611	4,116	6,981	6,648	1,035	62,242
Jan	44,003	1,672	4,497	6,293	5,823	830	64,667
Feb	39,508	1,195	4,408	5,639	6,118	606	57,474
Mar	43,359	1,065	4,400	6,171	6,648	627	62,270
Apr	42,946	866	3,799	5,443	5,667	580	59,301
May	41,254	1,038	5,190	5,936	5,341	716	59,475
Jun	38,576	816	4,700	5,502	5,335	503	55,432
Total	515,990	15,394	53,960	72,971	74,320	10,377	744,561



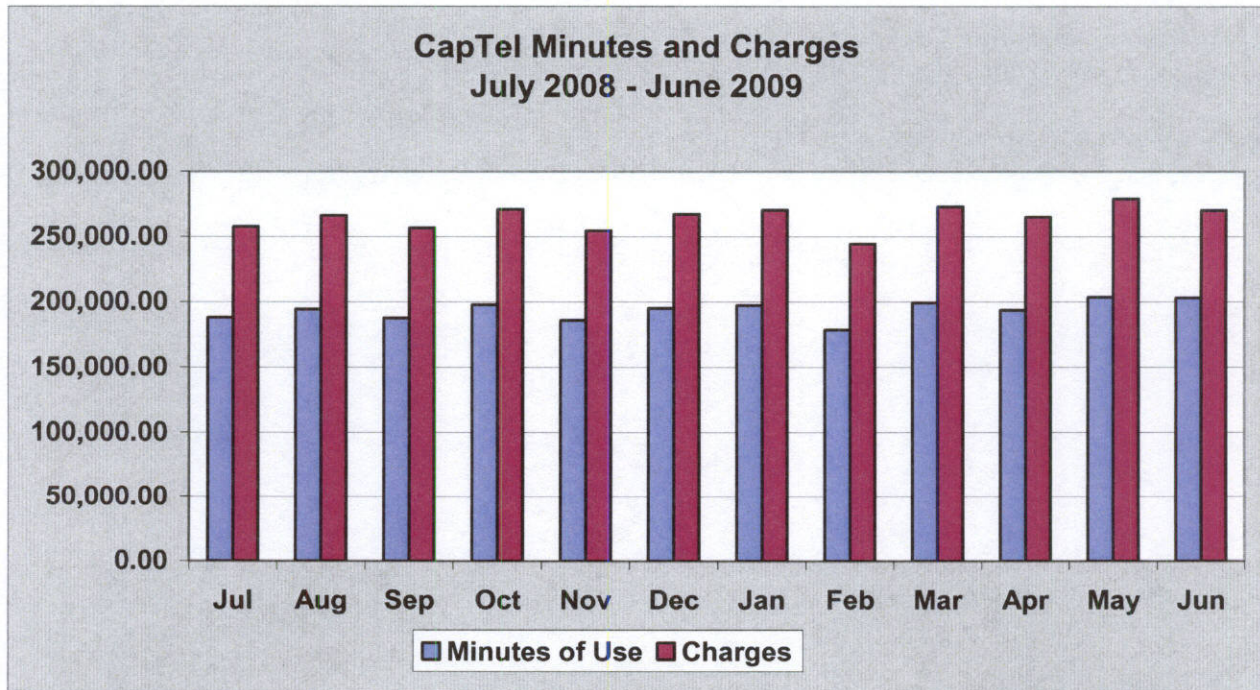
Monthly Outgoing Local vs. Long Distance Calls July 2008 – June 2009						
Month	Local	Total Long Distance	Intralata	Interlata/ Intrastate	Interstate	International
Jul	51,180	13,878	1,841	4,571	6,640	826
Aug	48,936	14,052	1,568	4,644	6,518	1,322
Sep	42,009	12,095	1,371	4,350	5,823	551
Oct	41,546	12,515	1,179	4,633	5,753	950
Nov	40,822	13,637	1,172	4,652	6,272	1,541
Dec	41,851	13,743	1,611	4,116	6,981	1,035
Jan	44,003	13,025	1,672	4,497	6,293	563
Feb	39,508	11,586	1,195	4,408	5,639	344
Mar	43,359	11,960	1,065	4,400	6,171	324
Apr	42,946	10,453	866	3,799	5,443	345
May	41,254	12,596	1,038	5,190	5,936	432
Jun	38,576	11,266	816	4,700	5,502	248
Total	515,990	150,806	15,394	53,960	72,971	8,481



Completed Outgoing Call Distribution in Daily Average Minutes July 2008 – June 2009								
In Minutes								
Month	0-5	5-10	10-20	20-30	30-40	40-50	50-60	>60
Jul	1,306	215	144	36	12	5	3	3
Aug	1,308	212	147	36	13	5	3	4
Sep	1,114	188	137	32	11	5	2	4
Oct	1,113	185	132	33	11	5	3	3
Nov	1,152	181	125	32	12	5	3	4
Dec	1,156	180	119	32	12	5	3	3
Jan	1,170	191	126	36	11	5	2	4
Feb	1,123	180	117	31	10	5	2	2
Mar	1,056	168	106	28	9	5	2	3
Apr	1,070	167	106	32	11	4	3	3
May	1,045	157	109	27	10	4	2	2
Jun	1,011	167	112	30	10	5	2	3
Average	874	142	96	25	8	4	2	3



CapTel Minutes and Charges July 2008 – June 2009		
Month	Minutes of Use	Charges (\$)
Jul	188,128.21	257,735.65
Aug	194,462.42	266,413.52
Sep	187,543.96	256,935.23
Oct	197,815.08	271,006.66
Nov	185,881.90	254,658.20
Dec	195,088.24	267,270.89
Jan	197,337.77	270,352.74
Feb	178,544.15	244,605.49
Mar	199,124.51	272,800.58
Apr	193,526.94	265,131.91
May	203,551.44	278,865.47
Jun	203,077.72	270,093.37
Total	2,314,081.98	\$3,175,869.71



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: November 19, 2009

TO: Mary Andrews Bane, Executive Director

FROM: James S. Polk, Regulatory Analyst II, Division of Regulatory Analysis
Curtis J. Williams, Regulatory Analyst IV, Division of Regulatory Analysis
Robert J. Casey, Public Utilities Supervisor, Division of Regulatory Analysis

RE: 2009 Annual Lifeline Report regarding the Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation.

Critical Information: ACTION IS NEEDED - Approval of the Lifeline draft report is sought. The 2009 Lifeline Final Report is due to the Governor, President of the Senate, and Speaker of the House by December 31, 2009.

Staff is seeking approval of the draft 2009 Annual Lifeline Report regarding the number of customers subscribing to Lifeline Service and the effectiveness of procedures to promote participation. The report is due to the Governor, President of the Senate, and Speaker of the House by December 31, 2009.

The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 (the 2003 Act) became law on May 23, 2003. The 2003 Act requires the FPSC to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 each year. The report also details regulatory actions impacting the Lifeline Program and Lifeline Awareness promotions in Florida.

The overall net Lifeline customer growth rate of 236 percent during the July 2008 through June 2009 review period is the largest growth ever experienced since the inception of the Lifeline program in Florida. As of June 30, 2009, 618,774 eligible customers participated in the Lifeline program, compared to 183,972 as of June 30, 2009. The attached report has been prepared to fulfill the federal legislative requirement.

JSP
Attachment
cc: Charles Hill

A REPORT TO THE
Governor
President of the Senate
Speaker of the House of Representatives

DRAFT



LINK-UP

FLORIDA

LIFELINE

ASSISTANCE

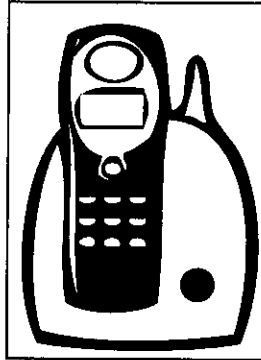
Number of Customers
Subscribing To Lifeline Service
And The Effectiveness of
Procedures to Promote Participation

Prepared by the
FLORIDA PUBLIC SERVICE COMMISSION

DECEMBER 2009

PREPARED BY

**The Florida Public Service Commission
Division of Regulatory Analysis
Office of Public Information**



LINK-UP

FLORIDA

LIFELINE

ASSISTANCE

Number of Customers
Subscribing To Lifeline Service
And The Effectiveness of
Procedures to Promote Participation

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List of Acronyms

AWI	Agency for Workforce Innovation
CFR	Code of Federal Regulations
CLEC	Competitive Local Exchange Carrier
CMRS	Commercial Mobile Radio Service (Wireless)
DCF	Department of Children and Families
ETC	Eligible Telecommunications Carrier
FAC	Florida Administrative Code
FCC	Federal Communications Commission
FPG	Federal Poverty Guidelines
FPSC	Florida Public Service Commission
ILEC	Incumbent Local Exchange Carrier
LEC	Local Exchange Carrier
LIHEAP	Low-Income Home Energy Assistance Plan
MOU	Memorandum of Understanding
NSL	National School Lunch Program's Free Lunch Program
OPC	Office of Public Counsel
PURC	Public Utility Research Center
SLC	Subscriber Line Charge
TLS	Toll Limitation Service
USAC	Universal Service Administrative Company
USF	Universal Service Fund
WFI	Workforce Florida, Inc.

Executive Summary

The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 (the 2003 Act) requires that a statewide cooperative effort be made to support the Lifeline Assistance Program (Lifeline) in Florida. This report presents Lifeline participation data for the July 2008 through June 2009 program year. The report also evaluates procedures put in place to strengthen the Lifeline program and increase the number of participants.

During the 2007 legislative session, Section 364.10(3)(h)(2), Florida Statutes (F.S.), was modified to require any state agency that determines a person is eligible for Lifeline service to immediately forward the information to the Florida Public Service Commission (FPSC or Commission) to ensure that the person is automatically enrolled in the Lifeline program. In April 2007, the FPSC and the Department of Children and Families (DCF) formally implemented an automatic Lifeline enrollment process. On September 25, 2007, the FPSC approved proposed amendments to Rule 25-4.0665, Florida Administrative Code (F.A.C.), Lifeline Service, to include the Lifeline automatic enrollment process. A Memorandum of Understanding (MOU) with respect to the Lifeline automatic enrollment procedures was signed by the FPSC, the DCF, and the Office of Public Counsel (OPC) on September 27, 2007. The 2007 Legislature also granted a public record exemption for personal identifying information of Lifeline Assistance plan participants.

The number of eligible customers participating in the Lifeline program in Florida grew 236 percent during the July 2008 through June 2009 annual review period. As of June 2009, 618,774 eligible customers participated in the Lifeline program, up from 183,972 in June 2008. SafeLink, AT&T Florida f/k/a BellSouth (AT&T), and Embarq Florida, Inc. d/b/a CenturyLink experienced the largest increases in Lifeline participation among Florida's ETCs during the July 2008 through June 2009 review period. SafeLink, which began providing Lifeline service in September 2008, had 393,036 Lifeline customers as of June 30, 2009. AT&T's participation increased by 21,584 customers, and Embarq increased its Lifeline participation by 5,052 customers. Verizon experienced the largest net loss of Lifeline customers at 1,804 customers.

Consistent with 2008, the primary reason for the increase in Lifeline participation has been the automatic enrollment process initiated by the FPSC and the DCF and the significant enrollment of new Lifeline customers by SafeLink. Enrollment of new Lifeline customers by competitive eligible telecommunications companies (ETCs) continues to have a positive impact. Additionally, staff anticipates that Lifeline enrollment of new customers will continue to grow with respect to the current economic conditions. In total, non-incumbent local exchange carrier (ILEC) Lifeline enrollment¹ was 422,322 customers, including 393,036 customers from SafeLink. SafeLink represented 64 percent of the total Lifeline customer enrollment of 618,774 as of June 30, 2009.

The need for Lifeline assistance continues to grow in Florida. According to the U.S. Department of Agriculture Report ending June 30, 2009, Florida had 1,070,307 households participating in the Food Stamp Program, compared to the June 30, 2008 figure of 788,777. The increase represents the fourth largest nationwide percentage increase of 36 percent² in

¹ Non-ILEC Lifeline enrollment includes competitive ETC and non-ETC reseller enrollment.

² <http://www.fns.usda.gov/pd/30SNAPcurrHH.htm>

households over the previous year. The Food Stamp Program continues as the largest qualifying program for Lifeline assistance in Florida.

Stay Connected, Florida. Get Lifeline Assistance and Save Money on Your Monthly Phone Bill was the slogan chosen by the project participants for Florida's 2009 Lifeline Awareness Week in conjunction with the National Lifeline Awareness Week (September 14-20, 2009). Governor Charlie Crist supported this week with a much appreciated letter advocating this collaborative outreach effort aimed at increasing awareness among citizens receiving assistance from the Low-Income Home Energy Assistance Program (LIHEAP) and other programs through Florida's community action agencies.

The FPSC remains committed to improving the success of the Link-Up and Lifeline programs and continuing the effectiveness of the FPSC/DCF Lifeline automatic enrollment process by increasing the public awareness through targeted consumer outreach. This report provides greater detail on these initiatives and developments.

I. Background

The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 (the 2003 Act) became law on May 23, 2003. The 2003 Act requires that each state agency providing benefits to persons eligible for the Lifeline Assistance Program (Lifeline) shall, in cooperation with the Department of Children and Families (DCF), the Florida Public Service Commission (FPSC or Commission), and telecommunications companies providing Lifeline service, develop procedures to promote participation in Lifeline. The 2003 Act further requires the FPSC to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 each year on the number of customers subscribing to Lifeline service and the effectiveness of procedures to promote participation in the program.³ This report is prepared pursuant to the requirements of the 2003 Act.

Key legislation was passed during the 2007 legislative session to increase participation in the Lifeline program through automatic enrollment. The legislation requires any state agency that determines a person is eligible for Lifeline services must forward the information to the FPSC for automatic enrollment in the Lifeline program. Furthermore, the FPSC, the DCF, and the Office of Public Counsel (OPC) entered into a Memorandum of Understanding (MOU) with respect to automatic enrollment.

The FPSC, DCF, OPC, and industry have worked together to successfully implement the automatic enrollment process during 2009. Automatic enrollment has had a positive impact on enrollment, and the FPSC anticipates continued success in the future.

II. Program Support

The Florida Link-Up and Lifeline programs are part of the federal Universal Service Program designed to enable low-income households to obtain and maintain basic local telephone service. Under the Federal Communications Commission's (FCC) rules, there are four tiers of monthly federal Lifeline support.

- The first tier of federal support is a \$6.50 monthly credit for the federal subscriber line charge (SLC), which is available to all eligible subscribers. All 50 states have approved this tier of support.
- The second tier of federal support is a \$1.75 monthly credit that is available to subscribers in those states that have approved the credit. All 50 states have also approved this tier of support.
- The third tier of federal support is one-half the amount of additional state support up to a maximum of \$1.75 in federal support. Because Florida carriers provide an additional \$3.50 credit to Lifeline customers' bills,⁴ Florida Lifeline subscribers

³ Section 364.10, Florida Statutes.

⁴ Since Florida does not have a state Universal Service Fund, the \$3.50 credit is absorbed by the ETC or Lifeline reseller providing service.

currently receive a total monthly credit of at least \$13.50, consisting of \$10.00 (\$6.50, \$1.75, and \$1.75) in federal support and \$3.50 in state support. The telephone subscriber may receive a credit less than \$13.50 if the subscriber's bill for basic local telephone service is less than the maximum available credit.

- The fourth tier of support, available only to eligible subscribers living on tribal lands, provides an additional credit up to \$25.00 per month. This amount is limited so that the credit does not bring the basic local residential rate below \$1.00 per month.

Link-Up, a companion program, provides a 50 percent reduction in the telephone service initial installation charge for a traditional landline phone or activation fee for a wireless phone, up to a maximum \$30 reduction. Eligible residents of tribal lands may receive up to \$100 in discounts on initial connection charges. The \$100 maximum is based on the sum of the federally financed 50 percent discount (up to the \$30 maximum) available to all qualified low-income individuals, plus a dollar-for-dollar match (up to \$70) for connection charges above \$60.

Transitional Lifeline Assistance requires that ETCs provide former Lifeline customers a 30 percent discount off the residential basic local service rate.⁵ The customer may receive the subsidy for one year from the date the customer ceases to be qualified for Lifeline.

III. Customer Eligibility

Program-Based

Eligibility for both Link-Up and Lifeline in Florida can be determined by customer enrollment in any one of the following programs:

- Temporary Cash Assistance (TCA)⁶
- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Plan (LIHEAP)
- National School Lunch Program's (NSLP) Free Lunch⁷
- Bureau of Indian Affairs Programs (Tribal - Temporary Assistance for Needy Families (TANF), Head Start Subsidy and NSLP)⁸

⁵ Section 364.105, Florida Statutes.

⁶ Known as Temporary Assistance to Needy Families (TANF) for federal universal service purposes.

⁷ By Order No. PSC-06-0680-PAA-TL, issued August 7, 2006, in Docket No. 040604-TL, the FPSC required all ETCs to adopt the NSL for determining eligibility in the Link-Up and Lifeline programs in Florida.

⁸ Eligible consumers living on tribal lands qualify for Lifeline if they participate in one of the following federal assistance programs: (1) Tribal TANF, (2) National School Lunch Program's Free Lunch Program, or (3) Head Start Subsidy.

Income-Based

In addition to the program-based criteria, customers with annual incomes up to 150 percent of the Federal Poverty Guidelines (FPG) may be eligible to participate in the Florida Link-Up and Lifeline programs. Florida Legislation in 2009 provided that each local exchange telecommunications company that has more than one million access lines and is an ETC shall provide Lifeline applicants who meet an income eligibility test of up to 150 percent of the Federal Poverty Guidelines with Lifeline service. The OPC certifies customer eligibility under the income test for customers requesting to be enrolled in the Lifeline program.⁹

Table 1 shows residential head of household income is determined by the federal poverty guidelines, which are based on the number of people in the household and the total amount of money received by each member in the household. Customers may be eligible if their income is up to 150 percent of the U.S. poverty guideline.

Table 1. 2009 U.S. Poverty Guidelines

Size of Household (number of people)	U.S. Poverty Guidelines Total Household Annual Income	150% of U.S. Poverty Guidelines Total Household Annual Income	150% of U.S. Poverty Guidelines Total Household Monthly Income
1	\$10,830	\$16,245	\$1,354
2	\$14,570	\$21,855	\$1,821
3	\$18,310	\$27,465	\$2,289
4	\$22,050	\$33,075	\$2,756
5	\$25,790	\$38,685	\$3,224
6	\$29,530	\$44,295	\$3,691
7	\$33,270	\$49,905	\$4,159
8	\$37,010	\$55,515	\$4,626
*For each additional person, add \$5,610 to the 150 percent U.S. Poverty Guidelines Total Annual Household Income.			

Source: Florida OPC Web site, 2009

IV. Carrier Eligibility

Section 54.201(b) of the Code of Federal Regulations (CFR) provides that a state commission shall, upon its own motion or upon request, designate a common carrier that meets certain requirements as an eligible telecommunications carrier (ETC) in a non-rural service area. Section 54.201(c) of the CFR provides that a state commission may, as long as the request is consistent with the public interest, convenience, and necessity, designate one or more common carrier(s) as ETC(s) in a rural service area.¹⁰

⁹ See Section 364.10(3)(a), Florida Statutes.

¹⁰ A state commission also has the authority to rescind the ETC status of any ETC designated by it that does not follow the requirements of the Lifeline Assistance program.

An ETC can be an incumbent local exchange carrier (ILEC), a competitive local exchange carrier (CLEC), or a wireless carrier. A carrier that is granted ETC status is eligible to receive universal service support¹¹ pursuant to FCC rules.¹²

To qualify as an ETC, a common carrier must offer services that are supported by federal universal service support mechanisms, either using its own facilities or a combination of its own facilities and another carrier's resold service.¹³ Additionally, the carrier must advertise the availability of such services and charges using mass media.

The following 21 companies have ETC status in Florida and participate in the Lifeline Program:¹⁴

- AT&T
- Verizon
- Embarq Florida, Inc. d/b/a CenturyLink
- FairPoint Communications (formerly GTC, Inc.)
- Windstream
- TDS Telecom
- NEFCOM
- Frontier
- ITS Telecom
- Smart City
- ALLTEL Communications¹⁵
- Sprint-Nextel
- Knology of Florida, Inc.
- Budget Phone, Inc.
- Nexus Communications, Inc.
- Ganoco, Inc. d/b/a American Dial Tone
- Midwestern Telecommunications, Inc.
- dPi Teleconnect, LLC
- TracFone d/b/a SafeLink Wireless
- FLATEL
- Express Phone Service, Inc.

¹¹ Universal Service Funds are available to ETCs which provide Lifeline service; rendering service to schools and libraries; and provisioning, maintaining, and upgrading facilities and services for rural, insular (islands that are territories or commonwealths of the United States), and high cost areas.

¹² 47 CFR pt. 54 – Universal Service.

¹³ Those services supported by Universal Service include the following: (1) voice grade access to the public switched network, (2) an amount of local minutes of use of local exchange service provided free of charge to end users, (3) dual tone multi-frequency signaling or its functional equivalent, (4) single-party service, (5) access to emergency services, (6) access to operator services, (7) access to interexchange services, (8) access to directory assistance, and (9) toll limitation for qualifying low-income consumers.

¹⁴ The FCC designated Alltel Communications and Sprint Nextel as ETCs. The remaining ETCs were designated by the FPSC.

¹⁵ On January 9, 2009, Alltel Communications, LLC, formerly Alltel Communications, Inc., became a subsidiary of Cellco Partnership d/b/a Verizon Wireless and upon billing conversion, assumed the name of Verizon Wireless.

The FCC designated Sprint-Nextel and ALLTEL Communications as ETCs. In approving the designation of Commercial Mobile Radio Service (CMRS) carriers as ETCs, the FCC noted that ETCs must comply with state requirements in states that have Lifeline programs.¹⁶ By Order No. PSC-07-0288-PAA-TP, issued April 3, 2007, the FPSC found that it had authority to consider applications for ETC status by CMRS providers.

V. Subscribership and Participation Rates

A. Lifeline

Table 2 shows the number of Lifeline subscribers from September 2005 through June 2009. The increase in Lifeline subscribers in 2009 is the result of the continued successful implementation of the FPSC/DCF automatic enrollment process and the addition of SafeLink wireless as an ETC.

The number of customers enrolled in Lifeline increased by 434,802 consumers during the July 2008 through June 2009 12-month review period, representing a 236 percent increase. The implementation of the FPSC/DCF automatic enrollment process continues to have a positive impact on participation.

Table 2. Florida Lifeline Subscribership

	September 2005	September 2006	September 2007	June 2008	June 2009	% Net Gain 2008-2009
Lifeline Subscribers	139,261	145,734	164,626	183,972	618,774	236%

Source: Industry responses to FPSC data requests (2005-2009)

SafeLink Wireless

SafeLink designed its Lifeline Assistance Program to provide free telephone service to income-eligible consumers that normally might not be able to afford any kind of phone service. Through SafeLink's Lifeline Service, a qualified customer receives a free cell phone, and 68 free minutes of service every month, with no contracts, no recurring fees and no monthly charges. Customers' unused minutes during the current month are rolled-over to the following month.

SafeLink's marketing objective is to bring awareness to low income households that they may apply for Lifeline Support. SafeLink uses radio, TV, billboard advertising, and mailouts as a grass roots approach to concentrate on targeted groups that would benefit most from SafeLink's Lifeline Program. This concentrated effort resulted in SafeLink being able to serve over 400,000 new customers since initiating the Lifeline Assistance Program in September 2008.

¹⁶ FCC Nextel Order, DA 04-2667, adopted August 25, 2004, footnote 30; FCC ALLTEL Order, DA 04-3046, adopted September 24, 2004, footnote 29; FCC Sprint Order, DA 04-3617, adopted November 18, 2004, footnote 27.

Table 3 shows USAC Lifeline disbursements for Florida for the 12-month period ending September 2009. In October 2008, Florida ETCs received \$1,942,615 in low-income funds from the Universal Service Fund. By September 2009, the federal monthly disbursements totaled \$6,613,440. The increase of \$4,670,825 was the result of new Lifeline customers receiving Florida Lifeline benefits.

**Table 3. USAC Lifeline Disbursements for Florida
October 2008 through September 2009**

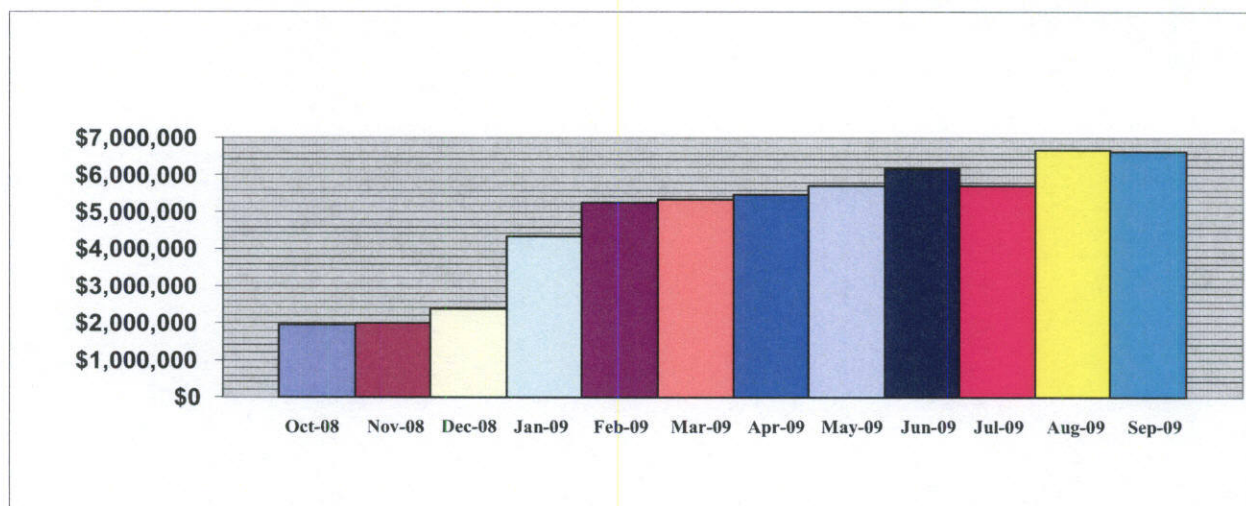


Table 4 shows Lifeline participation rates for September 2006 through June 2009.¹⁷ As of June 2009, the participation rate was 52 percent.

**Table 4. Lifeline Participation Rate
in Eligible Florida Households**

Year	Lifeline Enrollment	Eligible Households	% Participation Rate
June 2009	618,774	1,185,516	52.2%
June 2008	183,972	1,186,015	15.5%
September 2007	164,626	1,173,173	14.0%
September 2006	145,734	1,150,483	12.7%

Sources: Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Order No. FCC 04-87, Released April 29, 2004; industry responses to FPSC data requests (2006-2009); and Florida Legislature Office of Economic and Demographic Research

¹⁷ The participation rate is the ratio of enrolled subscribers to the eligible households.

Table 5 represents the distribution of Lifeline enrollment from September 2005 through June 2009. The data shows a net increase of 236 percent in Lifeline subscribers for 2009.

Table 5. Lifeline Net Participation

ETCs	Sept 2005	Sept 2006	Net Growth Rate	Sept 2007	Net Growth Rate	June 2008	Net Growth Rate	June 2009	Net Growth Rate
SafeLink	N/A	N/A	N/A	N/A	N/A	N/A	N/A	393,036	N/A
AT&T	86,408	87,291	1%	93,337	7%	104,506	12.0%	126,090	20.7%
Embarq	21,537	23,104	7%	30,016	30%	34,803	15.9%	39,855	14.5%
Verizon	24,433	26,428	8%	23,918	- 9%	22,720	- 5.0%	20,916	-7.9%
Windstream	3,322	3,533	6%	3,806	8%	4,266	12.1%	4,807	12.7%
American Dial Tone	N/A	1,166	N/A	1,840	58%	1,847	0.4%	2,862	55.0%
FairPoint	2,096	2,002	- 4%	2,030	1%	2,179	7.3%	2,777	27.4%
Flatel	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,279	N/A
Express	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,275	N/A
Budget Phone	N/A	134	N/A	59	- 56%	565	857.6%	1,134	100.7%
Nexus	N/A	0	N/A	2037	N/A	2,084	2.3%	1,038	-50.2%
TDS Telecom	657	697	6%	736	6%	735	- 0.1%	845	15.0%
NEFCOM	630	588	- 7%	635	8%	638	0.5%	837	31.2%
Knology	0	64	N/A	126	97%	221	75.4%	695	214.5%
dPi	N/A	N/A	N/A	N/A	N/A	N/A	N/A	588	N/A
Frontier	120	118	- 2%	150	27%	172	14.7%	179	4.1%
Sprint Nextel	14	28	100%	39	39%	78	100.0%	171	119.2%
ITS Telecom	26	27	4%	79	193%	101	27.8%	124	22.8%
Midwestern	N/A	N/A	N/A	174	N/A	465	167.2%	107	-77.0%
ALLTEL Comms.	13	31	138%	38	23%	32	- 15.8%	66	106.3%
Smart City	5	3	- 40%	8	167%	9	12.5%	20	122.2%
Non-ETC Reseller	N/A	N/A	N/A	N/A	N/A	8,551	N/A	18,073	121.6%
Total	139,261	145,734	4.3%	159,028	9.5%	183,972	15.7%	618,774	236.3%

Sources: Industry responses to FPSC data requests (2005-2009); USAC responses to FPSC data request (2005)

As presented in Table 6, the four ETCs which have the largest number of Lifeline customers had a net gain of 417,868.

**Table 6. AT&T, SafeLink, Verizon, and Embarq
Net Lifeline Customer Gain/Loss**

Company	June 2009 Customer Participation	Net Lifeline Customer Gain/Loss
SafeLink	393,036	393,036
AT&T	126,090	21,584
Embarq	39,855	5,052
Verizon	20,916	-1,804
Total	579,897	417,868

Source: Industry responses to FPSC data requests (2008-2009)

B. Link-Up

Florida's Link-Up program helps low-income consumers by reducing the telephone service installation charge. This program pays one-half (up to a maximum of \$30) of the initial installation fee for a traditional wireline telephone or activation fee for a wireless telephone. Eligible residents of tribal lands may receive up to \$100 in discounts on initial connection charges. The \$100 maximum is based on the sum of the federally financed 50 percent discount (up to the \$30 maximum) available to all qualified low-income individuals, plus a dollar-for-dollar match (up to \$70) for connection charges above \$60.

Table 7 displays Link-Up program participants for AT&T, Verizon, and Embarq from September 2006 through June 2009.¹⁸

**Table 7. AT&T, Verizon, and Embarq
Link-Up Participants**

Year	AT&T, Verizon, and Embarq Link-Up Customers
June 2009	35,330
June 2008	13,959¹⁹
September 2007	29,849
September 2006	15,353

Source: Industry responses to FPSC data requests (2006-2009)

¹⁸ SafeLink does not charge Lifeline customers an initial activation fee.

¹⁹ This figure represents a nine-month period, October 1, 2007, through June 30, 2008.

C. Transitional Lifeline

In accordance with Section 364.105, Florida Statutes, current customers who no longer meet eligibility criteria and are removed from Lifeline service receive a 30 percent discount off the residential basic local service rate for a period of 12 months after Lifeline service is removed. For example, a former Lifeline customer with a phone bill that includes a \$25.00 basic rate would receive a \$7.50 monthly discount for one year. Transitioning from Lifeline service means that the consumer's socio-economic status may have improved, and the customer may have advanced beyond the qualifying eligibility criteria.

Table 8 presents data on Transitional Lifeline customers for AT&T, Verizon, and Embarq for September 2005 through June 2009.

**Table 8. AT&T, Verizon, and Embarq
Transitional Lifeline Participants**

Year	AT&T, Verizon, and Embarq Participants
June 2009	3,996
June 2008	8,822
September 2007	11,463
September 2006	21,173
September 2005	16,372

Source: Industry responses to FPSC data requests (2005-2009)

D. Lifeline Automatic Enrollment Process

Implementation of the Lifeline automatic enrollment process has been a major success. Staff began formally tracking the number of Lifeline applications filed via the DCF automatic enrollment process in April 2007, and as of June 30, 2009, 236,754 Lifeline applications were filed.

The automatic enrollment process entails the DCF client checking a "yes" or "no" box on the DCF Web application, indicating an interest in receiving the Lifeline discount on his or her telephone service. The "no" box provides an option to the applicant not to subscribe to Lifeline. If the client answers in the affirmative, the applicant identifies a telephone service provider from a drop-down box on the application and answers applicable questions. The DCF forwards to the FPSC the necessary information of those clients approved by DCF for benefits who have indicated their desire to receive the Lifeline discount. The FPSC computers electronically sort the information by ETC and place the applications on the FPSC's secure Web site for retrieval by the appropriate ETC.

During 2009, the FPSC and DCF continued to work together to further streamline the Lifeline Automatic Enrollment process, making it easier and more efficient for applicants. After

observing that existing Lifeline subscribers would check a box on the DCF application stating they are interested in receiving the Lifeline credit, staff added a separate question to the DCF application asking if the applicant was already receiving Lifeline assistance. This step eliminated the need to forward approved DCF applicant information to ETCs for enrollment in Lifeline. Another modification made to the DCF application for clarity was separating ETCs by wireline and wireless providers on the list of Florida ETCs.

All ETCs are required to enroll the subscriber in the program as soon as practicable, but no later than 60 days from the receipt of the FPSC's automatic e-mail notification. In addition, upon completion of initial enrollment, the ETC is required to credit the subscriber's bill for Lifeline service as of the date the ETC received the FPSC's e-mail notification.

ETCs are required to provide the FPSC, within 20 calendar days of receiving the FPSC's e-mail notification, the names, addresses, telephone numbers, and date of the application for any misdirected applications; any applications for customers currently receiving Lifeline service; or any rejected applicants, including the reason(s) the applicants were rejected. The information filed by the ETCs is confidential and exempt from the public records requirement; however, the information contained in the response is disclosed to the Commission, pursuant to the criteria set forth in Section 364.107(3)(a)(4), Florida Statutes.

The implementation of the Lifeline automatic enrollment process has shown promising results; furthermore, the potential to reach significantly greater numbers of eligible customers through automatic enrollment exists.

VI. Regulatory Actions Impacting Florida's Lifeline Program

Key actions by the Florida Legislature, the FPSC, and the FCC to advance the Link-Up and Lifeline programs continued during 2009. A discussion of these initiatives is presented below.

A. Florida Legislature

1. Revision to Chapter 364.10, Florida Statutes. Section 364.10(3)(a), Florida Statutes was revised during the 2009 Legislative Session to require each Local Exchange Carrier (LEC) that has more than 1 million access lines and that is designated as an ETC shall provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty income guidelines. The previous income eligibility test was at 135 percent or less of the federal poverty guidelines. This legislative change will serve to increase the number of households eligible to participate in the Lifeline program.

B. Florida Public Service Commission

1. Proposed amendment of Rule 25-4.0665, F.A.C., Lifeline Service. Section 364.10(3)(h)(2), Florida Statutes, requires any state agency that determines a person is eligible for Lifeline service to immediately forward the information to the FPSC to ensure that the person

is automatically enrolled in the Lifeline program. The FPSC adopted rules in 2007 creating procedures to automatically enroll eligible customers in Lifeline service.

During 2009, the FPSC, in its ongoing effort to explore ways to strengthen the Lifeline program, conducted additional Lifeline rulemaking to address certification, verification, data reporting, and other key issues related to Lifeline. The Proposed Lifeline Rules will be considered by the Commission at the December 1, 2009 Agenda Conference.

2. Bundled Packages. Docket No. 080234-TP addresses the application of the Lifeline discount to bundled service packages. Currently, ETC policies within Florida differ as to whether the Lifeline discount applies to bundled service packages. Some ETCs provide Lifeline consumers with the option to subscribe to any bundled package while others reject the applications of Lifeline consumers subscribing to bundled services. Other ETCs engage in procedures informing consumers of limited plans for Lifeline, giving customers the only option of subscribing to a basic service.

The FPSC initiated this new docket because Florida consumers who were qualified for the Lifeline program through the FPSC/DCF Lifeline automatic enrollment process were being denied Lifeline service by some providers due to the consumer's choice for a bundled service.

By Order No. PSC-08-0417-PAA-TP, issued June 23, 2008, the Commission clarified that pursuant to 47 C.F.R. §54.403(b) and consistent with Chapter 364, Florida Statutes, ETCs are required to apply the Lifeline discount to the basic local service rate or the basic local service rate portion of any service offering which combines both basic and nonbasic service.

Verizon, Nextel Partners and Sprint (Sprint Nextel), and Alltel Communications, LLC (Alltel) each requested a formal proceeding in protest of the FPSC's order. The Office of Public Counsel (OPC) filed a Notice of Intervention in support of the FPSC's order. A formal hearing was held on March 2, 2009.

On July 27, 2009, the Prehearing Officer issued Order No. PSC-09-0522-PCO-TP granting the parties the opportunity to file supplemental post hearing briefs to address the impact of changes to Chapter 2009-226, Laws of Florida, amending Chapter 364, Florida Statutes. This stipulation was filed by Verizon. Bundled Packages, Docket No. 080234-TP, will be considered by the Commission at the November 10, 2009 Agenda Conference.

3. Rule Development Concerning the Eligibility Requirements for a Common Carrier Desiring Designation as an Eligible Telecommunications Carrier in Florida (Undocketed). A staff workshop was held on August 11, 2009, to discuss preliminary rule language concerning the eligibility requirements for a common carrier desiring designation as an eligible telecommunication carrier in Florida. Post workshop comments were filed by interested parties on September 14, 2009. The draft rule will be considered by the Commission in 2010.

4. ETC Petitions. Considerable activity occurred in response to formal ETC petitions filed with the FPSC for consideration. In total, 11 CLEC ETC petitions and 1 wireless ETC petition were filed with the FPSC in 2009. As presented in Table 4, currently 21 ETCs are providing Lifeline in Florida. Based on the present trend of applications filed with the FPSC,

staff anticipates that the number of ETCs in Florida will increase.

5. Service Guarantee Program. On September 29, 2009, AT&T filed a petition for modification of the Service Guarantee Program in Docket number 090461-TL. The modification addressed the situation of *Answer Time-Residence Business Office and Residences Repair Office*; specifically, AT&T will credit the Lifeline Community Service Fund for disposition based on the non-achieved monthly answer time measurement requiring at least 90 percent of the calls to the company's business office and repair office be answered by the live attendant prepared to give immediate assistance within 90 seconds of being transferred.

6. Expedited Approval of Lifeline Outreach Funding and for Modification of SEEM Penalty Payments. On October 16, 2009, AT&T filed a petition²⁰ which addresses operations support systems permanent performance measures for incumbent local exchange telecommunications companies. The FPSC is currently conducting an annual review of the Service Quality Measurement Plan and Self-Effectuating Enforcement Mechanism Plan. In the context of this modification, AT&T has asked that certain administrative penalty payments be eliminated. If the FPSC enters an Order eliminating these penalties, and upon that Order becoming final and non-appealable, AT&T Florida will make a one-time \$250,000 contribution to the AT&T Community Service Fund (CSF), which principally funds the outreach efforts of the Lifeline Assistance and Link-Up programs that assist low-income consumers with telephone connection fees and monthly telephone bills. The AT&T CSF has become exhausted.

C. Federal Communications Commission

1. TracFone Lifeline Petition to Modify Lifeline Head of Household. A petition filed by TracFone Wireless on April 27, 2009, seeks to have the FCC modify a condition that TracFone must require its Lifeline customers to annually self-certify that he or she is the head of the household and receives Lifeline-supported service only from TracFone. Specifically, the FCC requirement is intended to prevent Lifeline participants from obtaining multiple Lifeline benefits. TracFone believes that the requirement has an unintended adverse impact on residents of homeless shelters. TracFone requests the FCC clarify that the one-per-household rule does not apply to qualified Lifeline residents of homeless shelters. They also ask the FCC to provide guidance on how ETCs may enroll residents of shelters in their Lifeline programs without risking violation of the rule.

On October 13, 2009, TracFone advised the FPSC that the FCC granted verbal approval for TracFone to initiate a program whereby multiple residents of homeless shelters would be able to receive SafeLink phones which provide a free handset and 68 minutes of free airtime each month. The FCC subsequently issued a Public Notice²¹ requesting comments on providing multiple residents of facilities such as homeless shelters with Lifeline assistance. The FPSC and the Florida OPC are working together to file joint comments regarding this issue which is scheduled for the November 10, 2009 Internal Affairs.

²⁰ Docket No. 000121A-TP – Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies.

²¹ FCC Public Notice, DA 09-2257, released October 21, 2009, Comment sought on TracFone request for clarification of universal service Lifeline program “one-per-household” rule as applied to group living facilities.

2. TracFone Petition for Rulemaking to Revise Universal Service Support Available to Eligible Telecommunications Carriers (FCC Docket No. 96-45). TracFone Wireless, Inc. filed a petition on March 5, 2009, requesting a rulemaking proceeding for amending the definition of federal Tier One Lifeline support in the amount \$6.50 per month per Lifeline customer. The Tier One Support equals the individual state's SLC. In many states, SLC charged by the largest ILEC in the state is less than \$5.00. Fourteen states have ILECs serving a substantial portion of the states that charge a SLC less than \$6.00, but greater than \$5.00. There are only 15 states, plus Puerto Rico and the U.S. Virgin Islands, in which all ILECs charge the highest permissible SLC rate of \$6.50. The petition is pending at the FCC.

3. Head Start Telecom, Inc. ETC Forbearance Petition. The FCC seeks comment on Head Start Telecom, Inc.'s petition filed on May 15, 2009, for forbearance from the ETC facilities requirement for designation as a limited ETC eligible for low-income support. Head Start is a reseller of wireless services which plans to expand service offerings in multiple states. Section 214(e)(1)(A) of the Communications Act of 1934 requires ETCs to offer the services supported by the universal service mechanisms using an ETCs own facilities or a combination of its own facilities and the resale of another carrier's services. The Head Start's specific goal is to be designated an ETC for the purpose of receiving Lifeline support only. The petition is pending at the FCC.

4. i-wireless, LLC ETC Forbearance Petition. The FCC seeks comment on i-wireless, LLC's petition for forbearance from the ETC facilities requirement for designation as a limited ETC eligible for low-income support. Section 214(e)(1)(A) of the Communications Act of 1934 requires ETCs to offer the services supported by the universal service mechanisms using its own facilities or a combination of its own facilities and the resale of another carrier's services. The company's specific goal is to be designated an ETC for the purpose of receiving Lifeline support only. The petition was filed on April 1, 2009, and is pending at the FCC.

5. AT&T Lifeline Audit Petition. The FCC seeks comment on AT&T's request for review of USAC's audit findings relating to the low-income program. The specific audit findings in question are: (1) USAC should recover toll limitation service (TLS) support from AT&T because AT&T cannot supply documentation detailing its incremental cost of providing TLS to its Lifeline customers; (2) AT&T was required to advertise to its Lifeline customers toll blocking and all other services supported by federal universal service support mechanisms; and (3) AT&T was required to record the pro-rata dollars attributable to Lifeline subscribers that entered or exited the Lifeline program mid-month on Line 9 of FCC Form 497 (the Lifeline and Link-Up Worksheet). The petition was filed on April 14, 2009, and is pending at the FCC.

6. Virgin Mobile Conditional Forbearance and Lifeline ETC Order. On March 4, 2009, the FCC granted a petition filed by Virgin Mobile which requested that the FCC forbear from the requirement that a carrier designated as an ETC for purposes of federal universal service support provide services, at least in part, over its own facilities. Section 214(e)(1)(A) of the Communications Act of 1934 requires ETCs to offer the services supported by the universal service mechanisms using its own facilities or a combination of its own facilities and the resale of another carrier's services. Virgin Mobile filed an application with the FPSC in 2009 seeking designation as an ETC for the purpose of receiving Lifeline support only. The application is pending at the FPSC.

VII. Lifeline Awareness Promotion, Pursuant to Section 364.10, F.S.

Promotional activities in 2009 featured National Lifeline Awareness Week, National Consumer Protection Week, the Connect Florida Campaign, and ongoing “grass roots” efforts to increase awareness and enrollment in the programs.

Lifeline Across America. In 2009, the Lifeline Across America Working Group (FCC, National Association of Regulatory Utility Commissioners [NARUC], and National Association of State Utility Consumer Advocates [NASUCA] representatives) concentrated on finalizing a National Lifeline Awareness Week plan using Florida’s 2008 Lifeline Awareness Week as a model. The working group’s efforts were rewarded on July 22, 2009, when the NARUC Board of Directors adopted a resolution proclaiming National Telephone Discount Lifeline Awareness Week to be held annually in September. At least 20 states participated in the first nationally recognized Lifeline Awareness Week held September 14-20, 2009.

Also, the technical sub-group (formed in 2007) continued to hold quarterly conference calls to discuss technical issues related to administration of the Link-Up and Lifeline programs. The sub-group includes representatives from the FCC, NARUC, USAC, and state commissions. In 2009, the FPSC shared information about Florida’s Lifeline regulations and procedures, SafeLink activities, and Lifeline Awareness Week.

National Lifeline Awareness Week (September 14-20, 2009). *Stay Connected, Florida. Get Lifeline Assistance and Save Money on Your Monthly Phone Bill* was the slogan chosen by the project participants for Florida’s 2009 Lifeline Awareness Week. Governor Charlie Crist wrote a much appreciated letter supporting this collaborative outreach effort. The project aimed to increase awareness among citizens receiving assistance from the Low-Income Home Energy Assistance Program (LIHEAP) and other programs through Florida’s community action agencies. Three Lifeline events were held September 14-20, 2009, to sign up Florida citizens eligible for Link-Up and Lifeline. In addition, packets of Lifeline brochures and applications were mailed to 47 community action agencies and area agencies on aging around the state to request their help in promoting Lifeline Awareness Week.

The week began with a kick-off in Tallahassee, followed by events in Defuniak Springs and Tamarac. Chairman Matthew M. Carter II launched the September 14 activities at the Capital Area Community Action Agency (CACAA) in Tallahassee. Some programs included participation and support from state legislators, local government officials, and local social service agencies. Individual assistance was offered to consumers applying for Link-Up or Lifeline.

The CACAA and Linking Solutions (for AT&T, Embarq, and SafeLink) were instrumental in obtaining locations and informing citizens about the events. Additional assistance was provided by the Florida Association for Community Action, Florida Department of Community Affairs, Florida Department of Elder Affairs, Tampa Hillsborough Action Plan, OPC, AT&T, Embarq, NEFCOM, SafeLink, Sprint Nextel, and Verizon. The initial planning phase included all Florida ETCs. The input and support of these diverse Lifeline Partners were key to the success of this project.

National Consumer Protection Week and Other Community Events. The Lifeline Partners continued to seek existing community events and develop new events where Lifeline educational materials could be distributed and discussed with citizens. National Consumer Protection Week (NCPW), March 1-7, 2009, played a significant role in the 2009 Lifeline outreach activities. The Commission partnered with WORKFORCE *plus* to help Florida's unemployed residents save money on their telephone and utility bills. Chairman Matthew M. Carter II began the week's activities with a presentation to consumers at the WORKFORCE *plus* office in Tallahassee. Additional events were held in Jacksonville, Tampa, and Madison. In keeping with the 2009 national theme, *Nuts and Bolts: Tools for Today's Economy*, presentations included information about reducing utility expenses through conservation and by applying for Lifeline if eligible. One-on-one assistance was provided to consumers desiring to enroll in Link-Up and Lifeline at these events. Utility representatives were also available to offer assistance at some locations.

Examples of other events and locations where Lifeline information was shared include Ambassadors for Aging Day, Gadsden County Come Together Day, West Florida Community Day, Lincoln Neighborhood Center Senior Day, National Employ Older Workers Week, and Orlando's William Beardall Senior Center. The FPSC also provided Lifeline educational materials to be distributed by Florida's 280 public libraries, and by Lake County during Public Assistance Day and the Ninth Annual Central Florida Kidfest and Family Expo.

Connect Florida Campaign. The Connect Florida Campaign (Campaign), established by Linking Solutions, Inc., OPC, and AT&T in 2004, remains a factor in increasing awareness and participation in Link-Up and Lifeline. During the July 2008 through June 2009 reporting period, Campaign event locations included Gainesville, Goulds, Jacksonville, Miami, Orlando, Pensacola, Quincy, Sanford, Tallahassee, and West Palm Beach. Some events were attended by more than 250 potential subscribers. Linking Solutions also held smaller training sessions around the state on behalf of AT&T, Embarq, and SafeLink. From July 2008 through June 2009, the Campaign held 340 sessions throughout Florida with 95,825 attendees and submitted approximately 1,590 Link-Up and Lifeline applications.

Community Services Block Grant Program. The Florida Department of Community Affairs (DCA) previously modified its procedures in the Community Services Block Grant program to add an indicator to its work plan, allowing the community action agencies to report on the number of clients they help to secure Lifeline services. During the fourth year reporting period of October 1, 2007, through September 30, 2008, an additional 1,792 households were signed up for Lifeline benefits through 15 community action agencies. Data for October 2008 through September 2009 is not available until early 2010.

Income-Based Lifeline Applicants. The OPC continues to provide assistance to consumers applying for Lifeline based upon income, receiving an average of 4,000 calls per month. OPC staff processed over 49,000 calls from potential applicants from July 2008 through June 2009. During that time, OPC also received 30,450 Florida OPC Lifeline applications and approved approximately 10,000 applications for customers of AT&T, Embarq, Verizon, and SafeLink. The remaining applications were either denied, pending, or from non AT&T, Embarq, Verizon, or SafeLink customers. Applications that were received, but not included in these totals, were from out-of-state customers or public assistance program-based applications that were forwarded to the respective company.

Ongoing Lifeline Outreach. Ensuring easily accessible Lifeline information through the agencies and organizations having regular interaction with eligible consumers is crucial to the Lifeline awareness effort. The Lifeline Partners (listed below) have continued to develop new partnerships, participate in local community events, offer training sessions, provide updates about program changes, and supply brochures and applications as in recent years. The information provided in the Lifeline Reports from 2003 through 2007 offers a detailed historical perspective and serves to illustrate ongoing outreach efforts. Learn more information about the Lifeline Partners and valuable assistance they offer in promoting Lifeline by visiting the FPSC's Web site at <http://www.psc.state.fl.us/publications/reports.aspx#tele> (select **Show Past Lifeline Reports** and click on the desired year).

Lifeline Partners. The following local, state, and federal agencies, organizations, businesses, and telecommunications companies are involved in the collaborative effort to increase awareness and participation in the Link-Up and Lifeline programs.

Local, State, and Federal Agencies, Organizations, and Businesses:

- AARP - Florida Chapter (formerly the American Association of Retired Persons)
- ACCESS Florida Community Network Partners
- Agency for Health Care Administration (AHCA)
- Agency for Workforce Innovation (AWI) and Workforce Florida, Inc. (WFI)
- Area Agencies on Aging
- Big Bend 2-1-1 and other 2-1-1 Agencies
- Braille and Talking Book Library
- Bureau of Indian Affairs Programs
- Capital Area Community Action Agency, Inc. (CACAA)
- City and County Consumer Assistance Departments
- City and County Housing Authorities
- Faith Radio Station and other Florida radio stations
- Federal Social Security Administration (SSA) - Tallahassee District
- Florida Alliance for Information and Referral Services (FLAIRS)
- Florida Association for Community Action (FACA)
- Florida Association of Community Health Centers
- Florida Association of Food Banks (FAFB)
- Florida Council on Aging
- Florida Department of Children and Families (DCF)
- Florida Department of Community Affairs (DCA)
- Florida Department of Education (DOE)
- Florida Department of Elder Affairs (DEA)
- Florida Department of Revenue (DOR)
- Florida Department of Veterans' Affairs (DVA)
- Florida Office of Public Counsel (OPC)
- Florida Public Libraries
- Florida Public School Districts
- Florida Public Service Commission (FPSC)

- Florida Telecommunications Relay, Inc. (FTRI)
- Florida Voters League
- Habitat for Humanity - Florida
- Leon County School Board
- Linking Solutions, Inc.
- Tallahassee Memorial Hospital (TMH) and other Florida hospitals
- Tallahassee Urban League
- United Way of Florida
- U.S. Department of Housing and Urban Development (HUD)

Telecommunications Companies:

- AT&T Florida (AT&T)
- Alltel Communications
- American Dial Tone
- Budget Phone, Inc.
- dPi Teleconnect, LLC
- Embarq Florida, Inc. d/b/a CenturyLink
- Express Phone Service
- FairPoint Communications
- FLATEL
- Frontier
- ITS Telecom
- Knology of Florida, Inc.
- Midwestern Telecommunications, Inc.
- NEFCOM
- Nexus Communications, Inc.
- Smart City
- Sprint-Nextel
- TDS Telecom
- TracFone d/b/a SafeLink Wireless
- Verizon
- Windstream

VIII. Effectiveness of Procedures to Promote Participation

Efforts to increase Link-Up and Lifeline participation can be separated into two categories, enrollment process and consumer outreach. The Commission continues to focus on enrollment process issues as a means of increasing participation.

Specific enrollment process initiatives include the following:

- Simplified Certification Process
- Lifeline Rulemaking
- FPSC Automated Online Application Process
- FPSC/DCF Automatic Enrollment Process

The FPSC, in cooperation with other state and federal agencies, the OPC, the ILECs, and other organizations, remains engaged in extensive outreach efforts. Because most of these efforts run concurrently, measuring the impact of any single activity on Link-Up and Lifeline participation is difficult. Nevertheless, outreach efforts overall are having a positive impact and should be continued. Outreach efforts should also continue to be expanded to include more CLEC and wireless ETCs.

IX. Conclusion

The overall net Lifeline customer growth rate of 236 percent during the July 2008 through June 2009 review period is the largest growth ever experienced since the inception of the Lifeline program in Florida. As of June 30, 2009, 618,774 eligible customers participated in the Lifeline program. The FPSC attributes this growth primarily to implementation of the FPSC/DCF automatic enrollment process and SafeLink's designation as an ETC in Florida.

As a result of the increase in Florida Lifeline participation, the USAC Lifeline Disbursements for Florida have increased during the most recent 12-month data period. In October 2008, the low-income Universal Service Fund disbursement was \$1,942,615. By September 2009, the monthly disbursement increased to \$6,613,440. The increase of \$4,670,825 is the result of newly enrolled Lifeline customers now receiving Florida Lifeline Benefits.

Efforts to improve and streamline the enrollment process are having a positive impact on enrollment and should continue to be a primary focus. Outreach efforts contribute to Lifeline awareness and enrollment and should be continued. Key enrollment issues include:

- FPSC/DCF Automatic Enrollment
- FPSC Online Application
- Consumer Awareness

SafeLink, as of June 30, 2009, had 393,036 Lifeline customers, and consistent with 2008, AT&T and Embarq experienced the largest increase in Lifeline participation among Florida's ETCs during the July 2008 through June 2009 review period. AT&T's participation increased

by 21,584 while Embarq increased its Lifeline participation by 5,052. Verizon experienced the largest net loss of Lifeline customers at 1,804.

Florida's 2009 Lifeline Awareness Week, in conjunction with the National Lifeline Awareness Week, was held September 14-20, 2009. Governor Charlie Crist wrote a much appreciated letter supporting this collaborative outreach effort. The project participants chose the slogan, *Stay Connected, Florida. Get Lifeline Assistance and Save Money on Your Monthly Phone Bill.* The project aimed to increase awareness among citizens receiving assistance from the Low-Income Home Energy Assistance Program (LIHEAP) and other programs through Florida's community action agencies.

Implementation of the FPSC/DCF automatic enrollment process continues to have a significant impact on increased enrollment. The FPSC remains committed to improving the success of the Link-Up and Lifeline programs. The FPSC will continue to identify and find solutions to barriers that may prevent Lifeline from achieving greater success for the benefit of Florida's low-income consumers. Additionally, staff anticipates that Lifeline enrollment of new customers will continue due to the current economic conditions.



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: November 20, 2009

TO: Matthew M. Carter II, Chairman
Lisa Polak Edgar, Commissioner
Nancy Argenziano, Commissioner
Nathan A. Skop, Commissioner
David E. Klement, Commissioner

FROM: Mary Andrews Bane, Executive Director *MPB*
Mary Anne Helton, Acting General Counsel *MAH*

RE: Discussion of Potential Legislative Proposal for the 2010 Session
Critical Information: Guidance is sought at the November 30, 2009, Internal Affairs

At the September 15 Internal Affairs meeting, the Commissioners directed staff to develop a legislative package that would inform the Legislature where the Commission sees the need for change.

Staff seeks guidance from the Commissioners on the following legislative proposal:

350.042 Ex parte communications.--

(1) A commissioner should accord to every person who is legally interested in a proceeding, or the person's lawyer, full right to be heard according to law, and, except as authorized by law, shall neither initiate nor consider ex parte communications concerning the merits, threat, or offer of reward in a proceeding other than a proceeding under s. 120.54 ~~or s. 120.565~~, undocketed workshops, or internal affairs meetings. No individual shall discuss ex parte with a commissioner the merits of any issue that he or she knows will be filed with the commission within 90 days. The provisions of this subsection shall also apply to a commissioner's direct staff but shall not apply to the remaining commission staff.

The proposed language would revise Section 350.042 to apply the ex parte communications restrictions to petitions for declaratory statements and docketed workshops and would expand the prohibition against ex parte communications to include the direct staff of a Commissioner. These actions were recommended by the January 1992 Interim Grand Jury Report.

Staff does not recommend applying the ex parte communications restriction to rulemaking proceedings (s. 120.54) or to undocketed workshops. Rulemaking is the delegation of a legislative function for the purpose of implementing statutory directives. Further, rulemaking proceedings have general applicability and do not affect the interests of individual parties to the process. Undocketed workshops do not address petitions pending before the Commission and are focused on developing as much information as possible. Declaratory statements, on the other hand, are based on the specific facts of the case at hand as filed in the petition, and it has been the Commission's practice to allow intervenors to participate in these proceedings. Because petitions for declaratory statements may affect others than the petitioner, they should be subject to ex parte restrictions on communications.

The revised Section 350.042, in its entirety, is included in Attachment A. If the Commissioners approve the proposed changes, the language will be provided to our substantive Committees in the House and the Senate for their consideration.

The staff workshop to discuss with interested persons whether rule amendments or legislative changes are needed is scheduled for November 24. If additional legislative proposals result from that workshop, a supplement to this memorandum will be provided at the Internal Affairs meeting.

MAB&MAH/ba

Attachment

The 2009 Florida Statutes

Title XXVII

RAILROADS AND OTHER REGULATED UTILITIES

Chapter 350

FLORIDA PUBLIC SERVICE COMMISSION

350.042 Ex parte communications.--

(1) A commissioner should accord to every person who is legally interested in a proceeding, or the person's lawyer, full right to be heard according to law, and, except as authorized by law, shall neither initiate nor consider ex parte communications concerning the merits, threat, or offer of reward in a proceeding other than a proceeding under s. 120.54 ~~or s. 120.565~~, undocketed workshops, or internal affairs meetings. No individual shall discuss ex parte with a commissioner the merits of any issue that he or she knows will be filed with the commission within 90 days. The provisions of this subsection shall also apply to a commissioner's direct staff but shall not apply to the remaining commission staff.

(2) The provisions of this section shall not prohibit an individual residential ratepayer from communicating with a commissioner, provided that the ratepayer is representing only himself or herself, without compensation.

(3) This section shall not apply to oral communications or discussions in scheduled and noticed open public meetings of educational programs or of a conference or other meeting of an association of regulatory agencies.

(4) If a commissioner knowingly receives an ex parte communication relative to a proceeding other than as set forth in subsection (1), to which he or she is assigned, he or she must place on the record of the proceeding copies of all written communications received, all written responses to the communications, and a memorandum stating the substance of all oral communications received and all oral responses made, and shall give written notice to all parties to the communication that such matters have been placed on the record. Any party who desires to respond to an ex parte communication may do so. The response must be received by the commission within 10 days after receiving notice that the ex parte communication has been placed on the record. The commissioner may, if he or she deems it necessary to eliminate the effect of an ex parte communication received by him or her, withdraw from the proceeding, in which case the chair shall substitute another commissioner for the proceeding.

(5) Any individual who makes an ex parte communication shall submit to the commission a written statement describing the nature of such communication, to include the name of the person making the communication, the name of the commissioner or commissioners receiving the communication, copies of all written communications made, all written responses to such communications, and a memorandum stating the substance of all oral communications received and all oral responses made. The commission shall place on the record of a proceeding all such communications.

(6) Any commissioner who knowingly fails to place on the record any such communications, in violation of the section, within 15 days of the date of such communication is subject to removal and may be assessed a civil penalty not to exceed \$5,000.

(7)(a) It shall be the duty of the Commission on Ethics to receive and investigate sworn complaints of violations of this section pursuant to the procedures contained in ss. 112.322-112.3241.

(b) If the Commission on Ethics finds that there has been a violation of this section by a public service commissioner, it shall provide the Governor and the Florida Public Service Commission Nominating Council with a report of its findings and recommendations. The Governor is authorized to enforce the findings and recommendations of the Commission on Ethics, pursuant to part III of chapter 112.

(c) If a commissioner fails or refuses to pay the Commission on Ethics any civil penalties assessed pursuant to the provisions of this section, the Commission on Ethics may bring an action in any circuit court to enforce such penalty.

(d) If, during the course of an investigation by the Commission on Ethics into an alleged violation of this section, allegations are made as to the identity of the person who participated in the ex parte communication, that person must be given notice and an opportunity to participate in the investigation and relevant proceedings to present a defense. If the Commission on Ethics determines that the person participated in the ex parte communication, the person may not appear before the commission or otherwise represent anyone before the commission for a period of 2 years.

History.--s. 4, ch. 90-272; s. 532, ch. 95-148; s. 5, ch. 2005-132.