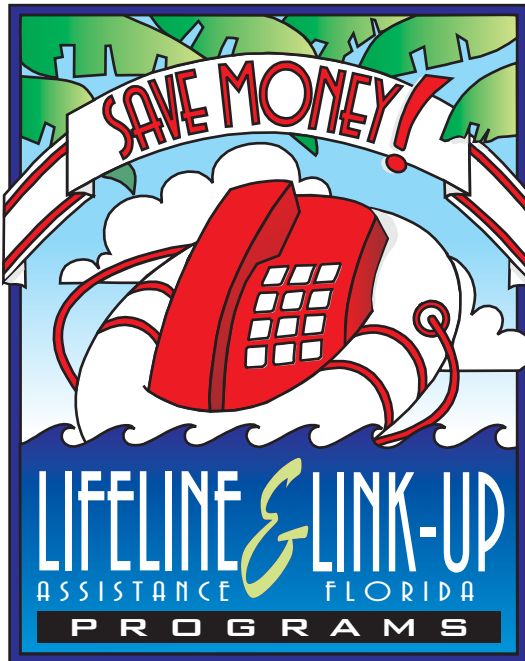


A REPORT TO THE:

Governor

President of the Senate

Speaker of the House of Representatives



**NUMBER OF
CUSTOMERS
SUBSCRIBING TO
LIFELINE SERVICE
AND THE
EFFECTIVENESS OF
ANY PROCEDURES
TO PROMOTE
PARTICIPATION**

PREPARED BY:

Florida Public Service Commission

DECEMBER 2004

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I. Background

The 2003 Florida Legislature passed a comprehensive rewrite of the Florida Statutes governing the regulation of telecommunications companies in Florida. The legislation entitled “The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003” (the 2003 Act) became law on May 23, 2003, by the signature of the Governor. The 2003 Act requires that by December 31, 2003, each state agency that provides 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 any procedures to promote participation in that program.¹ This report is prepared pursuant to the requirements of the 2003 Act.

II. Program Description

Lifeline is part of the federal Universal Service program designed to enable low-income households to afford 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 credit (\$6.45-\$6.50) for the federal subscriber line charge, which is available to all eligible subscribers.
- The second tier of federal support is a \$1.75 credit that is available to subscribers in those states that have approved the credit. All fifty (50) states have 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,² Florida Lifeline subscribers currently receive a total monthly credit of up to \$13.50,³ consisting of up to \$10.00 (\$6.45 or \$6.50 + \$1.75 + \$1.75) in federal support and \$3.50 in state support. The telephone subscriber may receive a credit less than \$13.45 or \$13.50 if the subscriber’s bill for basic local telephone service is less than the maximum available credit. At no time is the customer’s bill for local service less than zero.

¹ Sections 364.10(3)(d) and 364.10(3)(e), Florida Statutes.

² Since Florida does not have a state Universal Service Fund, the \$3.50 credit is absorbed by the local exchange telecommunications company providing service.

³ Sprint-Florida, Inc.’s federal subscriber line charge is \$6.45; therefore Sprint customers would receive a \$13.45 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 to the extent that the credit does not bring the basic local residential rate below \$1.00 per month.

Link-Up, a companion federal program, provides a 50% reduction in the telephone service hook-up charge, up to a maximum of \$30. 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% 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.

In 1998, the Florida Legislature created an additional program benefiting low-income subscribers through enactment of Section 364.105, Florida Statutes. This section requires that each local exchange telecommunications company (LEC) provide subscribers no longer receiving Lifeline assistance a 30% discount off the residential basic local service rate. The subscriber may receive the subsidy for one year from the date the subscriber ceases to be qualified for Lifeline.

III. Program Eligibility Criteria

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

- Temporary Assistance to Needy Families (TANF)
- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Plan (LIHEAP)
- Bureau of Indian Affairs Programs⁴

As a result of a FPSC-approved 2001 settlement agreement between BellSouth Telecommunications, Inc. (BellSouth) and the Office of Public Counsel (OPC), BellSouth expanded Lifeline eligibility to its subscribers with annual incomes up to 125% of the Federal Poverty Guidelines (FPG). A further potential expansion of Lifeline eligibility came through the passage of the 2003 Act. The 2003 Act specifies that any LEC authorized by the FPSC to reduce its switched network access rates pursuant to Section 364.164, Florida Statutes, shall provide Lifeline service to customers who meet an income eligibility test at 125% or less of the FPG. Although the Commission Order⁵ approving the petitions to reduce switched network access rates filed by BellSouth, Verizon Florida, Inc (Verizon), and Sprint-Florida, Inc. (Sprint) is currently under appeal, BellSouth, Verizon, and Sprint have tariffs on file that include an income

⁴ 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; or (3) Head Start Subsidy.

⁵ Order No. PSC-03-1469-FOF-TL, issued December 24, 2003, in Docket Nos. 030867-TL, 030868-TL, and 030869-TL. If the Commission order is upheld, BellSouth, Sprint, and Verizon have agreed to implement a 135% income-based criterion.

eligibility criterion of 125% or less of the FPG,⁶ thus making the 125% criterion available to their eligible customers. Because BellSouth, Verizon and Sprint provide telephone service to the vast majority of Florida’s consumers, it is reasonable to expect that the income eligibility guidelines are available to most consumers in Florida.

IV. Lifeline Subscribership and Participation Rates

Table 1 shows the number of Lifeline subscribers at year-end from 1998 through September 2004. The data reveal an upward trend in Lifeline subscribership since 1998.

Table 1 Florida Lifeline Subscribership

	1998	1999	2000	2001	2002	2003	September 2004
Lifeline Subscribers	130,139	130,281	134,227	144,610	142,548	148,905	154,017

Source: FCC: State-by-State Telephone Revenues and Universal Service Data [April 2001 and September 2003]; Universal Service Administrative Company responses to FPSC data requests [2004]; and Industry responses to FPSC data requests [2000-2004].

Table 2 shows Lifeline participation rates for the years 1998 through September 2004.⁷

Table 2 Lifeline Participation Rate in Florida

Year End	Lifeline Enrollment	Eligible Households ⁸	Participation Rate
December 1998	130,139	816,278	15.9%
December 1999	130,281	816,278	15.9%
December 2000	134,227	816,278	16.4%
December 2001	144,610	850,000	17.0%
December 2002	142,548	819,112	17.4%
December 2003	148,905	819,112	18.0%
September 2004	154,017	1,100,000	14.0%

Source: FCC: State-by-State Telephone Revenues and Universal Service Data [April 2001 and September 2003]; Department of Children and Families (DCF); 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.); Universal Service Administrative Company responses to FPSC data requests [2004]; and Industry responses to FPSC data requests [2000-2004].

Table 2 reflects that Florida’s Lifeline participation rate increased from 1998 to 2003. As of September 30, 2004, Florida’s Lifeline participation rate was 14%. The participation rate decrease from 2003 to 2004 results from the addition of the 125% income-based criterion by BellSouth in 2002, and Sprint and Verizon in 2003, which increased the number of eligible

⁶ Tariffs including the 125% income eligibility criterion were filed by BellSouth, Verizon and Sprint on February 14, 2002, July 17, 2003, and July 28, 2003, respectively.

⁷ The participation rate is the ratio of enrolled subscribers to the eligible population.

⁸ Eligible households for Years 1998 through 2003 do not include households eligible under the 125% income-based criterion, as reported by DCF. Data for 2004 includes the 125% criterion and was taken from FCC Order 04-87.

subscribers. While enrollment has continued to increase, the addition of nearly 200,000 eligible subscribers has caused the overall participation rate to decrease.

Low participation rates do not mean that non-participating eligible households are without telephone service. Compared to the 1,100,000 wireline households eligible for Lifeline, the total number of Florida households without telephone service is approximately 351,645.⁹ Table 3 shows telephone penetration rates for two selected income categories that represent Florida households falling below United States poverty threshold levels, thereby satisfying Lifeline eligibility conditions.

Table 3 Percentage of Florida Households with Telephone Service

Household Income	1985	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
≤ \$9,999	77.0	84.2	86.7	86.6	84.4	85.4	87.8	85.6	84.2	89.7	89.8
\$10,000-\$19,999	87.6	91.1	93.7	94.0	92.0	93.6	91.5	90.2	91.1	94.3	94.4
All Households	88.9	92.4	93.9	93.4	92.1	93.3	92.6	92.4	92.3	94.7	95.1

Source: FCC: *Telephone Penetration Report By Income By State* [May 2003]; Universal Service Monitoring Report [October 2004].

The years selected for Table 3 coincide with the introduction of Lifeline in 1984, BellSouth's adoption of Lifeline in 1994, and passage of the Telecom Act of 1996. The data in Table 3 show that from 1985 to 1995, telephone penetration rates increased significantly for Florida's poorest consumers. While the penetration rates for these subscriber groups have fluctuated since 1995, these groups have experienced an increase in access to telecommunications service since 1985. The telephone penetration gap between low-income households and all households from 1985 to 2003 is slowly declining in Florida.

With the telephone penetration rate for the lowest income households at approximately 90%, it appears that even without the Lifeline subsidy, most eligible households have telephone service. The current Lifeline participation rate of 14% may suggest that many of the eligible low-income population are either not aware of Lifeline assistance or are aware but choose not to receive the subsidy.

Table 4 depicts the distribution of Lifeline enrollment from December 2000 to September 2004, by Florida LEC. The data show that, with the exception of Verizon, BellSouth, and ITS Telecom, every LEC serving in Florida experienced an increase in Lifeline enrollment between 2001 and 2003. The data also show that between 2003 and 2004, only one Florida LEC experienced a decrease in Lifeline enrollment.

⁹ FCC: *Telephone Penetration Report By Income By State* [May 2003].

Table 4 Lifeline Participation in Florida

Florida Local Exchange Companies	December 2000	December 2001	Growth Rate	December 2002	Growth Rate	December 2003	Growth Rate	September 2004	Growth Rate
BellSouth	104,575	105,564	1%	104,503	(1%)	103,681	(1%)	104,467	1%
Verizon	18,685	25,266	35%	22,850	(9%)	22,295	(2%)	23,642	6%
Sprint-FL	7,712	9,779	27%	10,706	9%	16,736	56%	19,274	15%
GTC, Inc.	1,504	1,819	21%	1,952	7%	2,385	22%	2,304	(3%)
ALLTEL	1,128	1,434	27%	1,737	21%	2,670	54%	3,067	15%
TDS Telecom	289	358	24%	364	2%	496	36%	571	15%
Northeast	253	301	19%	340	13%	510	50%	561	10%
Frontier	47	62	32%	69	11%	104	51%	104	0%
ITS Telecom	34	27	(20%)	27	0%	27	0%	27	0%
Total	134,227	144,610	8%	142,548	(1%)	148,904	4%	154,017	3%

Sources: Industry responses to FPSC data requests [May 2001, April 2002, September 2003, and September 2004]; Universal Service Administrative Company responses to FPSC data request [2004].

V. Regulatory Actions Impacting Florida’s Lifeline Program

A number of regulatory actions have been undertaken at the state and federal level to promote the Lifeline and Link-Up programs and to increase participation.

A. Federal Communications Commission

WC Docket 03-109 – In the Matter of Lifeline and Link-Up.

On June 9, 2003, the FCC released its Notice of Proposed Rulemaking (NPRM) seeking comment on the Federal-State Joint Board on Universal Service (Joint Board)¹⁰ Recommended Decision that addressed modifications to the Lifeline and Link-Up programs.¹¹ The FPSC filed comments in response to the FCC’s NPRM on August 18, 2003, supporting the addition of two programs, the TANF program and the National School Lunch free lunch program (NSL), to the federal default eligibility criteria. The FPSC explained that Florida has already adopted TANF as an eligibility criterion, and commented that adding the TANF and NSL programs may increase participation.

¹⁰ The Federal-State Joint Board on Universal Service was established in March 1996, to make recommendations to implement the Universal Service provisions of the Telecommunications Act of 1996. The Joint Board is comprised of FCC Commissioners, State Utility Commissioners, and a consumer advocate representative.

¹¹ Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Release No. FCC 03-120, (Released June 9, 2003.)

On April 29, 2004, the FCC released its Report and Order (Order), and Further Notice of Proposed Rulemaking (FNPRM) regarding Lifeline and Link-Up.¹² To improve the Lifeline and Link-Up programs and to increase subscribership, the FCC's Order, in part: 1) added TANF and NSL to the program-based eligibility criteria; and 2) added an income-based eligibility criterion of 135% of the FPG.

In support of its ruling to include the TANF and the NSL programs, the FCC explained that low-income consumers who come into contact with state agencies while enrolling in one public assistance program are often made aware of their eligibility to participate in another public assistance program. The FCC further explained that adding these programs will likely help improve participation in Lifeline and Link-Up and, in doing so, would increase telephone subscribership and/or make rates more affordable for low-income households.¹³

To be eligible for the NSL program, a consumer's household income must be at or below 130% of the FPG, which is \$23,920 for a family of four.¹⁴ Also, children are automatically eligible to participate in the NSL program if their household receives Food Stamps, benefits under the Food Distribution Program on Indian Reservations or, in most cases, benefits under the TANF program.¹⁵

In addition, the FCC's April 29, 2004, Order supports participation in Lifeline and Link-Up when a consumer's income is at or below 135% of the FPG, which is \$24,840 for a family of four. The FCC explained that adding an income-based criterion to the federal default eligibility criteria may increase participation in the programs and is a reasonable and cautious approach.

¹² 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.)

¹³ The FCC has held that states have sufficient flexibility to target support based on the state's particular needs and circumstances. Fourth Report and Order, CC Docket No. 96-45, In the Matter of Federal-State Joint Board on Universal Service, FCC 97-420, (Released December 30, 1997.)

¹⁴ *2003 FPG*, 68 Fed.Reg. at 6456-58.

¹⁵ <<http://www.fns.usda.gov/cnd/About/faqs.htm>>.

A comparison of the federal and state eligibility criteria is provided below:

Lifeline and Link-Up Program Eligibility Criteria	
Federal Default Eligibility Criteria	Florida PSC Adopted Eligibility Criteria
Temporary Assistance to Needy Families (TANF)	Temporary Assistance to Needy Families (TANF)
Medicaid	Medicaid
Food Stamps	Food Stamps
Supplemental Security Income (SSI)	Supplemental Security Income (SSI)
Federal Public Housing Assistance (Section 8)	Federal Public Housing Assistance (Section 8)
Low-Income Home Energy Assistance Program (LIHEAP)	Low-Income Home Energy Assistance Program (LIHEAP)
Bureau of Indian Affairs Programs	Bureau of Indian Affairs Programs
National School Lunch's free lunch program	Pending ¹⁶
Income-based Criterion at 135% of the FPG	Pending ¹⁶

The FCC also stated that effective outreach programs have been shown to improve Lifeline and Link-Up participation and agreed with the Joint Board that more vigorous outreach efforts could improve participation. The FCC did not require specific outreach procedures, but did provide outreach guidelines for states and carriers to follow.

B. Florida Public Service Commission

1. Docket No. 040604-TL - Adoption of the National School Lunch program and an income-based criterion at or below 135% of the Federal Poverty Guidelines (FPG) as eligibility criteria for the Lifeline and Link-Up programs.

In light of the FCC's Order adopting the additional program criteria and the 135% FPG eligibility criterion, the FPSC found that it was beneficial for Florida to also adopt the new criteria. In Order No. PSC-04-0781-PAA-TL, issued August 10, 2004, the FPSC expressed concern that if it did not adopt the new criteria in Florida, it could result in compounding Florida's status as a net contributor into the Universal Service Fund (USF) Low-Income Support Mechanism and keep some consumers who would otherwise be eligible out of the program.

¹⁶Adoption of these criteria is pending in Docket No. 040604-TL. However, a 125% income eligibility criterion addressed in the 2003 Act is mandatory after a local exchange telecommunications company has taken action to reduced its switched network access rates pursuant to Section 364.164, Florida Statutes. Also, BellSouth has been enrolling customers under the 125% income-based criterion as a result of a settlement agreement with the OPC that was approved by the Commission by Order No. PSC-01-1643-AS-TL, issued August 13, 2001, in Docket No. 991378-TL. Verizon and Sprint are also currently enrolling customers voluntarily under the 125% income-based criterion. The OPC was designated as the entity responsible for certifying income eligibility claims for Lifeline and Link-Up under the 2003 Act.

Based on analysis of data released by the Joint Board,¹⁷ the FPSC determined that Florida contributed \$44.7 million into the Low-Income Support Mechanism and received \$15.5 million in payments. The FPSC estimated that Florida citizens' contribution into the Low-Income Support Mechanism could increase approximately \$8.5 to \$9.3 million in 2005 if the 135% income criterion was adopted by all states. Florida's new net dollar flow would be a factor of both our contribution and the number of new Lifeline and Link-Up subscribers in Florida. The FPSC concluded that it is within the FPSC's discretion to approve revised eligibility criteria, including an increase of the income-based criterion from 125% to 135%.

The FPSC also determined that a streamlined certification process would ease the burden on consumers, get needed assistance to consumers quicker, and result in increased subscribership for the State of Florida. To accomplish this, the FPSC adopted an optional self-certification process for the program-based criteria.

Petitions requesting a hearing in protest of Order No. PSC-04-0781-PAA-TL were filed by ALLTEL Florida Inc., BellSouth Telecommunications, Inc., GT COM, Office of Public Counsel, Quincy Telephone Company d/b/a TDS Telecom, Sprint-Florida, Inc., and Verizon Florida, Inc. A formal hearing is scheduled for January 20-21, 2005.

2. Docket No. 000733-TL Investigation to determine whether BellSouth Telecommunications, Inc.'s tariff filing to restructure its late payment charge is in violation of Section 364.051, Florida Statutes

The FPSC opened this docket to address an unlawful increase in rates related to late payment charges. As a result of a Commission-ordered refund regarding BellSouth's late payment charge, the Commission, at its November 2, 2004 agenda, voted to use \$1,589,368 of unclaimed refunds and outstanding drafts to promote Lifeline and Link-Up programs through a Community Service Fund, with oversight by the OPC.¹⁸ The Commission also approved that monitoring measures be implemented by ordering BellSouth to provide the following information on a quarterly basis:

- a. The dollar amounts disbursed from the Community Service Fund including payee, date, amount, purpose, and description of the services rendered as of the last day of the quarter.
- b. The Community Service Fund account balance on the last day of the quarter.

¹⁷ Federal-State Joint Board on Universal Service Monitoring Report, Released on December 22, 2003.

¹⁸ Order No. PSC-041124-FOF-TP, issued November 15, 2004, in Docket No. 000733-TL and Docket No. 001503-TP.

Further, to assess the effectiveness of its Lifeline and Link-Up promotional efforts, the Commission ordered that BellSouth submit the following information semi-annually:

- c. Procedures developed during the six-month period to promote Lifeline and Link-Up.
- d. Criteria developed during the six-month period to evaluate the effectiveness of BellSouth's Lifeline and Link-Up promotional efforts.
- e. Analysis performed during the six-month period to evaluate the effectiveness of BellSouth's Lifeline and Link-Up promotional efforts.
- f. Identification of the organization originating each Lifeline application. (i.e., Department of Children and Families, Office of Public Counsel, Consultant, BellSouth direct contact, etc.)

3. Outreach Activities

The FPSC remains committed to increasing public awareness about the availability of the Lifeline and Link-Up programs. The FPSC has, and continues to devote resources to various outreach initiatives. As discussed in Appendix A, the FPSC's Lifeline and Link-Up consumer outreach program began in 1995, and focuses on distributing educational material to agencies, organizations, and individuals most likely to come into contact with citizens who qualify for the programs. The FPSC also produces public service announcements, and continues to develop partnerships with other agencies and organizations to promote Lifeline and Link-Up.

C. Office of Public Counsel

1. Docket No. 040451-TP - Petition by Citizens of Florida to initiate rulemaking that would require local exchange telecommunications companies (LEC) to provide Lifeline service within 30 days of certification.

On May 13, 2004, the OPC filed a petition to initiate rulemaking addressing Lifeline. The OPC proposed that the Commission adopt a rule requiring LECs to begin providing Lifeline service to customers within 30 days of receiving OPC certification of eligibility under section 364.10(3)(a), Florida Statutes. At its July 6, 2004 agenda, the Commission granted OPC's petition to initiate rulemaking. A staff workshop was conducted on August 19, 2004, to receive input from all interested parties regarding the OPC's petition.

On September 3, 2004, the OPC filed a proposed rule, which, in addition to the specified 30-day timeframe to begin providing Lifeline service, addressed issues regarding the Lifeline enrollment process. Specifically, the proposed rule addressed the provision of Lifeline service if a customer chooses a package plan, the provision of Lifeline service for one line if a customer purchases more than one line from the company, and annual recertification of Lifeline customers.

A second staff workshop was conducted on September 20, 2004, to receive input from interested parties regarding the OPC's September 3, 2004 proposed rule. The parties agreed to work together to reach resolution on OPC's petition.

2. Income-based Application Process

As mentioned earlier, the 2003 Act expanded the Lifeline eligibility criteria to include individuals who meet an income eligibility test at 125% of the FPG. Section 364.10(3)(a), Florida Statutes, states in part that "The Office of Public Counsel shall certify and maintain claims submitted by a customer for eligibility under the income test authorized by this subsection." Accordingly, the OPC has implemented procedures to process customer applications for Lifeline and Link-Up. As discussed in greater detail in Appendix A, the OPC has experienced an increase in the volume of Lifeline applications.

D. New Florida Eligible Telecommunications Carrier (ETC) Applications

A number of competitive local exchange companies (CLEC) and wireless service providers are seeking eligible telecommunications carrier (ETC) status in Florida. ETCs are required to offer Lifeline service and to advertise the availability of Lifeline to its customers. This expanded number of service providers creates greater opportunity for citizens to obtain Lifeline assistance. ETCs are defined in 47 U.S.C. § 54.201(d):

(1) A common carrier designated as an eligible telecommunications carrier . . . shall be eligible to receive universal support . . . and shall, throughout the service area for which the designation is received-

(A) offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services using media of general distribution.

Chapter 364, Florida Statutes, expressly limits the FPSC's jurisdiction over "telecommunications companies" as set forth in that chapter.¹⁹ As defined by Section 364, a telecommunications company does not include a wireless provider. By Order No. PSC-03-1063-DS-TP, issued September 23, 2004, the FPSC declared that, "Based on the foregoing, the Commission does not have jurisdiction over wireless providers for purposes of determining eligibility for ETC status pursuant to 47 U.S.C. § 214(e)." Therefore, petitions of wireless providers are addressed by the Federal Communications Commission (FCC), while the FPSC addresses wireline petitions for ETC status.

1. Wireless applications filed with the FCC for ETC status in Florida

Nextel - On September 16, 2003, Nextel filed a petition with the FCC for ETC status in the State of Florida.²⁰ By Order DA 04-2667, released August 25, 2004, the FCC approved Nextel's petition stating, "We note that ETCs must comply with state requirements in states that have Lifeline programs."

Sprint - On October 10, 2003, Sprint, on behalf of its Wireless Division, filed a petition with the FCC for ETC status in the State of Florida.²¹ By Order DA 04-26, released January 8, 2004, the FCC sought comments on Sprint's petition for ETC status in Florida. Sprint's petition was approved by the FCC on November 18, 2004.

ALLTEL - On November 20, 2003, ALLTEL filed a petition with the FCC for ETC status in the State of Florida.²² By Order DA 04-3046, released September 24, 2004, the FCC approved ALLTEL's petition also stating that ETCs must comply with state requirements in states that have Lifeline programs.

AT&T Wireless Services, Inc. - On May 3, 2004, AT&T Wireless Services, Inc. (AT&T), filed a petition with the FCC for ETC status in the State of Florida.²³ AT&T's petition is pending.

TracFone Wireless, Inc. - On September 7, 2004, TracFone Wireless, Inc. (TracFone), filed a petition with the FCC for ETC status in the State of Florida.²⁴ TracFone's petition is pending.

¹⁹ Section 364.01, Florida Statutes, titled "Powers of commission, legislative intent," states that "(1) The Florida Public Service Commission shall exercise over and in relation to telecommunications companies the powers conferred by this chapter."

²⁰ NPCR, Inc. d/b/a NEXTEL PARTNERS, Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida, Docket No. 96-45.

²¹ Sprint Corporation, Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida, CC Docket No. 96-45.

²² ALLTEL Communications, Inc., Petition for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(6) of the Communications Act of 1934, CC Docket No. 96-45.

²³ AT&T Wireless Services, Inc., Petition for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(6) of the Communications Act, FCC 97-419, CC Docket No. 96-45.

²⁴ TracFone Wireless, Inc., Petitions for Designation as an Eligible Telecommunications Carrier in the State of Florida and Commonwealth of Virginia, CC Docket No. 96-45.

Southern Communications Services, Inc., d/b/a Southern LINC - On September 15, 2004, Southern LINC, filed a petition with the FCC for ETC status in the State of Florida.²⁵ Southern LINC's petition is pending.

2. CLEC applications filed with the FPSC for ETC status in Florida

Coastal Telephone Connections, Inc., d/b/a Coastal Connections – On June 15, 2004, Coastal Connections filed a petition with the FPSC for Designation as an Eligible Telecommunications Carrier in the State of Florida.²⁶ On September 29, 2004, Coastal Connections filed an Amended Petition for ETC status. Coastal Connections petition is pending.

Telscape Communications, Inc. - On September 3, 2004, Telscape Communications, Inc. (Telscape) filed a petition with the FPSC for Designation as an Eligible Telecommunications Carrier in the State of Florida.²⁷ Telscape's petition is pending.

Knology of Florida, Inc. – On November 12, 2004, Knology of Florida, Inc. (Knology) filed a petition with the FPSC for Designation as an Eligible Telecommunications Carrier in the State of Florida.²⁸ Knology's petition is pending.

Regardless if a carrier is granted ETC status by the FCC or by the FPSC, the significant aspect is that the citizens in Florida will be afforded more opportunities to take advantage of the Lifeline and Link-Up programs, while enjoying the benefits of a more competitive communications market.

VI. Development of Procedures to Promote Lifeline, Pursuant to Section 364.10(3)(d), Florida Statutes

The requirement of the 2003 Act to develop procedures to promote Lifeline participation in cooperation with the Department of Children and Families (DCF), the Commission, other state agencies, and the telecommunications companies providing Lifeline service²⁹ has resulted in a comprehensive, collaborative process to develop promotional procedures that have a statewide impact. Activities to promote Lifeline and Link-Up have been occurring since 1995, but none as comprehensive as the current effort.

²⁵ Southern Communications Services, Inc., d/b/a Southern LINC, Petition For Designation as an Eligible Telecommunications Carrier, CC Docket No. 96-45, FCC 97-419.

²⁶ Docket No. 040553-TX, Petition for Designation as an Eligible Telecommunications Carrier.

²⁷ Docket No. 041042-TP, Petition of Telscape Communications, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Florida.

²⁸ Docket No. 041302-TX, Petition of Knology of Florida, Inc. for Designation as an Eligible Telecommunications Carrier.

²⁹ Chapter 364.10(3)(d), Florida Statutes, By December 31, 2003, each state agency that provides benefits to persons eligible for Lifeline service shall undertake, in cooperation with the Department of Children and Family Services, the commission, and telecommunications companies providing Lifeline services, the development of procedures to promote Lifeline participation.

Since July 2003, local, state and federal agencies, organizations, businesses, and telecommunications companies have been working together on a Lifeline Project (Project) to develop and implement promotional procedures. Although several state agencies are involved in the administration of the eligible programs, DCF is the only Florida state agency that determines eligibility and provides program benefits directly to citizens as described in the 2003 Act. Recognizing the importance of Lifeline and Link-Up to eligible citizens, other agencies, organizations, and businesses have joined in the outreach effort on a voluntary basis.

A. Project Participants

The following local, state and federal agencies, organizations, businesses, and telecommunications companies are now involved in the collaborative effort to increase awareness and participation in the Lifeline and Link-Up programs. Because the Project participants have engaged additional organizations having contact with eligible individuals to assist in Lifeline awareness, and enlisted the support of sister organizations, it is anticipated that the list will continue to grow even more in 2005.

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

- ◆ AARP - Florida Chapter (formerly the American Association of Retired Persons)
- ◆ Agency for Health Care Administration (AHCA)
- ◆ Agency for Workforce Innovation (AWI)
- ◆ Area Agency on Aging
- ◆ Big Bend 2-1-1
- ◆ Braille and Talking Book Library
- ◆ Capital Area Community Action Agency, Inc. (CACAA)
- ◆ City and County Consumer Assistance Departments
- ◆ Faith Radio Station
- ◆ Federal Social Security Administration (SSA) - Tallahassee District
- ◆ Florida Association of Community Health Centers
- ◆ Florida Department of Children and Families (DCF)
- ◆ Florida Department of Community Affairs (DCA)
- ◆ Florida Department of Education (DOE), Division of Blind Services
- ◆ Florida Department of Elder Affairs (DEA)
- ◆ Florida Office of Public Counsel (OPC)
- ◆ Florida Public Service Commission (FPSC)
- ◆ Florida Telecommunications Relay, Inc. (FTRI)
- ◆ Leon County School Board
- ◆ Linking Solutions, Inc.
- ◆ National Federation of the Blind (NFB), Big Bend Chapter
- ◆ Public Libraries
- ◆ Tallahassee Memorial Regional Medical Center (TMRMC)
- ◆ Tallahassee Urban League
- ◆ United Way of Florida
- ◆ Workforce Florida, Inc. (WFI)

Telecommunications Companies:

- ◆ ALLTEL Communications, Inc.
- ◆ BellSouth Telecommunications, Inc. (BellSouth)
- ◆ Frontier Communications of the South, Inc.
- ◆ GTCOM
- ◆ ITS Telecommunications Systems, Inc.
- ◆ Smart City Telecom
- ◆ Sprint-Florida, Inc. (Sprint)
- ◆ TDS Telecom/Quincy
- ◆ TTSC/NEFCOM-Northeast
- ◆ Verizon Florida, Inc. (Verizon)

B. Historical Steps to Develop Promotional Procedures

In July 2003, the Commission initiated the Project with other state and federal agencies, organizations, and local exchange telecommunications companies (LEC) to develop procedures to promote Lifeline participation. During July and August of 2003, Commission staff held individual meetings with agency and LEC representatives to discuss implementation of the 2003 Act. On September 9, 2003, Project participants began holding joint meetings to collaboratively develop procedures to promote Lifeline. The Project included the following tasks:

- ◆ Reviewing the eligible programs to determine which state agencies provide benefits to persons eligible for Lifeline.
- ◆ Identifying categories of eligible consumers who are and are not currently being provided Lifeline information.
- ◆ Evaluating existing promotional procedures and determining options for expanding those procedures to increase the effectiveness of the outreach activities.
- ◆ Developing new procedures to provide Lifeline information to categories of eligible consumers who are not currently being provided Lifeline information.
- ◆ Developing procedures for providing Lifeline educational materials produced by the LECs to the state and federal agencies.
- ◆ Determining the most efficient and effective approach to implement any new procedures.
- ◆ Considering new approaches for consumer outreach.

In 2003, Project participants completed the review of the eligible programs to determine which agencies provide benefits. It was determined that the DCF is the only Florida state agency that provides benefits to persons eligible for Lifeline. The DCF determines eligibility and provides benefits to recipients of Food Stamps and/or TANF. Benefits from the other eligible

programs are provided by local entities or federal agencies. However, because the participating state agencies work in coordination with the local entities that provide benefits, the state agencies volunteered to assist in the development of procedures to promote Lifeline through those organizations. The role of each agency is discussed in more detail in Appendix A.

During 2003, the Project participants also completed much of the work identifying categories of consumers who are and are not currently being provided Lifeline information. The Project participants believe a majority of eligible consumers can be reached by expanding and increasing existing Lifeline promotional procedures. The work of identifying additional groups of eligible consumers who might not have easy access to Lifeline information has proved to be an ongoing process as new partnerships are formed. A more detailed discussion of the steps being taken to reach additional groups is provided in Appendix A.

Further, in 2003, Project participants completed a review of existing promotional procedures and determined that it would be appropriate to continue the recurring promotional activities that were in effect. The participants also agreed that for those agencies that do not currently provide Lifeline materials on a recurring basis, it would be appropriate for those agencies to determine if the regular dissemination of Lifeline educational materials could be incorporated into the client interview process.

C. 2004 Lifeline Promotional Highlights

During 2004, work continued on the remaining tasks of developing and implementing new promotional procedures. The promotional activities of 2004 focused on “grass roots” efforts. Efforts for 2004 have largely been to put Lifeline educational materials in the hands of local organizations that are involved in the community and have regular one-on-one contact with eligible individuals. These organizations include entities such as area agencies on aging, area community action agencies, churches, housing authorities, legal aid centers, senior centers, and urban leagues.

The Project participants met with small community focus groups to gain insight on how to better reach eligible individuals. Also, Project participants expanded the outreach effort to include educational presentations to local groups, such as, educational exhibits at community events and joint promotional events. These face-to-face meetings provide eligible citizens with an opportunity to learn about the programs, ask questions, obtain assistance with the application process, and gain valuable information to share with their relatives and neighbors. Some of the highlights from the 2004 Lifeline activities are:

Connect Florida Campaign: The Connect Florida Campaign (Campaign) was established by Linking Solutions, Inc., OPC, and BellSouth, to increase Lifeline awareness and participation through the development of public-private partnerships. During 2004, State Legislators, FPSC Commissioners, local officials, the AARP, and Sprint joined the effort. The Campaign focuses on establishing sustained partnerships with local non-profit community-based organizations. Lifeline and Link-Up community events are held to present information about the programs, and to encourage individuals and non-profit organizations to participate in the Campaign on a year-round basis. Key groups such as senior centers, Section 8 housing units,

churches, and urban leagues are notified of the event well in advance to encourage attendance by community representatives and eligible individuals. The events are generally attended by several hundred people, and eligible individuals are given an opportunity to submit an application at that time. Events have been held in Jacksonville, Pensacola, Orlando, Tallahassee, Panama City, Ft. Walton Beach, Ocala, Miami, Opalocka, Ft. Myers, and Winter Park.

Community Events: Project participants continue to look for community events where Lifeline educational materials can be provided and discussed with citizens. Examples of 2004 events where Lifeline educational booths were located include the AARP Day of Service in Jacksonville, the Senior Health Expo in Panama City, and the Senior Health Fair in Madison.

Community Presentations: Project participants also reached out to eligible individuals on a more personal level. Several of the Project participants arranged and provided educational presentations at locations within communities across the state. Examples of groups visited are the Area Agency on Aging in West Palm Beach; Council on Aging and Sunshine Senior Center in Deltona; Hernando County Senior Services in Brooksville; East Citrus Community Center in Inverness; Little Havana Activities and Nutritional Center in Miami; Housing Authority of Belle Glade; and Metropolitan Orlando Urban League.

Braille Lifeline Brochure: Through a new partnership with the Department of Education, Division of Blind Services, the FPSC discovered the need for educational materials for sight impaired individuals. During 2004, the Braille and Talking Book Library agreed to translate the Commission's Lifeline brochure into Braille and produce copies for distribution.

Lifeline Applications: Upon implementation of the 2003 Act, the OPC developed a Lifeline application for certification of eligibility for Lifeline by the OPC. Project participants learned through local community partners that it is helpful to have an application to give to people in conjunction with the educational materials. Therefore, Linking Solutions, Inc. and the AARP also developed Lifeline applications that are provided to eligible individuals with whom they meet. In addition, Project participants have begun developing a FPSC Lifeline application that can be provided to eligible individuals through the agencies, organizations, and businesses that are involved in the Lifeline outreach effort. These various applications are intended to offer eligible citizens another way to begin the application process and do not replace any application procedures currently used by the LECs.

A detailed discussion of promotional activities by program participants is presented in Appendix A of this report.

VII. Effectiveness of Procedures to Promote Participation

As discussed in greater detail in Section VI and Appendix A, in recent years, the FPSC, in cooperation with other state and federal agencies, the OPC, the LECs, and other organizations, engaged in extensive promotional activities for Lifeline and Link-Up. Because most of these activities run concurrently, it is difficult to identify one activity as the specific activity causing a change in Lifeline participation.

While participation rates as shown in Table 2 have generally increased from 1998 through 2003, no one year has shown a notable increase. As stated previously, the current participation rate of 14% may suggest that a significant portion of the Lifeline-eligible population may not be aware of Lifeline service.

As explained earlier, two efforts initiated in 2003 appear to have contributed to the current increase in Lifeline enrollment:

- A. The voluntary submittal by Sprint and Verizon of tariffs similar to the tariff BellSouth submitted as a result of its stipulation with the OPC, initiating a 125% income-based criterion for Lifeline eligibility.
- B. The DCF Lifeline Project which implemented the new Lifeline notification procedure and streamlined eligibility verification for DCF clients. (The DCF enrollment process has been well received by the LECs, many of whom have confirmed that the process has been helpful in enhancing the effectiveness of the Lifeline enrollment process.)

It appears that implementation of both efforts, along with continued development and implementation of procedures by all parties to increase Lifeline outreach and public awareness, is having a positive impact on participation.

Sprint and Verizon experienced increases in new Lifeline subscribers after filing tariffs adopting the 125% income-based criterion in July 2003. Sprint's Lifeline subscribership increased from 14,081 in July 2003, to 19,274 through September 2004, representing a 37% increase in subscribership. Verizon's Lifeline subscribership increased from 21,143 in July 2003, to 23,642 through September 2004, representing a 12% increase in subscribership.

Sprint has provided Lifeline brochures to various elected officials to distribute to their constituents. Sprint has also implemented radio and weekly newspaper public service announcements utilizing elected officials to promote Lifeline through local grassroots media outlets, held customer appreciation celebrations in various communities throughout Sprint's local service territory, and provided information on Sprint's various available services, including Lifeline.

In December 2003, Verizon launched a proactive campaign that incorporated bilingual advertisements in local print and radio outlets, community outreach and education, and coordination with state agencies. In Spring 2004, Verizon conducted informational, consumer-focused meetings in various communities throughout its service territory. The meetings provided opportunities to help low-income and elderly residents understand the benefits of Lifeline, and to provide assistance with enrollment.

Also, Verizon has provided Lifeline brochures, posters, and other information to the 211 Information and Referral Call Centers. The information is used by call center representatives to inform low-income clients about utility assistance programs, such as LIHEAP. Verizon has also produced and distributed flyers and posters that contain information about Lifeline and Link-Up

to local social service agencies, such as the United Way, Metropolitan Ministries, Redlands Christian Migrant Association (which serves more than 400 families in Hillsborough, Polk and Manatee Counties), work force development organizations, and the Urban League. In addition, Verizon has developed and implemented internal procedures and training to ensure that employees who interface directly with residential customers understand, and are able to answer questions and provide information regarding Lifeline and Link-Up.

It appears that implementation of the 125% income-based criterion, along with sustained outreach efforts, are having a positive impact on Lifeline subscribership for Sprint and Verizon.

VIII. Conclusion

The voluntary expansion of customer eligibility criteria for Lifeline by Sprint, Verizon, and BellSouth to include an income-based option, along with the development and implementation of procedures to promote Lifeline participation appear to be having a positive impact on participation. The OPC's certification process under the income-based criterion, and the DCF streamlined enrollment process, also appear to be having a positive impact. Further, the FPSC believes the pending docketed proceedings before the Commission have the potential to increase awareness and subscribership of Lifeline in Florida.

Continued expansion of the Lifeline program will require a sustained effort, including the development of new and innovative ways to improve awareness and streamline the enrollment process.

Appendix A
Promotional Activities

Specific Promotional Activities by Project Participants

The following is a detailed discussion of the role that each of the Lifeline Project participants is playing in the development of procedures to promote Lifeline. The discussion includes the eligible programs that each participant is involved with, past and present outreach efforts, existing procedures that can be continued or expanded, and new procedures that are being considered for development and implementation.

The focus of the 2004 Lifeline promotional activities has been outreach at the grass roots level. During 2004, the Project participants initiated several pilot projects to explore new approaches for providing Lifeline educational materials to eligible citizens in the community. During 2005, the Project participants plan to continue working with the outreach partners to explore new approaches for reaching eligible citizens and expanding existing Lifeline promotional efforts.

AARP - Florida Chapter: The requirements of the 2003 Act do not apply to the AARP. However, the AARP is a strong advocate for Lifeline awareness, and representatives of the AARP-Florida Chapter have offered to assist the Commission and other state agencies in the development of promotional procedures. The AARP currently provides Lifeline information on a recurring basis in its magazine, and at the three Florida AARP Offices located in Miami, St. Petersburg, and Tallahassee. The AARP has agreed to continue these promotional activities. The AARP has also been involved in the Connect Florida Campaign and has developed a Lifeline application to assist its members in applying for Lifeline.

Agency for Health Care Administration (AHCA): AHCA has contact with recipients of Medicaid and Supplemental Security Income (SSI) benefits, but does not provide benefits through either program. Specifically, AHCA administers the Medicaid Program, but the DCF determines client eligibility, and benefits are distributed by approved Medicaid providers. The Social Security Administration (SSA) performs all functions for the SSI Program (i.e., administration, eligibility determination, distribution of benefits.) Although it is likely that Medicaid and SSI recipients will receive Lifeline information through the DCF or SSA, AHCA has volunteered to assist in distributing Lifeline information in other forums not used by those agencies.

The Project participants determined that eligible citizens residing in nursing homes may not have easy access to Lifeline information. The participants agreed that it would be appropriate to develop procedures to increase awareness of Lifeline within this target group. It was determined that Lifeline information could be provided to nursing homes through an existing AHCA program. Specifically, AHCA's Long Term Care Monitoring Program ensures that all nursing homes in Florida are visited by a Quality of Care Monitor each quarter. During 2004, AHCA's Quality of Care Monitors provided each nursing home administrator with a Lifeline educational kit. The FPSC subsequently received orders for educational materials from the nursing homes. The FPSC will continue to work with AHCA and the nursing home administrators to ensure that the nursing homes have adequate supplies of educational materials available to nursing home residents and their family members who may be eligible for Lifeline assistance.

Agency for Workforce Innovation (AWI) and Workforce Florida, Inc. (WFI): WFI is the state's chief workforce policy organization. Created by the Workforce Innovation Act of 2000, the public-private partnership supports and promotes economic growth through workforce development. The AWI serves as the administrative agency for WFI. Neither the AWI nor WFI provide benefits through any of the eligible programs. However, due to WFI's extensive contact with eligible individuals, WFI has volunteered to assist with the outreach efforts.

WFI's Better Jobs/Better Wages Council assists families transitioning from welfare to work and former welfare recipients working in low-wage jobs with limited mobility. WFI programs are implemented through 24 regional workforce boards. Workforce development services are provided through a system of more than 200 One-Stop Career Centers designed to provide easy access to services including job placement, job training, and temporary cash assistance. The WFI regional workforce boards and One-Stop Career Centers work in coordination with the DCF District Offices and other organizations to assist citizens at the local level. Lifeline informational packets were distributed to all 24 regional workforce boards. The FPSC subsequently received additional orders for educational materials from the workforce boards. Each regional workforce board determined the best procedure for distributing educational materials within its region. WFI and the FPSC will continue to work together to explore new approaches for reaching WFI's clients and to ensure that adequate supplies of educational materials are available.

Area Agency on Aging: Local Area Agencies on Aging have contact with senior citizens who may be eligible for Lifeline due to their income level or participation in an eligible program. These organizations have agreed to assist in the effort to make Lifeline educational materials available to their clients. The Project participants will continue to work with these organizations to provide educational materials and schedule additional grass roots meetings in the upcoming year.

Big Bend 2-1-1: Big Bend 2-1-1 is the Information and Referral Service Agency for the Big Bend area in Florida and has contact with eligible individuals seeking information and assistance for various needs. During 2004, Big Bend 2-1-1 agreed to include information about the Lifeline and Link-Up programs in its database of information used to assist local citizens. In addition, Big Bend 2-1-1 has assisted the Project participants with contacting other 2-1-1 Information and Referral Service Agencies in the state. The FPSC is scheduled to provide a Lifeline presentation at the next annual Florida Alliance for Information and Referral Services (FLAIRS) conference. In addition to the Big Bend 2-1-1, some telecommunications companies have worked directly with Informational and Referral Services in their service areas. During 2005, the Project participants will continue to work with Florida 2-1-1 service providers to make information available to eligible citizens seeking help through those organizations.

Braille and Talking Book Library: The Bureau of Braille and Talking Book Library Services is under the Department of Education, Division of Blind Services. Since 1950, the Bureau has been designated by the Library of Congress/National Library Service for the Blind and Physically Handicapped as the regional library for Florida, and loans Braille and recorded books and magazines to all eligible residents of the state. In addition, the Bureau has established 11 sub-regional libraries to provide local talking book services to residents of metropolitan areas.

Reading materials are sent to and from customers via postage-free mail, and all services are provided at no charge. During 2004, the Bureau agreed to translate the Commission's Lifeline brochure into Braille and produce copies for the FPSC to distribute. The Braille brochures became available for use in July 2004. During 2005, the FPSC will continue to work with the Braille and Talking Book Library to make Lifeline information available to sight impaired individuals who may be eligible for Lifeline.

Bureau of Indian Affairs Programs: Individuals who are receiving benefits through a qualified Bureau of Indian Affairs program are eligible for expanded Lifeline and Link-Up benefits. Florida's tribes fall under the Bureau of Indian Affairs Regional Office located in Nashville, Tennessee. Florida's two federally recognized tribes are the Miccosukee and Seminole Tribes. At present, there is one small Head Start Program serving 20 children of the Miccosukee Tribe, and one school lunch program in Clewiston for children of the Seminole Tribe. The agencies that are located near federally recognized lands are being made aware of the expanded benefits so they may inform clients living in those areas. Further, the Commission will continue to work with other agencies to ensure that eligible individuals living on tribal lands are informed of the availability of Lifeline.

Capital Area Community Action Agency, Inc. (CACAA): CACAA is a private non-profit organization created to help low-income families gain financial independence and self sufficiency in the Big Bend area. During 2004, the CACAA agreed to assist in the outreach effort to provide Lifeline educational materials to its clients. In addition, the CACAA is assisting the Project participants in contacting other Community Action Agencies throughout the state. During 2005, the Project participants will continue to work with Community Action Agencies to make educational materials available to eligible citizens in their community.

City and County Consumer Assistance Departments: A number of cities and/or counties have Consumer Assistance Departments that provide information and assistance to local citizens. These Departments have contact with individuals who are eligible for Lifeline based upon their income level or participation in eligible programs. City and county Consumer Assistance Departments throughout Florida have agreed to assist in the Lifeline outreach effort by making educational materials available to local citizens seeking assistance through their offices. Cities represented include: Jacksonville, Miami, Orlando, Tallahassee, Tampa, and West Palm Beach. Counties that have agreed to assist in the outreach effort include: Broward, Duval, Hillsborough, Leon, Miami-Dade, Orange, Pinellas, and Palm Beach. The Project participants will continue to work with these and other local governments to make Lifeline educational materials available to local citizens.

Faith Radio Station: In keeping with the grass roots theme, the Project participants initiated a pilot project with a local radio station. Faith Radio Station in Tallahassee agreed to play a Lifeline Public Service Announcement (PSA) free of charge. The FPSC has produced a radio PSA which is currently being reviewed. Upon approval, the PSA will be aired in the local market. It is anticipated that the pilot PSA can be distributed to additional radio stations throughout Florida willing to join in the outreach effort.

Federal Social Security Administration (SSA) - Tallahassee District: The SSI Program is administered by the SSA. The SSA District Offices determine client eligibility and distribute program benefits at the local level. The SSA - Tallahassee District Office has assisted in expanding Lifeline outreach to all of the SSA Offices in Florida. Information packets were sent to all 57 SSA District Offices, and the Offices subsequently ordered additional Lifeline educational materials from the FPSC. The SSA and FPSC will continue to work together to ensure that the SSA District Offices receive the necessary educational materials to provide to SSI recipients.

Florida Association of Community Health Centers: The Florida Association of Community Health Centers represents 26 community health centers which assist individuals who may be eligible for Lifeline. The Association has agreed to assist the Project participants in the outreach effort by making Lifeline educational materials available to individuals who visit the community health centers. Lifeline informational packets were recently distributed to each of the 26 community health centers. During 2005, the Project participants will continue to work with these centers to help inform eligible individuals about the availability of the Lifeline and Link-Up programs.

Florida Department of Children and Families (DCF): As stated previously, the DCF determines eligibility and provides benefits to recipients of Food Stamps or TANF. The DCF also determines eligibility for Medicaid; however, benefits are distributed by approved Medicaid providers. The DCF began its Lifeline outreach efforts with a mass mailing in 1998. The DCF has since implemented procedures to promote Lifeline on a regular basis. Specifically, the Florida Legislature appropriated \$500,000 for fiscal year 2001-2002 to be transferred from the Commission's Regulatory Trust Fund to the DCF to fund a Lifeline Project. On January 15, 2003, the Legislative Budget Commission approved the DCF Lifeline Project expenditure plan, which was designed to use \$130,050 of the original appropriation. During 2002 and 2003, the DCF, the Commission, Florida Telecommunications Industry Association, and LECs worked together to implement the DCF Lifeline Project.

The DCF modified its eligibility determination procedures so that information about the Lifeline and Link-Up programs is provided during client interviews. Brochures and posters are provided by the Commission to individual DCF field offices for distribution to program beneficiaries. The DCF provides an eligibility notice to all clients who are determined to be eligible for Medicaid, Food Stamps, or TANF. Effective April 21, 2003, the eligibility notice also informs clients that they may be eligible for Lifeline assistance. Prior to that date, the required proof of eligibility varied among telecommunications companies. Under the DCF Lifeline Project, the LECs agreed to accept the DCF's eligibility notice as proof of eligibility for Lifeline. This new notification procedure and the streamlined eligibility verification should provide increased awareness and enrollment in these programs. Several telecommunications companies have confirmed that they are receiving requests for Lifeline assistance from customers who have received the new DCF eligibility notice, and that the notices have been helpful in streamlining the enrollment process. The Commission and DCF will continue to work together to ensure that the DCF District Offices receive adequate supplies of educational materials for distribution to clients.

Florida Department of Community Affairs (DCA): The DCA's Division of Housing and Community Development administers the Low-Income Home Energy Assistance Plan (LIHEAP), but does not determine client eligibility or provide benefits. The DCA provides LIHEAP grants to local governments and non-profit agencies to assist eligible low-income households in meeting the costs of home heating and cooling. Prior to implementation of the Project, Lifeline educational packets were sent by the Commission to all 34 agencies in Florida that administer the LIHEAP at the local level. The DCA has continued to work with those agencies to incorporate the regular distribution of Lifeline educational materials into their client interview process. The DCA and FPSC will continue to work together to explore new approaches for providing educational materials to DCA's clients and ensure that the local agencies have adequate supplies of educational materials to distribute.

Florida Department of Education (DOE), Division of Blind Services: The DOE's Division of Blind Services provides assistance to sight impaired individuals who may be eligible for Lifeline. The Division has agreed to assist in the outreach effort by providing Lifeline educational materials to its clients. As discussed previously, the Division alerted the Project participants to the need for Lifeline educational materials in different formats that are accessible to sight impaired citizens. As mentioned earlier, the Commission's Lifeline brochure has now been translated to Braille by the Braille and Talking Book Library. The Division also advised the Project participants regarding the best methods for providing educational materials in a computer format that can be read using accessibility software. During 2005, the Project participants will continue to work with the Division to improve the availability of Lifeline educational materials to the Division's clients.

Florida Department of Elder Affairs (DEA): The DEA does not administer or provide benefits through any of the eligible programs but does have contact with eligible individuals. The DEA has been assisting with Lifeline outreach efforts since 1998. The DEA currently has procedures in place for providing Lifeline information to eligible citizens with whom the agency has contact. The DEA regularly includes information about the Lifeline and Link-Up programs in its Elder Update publication. The DEA also provides educational information through its Elder Helpline, and at health fairs and expositions. It was determined that it would be appropriate for the DEA to continue to provide Lifeline information through these means. The DEA and FPSC will continue to work together to explore new approaches for providing educational materials to DEA clients and ensure that DEA has adequate supplies of educational materials to distribute.

Florida Office of Public Counsel (OPC): As discussed previously, the 2003 Act expanded the Lifeline eligibility criteria to include individuals who meet an income eligibility test at 125 percent of the Federal Poverty Guidelines (FPG). Section 364.10(3)(a), Florida Statutes, states in part that "The Office of Public Counsel shall certify and maintain claims submitted by a customer for eligibility under the income test authorized by this subsection." Accordingly, the OPC has implemented procedures to process customer applications.

The OPC's procedures include telephone consultations to determine initial eligibility, distribution of applications to customers, review of submitted applications, written notification of the eligibility determination, and provision of customer eligibility information to the appropriate

LECs. Customers who are currently receiving telephone service from BellSouth, Sprint, or Verizon are then enrolled in Lifeline by their telephone company based upon information provided by the OPC. Customers who do not currently have a telephone must contact their telephone company directly to request the installation of telephone service and enrollment for both Lifeline and Link-Up benefits.

The OPC also helped establish the Connect Florida Campaign and has been actively involved in the Connect Florida Campaign events. The OPC staff are regularly on hand to assist customers with the application process during the events. The events have been beneficial in increasing awareness and participation in the Lifeline program. Statistics regarding the OPC's eligibility program are shown below.

Figure 1 presents data on the number of Lifeline applications received each month from October 2003, through September 2004. Figure 2 presents data on the number of applications approved, denied, pending; and the number of non BellSouth, Sprint or Verizon customers. During this time period, the OPC received 38,982 telephone calls about Lifeline, 11,700 applications, and approved 10,879 applications for customers of BellSouth, Sprint and Verizon. The remaining applications were either denied, pending, or from non BellSouth, Sprint or Verizon customers.

Figure 1

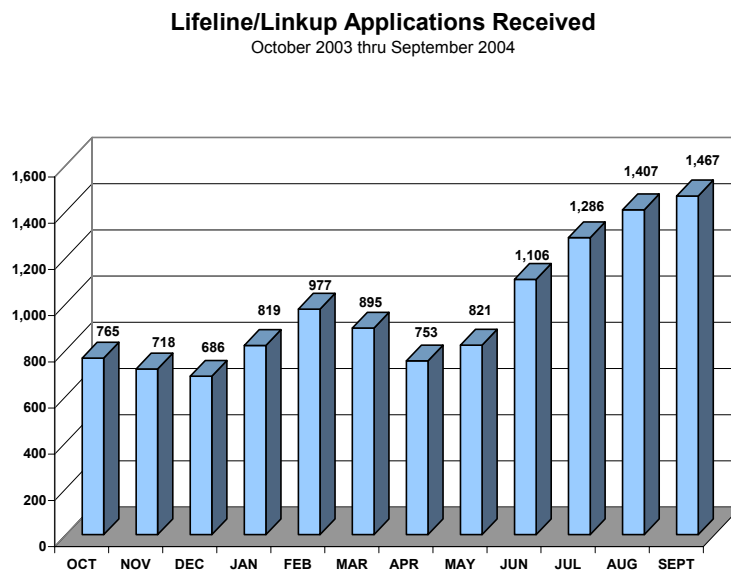
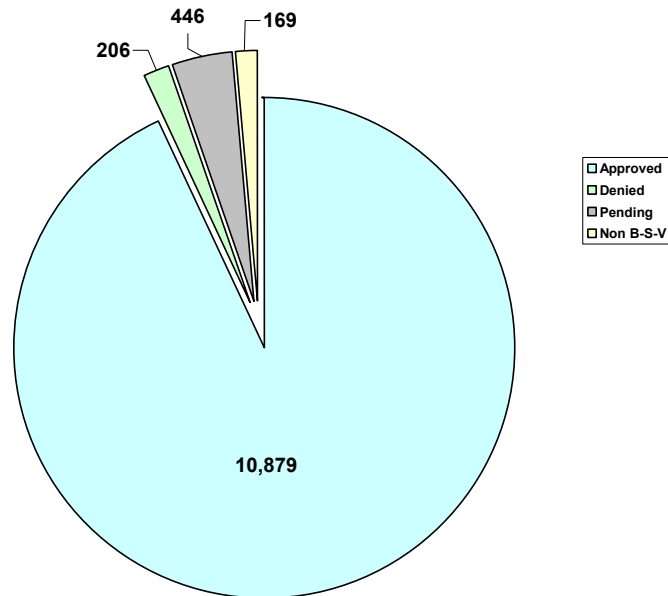


Figure 2

Lifeline/Linkup Participation
October 2003 thru September 2004



Florida Public Service Commission (FPSC): The Commission's Lifeline consumer outreach program began in 1995, following establishment of the Lifeline and Link-Up programs by the Florida Legislature. The focus of the outreach program has been, and will continue to be, to get educational materials into the hands of those agencies, organizations, and individuals most likely to come into contact with citizens who qualify for the benefits. To accomplish this, the Commission publishes a variety of educational materials, including brochures and posters in English and Spanish. Through partnerships with other agencies, the Commission became aware of a growing need to provide Lifeline information in the Haitian Creole language and in Braille. Consequently, the Commission's Lifeline brochures and posters were translated into Haitian Creole and became available for distribution in January 2004. Also, the Commission produces Lifeline information on computer disks in a format that is compatible with accessibility software programs and is exploring other formats to make information even more widely available.

The Commission has formed partnerships with a number of organizations that have worked with Commission staff to provide Lifeline information to the public. In addition to the original Project participants, the Commission has partnered with county libraries, city and county consumer affairs offices, churches, senior centers, and other organizations to increase awareness about Lifeline. The Commission also regularly provides Lifeline information at utility hearings and on the Commission's web site. During 2004, the Commission implemented a monthly Lifeline email to provide information to the Commission's Lifeline partners and other interested persons. The email includes a form that can be used by recipients to order supplies of Lifeline educational materials by email, postal mail, or by telephone. Several recipients requested supplies after receiving the first email.

The Commission previously distributed 62,344 Lifeline brochures and posters during the time period from October 2002 through September 2003. This year, from October 2003 through September 2004, the Commission distributed in excess of 111,940 Lifeline brochures and posters throughout the state. This represents a 79.6% increase over the 2002-2003 distribution total.

During the initial phase of the Project, it was determined that one change should be made to the Commission's current procedure for providing educational materials to other agencies and organizations. Section 364.10(3)(b), Florida Statutes, requires that "Each local exchange telecommunications company (LEC) subject to this subsection shall provide to each state and federal agency providing benefits to persons eligible for Lifeline service applications, brochures, pamphlets, or other materials that inform such persons of their eligibility for Lifeline, and each state agency providing such benefits shall furnish the materials to affected persons at the time they apply for benefits." Because the Commission already has procedures in place for entities to order Lifeline brochures and posters, the Project participants determined that it would be more efficient to continue using the current process for distributing the educational materials to the state and federal agencies. However, the requirements to provide printed materials contained in Section 364.10(3)(b), Florida Statutes, is contingent upon the implementation of a switched network access rate reduction. As BellSouth, Verizon, and Sprint's petitions for access charge reductions are still pending in court, the requirement to provide printed material to state agencies has not gone into effect. As a result, the Commission will continue to produce the Lifeline educational materials for distribution pending a final decision by the court.

Florida Telecommunications Relay, Inc. (FTRI): FTRI provides specialized telecommunications equipment to qualified residents of Florida who are deaf, hard of hearing, deaf/blind, or speech impaired. FTRI has contact with individuals who may be eligible for Lifeline. During 2004, FTRI agreed to assist in the outreach effort by providing the Commission's Lifeline educational materials to its clients. During 2005, the Project participants will continue to work with the FTRI to improve accessibility to Lifeline information for its clients.

Leon County School Board: During 2004, the Leon County School Board agreed to work with the Project participants to explore ways to provide Lifeline information through the school system. At the beginning of each school year, local schools provide informational packets for the students to take home to their parents. As a pilot project this year, the School Board agreed to include Lifeline information in the packets to help inform possible eligible families about the availability of the Lifeline and Link-Up programs. During 2005, the Project participants will continue to work on this approach to determine if it should be expanded to School Boards throughout the state.

Linking Solutions, Inc.: Linking Solutions is a private business under contract with BellSouth and Sprint to promote the Lifeline and Link-Up programs. As discussed in Section VI, Linking Solutions assisted in the initial development, and continues to take a lead role in the Connect Florida Campaign. The Campaign focuses on establishing sustained partnerships with local non-profit community based organizations. Lifeline and Link-Up community events are held to present information about the programs, and to encourage individuals and non-profit organizations to participate in the Campaign on a year-round basis. These events are generally

attended by several hundred individuals who are either eligible or work with clients who are eligible. Attendees are given the opportunity to ask questions and complete an OPC Lifeline application during the event. These events have been a successful tool in promoting increased participation in the Lifeline program.

In addition, Linking Solutions has been actively involved in increasing awareness of Lifeline through smaller grass roots meetings at the local level with entities such as senior centers and churches. Non-profit organizations, churches, and community groups, that naturally serve eligible consumers are encouraged to join the campaign as Alliance Partners. Alliance Partners participate in a training session, share the information with their members, and through their outreach programs assist consumers with the application process. The Project participants will continue to work with Linking Solutions on additional Connect Florida Campaign events in 2005.

National Federation of the Blind (NFB), Big Bend Chapter: The NFB is the nation's largest membership organization of blind persons. With fifty thousand members, the NFB has affiliates in all fifty states, plus Washington D.C. and Puerto Rico, and over seven hundred local chapters. As a consumer and advocacy organization, the NFB is considered the leading force in the blindness field today. Among its many services, the NFB provides information and referral services to its members. During 2004, the Project participants partnered with the local NFB chapter for the Big Bend area to provide Lifeline information to its members. During 2005, the Project participants will expand this effort to include other NFB chapters in Florida.

Public Libraries: Florida's Public Libraries are visited by thousands of citizens each year, some of whom may be eligible for assistance through the Lifeline and Link-Up programs. Many libraries have been helping to make Lifeline information available to library patrons for a number of years. However, in 2004, the Commission's library outreach program was expanded to include every public library in Florida. This is the first time the FPSC has undertaken such a comprehensive library outreach effort and provided materials to all Florida public libraries at one time. Many of the libraries have already requested additional supplies. During 2005, the Project participants will continue to work with Florida's public libraries to ensure that Lifeline information remains available to the public.

Tallahassee Memorial Regional Medical Center (TMRMC): Health care professionals throughout the state come in contact with eligible individuals on a daily basis, primarily in hospital emergency rooms. TMRMC staff suggested that it would be helpful to include hospital social workers and emergency room waiting rooms in the outreach effort. During 2004, as a pilot project, Lifeline educational materials were provided to TMRMC to be made available to patients and their family members who visit the emergency room. Efforts are currently underway to expand this outreach effort to all 279 hospitals registered with the Florida Department of Health. During 2005, the Project participants will continue to work with Florida's hospitals to provide Lifeline educational materials to eligible patients and family members.

Tallahassee Urban League: The Urban League provides assistance to many people within the community, some of whom may be eligible for Lifeline. During 2004, the Tallahassee Urban League joined in the outreach effort to provide Lifeline educational materials to eligible

citizens in the Tallahassee area, and to explore new ways to provide educational materials to eligible individuals. During 2005, the Project participants will continue to work with the Urban League to expand this outreach effort to Urban Leagues throughout the state.

Telecommunications Companies: The LECs have worked jointly with the state agencies on outreach efforts such as the DCF Lifeline Project, the OPC's implementation of the income eligibility criteria procedures, and the Lifeline Project resulting from the 2003 Act. Additionally, each of the LECs that offer Lifeline provides Lifeline information to the customers on an annual basis through mailouts or bill inserts. Some companies voluntarily provide Lifeline information more than once a year.

As discussed earlier, the LECs have initiated outreach activities at the local level within their service territories, often working jointly with the local public assistance organizations. This type of grass roots work at the local level is a vital component in the effort to increase Lifeline awareness.

United Way of Florida: The United Way works with local organizations to improve the community. Many of those organizations have regular contact with individuals who may be eligible for the Lifeline and Link-Up programs. During 2004, the United Way of the Big Bend agreed to assist in providing Lifeline educational materials to eligible citizens through its member organizations in the Big Bend area, as well as assist in distributing Lifeline educational packets to all of the United Way Regional Offices in Florida. During 2005, the Project participants will continue to work with the United Way to increase Lifeline awareness and participation among individuals who are assisted through the United Way member organizations.

U.S. Department of Housing and Urban Development (HUD): The Federal Public Housing Assistance (Section 8) Program is under the U.S. Department of Housing and Urban Development but is administered at the state level through local public housing agencies. Prior to the Project, Lifeline educational kits were sent to all 128 agencies that administer Section 8 Housing in Florida. Some agencies have placed as many as four separate orders for additional educational materials. The Commission will continue to work with the local public housing agencies to ensure that they receive adequate supplies of educational materials to provide to eligible citizens in their program.