

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

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

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PREPARED BY
The Florida Public Service Commission
Office of Telecommunications
Office of Consumer Assistance & Outreach

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List of Acronyms

CFR	Code of Federal Regulations
CLEC	Competitive Local Exchange Carrier
DCF	Department of Children and Families
ETC	Eligible Telecommunications Carrier
FCC	Federal Communications Commission
FPG	Federal Poverty Guidelines
FPSC	Florida Public Service Commission
ILEC	Incumbent Local Exchange Carrier
NARUC	National Association of Regulatory Utility Commissioners
NASUCA	National Association of State Utility Consumer Advocates
NCPW	National Consumer Protection Week
OPC	Office of Public Counsel
SNAP	Supplemental Nutrition Assistance Program (formerly Food Stamps)
USAC	Universal Service Administrative Company
USF	Universal Service Fund

Executive Summary

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 in accordance with Section 364.10, Florida Statutes. The Lifeline program is designed to enable low-income households to obtain a \$12.75 discount on their monthly phone bills or the option of receiving a free Lifeline cell phone and monthly minutes. The Link-Up program helps low-income consumers by reducing the telephone service installation charge and pays one-half (up to a maximum of \$30) of the initial installation fee for a traditional wireline telephone or an activation fee for a wireless telephone if applicable. As of April 1, 2012, the Federal Communications Commission (FCC) eliminated the Link-Up program except for recipients on Tribal lands.

This report presents Lifeline participation data for the July 2011 through June 2012 program year, and evaluates procedures put in place to strengthen the Lifeline program and increase the number of participants. The number of eligible customers participating in the Lifeline program in Florida grew 9.7 percent during the July 2011 through June 2012 annual review period. As of June 30, 2012, 1,035,858 eligible customers participated in the Lifeline program. The five companies which accounted for 98 percent of Florida Lifeline customers are SafeLink Wireless, Assurance Wireless, BellSouth Telecommunications, LLC, d/b/a AT&T Florida (AT&T), Embarq Florida, Inc. d/b/a CenturyLink, and Verizon Florida LLC (Verizon). As of June 30, 2012, SafeLink Wireless had 430,048 Lifeline customers, and Assurance Wireless had 428,830, which together accounted for 83 percent of Florida Lifeline customers. The three largest incumbent local exchange carriers (ILECs), AT&T, CenturyLink, and Verizon had 102,363, 35,154, and 18,496 Lifeline customers, respectively.

Lifeline assistance participation in Florida continues to grow through the coordinated enrollment process with the involvement of the FPSC, DCF, OPC, and other state agencies that provide benefits to persons eligible for Lifeline service.¹ According to the U.S. Department of Agriculture Report ending June 30, 2012, Florida had the highest number of households in the nation participating in the Supplemental Nutrition Assistance Program (SNAP), with 1,864,183 households. SNAP continues to be the largest qualifying program for Lifeline assistance in Florida. Compared to last year's figure of 1,690,512 Lifeline-eligible households, this represents an increase of 10.3 percent. Staff anticipates that Lifeline enrollment of new customers will continue to grow due to the current economic conditions.

On February 6, 2012, the FCC released a Report and Order (Order FCC 12-11), and Further Notice of Proposed Rulemaking (FNPRM) addressing Lifeline and Link-Up Reform and Modernization. The stated purposes of FCC Order 12-11 are to strengthen protections against waste, fraud, and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the program to include broadband; and constrain the growth of the program in order to reduce the burden on all who contribute to the

¹ Section 364.10(2)(g)1, Florida Statutes, requires each state agency that provides benefits to persons eligible for Lifeline service to undertake, in cooperation with the Department of Children and Families (DCF), the Department of Education, the Florida Public Service Commission (FPSC or Commission), the Office of Public Counsel (OPC), and eligible telecommunications carriers providing Lifeline services, the development of procedures to promote Lifeline participation.

Federal Universal Service Fund (USF). The FCC's goal is to save \$200 million in 2012, and up to \$2 billion over the next three years. Many of the modifications contained in Order FCC 12-11 have affected Florida's Lifeline program. Major changes which will be discussed in this report include elimination of the Link-Up program on non-tribal lands, elimination of Florida's Lifeline simplified certification process, reduction of the monthly Lifeline benefit, and initiation of a one-per-household rule for Lifeline benefits.

Stay Connected, Florida! was the slogan chosen by the FPSC for Florida's 2012 Lifeline Awareness Week, September 10-14, 2012. FPSC Chairman Ronald A. Brisé kicked off the week by hosting an informal workshop in Tallahassee with representatives from social service agencies whose clients benefit from the Lifeline program and state agencies that facilitate Lifeline's promotion and application process. Essential grassroots support from these agencies is imperative to reaching eligible residents. The workshop focused on ways to ensure that consumers enrolling in Lifeline are not already receiving the service and additional ways to contact potentially eligible consumers. The FPSC believes all eligible low-income consumers who qualify and desire to receive Lifeline assistance should be able to receive the Lifeline discount.

I. Background

By December 31 each year, the FPSC is required to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the number of customers subscribing to Lifeline service and the effectiveness of procedures to promote participation in the program.² This report is prepared pursuant to the requirements Section 364.10, Florida Statutes.

The FCC Lifeline and Link-Up Reform Order³ made major changes in the Lifeline and Link-Up programs. Among them were elimination of the Link-Up program except for recipients on Tribal lands, and elimination of the Lifeline simplified self-certification enrollment process.⁴ The simplified self-certification program allowed consumers to easily apply for and receive Lifeline benefits without documentation burdens. However, the Lifeline coordinated enrollment process,⁵ currently implemented by FPSC and DCF, remains available to applicants in Florida. New changes by the FCC will create a national database for certification and program participation verification of Lifeline applicants. Florida Eligible Telecommunication Carriers (ETCs) are able to access a DCF web services interface⁶ to confirm program participation for SNAP, Medicaid and Florida Temporary Cash Assistance (TCA).⁷

As of June 1, 2012, the FCC requires ETCs to document the eligibility of those consumers seeking to qualify for Lifeline under program-based criteria. However, if ETCs can access state or federal databases to make determinations about consumer eligibility for Lifeline, the FCC will not require ETCs to obtain a new subscriber's documentation of his or her participation in a qualifying program. If a database is used to determine eligibility, the ETC or its representative must note in its records what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline (e.g., name of a state or Federal database.)⁸

Certification and verification can be accomplished using this process if the applicant, in the case of certification, or an existing Lifeline customer, in the case of verification, participates in the SNAP, TCA, or Medicaid programs which are administered by the DCF. If a program other than SNAP, TCA, or Medicaid is used for certification, the provider would have to turn to the agency administering that program, which could be the Florida Department of Education (free school lunch program), the Social Security Administration (Supplemental Security Income), a county-level agency (Low-Income Home Energy Assistance Plan or Section Eight Housing), or the Bureau of Indian Affairs for documentation. However, current data shows that

² Section 364.10(2)(h), Florida Statutes.

³ FCC Order 12-11, released February 6, 2012. In the Matter of Lifeline and Link Up Reform and Modernization. WC Docket No. 11-42.

⁴ The simplified self-certification process approved by the FCC in 2004 and adopted by the FPSC allowed Lifeline applicants to self-certify participation in a Lifeline qualifying program.

⁵ The Lifeline coordinated enrollment process was set up by the FPSC and DCF to allow an applicant for a DCF assistance program to request Lifeline assistance after approved for the DCF program.

⁶ The Web services interface allows Florida ETCs a secure gateway into the DCF computer to verify that a Lifeline customer is participating in the SNAP, Medicaid, or Temporary Cash Assistance program administered by DCF. The ETC enters the person's first and last name, date of birth, and last four digits of the person's social security number. The DCF computer responds as to whether the person currently participates in one of the DCF programs without identifying the program because of confidentiality.

⁷ Nationally known as Temporary Assistance for Needy Families (TANF).

⁸ AT&T Florida has filed a petition at the FCC to confirm that the Florida process meets the FCC criteria and recordkeeping requirements.

over ninety percent of Florida applicants using the Lifeline Coordinated Enrollment Process use SNAP, TCA, or Medicaid for eligibility.

If an ETC does not have access to state or federal databases to make determinations about consumer eligibility, an ETC must review documentation to determine eligibility for new subscribers until such time a qualifying eligibility database is available. Acceptable documentation of program eligibility would include: (1) the current or prior year's statement of benefits from a qualifying state, federal or Tribal program; (2) a notice letter of participation in a qualifying state, federal or Tribal program; (3) program participation documents (e.g., the consumer's SNAP electronic benefit transfer card or Medicaid participation card (or copy thereof); or (4) another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.

Florida's proactive actions of having a Lifeline coordinated enrollment process and Lifeline web services interface for certification and verification will help ease the transition from Lifeline simplified certification. ETCs can still receive Lifeline applications through the coordinated enrollment process with DCF and the FPSC, and certify or verify participation in a DCF Lifeline-qualifying program through the DCF web services interface.

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 as outlined in Section 364.10, Florida Statutes. Under the FCC rules, there were four tiers of monthly federal Lifeline support until June 1, 2012, as described below. The FCC Lifeline and Link-Up Reform Order replaced the first three tiers of support with a flat \$9.25 credit per month.

- The first tier of federal support was a \$6.50 monthly credit for the federal subscriber line charge, which was available to all eligible subscribers.
- The second tier of federal support was a \$1.75 monthly credit that was available to subscribers in those states that have approved the credit.
- The third tier of federal support was 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,⁹ Florida Lifeline subscribers received a total monthly credit of \$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 have received a credit less than \$13.50 if the subscriber's bill for basic local telephone service was less than the maximum available credit, or the ETC had an FCC approved subscriber line charges less than \$6.50.

⁹ Since Florida does not have a state Universal Service Fund, the \$3.50 credit is absorbed by the ETC or Lifeline reseller providing service.

- 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.

The Link-Up program helped low-income consumers by reducing the telephone service installation charge and paid one-half (up to a maximum of \$30) of the initial installation fee for a traditional wireline telephone, or an activation fee for a wireless telephone if applicable. As of April 1, 2012, the FCC eliminated the Link-Up program except for recipients on Tribal lands.

Transitional Lifeline Assistance requires that ETCs provide former Lifeline customers a 30 percent discount off the residential basic local service rate. The customer may receive the subsidy for one year from the date the customer ceases to be qualified for Lifeline.¹⁰

III. Customer Eligibility

Program-Based

Eligibility for Lifeline in Florida can be determined by customer enrollment in any one of the following programs:¹¹

- Temporary Cash Assistance
- Supplemental Security Income
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Plan
- National School Lunch Program's (NSLP) Free Lunch
- Bureau of Indian Affairs Programs (Tribal Temporary Assistance for Needy Families (TANF), Head Start Subsidy, and NSLP)¹²

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 Lifeline program. Section 364.10(2)(a) provides that each local exchange telecommunications company that has more than 1 million access lines and is an ETC shall provide Lifeline applicants, who meet an income eligibility test of up to 150 percent of the FPG with Lifeline service. In 2010, Section 364.10(2)(a), Florida Statutes, was revised to allow any commercial mobile radio service provider designated as an ETC pursuant to 47 U.S.C. §214(e), to provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the FPG, upon filing a notice of election to do so with the FPSC. The U.S. Department of Health

¹⁰ Section 364.105, Florida Statutes.

¹¹ Rule 25-4.0665(1) and (2), Florida Administrative Code.

¹² Eligible consumers living on tribal lands qualify if participating in one of the following federal assisted programs: (1) Tribal TANF, (2) National School Lunch Program's Free Lunch Program, or (3) Head Start Subsidy.

and Human Services made a decision to increase the 2012 FPG, as shown in Table 1 below.¹³ The OPC certifies customer eligibility under the income test for customers requesting to be enrolled in the Lifeline program for those local exchange telecommunications companies designated as ETCs that have more than one million access lines as described above. The OPC can also do income certification for wireless ETCs who have filed a notice election to do so with the FPSC.¹⁴

Table 1 shows the monthly and yearly total household incomes at 150% of FPG necessary to qualify for Lifeline.

Table 1. 2012 U.S. Poverty Guidelines

Household (number of people)	2012 U.S. Poverty Guidelines Total Household Annual Income	150% of U.S. Poverty Guidelines Total Household Monthly Income	150% of U.S. Poverty Guidelines Total Household Annual Income*
1	\$11,170	\$1,396	\$16,755
2	\$15,130	\$1,891	\$22,695
3	\$19,090	\$2,386	\$28,635
4	\$23,050	\$2,881	\$34,575
5	\$27,010	\$3,376	\$40,515
6	\$30,970	\$3,871	\$46,455
7	\$34,930	\$4,366	\$52,395
8	\$38,890	\$4,861	\$58,335

*For families with more than 8 persons, add \$5,940 for each additional person to the yearly amount.

Source: Florida OPC Website, 2012.

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 ETC¹⁵ 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.¹⁶

By Order FCC 11-161, released November 18, 2011, the FCC determined that it is appropriate to describe the core functionalities of universal service supported services as voice telephony service. Because consumers are increasingly obtaining voice services over broadband networks as well as over traditional circuit switched telephone networks, the FCC modified the definition of companies able to receive universal service support by simply shifting to a technologically neutral approach, allowing companies to provision voice service over any

¹³ Federal Register: January 26, 2012 (Volume 77, Number 17), Notices.

¹⁴ See Section 364.10(2)(a), Florida Statutes.

¹⁵ House Bill 1231 removed the Florida Public Service Commission authority to designate ETC wireless telecommunications providers. Effective July 1, 2012, wireless providers must directly apply for Florida ETC designation with the FCC.

¹⁶ 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.

platform, including the Public Switched Telephone Network and Internet Protocol networks. A carrier that is granted ETC status is eligible to receive universal service support¹⁷ pursuant to FCC rules.¹⁸

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,¹⁹ and the carrier must advertise the availability of such services and charges using mass media. Additionally, a company applying and qualifying for designation as an ETC must demonstrate good management and legitimate business practices to successfully administer the Lifeline program, ensuring that granting them ETC status is in the public interest to the citizens of Florida.

Twenty-seven companies have received ETC status in Florida and participated in the Lifeline Program as of June 30, 2012:

- Absolute Home Phone
- BellSouth Telecommunications, LLC, d/b/a AT&T Florida (AT&T)
- Ganoco, Inc., d/b/a American Dial Tone²⁰
- Budget Prepay, Inc. d/b/a Budget Phone
- dPi Teleconnect, LLC
- Easy Telephone Services Company
- Embarq Florida, Inc. d/b/a CenturyLink
- Express Phone Service, Inc.
- GTC, Inc. d/b/a FairPoint Communications
- FLATEL, Inc.
- Global Connection Inc. of America
- Frontier Communications of the South, LLC
- ITS Telecommunications Systems, Inc.
- Knology of Florida, Inc.
- Midwestern Telecommunications, Inc.²¹
- Northeast Florida Telephone Company d/b/a NEFCOM
- Nexus Communications, Inc. d/b/a Nexus Communications TSI, Inc.
- Smart City Telecommunications LLC, d/b/a Smart City Telecom
- Sun-Tel USA, Inc.
- Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone
- T-Mobile South LLC d/b/a T-Mobile Wireless
- Tele Circuit Network Corporation

¹⁷ 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.

¹⁸ 47 CFR pt. 54 – Universal Service.

¹⁹ Those services supported by Universal Service include the following: (1) voice grade access to the public switched network or its functional equivalent, (2) minutes of use for local service provided at no additional charge to end users, (3) toll limitation to qualifying low-income consumers, and (4) access to the emergency services 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems.

²⁰ American Dial Tone, Inc. – Certificate of Authority cancelled November 3, 2011.

²¹ Midwestern Telecommunications, Inc. – Certificate of Authority cancelled April 27, 2012.

- TracFone Wireless, Inc. d/b/a SafeLink Wireless
- Verizon Florida LLC
- Verizon Wireless (former ALLTEL territory)²²
- Virgin Mobile USA, L.P. d/b/a Assurance Wireless
- Windstream Florida, Inc.

Subsequent to June 30, 2012, i-wireless d/b/a Access Wireless was designated as an ETC in Florida by the FCC; and Cox Florida Telecom LP was designated by the FPSC as a Wireline ETC in Florida to provide Lifeline service to qualified households in its non-rural and rural service territories.²³

V. Public Interest Determinations

Under Section 214 of the Act,²⁴ the FCC and state commissions must determine that an ETC designation is consistent with the public interest, convenience and necessity for rural areas. They also must consider whether an ETC designation serves the public interest consistent with Section 254 of the Act. Congress did not establish specific criteria to be applied under the public interest tests set forth in Section 214. The public interest benefits of a particular ETC designation must be analyzed in a manner that is consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.²⁵ The FPSC continues to make an affirmative determination that such designation is in the public interest, regardless of whether the applicant seeks designation in an area served by a rural or nonrural carrier.

Beyond the principles detailed in the Act, the FCC and state commissions have used additional factors to analyze whether the designation of an ETC is in the public interest. A rigorous ETC designation process ensures that only fully qualified applicants receive designation as ETCs, and that all ETC designees are prepared to serve all customers within the designated service area.

²² Verizon Wireless has provided notice that it will be relinquishing its ETC status in Florida as of December 31, 2012.

²³ The ETC designation for its rural areas will be effective upon FCC approval of a national petition by Cox for forbearance from the study area redefinition requirement. Redefinition of a rural study area is required to receive high-cost USF monies if an ETC is not going to serve the entire rural service area of a rural ILEC. The FCC has stated in previous orders redefinition does not need to be considered for Lifeline-only ETCs such as Cox Florida Telecom LP.

²⁴ The Telecommunications Act of 1996.

²⁵ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order FCC 05-46 (¶40), adopted February 25, 2005, released March 17, 2005.

VI. Subscribership and Participation Rates

A. Lifeline

The number of customers enrolled in Lifeline increased by 92,004 during the July 2011 through June 2012, 12-month review period, representing a 9.7 percent increase. Table 2 shows the number of Lifeline subscribers from June 2009 through June 2012. The increase of Lifeline subscribers receiving benefits in 2012 is largely attributable to wireless companies and the current economic conditions in the state.

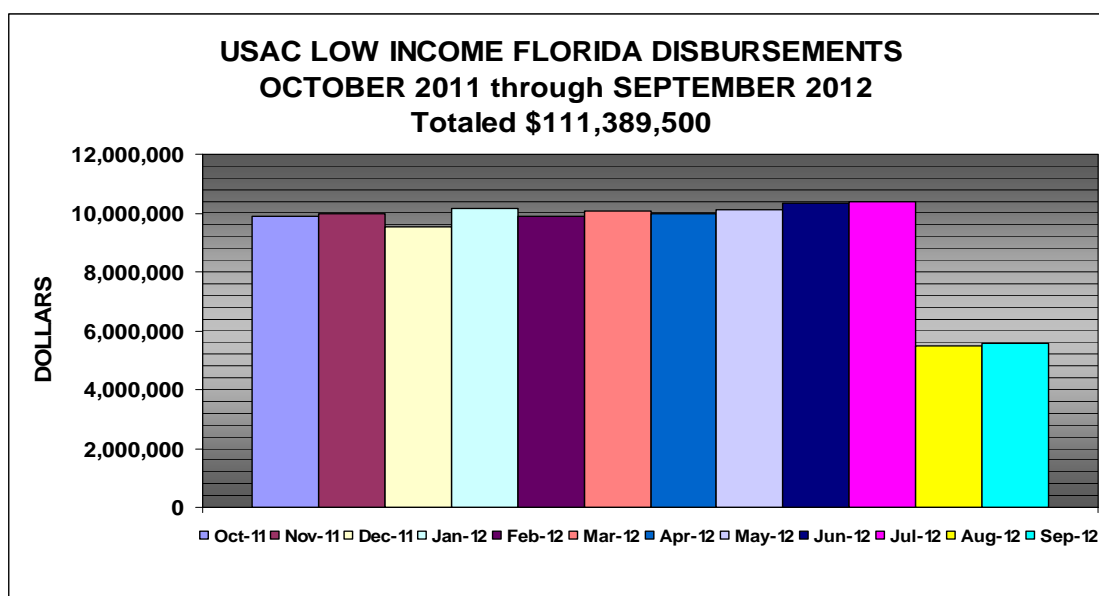
Table 2. Florida Lifeline Subscribership

	June 2009	June 2010	June 2011	June 2012	% Net Gain 2011-2012
Lifeline Subscribers	618,774	642,129	943,854	1,035,858	9.7%

Source: Industry responses to FPSC data requests (2009-12)

Table 3 reflects Universal Service Administrative Company (USAC) Florida Lifeline disbursements at an all time high for the 12-month period ending September 2012, totaling \$111,389,500, an average of \$9,282,458 per month over the period. These dollars enabled Florida citizens qualifying for Lifeline benefits to receive discounted monthly bills with a current credit of \$12.75, or a free Lifeline wireless phone with 250 free monthly minutes. The Lifeline Reform Order required USAC to move low-income disbursements to payments based on actual subscriber counts, as opposed to projected payments by October 2012. As of October 31, 2012, all Low Income Program payments are based on actual support rather than based on projections made by USAC. Since ETCs would lose one month of cash flow because of the transition, ETCs were allowed to select which month to transition from projected to actual subscriber counts. As can be seen in Table 3, some ETCs transitioned in August 2012 and some in September 2012, which reduced overall disbursements for those two months.

Table 3. USAC Low Income Florida ETC Disbursements



Source: USAC Disbursement Data for Florida ETCs (September 2012)

Table 4 shows Lifeline participation rates for June 2009 through June 2012.²⁶ As of June 2012, the participation rate was 55.6 percent. Lifeline Enrollment increased 9.7 percent over the previous year due primarily to factors such as the continued economic conditions and the Lifeline participants of ETC wireless providers SafeLink Wireless and Assurance Wireless which accounted for 858,878 participants and 82.9 percent of Florida’s total Lifeline customers as of June 30, 2012. Florida was the largest SNAP²⁷ recipient in the U.S. in June 2012 with 1,864,183 households receiving SNAP benefits. Since all SNAP recipients are eligible for Lifeline, the number of Lifeline-eligible households in Florida increased 10.3 percent over 2011.

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

Year	Lifeline Enrollment	Eligible Households	% Participation Rate
June 2012	1,035,858	1,864,183	55.6%
June 2011	943,854	1,690,512	55.8%
June 2010	642,129	1,422,837	45.1%
June 2009	618,774	1,185,516	52.2%

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 (2009-2012); and the U.S. Department of Agriculture data figures are as of September 28, 2012.

²⁶ The participation rate is determined by comparing the actual number of Lifeline participants to the number of estimated eligible households.

²⁷ United States Department of Agriculture, Supplemental Nutrition Assistance Program (SNAP), formerly Food Stamps. Data figures are as of September 29, 2012.

Table 5 represents the net participation of Lifeline enrollment of 1,035,858 from June 2008 through June 2012. Florida had a 9.7 net percent increase in enrollment as of June 30, 2012, over the previous year.

Table 5. Lifeline Net Participation

ETCs	June 2008	Net Growth Rate	June 2009	Net Growth Rate	June 2010	Net Growth Rate	June 2011	Net Growth Rate	June 2012	Net Growth Rate
SafeLink	N/A	N/A	393,036	N/A	396,114	0.80%	447,379	12.9%	430,048	-3.9%
Assurance						N/A	286,866	N/A	428,830	49.5%
AT&T	104,506	12.00%	126,090	20.70%	126,114	0.02%	122,849	-2.60%	102,363	-16.7%
CenturyLink	34,803	15.90%	39,855	14.50%	41,593	4.40%	39,524	-5.0%	35,154	-11.1%
Verizon	22,720	-5.00%	20,916	-7.90%	23,681	13.20%	22,307	-5.8%	18,496	-17.1%
Windstream	4,266	12.10%	4,807	12.70%	5,517	14.80%	6,249	13.3%	6,775	8.4%
Budget Phone	565	857.60%	1,134	100.70%	3,099	173.30%	2,912	-6.0%	1,399	-52.0%
Flatel	N/A	N/A	2,279	N/A	1,888	-17.20%	2,845	50.7%	1,469	-48.4%
FairPoint	2,179	7.30%	2,777	27.40%	3,093	11.40%	2,446	-20.9%	2,146	-12.3%
American Dial Tone ²⁸	1,847	0.40%	2,862	55.00%	18,127	533.40%	1,903	-89.5%	N/A	-100.0%
TDS Telecom	735	-0.10%	845	15.00%	920	8.90%	811	-11.8%	728	-10.2%
NEFCOM	638	0.50%	837	31.20%	769	-8.10%	795	3.4%	804	1.1%
Knology	221	75.40%	695	214.50%	959	38.00%	761	-20.6%	751	-1.3%
Sun-Tel						N/A	434	N/A	1,065	145.4%
Nexus	2,084	2.30%	1,038	-50.20%	333	-67.92%	201	-39.60%	132	-34.3%
ITS Telecom	101	27.80%	124	22.80%	147	18.50%	178	21.1%	190	6.7%
dPi	N/A	N/A	588	N/A	1273	116.50%	169	-86.7%	31	-81.7%
Frontier	172	14.70%	179	4.10%	159	-11.20%	157	-1.3%	174	10.8%
T-Mobile						N/A	70	N/A	232	231.4%
Smart City	9	12.50%	20	122.20%	18	-10.00%	23	27.8%	33	43.5%
Verizon Wireless ²⁹	32	-15.80%	66	106.30%	18	-72.70%	17	-5.6%	26	52.9%
Global Connection									594	100.0%
Absolute Home Phone									89	100.0%
TeleCircuit									1,497	100.0%
Midwestern ³⁰	465	167.20%	107	-77.00%	153	43.00%	16	-89.5%	N/A	-100.0%
Express	N/A	N/A	2,275	N/A	3,923	72.40%	1	-100.0%	N/A	-100.0%
Easy Telephone	N/A	N/A	N/A	N/A	376	N/A	0	-100.0%	4	100.0%
Non-ETC Reseller	8,551	N/A	18,073	121.60%	13,664	-24.40%	4,941	-63.8%	2,828	-42.8%
Total	183,972	15.70%	618,774	236.30%	642,129	3.80%	943,854	47.0%	1,035,858	9.7%

Sources: FPSC data requests (2008-2012)

²⁸ American Dial Tone, Inc. – Certificate of Authority cancelled November 3, 2011.

²⁹ Verizon Wireless has provided notice that it will be relinquishing its ETC status in Florida as of December 31, 2012.

³⁰ Midwestern Telecommunications, Inc. – Certificate of Authority cancelled April 27, 2012.

As presented in Table 6, the 5 Florida ETCs which had the largest number of Lifeline participants had a net customer gain in 2012 of 95,966 customers.

Table 6. SafeLink Wireless, Assurance Wireless, AT&T, CenturyLink, and Verizon Customer Gain/Loss

Company	June 2012 Customer Participation	Lifeline Customer Gain/Loss over 2011
SafeLink Wireless	430,048	-17,331
Assurance Wireless	428,830	141,964
AT&T	102,363	-20,486
CenturyLink	35,154	-4,370
Verizon	18,496	-3,811
Total	1,014,891	95,966

Source: Industry responses to FPSC data requests (2011-2012)

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 if applicable. 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. As of April 1, 2012, the FCC eliminated the Link-Up program except for recipients on Tribal lands.

Table 7 displays Link-Up participants for AT&T, Verizon, and CenturyLink from June 2009 through June 2012. SafeLink Wireless and Assurance Wireless, cell phone providers of Florida Lifeline, accounted for 858,878 customers and do not charge Link-Up or activation charges to Lifeline customers. The decrease in Link-Up participants in 2012 was significantly lower over the previous year due to the increase in SafeLink Wireless and Assurance Wireless customers and the elimination of non-tribal Link-Up applicants in April 2012.

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

Year	AT&T, Verizon, and CenturyLink/Embarq Link-Up Customers
June 2012	2,319
June 2011	12,980
June 2010	53,078
June 2009	35,330

Source: Industry responses to FPSC data requests (2009-2012)

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 on the residential basic local service rate for a period of 12 months after ending Lifeline service. 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 CenturyLink for June 2008 through June 2012. The slight increase in Transitional Lifeline participants in 2012 is attributable to improvement in the consumer's socio-economic status.

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

Year	AT&T, Verizon, and CenturyLink/Embarq Participants
June 2012	3,566
June 2011	3,118
June 2010	3,710
June 2009	3,996
June 2008	8,822

Source: Industry responses to FPSC data requests (2008-2012)

D. Lifeline Coordinated Enrollment Process

Implementation of the Lifeline coordinated enrollment process has been a major success. The FPSC began formally tracking the number of Lifeline applications filed via the Lifeline coordinated enrollment process in July 1, 2007, and cumulative Lifeline coordinated enrollment applications as of June 30, 2012, totaled 476,481.

The coordinated 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. 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 a desire to receive Lifeline. The FPSC computers sort the information by ETC and place the applications on the FPSC's secure Web site for retrieval by the appropriate ETC.

All ETCs are required to enroll the subscriber in the Lifeline 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 as shown in Rule 25-4.0665, F.A.C. 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 initial enrollment and annual re-certification procedures will help to reduce duplicate Lifeline benefits. Furthermore, with more companies participating in the Lifeline program, the potential to continue to reach significantly greater numbers of eligible customers in coming years still exists.

VII. Regulatory Actions Impacting Florida's Lifeline Program

Key actions by the Florida Legislature, the FPSC, and FCC occurred during 2012. A discussion of these initiatives is presented below.

A. Florida Legislature

Current law provides that personal identifying information of a participant in Lifeline held by the FPSC is confidential and exempt from public record requirements. The information may be released as provided by law. An officer or employee of a telecommunications carrier who intentionally discloses the confidential and exempt information commits a misdemeanor of the second degree.

HB 7109 passed the House on February 23, 2012, and subsequently passed the Senate on March 9, 2012. The law reenacts this public record exemption, pursuant to the Open Government Sunset Review Act,³¹ which requires the Legislature to review each public record and each public meeting exemption five years after enactment. In addition, HB 7109 expanded the list of entities subject to penalties for disclosing such information to include officers or employees of the FPSC. The bill was signed into law by the Governor on May 4, 2012. The effective date of the law was October 1, 2012.

³¹ Section 119.15, Florida Statutes, the Open Government Sunset Review Act of 1995.

B. Federal Communications Commission

1. FCC Lifeline and Link-Up Reform and Modernization

On February 6, 2012, the FCC released a Report and Order (Order FCC 12-11) and FNPRM addressing Lifeline and Link-Up Reform and Modernization. The FCC's goal is to strengthen protections against waste, fraud, and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the program to include broadband; and constrain the growth of the program in order to reduce the burden on all who contribute to the USF. The FCC's intent is to save \$200 million in 2012, and up to \$2 billion over the next three years. Many of the following modifications contained in Order FCC 12-11 will affect Florida's Lifeline program.

- Lifeline Credit has been revised. The Federal Communications Commission reduced the amount of monthly federal reimbursement a Lifeline provider can receive from the federal universal service fund from \$10 to \$9.25. The \$3.50 state Lifeline credit which Lifeline providers are responsible for has not changed. Florida Lifeline customers will see their Lifeline credit reduced from \$13.50 to \$12.75 credit (or equal wireless minutes) effective April 1, 2012.
- Lifeline benefit "one-per-household" rule initiated effective June 1, 2012. A "household" is considered "any individual or group of individuals who are living together at the same address as one economic unit." An economic unit consists of all adult individuals contributing to and sharing in the income and expenses of a household. There can be more than one household at an address.
- Elimination of Link-Up reimbursement on non-Tribal lands. Link Up provided qualifying consumers with discounts of up to \$30 off the initial costs of installing a single telecommunications connection. The FCC concluded that the dollars spent on Link Up in its current form can be better spent on other uses, such as modernizing the program and constraining the overall size of the fund. Declining costs and competitive pressures have led many Lifeline providers to stop assessing connection charges on low-income consumers. The FCC eliminated the Link-Up program effective April 2, 2012.
- Phase out of toll-limitation service. FCC Order 12-11 eliminates ETC toll limitation service (TLS) reimbursement from the USF effective January 1, 2014. For 2012, the reimbursement is \$3, for 2013 it drops to \$2, and in 2014 it reduces to \$0. TLS is premised on the belief that one of the primary reasons subscribers lose access to telecommunications services is disconnection for failure to pay long distance (toll) bills. TLS historically has included both toll blocking, which prevents the placement of all long distance and international calls for which the subscriber would be charged, and toll control, which limits to a preset amount of long-distance calls.
- New Eligibility Criteria requirement effective June 1, 2012.
 - Program-based Eligibility - If a Lifeline provider can determine a prospective subscriber's program-based eligibility for Lifeline by accessing one or more databases containing information regarding enrollment in qualifying assistance

programs, the provider must access such eligibility databases to determine whether the prospective subscriber qualifies for Lifeline based on participation in a qualifying assistance program.

If a Lifeline provider cannot determine a prospective subscriber's program-based eligibility for Lifeline by accessing eligibility databases, the applicant must provide documentation demonstrating that he/she qualifies for Lifeline under the program-based eligibility requirements. Because of these new FCC requirements, the Florida Lifeline simplified certification process has been eliminated.

- Initial Income-Based Eligibility - If a Lifeline provider can determine a prospective subscriber's income-based eligibility by accessing one or more databases containing information regarding the subscriber's income, the provider must access such income databases and determine whether the prospective subscriber qualifies for Lifeline.

If a Lifeline provider cannot determine a prospective subscriber's income-based eligibility by accessing income databases, the applicant must provide documentation that establishes that he/she meets the income-eligibility criteria of 150% of the Federal Poverty Guidelines.

- Prepaid wireless Non-Usage rule, effective May 1, 2012. Applies to Lifeline Prepaid Service Providers that do not charge for service on a monthly basis and do not have a regular billing relationship with the subscriber, or other similar relationship to track activity by the subscriber. Examples would include SafeLink Wireless and Assurance Wireless.

Some Lifeline customers abandon the service, transfer the service to someone else, or fail to use the service at all. Yet, the lifeline provider continues to get reimbursed each month from the federal universal service fund. This wastes Lifeline support, because the program is not actually benefiting the consumer for which it is intended. To address this situation, the FCC initiated a "non-usage" rule. If a Lifeline customer's account is considered inactive following non-usage in any 60-day period of time, service de-enrollment and deactivation will result

- National Lifeline Accountability Database. The FCC Lifeline and Link-Up Reform Order requires USAC to establish a National Lifeline Accountability Database by February 2013, to detect and prevent duplicative support in the Lifeline program. It is possible for a Lifeline customer to receive duplicate Lifeline benefits through two Lifeline providers since the ETCs do not have access to other ETCs customer bases. The National Lifeline Accountability Database will eliminate existing duplicative support and prevent duplicative support in the future.

The database will have the ability to receive and process subscriber information provided by ETCs to identify whether a subscriber is receiving a Lifeline benefit from another ETC. The database will be capable of accepting queries from an ETC to enable them to determine if a prospective subscriber is already receiving Lifeline support from another ETC.

- National Lifeline Eligibility Database. The FCC directed the USAC to take all necessary actions so that, as soon as possible and no later than the end of 2013, there will be an automated means to determine Lifeline eligibility for, at a minimum, the three most common programs through which consumers qualify for Lifeline, Medicaid, SNAP, and SSI.
- Lifeline in areas zoned as “Commercial.” There have been instances where otherwise eligible applicants have been denied Lifeline service because they live in facilities that are zoned for commercial, rather than residential use. Examples include group living facilities such as single-room occupancy buildings, lodging houses, rooming houses, and shelters, rather than individual residences.

The new rule provides that if the consumer is otherwise eligible for Lifeline and the consumer certifies at enrollment that the address of record provided by the consumer is his or her residential address, the consumer should not be denied Lifeline because of residence in an area that is commercially zoned. Lifeline applicants must indicate whether the applicant’s address on the application is temporary or permanent. If it is temporary, the Lifeline provider must verify with the subscriber every 90 days that he/she continues to rely on that address.

2. ETC Florida Wireless Applications submitted to the FCC

Effective July 1, 2011, the FPSC no longer has authority to designate wireless ETCs in the State of Florida. ETC applications for Florida now must be filed directly with the FCC. As of October 1, 2012, the following Florida ETC Wireless petitions were pending at the FCC:

- Airvoice Wireless, LLC
- Birch Communications d/b/a Now Communications
- Blue Jay Wireless, LLC
- Budget PrePay, Inc.
- Cintex Wireless, LLC
- Consumer Cellular
- EZ Reach Mobile, LLC
- Free Mobile, Inc
- Global Connection Inc. of America
- ICON Telecom, Inc.
- Kajeet, Inc.
- Linkup Telecom, Inc.
- Nexus Communications, Inc
- NewPhone Wireless, L.L.C.
- Platinum Tel Communications, LLC
- Q Link Wireless LLC
- TAG Mobile LLC (dPi Wireless)
- Tele Circuit Network Corporation

- Telrite Corporation
- TerraCom
- True Wireless, LLC
- Total Call Mobile, Inc.
- You Talk Mobile – Federal, LLC

C. Florida Public Service Commission

The FCC Lifeline and Link-Up Reform Order 12-11 made major changes to the Lifeline and Link-up programs which affect the Florida Link-up and Lifeline programs. The FPSC has been working with the industry and other agencies to implement the FCC changes.

1. Lifeline Work Group

The Lifeline Work Group was created by Section 364.10(2)(g)3, Florida Statutes, and includes the Commission, the Department of Children and Families, the Office of Public Counsel, and each eligible telecommunications carrier offering Lifeline and Link-Up services. Its purpose is to determine how the eligible Lifeline subscriber information will be shared, the obligations of each party with respect to the use of that information, and the procedures to be implemented to increase enrollment and verify eligibility in these programs.

A Lifeline Work Group meeting was held at the FPSC on November 7, 2011 to discuss procedures to be implemented to increase Lifeline enrollment, specifically, three items:

- a) The new 2011 language contained in Section 364.10(2)(h), Florida Statutes, which states "The commission may undertake appropriate measures to inform low-income consumers of the availability of the Lifeline and Link-Up programs."
- b) The 2011 Final Report by the National Regulatory Research Institute which recommends that the Commission staff should work with Florida telecommunications providers to determine how they can assume the majority of Lifeline outreach over the long term.
- c) Recommendations from The Florida Legislature Office of Program Policy Analysis and Government Accountability that eligible telecommunications carriers develop outreach materials for specific consumer groups, such as young and rural populations, and wireless users; and develop outreach strategies.

A Lifeline Work Group meeting was also held at the FPSC on April 18, 2012. The purpose of this meeting was to solicit input for development of procedures to promote Lifeline participation. Specifically, staff sought input on:

- a) Ideas to create a new process to make Lifeline enrollment as easy as possible for new applicants in light of the new FCC requirement that all ETCs, prior to enrolling a new subscriber in Lifeline, must access state or federal social services eligibility databases (where available) to determine a consumer's program-based eligibility, or in the alternative, document the eligibility of those consumers seeking to qualify for Lifeline under program-based criteria.

- b) A means to make better use of the Florida DCF Web Services Interface for verification of consumer participation in a Lifeline qualifying DCF program.
- c) Possible creation of a new streamlined Lifeline application that meets the new requirements of Order FCC 12-11.
- d) Other ideas to streamline the Lifeline enrollment process for both the applicant and ETC.

2. Initiation of Rulemaking to Amend Rule 25-4.0665, Florida Administrative Code (FAC), Lifeline Service, and to Repeal Rule 25-4.113, FAC, Refusal or Discontinuance of Service by Company.

On January 18, 2012, the FPSC conducted a rule development workshop regarding the initiation of rulemaking to amend Rule 25-4.0665, Florida Administrative Code, to eliminate the requirement of Lifeline quarterly reporting, to require that a customer's Lifeline local service may not be discontinued if the charges, taxes and fees applicable to dial tone, local usage, dual tone multifrequency dialing, emergency services such as "911," and relay service are paid, and to clarify ETC responsibilities regarding record retention, resale of Lifeline lines, and advertising, including developing outreach materials for specific consumer groups and outreach strategies. Consistent with the 2011 changes made to Chapter 364, Florida Statutes, Rule 25-4.113, Florida Administrative Code, would be repealed.

On September 19, 2012, the FPSC held another rulemaking workshop to discuss implementation of new requirements contained in the FCC Lifeline and Link-Up Reform Order 12-11. The discussions included how Rule 25-4.0665 would be amended to require ETCs to comply with Lifeline subscriber eligibility determinations and certifications as contained in CFR §§54.409, 54.410, and 54.416, to eliminate Link-Up, to update Lifeline applications, and further discuss items from the January 18, 2012 workshop.

3. Cox Florida Telecom LP ETC Designation.

By Order PSC-12-0500-PAA-TP, issued September 28, 2012, and Order PSC-12-0552-PAA-TP, issued October 17, 2012, the FPSC granted ETC designation to Cox Florida Telecom LP. Cox Florida Telecom LP was approved as an ETC for the limited purpose of receiving federal universal service low income support for providing lifeline service to qualified households in its non-rural, and rural service territory in Florida.

4. FPSC Actions to Prevent Waste, Fraud and Abuse of the Federal USF.

Florida has been at the forefront in enforcing safeguards to prevent waste, fraud, and abuse of the USF. Florida's leadership in creating the National ETC Coordinating Group to monitor prospective and existing ETCs across the country, has enabled information sharing with all states,³² to monitor new ETC petitioners and existing ETCs to prevent waste, fraud, and abuse of the USF on a national basis.

³² The ETC State Coordinating group includes state commission members from forty eight states and the District of Columbia.

Florida was one of two states personally commended by FCC Chairman Julius Genachowski for its formidable efforts to identify and eliminate fraud in the Lifeline Assistance program. In the December 12, 2011 letter, Chairman Genachowski praised the states' efforts to end any potential fraud in the Universal Service Fund, specifically recognizing actions by Florida and Wisconsin, and also urged state commissions to join the FCC's national effort "to reform the Lifeline program...and to take swift and strong action when necessary to protect the program."

The FPSC strives to protect the integrity of the Lifeline program in the State of Florida and takes appropriate enforcement action when necessary. The Commission has statutory authority to grant landline ETC designations, and can also revoke ETC status when warranted. Protecting against waste, fraud, and abuse in the Lifeline program is contingent upon developing adequate safeguards to ensure that funds are being dispersed and expended according to state and federal regulations and guidelines. Unlawful and inappropriate USF disbursements are inconsistent with public trust and negatively impacts states like Florida, which contributes more into the USF than it receives. Establishing and enforcing protective Lifeline program safeguards continues to be a FPSC priority.

VIII. Lifeline Assistance Promotion, Pursuant to Section 364.10, F.S.

Promotional activities in 2012 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 program.

Lifeline Across America. In 2012, the Lifeline Across America Working Group (FCC, NARUC, and NASUCA representatives) concentrated on the fourth annual National Telephone Discount Lifeline Awareness Week (LAW). The Group's national effort is to ensure that low-income families and individuals are aware of the Lifeline program and understand the participation requirements, including the requirement that eligible consumers may receive no more than one Lifeline discount. The FCC worked with its partners in the Lifeline Across America Working Group (LAAWG) and others to increase awareness among low-income consumers about the recent Lifeline program reforms and participation requirements. The LAAWG produced an outreach campaign to educate consumers about the new Lifeline rules, including an eligibility screening tool, an online tool to help consumers find companies providing Lifeline discounts, a consumer's guide, and public service announcements (PSAs, in English and Spanish). Important messages about the FCC's program changes--removing duplicative subscriptions and requiring proof of eligibility--were highlighted by the states during LAW. According to NARUC, more than 15 state public utility commissions issued press releases, received gubernatorial proclamations, released radio and television PSAs, and published letters-to-the-editor to help promote Lifeline.

Also, the technical sub-group of Lifeline Across America (FCC, NARUC, USAC, and state commission representatives) held conference calls to discuss special issues related to the administration of the Lifeline program. The FPSC shares information about Florida's Lifeline regulations and procedures and Florida's LAW with the Lifeline Across America sub-group.

National Lifeline Awareness Week (September 10-14, 2012). *Stay Connected, Florida!* was the slogan chosen by the FPSC for Florida's 2012 Lifeline Awareness Week, September 10-14. In addition to increasing awareness among eligible citizens, this year, Florida's LAW aimed to educate FPSC partners on recent FCC rule changes to curb program abuse that limit benefits to one per eligible household, with annual recertification required to continue receiving the benefit. Now in its fourth year, LAW events were also held throughout Florida to help seniors and low-income Floridians learn about, and apply for, the program.

FPSC Chairman Ronald A. Brisé kicked off the week by hosting an informal workshop in Tallahassee with representatives from social service agencies, whose clients benefit from the Lifeline program, and state agencies that facilitate Lifeline's promotion and application process. Essential grassroots support from these agencies is imperative to reaching eligible residents. The workshop focused on ways to ensure that consumers enrolling in Lifeline are not already receiving the service and on additional ways to contact potentially eligible consumers. The FPSC believes all eligible low-income consumers who qualify and desire to receive Lifeline assistance should be able to receive the Lifeline discount. .

Workshop participants included the United Way of the Big Bend; Tallahassee Housing Authority; Agency for Health Care Administration; Florida Departments of Children and Families, Economic Opportunity, Education, Elder Affairs, and Health; Florida Telecommunications Relay, Inc.; 2-1-1 Big Bend; AARP; **WORKFORCEplus**; Tallahassee Urban League; Tallahassee Caribbean Association; and the Office of Public Counsel.

During LAW, FPSC staff visited senior centers in Jacksonville, Miami Gardens, Tampa, Riviera Beach, Palm Beach Gardens, and Lauderhill to explain the recent Lifeline program changes and help eligible seniors sign up for the program. The Commission partnered with Workforce centers in Carol City and Tampa to help Florida's unemployed residents get a phone to connect with job opportunities, businesses, and community services; to help them save money on their telephone and utility bills; and to share recent Lifeline rule changes. As of June 30, 2012, 1,035,858 eligible Florida telecommunications customers participated in the Lifeline program.

Each LAW event offered individual assistance to consumers applying for the program. Several telecommunications companies and Linking Solutions joined the FPSC at the senior centers and Workforce locations offering program information and assistance in signing up eligible residents.

National Consumer Protection Week and Other Community Events. The FPSC continuously seeks existing community events and new venues and opportunities where Lifeline educational materials can be distributed and discussed with citizens. The 14th Annual National Consumer Protection Week (NCPW), March 4-10, 2012, was a good backdrop for Lifeline outreach activities. NCPW, an annual consumer education campaign, encourages individuals to take advantage of their consumer rights. For this year's event, FPSC Chairman Brisé hosted a *Super Tuesday Consumer Forum* on Tuesday, March 6. Participating Cabinet offices and other agencies joined Chairman Brisé and staff to arm consumer agencies throughout Florida with helpful information for Florida residents. Chairman Brisé's goal for the Forum was to share important Lifeline information and some effective ways for Floridians to make wise spending choices, avoid scams, and conserve water and energy to help lower their utility bills. More than

15 consumer groups and state agencies attended the event, where they learned about the needs of Florida's consumer agencies and discussed ways to raise consumer awareness. Also during NCPW, FPSC staff made presentations to seniors in Fort Walton Beach, Jacksonville, and Tampa, showing them how to save money on their water and utility bills and how to sign up for Lifeline Assistance.

This year, the FPSC participated in a national project called Older Americans Month, celebrated each May to honor and recognize older Americans for the contributions they make to their families, communities, and society. *Never Too Old to Play* was this year's theme, and the FPSC held educational sessions with Florida senior centers in Tampa, Orlando, Jacksonville, Palm Beach Gardens, and Miami. The FPSC's educational sessions showed seniors ways to conserve energy and water and highlighted the Lifeline program. An FPSC article outlining the importance of Older Americans Month, the Commission's outreach activities, and the Lifeline program was featured in the July/August edition of the Florida Department of Elder Affairs' *Elder Update*.

Other events and locations where Lifeline information was shared included Ambassadors for Aging Day; Active Living Expo; Earth Day at the Capitol; Community Days in Hillsborough County and the cities of Hialeah, Melbourne, Sweetwater, Miami Gardens, Lake Park, Palatka, and Brooksville; Florida Departments of Elder Affairs and Health's Falls Prevention Awareness Day; Senior Days in Jacksonville, Tampa, Orlando, and Tallahassee; Lane Wiley Senior Center; Leroy Clemons Senior Center; Maxville Senior Center; Orange Park Senior Center; Wiegel Senior Center; Orange County Consumer Fraud Unit; Elder Care Services; Seniors in Service of Tampa Bay, Inc.; Elder Affairs SHINE Program of Putnam County; Community Legal Services of Mid-Florida, Inc.; Brevard Health Alliance in Melbourne; Palm Beach County Health Department; Senior Solutions of Southwest Florida; Senior Friendship Centers, Inc.; Discipline of Christ Family Day; Miami-Dade County Department of Human Services; Tampa Housing Authority; Alliance for Aging, Inc.; and Mid-County Senior Center.

Each year the FPSC provides educational packets, including publications and Lifeline brochures and applications in English, Spanish, and Creole to Florida public libraries across the state for consumer distribution. This year's Library Outreach Campaign reached 333 public libraries and branches throughout Florida.

Connect Florida Campaign. The Connect Florida Campaign (Campaign), established by Linking Solutions, Inc., OPC, and AT&T in 2004, continues to increase consumer awareness and participation in Lifeline. During the July 2011–June 2012 reporting period, Lifeline Partners joined AT&T and OPC in support of the initiative. Campaign event locations included Fort Pierce, Melbourne, Lake Park, Palatka, Orlando, Miami, Miami Gardens, Brooksville, Hialeah, Florida City, Vero Beach, Jacksonville, and Pensacola. In addition to the larger events, campaign activities included smaller training sessions with non-profit organizations, public agencies, faith based groups, community centers, and community activities. From July 2011–June 2012, the Linking Solutions Campaign held 168 sessions throughout Florida with 19,703 attendees and submitted 8,411 Link-Up Florida and Lifeline applications.

Community Services Block Grant Program. The Florida Department of Economic Opportunity (DEO) includes Lifeline services as an indicator in its work plan, allowing the Community Action Agencies to report the number of clients they help receive Lifeline

services. During the sixth year of reporting, from October 2010–September 2011, an additional 2,382 households signed up for Lifeline benefits through 19 Community Action Agencies. Data for the October 2011 to September 2012 period is not available until early 2013.

Income-Based Lifeline Applicants. OPC provides assistance to consumers applying for Lifeline based upon income and receives an average of 3,625 calls per month. OPC staff processed over 43,500 calls from potential applicants from July 2011–June 2012. During that time, OPC also received 29,027 Florida OPC Lifeline applications and approved approximately 14,168 applications for customers of AT&T, CenturyLink, Verizon, SafeLink Wireless, and Assurance Wireless. The remaining applications were either denied, pending, or from customers of other companies. Applications that were received but not included in these totals were from out-of-state customers or were public assistance program-based applications and forwarded to the appropriate company. Since September 2008, OPC has been processing income-based applications for customers of TracFone/SafeLink Wireless and since October 2010, for customers of Virgin Mobile/Assurance Wireless.

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 in the next section) have continued to develop new partnerships, participate in local community events, offer training sessions, provide updates about program changes, and supply brochures and applications. The information provided in the 2003 through 2007 Lifeline Reports offers a detailed historical perspective and illustrates ongoing outreach efforts. Learn more about the Lifeline Partners and their valuable assistance in promoting Lifeline by visiting the FPSC's Web site at <http://www.psc.state.fl.us/publications/reports.aspx#tele>.

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 Lifeline program. Each month, the FPSC sends a cover letter and informational packet to two organizations to encourage continued Lifeline outreach to their eligible clientele. In an additional outreach effort, the FPSC attends two community events monthly to promote Lifeline.

Lifeline Partners include these local, state, and federal agencies, organizations, and businesses:

- AARP - Florida Chapter (formerly the American Association of Retired Persons)
- Ability Housing of Northeast Florida
- ACCESS Florida Community Network Partners
- Agency for Health Care Administration (AHCA)
- Agency for Persons with Disabilities
- 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
- Boley Centers, Inc.
- Braille and Talking Book Library
- Brain Injury Association of Florida, Inc.
- Bureau of Indian Affairs Programs

- Capital Area Community Action Agency, Inc. (CACAA)
- Centers for Independent Living
- City and County Consumer Assistance Departments
- City and County Housing Authorities
- Communities In Schools Foster Grandparent Program
- Community Partnership Group
- Faith Radio Station and other Florida radio stations
- Federal Social Security Administration (SSA) - Tallahassee District
- Florida Alliance for Information and Referral Services (FLAIRS)
- Florida Assisted Living Association
- Florida Association for Community Action (FACA)
- Florida Association of Community Health Centers
- Florida Association of Counties
- Florida Association of County Human Service Administrators
- Florida Association of Food Banks (FAFB)
- Florida Association of Housing and Redevelopment Officials (FAHRO)
- Florida Coalition for Children
- Florida Coalition for the Homeless
- 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 Developmental Disabilities Council
- Florida Elder Care Services
- Florida Home Partnership
- Florida Hospital Association
- Florida Housing Coalition
- Florida Housing Finance Corporation
- Florida League of Cities, Inc.
- Florida Low Income Housing Associates
- Florida Nurses Association
- Florida Office of Public Counsel (OPC)
- Florida Public Libraries
- Florida Public School Districts
- Florida Public Service Commission (FPSC)
- Florida Rural Legal Services, Inc.
- Florida Telecommunications Relay, Inc. (FTRI)
- Florida Voters League
- 1000 Friends of Florida, Inc.
- Habitat for Humanity – Florida
- HANDS of Central Florida
- Hemophilia Foundation of Greater Florida

- Leon County School Board
- Linking Solutions, Inc.
- Mid-Florida Housing Partnership, Inc.
- NAACP (Florida Associations)
- Nursing Homes Administrators
- Senior Resource Alliance
- Tallahassee Memorial Hospital (TMH) and other Florida hospitals
- Tallahassee Urban League
- Three Rivers Legal Services, Inc.
- United Way of Florida
- Urban Leagues of Florida
- U.S. Department of Housing and Urban Development (HUD)
- Washington County Council on Aging

Telecommunications Companies:

Twenty-seven companies had ETC status in Florida and participated in the Lifeline Program as of June 30, 2012:

- Absolute Home Phone
- BellSouth Telecommunications, LLC, d/b/a AT&T Florida (AT&T)
- Ganoco, Inc., d/b/a American Dial Tone³³
- Budget Prepay, Inc. d/b/a Budget Phone
- dPi Teleconnect, LLC
- Easy Telephone Services Company
- Embarq Florida, Inc. d/b/a CenturyLink
- Express Phone Service, Inc.
- GTC, Inc. d/b/a FairPoint Communications
- FLATEL, Inc.
- Global Connection Inc. of America
- Frontier Communications of the South, LLC
- ITS Telecommunications Systems, Inc.
- Knology of Florida, Inc.
- Midwestern Telecommunications, Inc.³⁴
- Northeast Florida Telephone Company d/b/a NEFCOM
- Nexus Communications, Inc. d/b/a Nexus Communications TSI, Inc.
- Smart City Telecommunications LLC, d/b/a Smart City Telecom
- Sun-Tel USA, Inc.
- Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone
- T-Mobile South LLC d/b/a T-Mobile Wireless
- Tele Circuit Network Corporation
- TracFone Wireless, Inc. d/b/a SafeLink Wireless
- Verizon Florida LLC

³³ American Dial Tone, Inc. – Certificate of Authority cancelled November 3, 2011.

³⁴ Midwestern Telecommunications, Inc. – Certificate of Authority cancelled April 27, 2012.

- Verizon Wireless (former ALLTEL territory)³⁵
- Virgin Mobile USA, L.P. d/b/a Assurance Wireless
- Windstream Florida, Inc.

IX. Effectiveness of Procedures to Promote Participation

Efforts to increase Lifeline participation can be separated into two categories, consumer outreach and enrollment process. The FPSC, in cooperation with other state and federal agencies, OPC, ETCs, and other organizations, remains engaged in extensive outreach efforts. Because most of these efforts run concurrently, measuring the impact of any single activity on Lifeline participation is difficult. Nevertheless, outreach efforts overall are having a positive outcome and should be continued. Outreach efforts are also being expanded to include more CLEC and wireless ETCs.

The Commission continues to focus on enrollment process issues as a means of increasing participation. As previously discussed in this report, specific enrollment process initiatives include the following:

- FPSC Lifeline Coordinated Online Application Process
- FPSC/DCF Initial Lifeline Enrollment Procedure
- Annual Re-Certification Procedures
- DCF Certification/Verification Web Services Interface
- Lifeline Rulemaking Workshops
- Lifeline Work Group Meetings

X. Conclusion

The overall net Lifeline growth rate was 9.7 percent during the July 2011 through June 2012 review period. As of June 30, 2012, 1,035,858 eligible customers participated in the Florida Lifeline program. The FPSC attributes the continued growth of Lifeline to the ETC designation of prepaid wireless providers, such as SafeLink Wireless and Assurance Wireless, which provide a free phone and free monthly minutes to the customer. As a result of the continued increase in Florida Lifeline participation, USAC Low Income disbursements for Florida ETCs for the 12-month period ending September 2012 was at an all time high which totaled \$111,389,500, and averaged \$9,282,458 per month.

FPSC Chairman Ronald A. Brisé kicked off National Lifeline Awareness Week (September 10-14, 2012) by hosting an informal workshop in Tallahassee with representatives from social service agencies whose clients benefit from the Lifeline program and state agencies that facilitate Lifeline's promotion and application process. As in past years, the FPSC's Lifeline Awareness Week aimed to increase awareness among citizens who receive assistance from public benefits programs or who are income eligible.

³⁵ Verizon Wireless has provided notice that it will be relinquishing its ETC status in Florida as of December 31, 2012.

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. The FPSC will also continue its work on streamlining the Lifeline enrollment process and refining the FPSC/DCF Lifeline coordinated application procedure in Florida so that applying to the Lifeline program is easier and faster than in previous years.

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