

FLORIDA PUBLIC SERVICE COMMISSION

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

COMMENTS OF FRONTIER COMMUNICATIONS

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

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

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

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

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

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

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

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

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

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

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

III. Conclusion.

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

Respectfully submitted,

"/s/" Gregg C. Sayre

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

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CERTIFICATE OF SERVICE

[FLORIDA PUBLIC SERVICE COMMISSION - Undocketed]

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F.A.C., Lifeline Service**

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

"s/" Gregg C. Sayre

Gregg C. Sayre

By E-Mail:

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