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Sent: Tuesday, February 27, 2007 1:58 PM
To: Samantha Cibula
Cc: WHITE.CHANEL
Subject: Lifeline Post-Workshop Comments

Samantha:

This e-mail follows up on the rule development workshop held at the Florida Public Service Commission on February 6, 2007. I want to reiterate our overall support for the rules proposed by staff.

More Must be Done to Increase Lifeline Enrollment

According to the Florida Public Service Commission's report on Lifeline submitted to Governor, President of the Senate, and Speaker of the House on December 28, 2006, Lifeline enrollment as of September, 2006 stood at 145,734 participants, reflecting a 12.7% participation rate. This participation rate barely exceeds the participation rate of 12.4% recorded in September, 2005, and is lower than the paltry participation rates recorded from 1998 through 2004. See Table 2, *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation*, Florida Public Service Commission, December, 2006.

This is not to say that efforts have not been made by many to increase awareness about the availability of Lifeline services. See *Petition to Implement Automatic Enrollment for Lifeline Service* filed by the Office of Public Counsel and AARP on October 11, 2006, at pages 2-3 for a brief overview of these efforts. Rather, despite these efforts, the Lifeline participation rate still remains far too low -- and far below the national average for Lifeline participation rates. The low Lifeline participation rates in Florida compared to the rest of the country should be kept in mind as the Commission considers rules governing Lifeline service.

The Office of Public Counsel supports the rules proposed by staff because the new rules should make existing Lifeline enrollment a more user-friendly procedure for participants. However, the rules do not address what we consider the most important step that must be taken to increase participation: automatic enrollment. We remain convinced that automatic enrollment will be the most effective means to increase participation in Lifeline.

Lifeline Subscribers Should Be Allowed to Purchase Packages of Services as Part of their Lifeline Service

One important way to make Lifeline more attractive to eligible subscribers is to allow subscribers to purchase the types of services they want to purchase while maintaining their eligibility for a Lifeline credit. At the workshop Ms. White of the Office of Public Counsel testified that many lifeline customers would like to subscribe to packages of services. They may feel that a package contains the most economical bundle of

services that meets their needs. Elderly lifeline eligible subscribers may want caller ID in particular to avoid scams or telemarketers who target the elderly. Long distance is a bundled feature desired by lifeline eligible customers because they may have friends and family in other states with whom they want to communicate.

From February 2005 through January 2007 the Office of Public Counsel talked with approximately 170 Verizon Lifeline applicants who expressed concern that Verizon would not allow them to subscribe to a package and receive the Lifeline credit. Sometimes the applicants gave up their package in order to get the credit, and others kept the package while forfeiting the Lifeline credit for which they would otherwise be eligible.

All packages offered by the companies should be eligible for the Lifeline credit in order to promote lifeline participation and to provide Lifeline subscribers services which meet their needs. Offering the Lifeline credit only with the basic bundled package would be an improvement over the requirements which exist today, but it is still a second best alternative.

The Rules Should Require ETCs to Provide a Receipt to Applicants

The Office of Public Counsel frequently receives complaints from customers stating that they have not received a Lifeline credit, even though they sent a Lifeline application to their ETC months before.

Subsequent to the workshop, the following information was provided to BellSouth, Verizon and Sprint:

1. On average, we receive 75 calls per week from people who tell us that they have sent their Lifeline application to a company, but the company claims to have not received it.
2. On average, we receive 77 calls per week from people who tell us that they sent their Lifeline recertification to a company, but the company claims to have not received it.
3. Approximately 10% of these calls are from BellSouth customers, 10% are from Embarq customers, and 80% are from Verizon customers.

It turns out that sometimes the Lifeline applicant sent their materials to the wrong address, and the process of determining what went wrong can take more than three months to resolve. Lifeline applicants find these to be an extremely frustrating experience, and many quit pursuing Lifeline or decide to apply for Lifeline through the Office of Public Counsel rather than through the company. Requiring the companies to provide a receipt to Lifeline applicants when the companies receive the application would mitigate the frustration experienced by Lifeline applicants in these situations.