

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

February 27, 2007

BY HAND DELIVERY

Ms. Samantha Cibula
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Ms. Cibula:

Enclosed are the comments of Windstream Florida, Inc. on the proposed amendments to the Lifeline Rule.

Thank you for your assistance in this matter.

Sincerely,



J. Jeffrey Wahlen

Enclosures

FLORIDA PUBLIC SERVICE COMMISSION

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

Undocketed
Submitted: 2.27.07

WINDSTREAM FLORIDA, INC. POST-WORKSHOP COMMENTS

Windstream Florida, Inc. (“Windstream”), by and through its undersigned counsel, hereby submits the following post-workshop comments on the draft Amendment of Lifeline Rule 25-4.0665 discussed at the February 6, 2007 workshop.

General Position

Windstream supports the efforts to implement Lifeline Rules for all certified Eligible Telecommunications Carriers (ETCs), but believes the draft rule should be amended before adoption.

Procedural Background

On February 6, 2007, a workshop was held by Commission staff to discuss in detail any issues with the proposed amendment to the Lifeline rules. A representative of Windstream participated in staff’s workshop and submitted oral comments and a written exhibit (copy attached hereto as Exhibit One). Windstream concurred at the workshop with comments offered by BellSouth Telecommunications, Verizon and TDS Telecom. Windstream’s comments on specific portions of the proposed rule are shown below.

Proposed Rules

Rule 25-4.0665 (1)(b):

Windstream proposes that the language in this rule should be clarified so that subsection (1)(b) only applies to those ETCs that have been authorized to rebalance access and local rates. Small LECs that have not rebalanced rates should not be required to adopt the 135% threshold.

Rule 25-4.0665 (3):

Windstream does not support adoption of this section as written, and proposes that this section be amended to read: “The Lifeline discount shall be applied to the tariffed basic or other generally available residential service rate.” This language will apply the Lifeline discount fairly to all ETCs - not just Incumbent Local Exchange Companies (“ILECs”) that are ETCs. Wireless ETCs do not have “basic local exchange service” and “nonbasic service” so the rule language as proposed does not have meaning for them.

Although many ILECs allow Lifeline subscribers to purchase bundled service packages, not all have made that business decision to do so. The FCC rules on Lifeline do not require companies to apply the Lifeline discount to bundled services and Windstream believes that decision should remain an individual company’s business decision.

From the beginning, the purpose of the Lifeline program was to make basic local service available to persons who could not afford the service thereby allowing the customer to remain on or gain access to the public switched network with access to basic dial tone and E911. The service was means tested so that qualifying low income persons would be eligible to participate, based on a public policy assumption that certain persons who could not otherwise afford basic telephone service ought to receive a credit so basic service would be affordable to them. Application of the discount to all bundles that contain basic local service (R-1) does not advance this public policy purpose.

As Exhibit One shows, a customer who chooses Windstream's most expensive bundled package, which includes R-1 service, will be paying a net price of approximately \$43.00 after the Lifeline discount is applied. This net amount is over 250% of the basic service price (\$16.88) without the discount. The public policy assumption underlying the Lifeline program is that eligible persons cannot afford or, alternatively, have difficulty affording, basic local service priced at \$16.88 per month. The validity of this assumption is questionable if a customer, who presumably cannot afford \$16.88 per month, purchases a bundle of services the net cost of which is approximately \$43.00, or 250% more than the cost of basic service. For this reason, Windstream believes that the decision to offer the Lifeline discount to bundled services should be left to the discretion of the ETC, not mandated by FPSC rule. To do otherwise would significantly expand the scope of the Lifeline program and be inconsistent with its underlying public policy purpose.

Rule 25-4.0665 (8):

Windstream is not able to accept applications electronically and to require that we do so would cause the company to incur significant costs that out-weigh the overall benefit of such a process, particularly in light of the new FPSC online process, which appears to be working. Instead, Windstream suggest ETCs continue to work with staff on the FPSC's online application process to improve its effectiveness.

Rule 25-4.0665 (9):

Windstream proposes that section be deleted. Windstream is not aware of situations where one of its customers claims to have signed up for Lifeline, but either did not receive the credit or the credit was delayed. That being the case, Windstream does not believe that the benefit to customers, if any, would be significant enough to justify the cost to the ETCs.

Customers will see the Lifeline benefit on their bills within no more than two months. If the subscriber has questions in the interim about their Lifeline credit, they can call their company to inquire about the status of their application.

Rule 25-4.0665 (11):

Windstream proposes that this paragraph be deleted, because it simply refers to an FCC rule that applies to ETCs whether or not this section is included.

Rule 25-4.0665 (16):

Consistent with its comments on Rule 25-4.0665(9), Windstream proposes that the second sentence regarding an application receipt be deleted.

Rule 25-4.0665 (18):

Windstream believes FPSC lifeline rules should be consistent with FCC rules. Current FCC rules require that only one Lifeline discount be provided per subscriber and until the FCC changes that rule, Windstream does not believe the FPSC should have a contradictory rule. Accordingly, Windstream proposes that this section be deleted.

Rule 25-4.0665 (25):

Windstream believes the current requirement to provide this information annually is sufficient and that the FPSC staff adequately can monitor the Lifeline program using the monthly data available from the FCC and data requests on a case by case basis. Although Windstream understands Staff's desire to attempt to understand Lifeline enrollment trends and the underlying causes of those trends, it believes that requiring all ETCs to submit all of the information specified in the rule is not needed to achieve this result. Simply put, if the Staff notices significant changes in Lifeline enrollment for a particular ETC, it should discuss the underlying

causes with the ETC or send a data request seeking information about the causes. The information the Staff receives in this manner can then be used by staff to improve the program.

If the Staff does not embrace this approach, Windstream proposes that the rule be clarified to state that the list of data (a – l) in subsection (25) must be provided only if the ETC maintains it in the normal course of business. Many of the companies, including Windstream, do not currently track some or much of this information in the format requested and to make changes to our systems to allow such tracking would be very costly.

Conclusion

Windstream appreciates the opportunity to file these post-workshop comments on the draft rule amendments and commits to working with the FPSC staff, OPC, AARP, the Attorney General and other interested persons on the adoption of proposed rule amendments.

Respectfully submitted this 27th day of February, 2007.



J. Jeffrey Wahlen
Ausley & McMullen, P.A.
227 South Calhoun Street
Tallahassee, Florida 32302
(850) 425-5471 (direct)
(850) 558-1315 (fax)
jwahlen@ausley.com

Attorneys for Windstream Florida, Inc.

EXHIBIT ONE

Windstream Florida, Inc.

R-1 (Average of High and Low)	\$10.57
SLC	<u>6.31</u>
	\$16.88
LifeLine Credit	<u>(13.50)</u>
Net R-1 Price	<u>\$3.38</u>
Voice Only Bundle (R-1, features ¹ and unlimited LD)	\$49.95
SLC	6.31
Lifeline Credit	<u>(13.50)</u>
Net Bundle Price	<u>\$42.76</u>

Net Bundle Price (\$42.76) is more than two and one-half times (250%) of basic service price (\$16.88)

¹ Includes: Caller ID Deluxe, Enhanced Call Waiting, Caller ID on Call Waiting, Call Return, Repeat Dial, 3-Way Calling, Speed Calling 30, Call Forwarding, Selective Call Rejection, Selective Call Acceptance, Call Selector, Preferred Call Forwarding, Anonymous Call Rejection and the option of Ring Plus (where available).