



The Florida Senate

Interim Project Summary 2005-116

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Committee on Communications and Public Utilities

Senator Lee Constantine, Chair

ASSESSMENT OF LIFELINE ASSISTANCE PROGRAM

SUMMARY

Lifeline and Link-Up assistance is part of a federal Universal Service program designed to enable low-income households to afford basic local telephone service provided by eligible telecommunications companies. Lifeline assistance is a credit of up to \$13.50 for basic local telephone service on a qualified customer's monthly bill. Link-Up assistance is a 50 percent reduction in the telephone hook-up charge, up to \$30.00. The Tele-Competitive Innovation and Infrastructure Enhancement Act of 2003 expanded the eligibility criteria to qualify for assistance. The purpose of this project was to determine if sufficient participation is being achieved and if not, to develop options regarding criteria for eligibility, program promotion, or certification procedures that could be used to improve participation.

Staff finds that, while participation may not be at the level envisioned by Legislators when they enacted the 2003 Act, promotional efforts have been significant. The commission continues to expand eligibility consistent with federal guidelines. Staff recommends authorizing the commission to adopt other guidelines for those who would not otherwise have access to basic local telecommunications services and to monitor funds expended, requiring additional spending when necessary. Staff recommends the commission be given authority to establish enrollment guidelines.

BACKGROUND

Lifeline and Link-Up assistance is part of a federal Universal Service program designed to enable low-income households to afford basic local telephone service provided by eligible telecommunications companies (ETCs)¹. Qualified customers receive a credit of up to \$13.50 for basic local telephone service

on their monthly bills from the incumbent local exchange telecommunications companies (ILECs). Under the Federal Communications Commission's (FCC) rules, there are four tiers of monthly federal Lifeline support.²

The first tier of federal support is a \$6.50 credit for the federal subscriber line charge, which is available to all eligible subscribers. Florida has approved the second tier of federal support, which is a \$1.75 credit. The third tier of federal support is one-half of the amount of additional state support up to a maximum of \$1.75 of federal support. Florida requires carriers as additional state support to provide an additional \$3.50 credit to Lifeline customers' bill. Currently Florida Lifeline subscribers receive a total monthly credit up to \$13.50. The telephone subscriber may receive a credit less than \$13.50 if his bill for basic local telephone service is less than the maximum available credit. A customer cannot receive a bill for local service that is less than zero. The fourth tier is available only to subscribers living on tribal lands and there are no customers in Florida who qualify.³

Link-Up is a companion federal program that provides a 50 percent reduction in the telephone service hook-up charge, up to a maximum of \$30.00. Companies offer installment payments upon customer request.⁴

Subscribers who are enrolled in any one of the following programs are eligible for both Lifeline and Line-up: Temporary Assistance to Needy Families (TANF); Supplemental Security Income (SSI); Food Stamps; Medicaid; Federal Public Housing Assistance (Section 8); and Low-Income Home Energy Assistance

¹ In Florida, ETCs are the incumbent local exchange telecommunications companies (ILECS).

² Number of Customers Subscribing to Lifeline Service and the Effectiveness of Any Procedures to Promote Participation, Florida Public Service Commission Annual Report to the Governor, President of the Senate, and Speaker of the House of Representatives, December 2003.

³ Id.

⁴ Id.

Plan (LIHEAP). In addition, the Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 specifies that any local exchange telecommunications company authorized by the Florida Public Service Commission (commission or PSC) to reduce its switched network access rates pursuant to s. 364.164, F.S., shall provide Lifeline service to customers who meet an income eligibility test at 125 percent or less of the federal poverty income guidelines.⁵ The Office of Public Counsel (OPC) was designated as the agency to qualify the applicants.⁶ Finally, recently the FCC added National School Lunch Program's Free Lunch Program to the list of eligible programs and increased the income-based criterion to 135 percent of the federal poverty income guidelines.⁷

As of 1998, incumbent local exchange telecommunications companies must offer subscribers who are no longer eligible for Lifeline a 70 percent discounted rate for residential basic local telecommunications service. The discounted rate is available for one year from the time the subscriber is no longer eligible for Lifeline service.⁸

Data from the FCC on Lifeline subscription rates⁹ indicate that the rates range from 3.3 percent in West Virginia to 131.9 percent in California. Other states with high subscription rates include Maine (66.5%), Connecticut (64.9%), Rhode Island (59.1%), and Tennessee (50.0%). Other states with low subscription rates include Arkansas (4.1%), Delaware (6.2%), Tennessee (6.4%), Virginia (6.6%) and Mississippi (6.9%). Removing California from consideration, the average rate for the other states and the District of Columbia is 19.5 percent.

In California, customers received a Lifeline assistance credit up to \$9.70 on their monthly bill and qualify if their total household gross income does not exceed 150 percent of the Federal poverty guidelines. To enroll, customers sign a certification that they qualify and provide it to the company. In Arkansas, customers may receive a credit of up to \$7.76 and to qualify, must

participate in the Food Stamp, Medicaid, Supplemental Security Income, Aid to Families with Dependent Children, Home Energy Assistance, or Federal Public Housing/Section 8 programs. Customers must provide a copy of a document that verifies they participate in any of the qualifying programs.

METHODOLOGY

Staff sent out a questionnaire to all incumbent local exchange telecommunications carriers and met with representatives of some of these companies. Staff of the Florida Public Service Commission and Office of the Public Counsel were interviewed. Staff conducted research and reviewed relevant documents.

FINDINGS

Participation Achievement

The Tele-Competitive Innovation and Infrastructure Enhancement Act of 2003 requires the commission to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 of each year the number of customers who are participating in Lifeline service and the effectiveness of any procedures to promote participation in the program.¹⁰ The commission issued its first report December 2003, the next report is due December 2004.¹¹

Data from the 2004 Lifeline Report indicates that as of September 2004, 154,017 customers were subscribed to Lifeline. It was estimated that 1.1 million customers were eligible to participate resulting in a 14.0 percent participation rate.¹² In addition, the report shows the telephone penetration rates for two selected income categories that represent Florida households falling below U.S. poverty threshold levels which satisfy Lifeline eligibility conditions. The report states for 2003, the percentage of Florida households with telephone service with incomes \$9,999 or less is 89.8 percent and with income between \$10,000 and \$19,999 is 94.4 percent. The number of all households in

⁵ Section 364.10(3)(a), F.S.

⁶ Section 364.10(3)(b), F.S.

⁷ Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Release No. FCC 04-87 (Re. April 29, 2004).

⁸ Section 364.105, F.S.

⁹ Document available in Committee staff files. Baseline Information, Table 1.A, Baseline subscription information (Year 2002), FCC Docket No. 04-87, pg. K-15.

¹⁰ Section 364.10(3)(d and e), F.S.

¹¹ The 2004 report was not final for the completion of this project report, however, certain data from the 2004 Report was made available to staff prior to official release.

¹² Because the 2003 Act added an income qualification to the list of eligibility criteria for Lifeline and Link-Up assistance, approximately 280,000 more households are eligible. A larger denominator results in a lower percentage even though approximately 5,000 new customers were added over the last ten months.

Florida with telephone service is 95.1 percent. For the last three years, overall penetration rates for number of households in Florida with telephone service has increased.

The report discusses Lifeline participation trends in Florida. Data in the report indicate participation increased some years (8 percent between 2000 and 2001, 4 percent in 2002-2003, and 3 percent in 2003-2004) but decreased by 1 percent between 2001 and 2002.

Staff sent a questionnaire to the ten local exchange companies asking various questions about participation, company policy and procedures. Monthly data revealed that Lifeline subscribership is not static. For instance in March 2004, BellSouth added 2,308 Lifeline customers, but lost 1,902 customers, with a net gain of 406. In April 2004, however, BellSouth added 2,252 customers but lost 2,421 customers for a net loss of 169 customers. This general pattern appears consistent with the communications industry.

Based upon information gathered for this report, there are two main issues that impact participation. The first is promotion, making sure qualified customers know about the available assistance. The second is procedure, matching the qualified applicant with the company's customer and awarding the credit.

Promotional Activities

Under s. 364.10(3)(d), F.S., 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 (DCF), the commission, and telecommunications companies providing Lifeline services, the development of procedures to promote Lifeline participation. According to the Lifeline report, DCF is the only Florida state agency that determines eligibility and provides program benefits directly to the citizens. Benefits from other eligible programs are provided by other local and federal agencies.

According to the 2003 Lifeline report, the relevant state agencies having contact with potential subscribers participate are as follows. The Agency for Workforce Innovation and Workforce Florida, Inc., have extensive contact with eligible individuals and provide outreach by working with the regional workforce boards to develop procedures to provide information to individuals visiting the One-Stop Career Centers. The Agency for Health Care administration distributes

information in other forums not used by the Department of Children and Family Services or the Social Security Administration. The Health Care Agency also provides information to administrators of nursing homes through its Quality of Care Monitors Lifeline Educational Kits and insures that the nursing home residents and their family members have educational materials.

Beginning July 2003, the commission and other state and federal agencies, organizations, and ILECs met to undertake the project of evaluating and developing lifeline promotional strategies. The project participants concluded that a majority of eligible consumers could be reached by expanding and increasing Lifeline promotional procedures, but further identified groups of individuals for whom specific outreach efforts should be developed and implemented. Those groups include individuals who either are being transitioned from welfare but qualify for Lifeline based upon the new income eligibility criteria or the discounted transitional Lifeline benefit, or are residing in nursing home facilities, assisted living facilities, and adult family care homes. Regularly recurring promotional activities in effect would continue.

The Florida Department of Children and Families has been appropriated in 2003, \$130,050 for the Lifeline Project. The DCF has included providing information about the Lifeline and Link-Up Programs in the client interview. Brochures and posters were sent to each DCF field office for distribution to program beneficiaries. Finally, effective April 2003, the program eligibility notice also informs clients that they may be eligible for Lifeline assistance.

The Department of Community Affairs regularly includes information about the Lifeline and Line-up Programs in its Elder Update newsletter and provides educational information through its Elder Helpline and health fairs and expos. Additional eligible individuals were identified as those residing in Assisted Living Facilities and Adult Family Care Homes. Activities that target these individuals have been implemented.

The Florida Chapter of the AARP provides Lifeline information on a recurring basis in its magazine, and at the three Florida AARP offices located in Miami, St. Petersburg, and Tallahassee.

Incumbent local exchange telecommunications companies (ILECs) have worked jointly with the state agencies on outreach efforts, with OPC's implementation of the income eligibility criteria

procedures, and the commission's project. The ILECs provide Lifeline information to their customers on an annual basis through mail outs or bill inserts. Information about Lifeline and Link-Up is also available in the local telephone book. In addition, ILECs have joined together to contract with Linking Solutions to create a grass roots campaign to educate consumers on the availability of Lifeline and Link-Up. Linking Solutions works with non-profit organizations, churches, and community groups that naturally serve eligible customers. These organizations become Alliance Partners that are trained to then share information with their members and encourage and assist applying for Lifeline. In addition, BellSouth, Verizon, and Sprint have hosted customer outreach events targeted to eligible customers.

The commission has had an outreach program since 1995. It publishes a variety of educational materials in English, Spanish and Haitian Creole for distribution. It has partnered with county libraries, city and county consumer affairs offices, churches, senior centers, a university social work program, and telecommunications companies to disseminate information. In addition, the commission provides Lifeline information at utility hearings and on its web site. The 2003 change to s. 364.10, F.S. requires ILECs to provide applications, brochures, pamphlets, or other materials that inform persons of their eligibility for Lifeline. Because the commission produced this information up to 2003, the companies utilize the commission's format and then give the printed information to the commission for distribution. The commission also works with several federal and local agencies.

Beginning September 1, 2003, an income criteria was added to the ways in which customers could qualify for Lifeline and Link-up assistance.¹³ Specifically, once BellSouth, Verizon, or Sprint was approved to rebalance their basic local rates under s. 364.164, F.S., customers could also qualify for Lifeline and Link-Up assistance if they met an income eligibility criteria test at 125 percent or less of the federal poverty income guidelines. The Office of Public Counsel was directed to certify and maintain claims submitted by customers of BellSouth, Verizon, or Sprint for eligibility under the income eligibility test.¹⁴

To implement this directive, OPC has established a web site and a toll-free number and attends numerous

sponsored events to assist in outreach efforts. A one-page application can be obtained by applicants at these functions, by calling a toll free number, or by downloading the application off OPC's website. The OPC had over 6,500 requests for an application beginning October 2003 when it began qualifying customers. Since that time, OPC receives on average, approximately 3,000 application requests by telephone per month. OPC has received, on average, 975 completed applications between October 2003 through September 2004. It has approved 10,879 applications and denied 206. There are still 446 applications pending and 169 applications are for service not in BellSouth, Sprint, or Verizon territory.¹⁵

In 2004, two dockets have been open at the commission. The first is pursuant to a petition by the Citizens of Florida to initiate rulemaking that would require local exchange telecommunications companies to provide lifeline service within 30 days of certification [by the OPC].¹⁶ In OPC's petition, it argued that while no specific time is specified in s.364.10(3)(a), F.S., in which eligible customers should receive their Lifeline credit, the purpose of the statute is best served if the commission requires the companies to provide the credit within a reasonable time, such as 30 days upon receipt of notice. On July 6, 2004, the commission voted to initiate rulemaking. A rule development workshop was held on November 5, 2004. No further action has been taken.

The second docket was opened by the commission itself calling for the adoption of the National School Lunch Free Lunch program and income-based criterion at or below 135 percent of the federal poverty guidelines as eligibility criteria for the Lifeline and Link-Up programs.¹⁷ A proposed agency action was issued August 10, 2004, to expand Lifeline eligibility.¹⁸ Specifically, the Order adopted the National School Lunch free lunch program and an income-based eligibility criterion for consumers with incomes at or below 135 percent of the Federal Poverty Guidelines consistent with an FCC Order¹⁹ for purposes of determining eligibility in the Lifeline and Link-Up

¹⁵ Charts provided by Office of Public Counsel, maintained in staff's file, Committee on Communications and Public Utilities.

¹⁶ Docket No. 040451-TP.

¹⁷ Docket No. 040604-TL.

¹⁸ Commission Order No. PSC-04-0781-PAA-TL.

¹⁹ Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Release No. FCC 04-87, (Re. April 29, 2004).

¹³ Section 364.10(3)(a), F.S.

¹⁴ *Id.*

programs in Florida. The commission also allowed Florida consumers that qualify for Lifeline assistance the option of electing a self-certification process by which the amount of Lifeline assistance provided would be based on the type of certification chosen by the consumer. Consumers that self-certified may only receive the federal \$8.50 credit rather than the full \$13.50 credit. The Order requires companies designated as eligible telecommunications companies (ETCs) to disclose to consumers both Lifeline certification processes available and Lifeline credits available under each process. Finally, ETCs are required to report on an annual basis the number of applicants applying for Lifeline and Link-Up, the number of applicants approved, the method of certification, and the amount of credit received.

This Order has been protested by numerous parties and is scheduled to go to hearing January 20-21, 2005. Among the issues raised for hearing are whether the commission is authorized under state or federal law to order the actions set forth in its Order or establish a state Lifeline funding mechanism.

Section 364.10(3)(a), F.S., requires ILECs under certain conditions to offer Lifeline assistance to customers meeting an income eligibility test of 125% or less of the federal poverty income guidelines. The FCC has recently modified their criteria to 135% or less (and is considering raising the level to 150% or less) which has been adopted by the commission. Based upon the changing needs and circumstances of the customers, the Commission should be authorized to adopt, on its own motion, any qualifying criteria approved by the FCC where a criteria would reach low income families and individuals that would benefit from Lifeline and Link-Up assistance and would not otherwise have access to basic local telecommunications services.

These actions focus on increasing the participation rate for Lifeline and Link-Up assistance. Based upon information in a July 9, 2004, commission staff recommendation in PSC Docket No. 040604-TL, as of March 31, 2004, approximately 13.7 percent (or 150,686) of eligible customers subscribe to Lifeline assistance. According to comments of the National Consumer Law Center, the national average penetration rate for Lifeline subscribership was 20 percent.²⁰ In that document, Florida ranked 26th among the fifty states with a penetration rate of 13.9 percent.

²⁰ National Consumer Law Center document on file in Committee office.

Since then the eligibility criteria have been expanded, first by the 2003 Act and then recently by the FCC, and the poverty rate has increased to 13.1 percent in 2003, up from 12.5 percent in 2002²¹, resulting in more Floridians qualifying for Lifeline and Link-Up assistance.

Data provided to staff in response to its questionnaire indicate companies are adding new Lifeline customers every month. However, numerous customers are also dropping off Lifeline for various reasons including moving, non-payment, and no longer qualified.²²

On November 2, 2004, the commission voted to allow \$1,589,368 from unclaimed refunds to be used for Lifeline and Link-Up promotion consistent with the way such programs have been promoted pursuant to a previous settlement agreement between BellSouth and the OPC.²³ Under that agreement, OPC must concur with how the monies will be spent. BellSouth must also submit quarterly reports to the commission as to how the money was spent.

BellSouth, Verizon and Sprint have contracted with Linking Solutions to promote Lifeline and Link-Up assistance. Linking Solutions uses a grass roots approach by contacting community organizations including churches, urban leagues, and community and senior centers that become Alliance Partners. The Alliance Partners are trained and provided with educational materials and applications to pass along to its members.²⁴ This effort appears to be necessary. According to the OPC, one-on-one contact with potential customers is most effective, particularly if the customer is elderly.²⁵

According to the OPC, a profile of these elderly customers shows that they are between 75 and 103 years old, they don't read, write, or remember well, their average phone bill is between \$57 and \$69, and they subscribe to services they don't need or know they have. It appears these customers have a degree of embarrassment because they don't understand their service and they are private about their business affairs.

²¹ Tallahassee Democrat, August 27, 2004, Poverty Rates Climb, Census Bureau Says.

²² Company responses to staff questionnaire on file in Committee office.

²³ Order no. PSC-01-1643-AS-TL issued August 13, 2001.

²⁴ Staff telephone interview with Ava Parker, Linking Solutions, on August 30, 2004.

²⁵ Staff telephone interview with Sharon Wynn, Office of Public Counsel, August 2004.

Generally, elderly customers timely pay their bills and do not question the billing. Senior citizens are a large customer base, and 68 percent of those are low income, living on subsidies. Personal counseling by OPC or Alliance Partners identify these issues, provide the customer with a course of action to lower their bills, and assist in the application for Lifeline assistance.

According to Linking Solutions, younger customers are more aware of alternatives for telecommunications services. Many younger customers use a prepaid service so that they don't have to repay their previous balance with the local exchange company. (Some balances may be substantial.) Another alternative is the new use by low income housing developments of competitive providers serving the complex. Linking Solutions described such a case with a Section 8 housing development contracting with Knowledge to provide service. Younger customers may also prefer to use wireless telephones, which allow them to change addresses without changing service and which may offer prepaid plans. These alternatives do not offer Lifeline assistance, so even though the customer may qualify for Lifeline assistance, other reasons preclude these customers from taking advantage of the program.

Evidence indicates that the current promotional efforts are effective in increasing subscribership. The improved participation is attributable to the passage of the 2003 Tele-Competitive Innovation and Infrastructure Enhancement Act that added eligibility criteria and invoked promises from the large ILECs to spend money on the promotion of Lifeline assistance. Moreover, the Commission and the OPC have been creative in finding additional money to continue funding promotional efforts.²⁶ Should the rates approved by the Commission in the rate rebalancing docket become effective, low income customers may seek ways to reduce the impact of the increase and be receptive to promotional efforts. However, beyond the funding described, there is no long term statutory requirement to continue funding the promotional efforts.

Process

After customers are aware of Lifeline and Link-Up assistance, qualifying becomes the next step. This process does not seem problematic *per se*, but according to Linking Solutions where the onus is on the customer to complete the process, it is harder to get the customer to sign up.

One question staff asked in its questionnaire was for the companies to describe their process for enrolling customers in Lifeline and Link-up. The following describes the general process used by an ILEC to enroll customers. Lifeline Assistance is a credit of \$13.50 against a customer's basic local telephone charges. Therefore, in order to get the credit, the person must be a customer of the local exchange company. In Florida, to get the credit, the customer provides to the telephone company: a current copy of their Medicaid eligibility/award letter (Medicaid); a copy of their Food Stamp Eligibility letter, referred to as "Notice of Case Action" or copies of the food stamp card, food stamp debit card or a current grocery receipt (Food Stamp Card); a copy of their annual "Statement of Benefits" sometimes referred to as an "SSI Award Letter" (SSI); copy of the most current "Statement of Benefits" (TANF); copy of most recent "proof of eligibility" (LIHEAP); copy of Federal Public Housing letterhead with eligibility, Section 8 housing applies (FPH); and application made to OPC or copy of their letter of eligibility (State Means Test). At least every two weeks, the Office of Public Council sends a list of qualified applicants to each of the companies for automatic enrollment. Credits begin thereafter. Where a customer has existing service, Link-Up credit is not appropriate.

When new customers apply for service, they can either bring in the information listed above, or set up the account and send in the information later. The credit is established when the information is received. If the customer is gaining eligibility through the state means test, the most efficient method is to first sign up with the company, then apply with the OPC for eligibility. If a company receives a name of a person not a customer, no credit can be applied.

In instances where a customer has been disconnected for nonpayment of regulated services (e.g. local calling), he may reconnect upon payment of the regulated charges. Most companies will reestablish local service for Lifeline customers and allow repayment of regulated charges in installments. Companies do not require repayment of non-regulated charges but will place free toll blocking on the telephone. A combination of repayment and deposits may be required of Lifeline customers to receive non-regulated services where a balance is outstanding. Because OPC has had the responsibility under the 2003 Act to qualify customers, it has worked with the ILECs and gained experience with those companies' enrollment process. Based upon those experiences, OPC petitioned the commission to initiate rulemaking.

²⁶ Order No. PSC-01-1643-AS-TL.

Specifically, OPC argued that while no specific time is specified in s. 364.10(3)(a), F.S., in which eligible customers should receive their Lifeline credit, the purpose of the statute is best served if the commission required the companies to begin providing the credit within a reasonable time, such as 30 days upon receipt of notice. On July 6, 2004, the commission voted to initiate rulemaking. On November 5, 2004, a rule development workshop was held.

Concurrent with the rulemaking proceeding and as discussed generally above, the commission issued a proposed agency action to expand Lifeline eligibility consistent with FCC requirements.²⁷ The Order was protested and is scheduled for a hearing. Tentative issues to be addressed at that hearing are as follows:

- 1) Is the Commission authorized under state or federal law to order the actions set forth in [the Order]?
- 2) Are the actions taken by the Commission in [the Order] reasonable and non-discriminatory?
- 3) Should the Commission address the Lifeline and Link-Up issues in rulemaking pursuant to Section 120.54, F.S.?
- 4) What are the economic and regulatory impacts of implementing the actions taken by the Commission in [the Order]?
- 5) Should consumers be allowed to self certify for program-based Lifeline and Link-up eligibility?
- 6) If so, how much assistance should be provided for customers using self-certification?
- 7) Is the Commission authorized under state or federal law to establish a state lifeline funding mechanism? If so,
- 8) What is the appropriate state Lifeline funding mechanism and how should it be implemented and administered?²⁸

These two proceedings before the commission are increasing eligibility criteria and addressing whether procedures for enrollment are necessary. Issues 1 and 7 raise the point that the commission may not have authority to promulgate rules regarding Lifeline. Issue 3 raises the point that rulemaking may be the appropriate procedure for addressing expanded eligibility criteria. Based upon the prehearing order in

Docket No. 040604-TL, the docket expanding eligibility criteria, staff estimates a final commission decision may not be issued until possibly the first of April. A rulemaking can take around six months, so staff estimates final rules may be issued around April as well, but that does not take into consideration a protest of those rules.

The Lifeline sections in Chapter 364, F.S., clearly require the commission, OPC, relevant state agencies and the companies to promote the availability of Lifeline and Link-Up. The statutes appear silent as to what to do with the customers once they apply for assistance as indicated by OPC in its Petition for Rulemaking. ILECs have established procedures to enroll qualified Lifeline and Link-up customers based upon each companies' policies and system abilities, therefore, no two procedures are exactly alike. Most customers would be indifferent to these differences as most customers are not moving from one territory to another, however, certain practices or lack thereof could defeat the purpose of the statute.

At a staff rule development workshop, OPC provided examples of obstacles in the Lifeline and Link-UP enrollment process.²⁹ OPC alleges companies have policies regarding Lifeline and Link-Up that:

- Refuse enrollment to customers with optional calling plans or promotional discount packages.
- Require exceptional or non-standard documentation as proof of eligibility.
- Prohibit enrollment to customers with more than one line.
- Require the customers to change the name on their account before enrolling the customer.
- Require frequent recertification of eligibility.
- Prohibit enrollment if customer does not provide social security number.
- Provide burdensome paths of communication between customers and the company.
- Remove the customers from programs without first checking on continued eligibility.
- Place the burden on customers to request Link-Up credit when the application for new service and Lifeline service is made at the same time.

²⁷ Order No. PSC-04—781-PAA-TL, issued August 10, 2004, in Docket No. 040604-TL.

²⁸ Prehearing Order No. PSC-04-1066-PCO-TL, Issued November 1, 2004, PSC Docket No. 040604-TL.

²⁹ OPC Handout with Examples. Available in staff files, Committee on Communications and Public Utilities.

The FCC has directed companies to confirm eligibility on an annual basis.³⁰ If approved by the commission, companies would have to enroll customers within 30 days after receipt of Notice of eligibility. These other issues raised by OPC can be explored in the proceedings before the commission. However, such requirements, along with the experience of Linking Solutions that customers are less likely to complete the application when the onus is on the customer, indicate that cooperation among the commission, OPC, other state agencies and OPC needs to continue.

RECOMMENDATIONS

Although staff is reluctant to recommend any additional regulation in the area of telecommunications, customers may be better served and the agencies involved better assisted if the following were implemented. Staff recommends authorizing the commission to adopt on its own motion or by petition any qualifying criteria approved by the FCC or other criteria, including but not limited to a Florida-specific, self-certification, that would apply to low income individuals or families who would not otherwise have access to basic local telecommunications services.

Staff believes that the promotional efforts of the commission, OPC, the companies and Linking Solutions, and the relevant agencies have met the intent of Section 364.10, F.S. However, the Commission should be authorized to monitor the funds being spent for promotional efforts and the results being obtained, with participation of the Office of Public Counsel, and to require the spending of additional funds, if necessary.

With regard to enrollment processes, staff recommends the commission be given authority to establish enrollment guidelines with broad discretion in establishing those procedures to accommodate the different systems of the providers.

³⁰ Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-Up, Release No. FCC 04-87 (Re. April 29, 2004).