

A REPORT TO THE:

Governor

President of the Senate

Speaker of the House of Representatives



# NUMBER OF CUSTOMERS SUBSCRIBING TO LIFELINE SERVICE

AND THE

# EFFECTIVENESS OF PROCEDURES TO PROMOTE PARTICIPATION

PREPARED BY:

Florida Public Service Commission

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## Table of Contents

I.	Background	2
II.	Program Support	2
III.	Customer Eligibility	3
IV.	Carrier Eligibility	4
V.	Lifeline Subscribership and Participation Rates	5
VI.	Statutory Developments Impacting Florida’s Lifeline Program	8
VII.	Regulatory Actions Impacting Florida’s Lifeline Program	9
	A. Federal Communications Commission	9
	B. Florida Public Service Commission	11
	C. Office of Public Counsel	14
	D. Florida Eligible Telecommunications Carrier Applications	15
VIII.	Development of Procedures to Promote Lifeline	16
	A. Project Participants	17
	B. 2005 Lifeline Promotional Highlights	19
IX.	Effectiveness of Procedures to Promote Participation	23
X.	Conclusion	25
XI.	Appendix A – Promotional Activities	

## **I. Background**

The 2003 Florida Legislature passed a comprehensive rewrite of the Florida Statutes governing the regulation of telecommunications companies in Florida. The legislation entitled “The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003” (the 2003 Act) became law on May 23, 2003, by the signature of the Governor. The 2003 Act requires that by December 31, 2003, each state agency that provides benefits to persons eligible for the Lifeline Assistance Program (Lifeline) shall, in cooperation with the Department of Children and Families (DCF), the Florida Public Service Commission (FPSC or Commission), and telecommunications companies providing Lifeline service, develop procedures to promote participation in Lifeline. The 2003 Act further requires the FPSC to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 each year on the number of customers subscribing to Lifeline service and the effectiveness of procedures to promote participation in the program.<sup>1</sup> This report is prepared pursuant to the requirements of the 2003 Act.

## **II. Program Support**

The Florida Lifeline and Link-Up programs are part of the federal Universal Service program designed to enable low-income households to afford basic local telephone service. Under the Federal Communications Commission’s (FCC) rules, there are four tiers of monthly federal Lifeline support.

- The first tier of federal support is a \$6.50 credit for the federal subscriber line charge, which is available to all eligible subscribers.
- The second tier of federal support is a \$1.75 credit that is available to subscribers in those states that have approved the credit. All fifty (50) states have approved this tier of support.
- The third tier of federal support is 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,<sup>2</sup> Florida Lifeline subscribers currently receive a total monthly credit of \$13.50, consisting of \$10.00 (\$6.50 + \$1.75 + \$1.75) in federal support and \$3.50 in state support. The telephone subscriber may receive a credit less than \$13.50 if the subscriber’s bill for basic local telephone service is less than the maximum available credit. At no time is the customer’s bill for local service less than zero.
- 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 to the extent that the credit does not bring the basic local residential rate below \$1.00 per month.

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<sup>1</sup> Chapter 364.10, Florida Statutes.

<sup>2</sup> Since Florida does not have a state Universal Service Fund, the \$3.50 credit is absorbed by the local exchange telecommunications company providing service.

Link-Up, a companion program, provides a 50% reduction in the telephone service hook-up charge, up to a maximum of \$30. 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% 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.

In 1998, the Florida Legislature created an additional program to benefit low-income subscribers through enactment of Section 364.105, Florida Statutes. This section established Transitional Lifeline Assistance, which requires that each local exchange telecommunications company (LEC) provide subscribers no longer receiving Lifeline assistance a 30% discount off the residential basic local service rate. The subscriber may receive the subsidy for one year from the date the subscriber ceases to be qualified for Lifeline.

### **III. Customer Eligibility**

#### **Program-Based**

Eligibility for both Lifeline and Link-Up in Florida is determined by customer enrollment in any one of the following programs:

- Temporary Assistance to Needy Families (TANF)
- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Plan (LIHEAP)
- National School Lunch Free Lunch Program<sup>3</sup>
- Bureau of Indian Affairs Programs<sup>4</sup>

#### **Income-Based**

Customers with annual incomes up to 135% of the Federal Poverty Guidelines (FPG) are eligible to participate in the Florida Lifeline and Link-Up programs. The 2003 Act specified that any LEC authorized by the FPSC to reduce its switched network access rates pursuant to Section 364.164, Florida Statutes, shall provide Lifeline service to customers who meet an income eligibility test at 125% or less of the FPG. Commission Order No. PSC-03-1469-FOF-TL, issued December 24, 2003, in Docket Nos. 030867-TL, 030868-TL, and 030869-TL authorized

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<sup>3</sup> Order No. PSC-05-0440-PAA-TL, issued April 25, 2005, in Docket No. 050095-TL, approved BellSouth's proposal to add the National School Lunch Free Lunch Program to its Lifeline and Link-Up program-based eligibility criteria. Order No. PSC-05-0918-PAA-TL, issued September 19, 2005, in Docket No. 050490-TL, approved Sprint's proposal to add the National School Lunch Free Lunch Program to its Lifeline and Link-Up program-based eligibility criteria. On October 17, 2005, Verizon filed a tariff, effective November 1, 2005, also adopting the National School Lunch Free Lunch Program.

<sup>4</sup> Eligible consumers living on tribal lands qualify for Lifeline if they participate in one of the following federal assistance programs: (1) Tribal TANF; (2) National School Lunch Free Lunch Program; or (3) Head Start Subsidy.

BellSouth, Sprint, and Verizon to reduce their switched network access rates, and to use the 125% income-based criterion.<sup>5</sup>

Order No. PSC-03-1469-FOF-TL was appealed to the Florida Supreme Court by the Attorney General, the Office of Public Counsel, and AARP. BellSouth, Sprint, and Verizon agreed to implement a 135% income-based criterion if the order was upheld by the Supreme Court. On July 7, 2005, the Court affirmed the order of the Commission granting the petitions filed under Section 364.164. Subsequently, BellSouth, Sprint, and Verizon filed tariffs adopting the 135% income-based standard.

Further, the Florida Legislature, through Senate Bill 1322, increased the Lifeline and Link-Up income-based eligibility criterion to 135% of the FPGs.<sup>6</sup> The bill was signed into law by Governor Jeb Bush on June 2, 2005.

#### **IV. Carrier Eligibility**

Section 214(e)(2) of the Telecommunications Act and FCC rules allow state commissions, upon their own motion or upon request, to designate a common carrier that meets certain requirements as an Eligible Telecommunications Carrier (ETC). An ETC can be an incumbent or a competitive LEC, using wireline or wireless technology. A carrier that is granted ETC status is eligible to receive universal service support<sup>7</sup> pursuant to FCC rules.<sup>8</sup> 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.<sup>9</sup> Additionally, the carrier must advertise the availability of such services and charges utilizing a media of general distribution.

The state commission may also, as long as the request is consistent with the public interest, convenience, and necessity, designate one or more common carrier(s) as ETC(s) for a service area. All incumbent local exchange companies (ILECs) in Florida have been designated as ETCs by the FPSC<sup>10</sup>. Knology of Florida, Inc.<sup>11</sup> and Budget Phone, Inc.<sup>12</sup> are the only competitive local exchange companies (CLEC) that have been granted ETC status in Florida.

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<sup>5</sup> By Order PSC-01-1643-AS-TL, issued August 13, 2001, the Commission approved a Stipulation and Settlement Agreement between BellSouth and the OPC which included a BellSouth commitment to initiate an income eligibility test at 125% of the Federal Poverty Guidelines for Lifeline.

<sup>6</sup> This criterion currently applies to local exchange companies who have received Florida PSC approval to reduce their switched access rate pursuant to Chapter 364.164, Florida Statutes.

<sup>7</sup> Universal Service support is provided to ETCs for providing 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.

<sup>8</sup> 47 C.F.R. pt. 54 – Universal Service.

<sup>9</sup> Those services supported by universal service include the following: 1) voice grade access to the public switched network, 2) an amount of local minutes of use of local exchange service provided free of charge to end users, 3) dual tone multi-frequency signaling or its functional equivalent, 4) single-party service, 5) access to emergency services, 6) access to operator services, 7) access to interexchange services, 8) access to directory assistance, and 9) toll limitation for qualifying low-income consumers.

<sup>10</sup> The incumbent local exchange companies were designated as ETCs for purposes of the federal universal service program through FPSC Order No. PSC-97-1262-FOF-TP, issued October 14, 1997.

In April 2003, NPCR, Inc., d/b/a Nextel Partners (Nextel) and Alltel Wireless Holdings, L.L.C. (Alltel), both of which are commercial mobile radio service (CMRS) providers, requested a declaratory statement as to whether the Commission had jurisdiction to designate CMRS carriers as ETCs for the purpose of receiving federal universal service support in the state of Florida.

On September 23, 2003, the Commission issued Order No. PSC-03-1063-DS-TP, acknowledging that Nextel and Alltel, as Florida CMRS operators, were not subject to the jurisdiction of the Commission for the purpose of designation as ETCs. Accordingly, the Commission determined that CMRS ETCs in Florida are subject to the rules and jurisdiction of the FCC.

Alltel, Nextel, and Sprint PCS have all been granted wireless ETC designation in Florida by the FCC. In approving the designation of CMRS carriers as ETCs, the FCC noted that the ETC must comply with state requirements in states that have Lifeline programs.<sup>13</sup> A more detailed discussion on wireless ETCs is presented in Section VII of this report.

## **V. Lifeline Subscribership and Participation Rates**

Table 1 shows the number of Lifeline subscribers from December 1998 through September 2005. The data reveal a general upward trend in Lifeline subscribership from 1998 to 2004. The subscribership decrease in 2005 is largely the result of an increase in the number of Lifeline customers determined to be ineligible as a result of BellSouth's implementation of federally mandated annual verification procedures.<sup>14</sup> In compliance with FCC Order No. 04-87,<sup>15</sup> all of Florida's ILECs have established, and are in various stages of implementing Lifeline verification procedures.

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<sup>11</sup> Docket No. 041302-TX, Petition of Knology of Florida, Inc. for Designation as an Eligible Telecommunications Carrier, Commission Order PSC-05-0324-PAA-TX issued March 21, 2005, and Commission Order PSC-05-0324A-PAA-TX issued March 23, 2005.

<sup>12</sup> Docket No. 050483-TX, Petition for Designation as an Eligible Telecommunications Carrier by Budget Phone, Inc.

<sup>13</sup> FCC Nextel Order, DA 04-2667, Adopted August 25, 2004, footnote 30; FCC ALLTEL Order, DA 04-3046, Adopted September 24, 2004, footnote 29; FCC Sprint Order, DA 04-3617, Adopted November 18, 2004, footnote 27.

<sup>14</sup> In accordance with Section 364.105, Florida Statutes, customers who are no longer eligible for Lifeline service can receive a discounted service of 70% of the basic local rate for a period of 12 months.

<sup>15</sup> 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, paragraphs 33-34, (Released April 29, 2004.). "We adopt the Joint Board's recommendation that all states, including federal default states, be required to establish procedures to verify consumers' continued eligibility for the Lifeline/Link-Up program under both program and income-based eligibility criteria. Verification procedures could include random beneficiary audits, periodic submission of documents, or annual self-certification. We agree with those commenters that assert that verification of continued eligibility should ensure that the low-income support mechanism is updated, accurate, and carefully targeted to provide support only to eligible consumers. We also adopt the Joint Board's recommendation to allow states that administer their own Lifeline/Link-Up programs the flexibility to design and implement their own verification procedures to validate consumers' continued eligibility."

**Table 1 Florida Lifeline Subscribership**

	Dec. 1998	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003	Sept. 2004	Sept. 2005
Lifeline Subscribers	130,139	130,281	134,227	144,610	142,548	148,905	154,017	139,261

Source: FCC: State-by-State Telephone Revenues and Universal Service Data [April 2001 and September 2003]; Universal Service Administrative Company responses to FPSC data requests [2004]; and Industry responses to FPSC data requests [2000-2005].

Table 2 shows Lifeline participation rates for years 1998 through September 2005.<sup>16</sup>

**Table 2 Lifeline Participation Rate in Florida**

Year	Lifeline Enrollment	Eligible Households <sup>17</sup>	Participation Rate
December 1998	130,139	816,278	15.9%
December 1999	130,281	816,278	15.9%
December 2000	134,227	816,278	16.4%
December 2001	144,610	850,000	17.0%
December 2002	142,548	819,112	17.4%
December 2003	148,905	819,112	18.0%
September 2004	154,017	1,100,000	14.0%
September 2005	139,261	1,122,593	12.4%

Source: FCC: State-by-State Telephone Revenues and Universal Service Data [April 2001 and September 2003]; Department of Children and Families (DCF); 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.); Universal Service Administrative Company responses to FPSC data requests [2004]; and Industry responses to FPSC data requests [2000-2005].

Table 2 reflects that Florida's Lifeline participation rate increased from 1998 to December 2003. As of September 30, 2005, Florida's Lifeline participation rate was 12.4%. The participation rate decrease from 2003 to 2004 results from the addition of the 125% income-based criterion by BellSouth in 2002, and Sprint and Verizon in 2003, which increased the number of eligible households. While enrollment increased, the addition of nearly 200,000 eligible households in 2004 caused the overall participation rate to decrease. As explained earlier, the subscribership decrease in 2005 is largely the result of an increase in the number of Lifeline customers determined to be ineligible as the result of BellSouth's implementation of a federally mandated annual verification procedure.

Low participation rates do not mean that non-participating eligible households are without telephone service. Compared to the 1,122,593 wireline households eligible for Lifeline, the total number of Florida households without telephone service is approximately 469,775 or 6.61% of all Florida households.<sup>18</sup> Table 3 shows telephone penetration rates for two selected

<sup>16</sup> The participation rate is the ratio of enrolled subscribers to the eligible population.

<sup>17</sup> Eligible households for Years 1998 through 2003 do not include households eligible under the 125% income-based criterion, as reported by DCF. Data for 2004 includes the 125% criterion and was taken from FCC Order 04-87, released on April 29, 2004.

<sup>18</sup> FCC: Telephone Penetration Report By Income By State [March 2005].



income categories that represent Florida households falling below United States poverty threshold levels, thereby satisfying Lifeline eligibility conditions.

A study of Lifeline and Link-Up is being conducted by the Public Utility Research Center (PURC) at the University of Florida. The study is consisting of two parts:

- 1) The first part will investigate the current penetration rates of the Lifeline and Link-Up programs. This will include a more precise measurement of the number of Floridians who qualify for these programs than is currently available, surveys of Floridians who qualify for the programs but do not subscribe to them, and an econometric analysis of the determinants of the number of customers who receive Lifeline and Link-Up assistance from incumbent local exchange carriers. The surveys and econometric study will provide insights as to why some customers drop Lifeline and why some eligible customers fail to sign up.
- 2) The second part of the study will utilize the findings of the first part by providing white papers and research related to participation in Lifeline and Link-Up programs, but with an emphasis on forward-looking issues.
- 3) PURC is scheduled to complete this report in early 2006.

**Table 3 Percentage of Florida Households with Telephone Service**

Household Income	1985	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
≤ \$9,999	77.0	84.2	86.7	86.6	84.4	85.4	87.8	85.6	84.2	89.7	89.8	88.25
\$10,000-\$19,999	87.6	91.1	93.7	94.0	92.0	93.6	91.5	90.2	91.1	94.3	94.4	92.37
All Households	88.9	92.4	93.9	93.4	92.1	93.3	92.6	92.4	92.3	94.7	95.1	93.25

Source: FCC: Telephone Penetration Report By Income By State [March 2005]

The years selected for Table 3 coincide with the introduction of Lifeline in 1984, BellSouth's adoption of Lifeline in 1994, and passage of the Telecom Act of 1996. The data in Table 3 show that from 1985 to 1995, telephone penetration rates increased significantly for Florida's poorest consumers. While the penetration rates for these subscriber groups have fluctuated since 1995, these groups have experienced an increase in access to telecommunications service since 1985.

With the telephone penetration rate for the lowest income households at approximately 88%, most eligible households continue to have telephone service. However, as presented in Table 3, wireline telephone penetration decreased during 2004. The current Lifeline participation rate of 12.4% may suggest that many of the eligible low-income population are either not aware of Lifeline assistance or are aware but choose not to receive the subsidy.

Table 4 depicts the distribution of Lifeline enrollment from December 2001 to September 2005. The data show that, with the exception of BellSouth, GTC, Inc., and ITS Telecom, every LEC serving in Florida experienced an increase in Lifeline enrollment between 2004 and 2005.

As explained earlier, the participation decrease in 2005 is primarily the result of BellSouth's implementation of verification procedures, which eliminated Lifeline subscribers who could not present proof of eligibility.

**Table 4 Lifeline Participation in Florida**

Florida ETCs	Dec. 2001	Dec. 2002	Growth Rate	Dec. 2003	Growth Rate	Sept. 2004	Growth Rate	Sept. 2005	Growth Rate
BellSouth	105,564	104,503	(1%)	103,681	(1%)	104,467	1%	86,408	(17.29%)
Verizon	25,266	22,850	(9%)	22,295	(2%)	23,642	6%	24,433	3%
Sprint-FL	9,779	10,706	9%	16,736	56%	19,274	15%	21,537	12%
GTC, Inc.	1,819	1,952	7%	2,385	22%	2,304	(3%)	2,096	(9%)
ALLTEL	1,434	1,737	21%	2,670	54%	3,067	15%	3,322	8%
TDS Telecom	358	364	2%	496	36%	571	15%	657	15%
Northeast	301	340	13%	510	50%	561	10%	630	12%
Frontier	62	69	11%	104	51%	104	0%	120	15%
ITS Telecom	27	27	0%	27	0%	27	0%	26	(.03%)
Smart City	0	0	0%	1	100%	2	100%	5	150%
Knology	Received CLEC ETC Status on March 21, 2005							0	N/A
Sprint PCS	Received Wireless ETC Status November 18, 2004							13	N/A
Nextel Partners	Received Wireless ETC Status August 25, 2004							1	N/A
ALLTEL Wireless	Received Wireless ETC Status September 24, 2004							13	N/A
Total	144,610	142,548	(1%)	148,904	4%	154,017	3%	139,261	(9.59%)

Sources: Industry responses to FPSC data requests [May 2001, April 2002, September 2003, September 2004, September 2005]; Universal Service Administrative Company responses to FPSC data request [2004 and 2005].

## VI. Statutory Developments Impacting Florida's Lifeline Program

As mentioned earlier, the 2003 Act imposed a 125% income-based eligibility criterion. In 2005, Senate Bill 1322 increased the income-based criterion to 135% of the FPGs.<sup>19</sup> In addition, the bill amended Chapter 364.10 to provide the FPSC with greater authority to improve the Lifeline and Link-Up enrollment process. The bill was signed into law by Governor Jeb Bush on June 2, 2005.

<sup>19</sup> This criterion currently applies to local exchange companies who have received Florida PSC approval to reduce their switched access rate pursuant to Chapter 364.164, Florida Statutes.

## **VII. Regulatory Actions Impacting Florida's Lifeline Program**

As was the case during 2004, a number of regulatory actions have been undertaken at the state and federal level to promote the Lifeline and Link-Up programs. Many of the dockets and issues that were initiated during 2004, or earlier, are still pending at various stages. A continued discussion on these issues and dockets, including relevant background previously presented, is discussed below.

### **A. Federal Communications Commission**

#### **1. WC Docket 03-109 – In the Matter of Lifeline and Link-Up.**

In 2004, the FCC released its Report and Order (Order), and Further Notice of Proposed Rulemaking (FNPRM) regarding Lifeline and Link-Up.<sup>20</sup> To improve the Lifeline and Link-Up programs and to increase subscribership, the FCC's Order, in part, added the National School Lunch Free Lunch Program (NSL) to the program-based eligibility criteria, and added an income-based eligibility criterion of 135% of the FPG.

To be eligible for the NSL program, a consumer's household income must be at or below 130% of the FPG, which is \$25,155 for a family of four.<sup>21</sup> Also, children are automatically eligible to participate in the NSL program if their household receives Food Stamps, benefits under the Food Distribution Program on Indian Reservations or, in most cases, benefits under the TANF program.<sup>22</sup>

In addition, the FCC's Order supports participation in Lifeline and Link-Up when a consumer's income is at or below 135% of the FPG, which is \$26,123<sup>23</sup> for a family of four. The FCC explained that adding an income-based criterion to the federal default eligibility criteria may increase participation in the programs and is a reasonable and cautious approach. A comparison of the federal and state eligibility criteria is presented in Table 5.

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<sup>20</sup> 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).

<sup>21</sup> <http://aspe.hhs.gov/poverty>

<sup>22</sup> <http://www.fns.usda.gov/cnd/About/faqs.htm>>

<sup>23</sup> <http://aspe.hhs.gov/poverty>

**Table 5 Lifeline and Link-Up Program Eligibility Criteria**

Federal Default Eligibility Criteria	Florida PSC Adopted Eligibility Criteria
Temporary Assistance to Needy Families (TANF)	Temporary Assistance to Needy Families (TANF)
Medicaid	Medicaid
Food Stamps	Food Stamps
Supplemental Security Income (SSI)	Supplemental Security Income (SSI)
Federal Public Housing Assistance (Section 8)	Federal Public Housing Assistance (Section 8)
Low-Income Home Energy Assistance Program (LIHEAP)	Low-Income Home Energy Assistance Program (LIHEAP)
Bureau of Indian Affairs Programs	Bureau of Indian Affairs Programs
National School Lunch Free Lunch Program	National School Lunch Free Lunch Program <sup>24</sup>
Income-based Criterion at 135% of the FPG	Income-based Criterion at 135% of the FPG <sup>25</sup>

The FCC’s order further states that effective outreach programs have been shown to improve Lifeline and Link-Up participation, and agreed with the Joint Board that more vigorous outreach efforts could improve participation. The FCC did not require specific outreach procedures, but did provide outreach guidelines for states and carriers to follow.

**2. Florida Wireless ETC Lifeline Programs**

As discussed in Section IV of this report, the FPSC has determined that Florida CMRS operators are not subject to the jurisdiction of the Florida Commission for the purpose of designation as ETCs. In late 2004, Alltel, Nextel, and Sprint PCS were granted wireless ETC designation in Florida by the FCC. For the purpose of providing comprehensive data on Lifeline in Florida, FPSC staff sent data requests to Florida’s wireless ETCs regarding their Lifeline programs. Table 6 presents an overview of the Florida Lifeline programs of Alltel, Nextel, and Sprint PSC.

**Table 6 Florida Wireless ETC Lifeline and Link-Up Programs**

Carrier	Service Offering	Eligibility Criteria	Certification/Verification Procedures
Alltel	<p><b>Lifeline:</b> Includes 300 minutes of use per month and has a monthly access fee of \$16.70. Airtime rates of \$0.45 per minute, roaming airtime rates of \$0.59 per minute, and roaming toll rates of \$0.40 per minute apply.</p> <p><b>Link-Up:</b> Waives the \$35.00 Activation Charge.</p>	<p><b>Program-based:</b> TANF, Food Stamps, Medicaid, LIHEAP, SSI, Section 8</p> <p><b>Income-based:</b> 150% of the FPG</p>	<p><b>Initial Certification:</b> Customer must provide proof that he/she qualifies for Lifeline service. The customer receives the discounted service at the start of the next billing cycle.</p> <p><b>Verification:</b> Annual verification process is used. Sends verification letters to a statistically valid sample of qualified Lifeline subscribers (uses federal rules for determining statistically valid sample). Subscribers must return certification forms along with documentation.</p>

<sup>24</sup> Applies to BellSouth, Sprint, and Verizon only.

<sup>25</sup> Applies to BellSouth, Sprint, and Verizon only.

Nextel	<p><b>Lifeline:</b> \$8.25-Monthly Discount off \$35.99 Monthly Service Plan. 300 Minutes per month and 100 Walkie-Talkie Minutes. \$.20 per minute Nationwide Long Distance Calling.</p> <p><b>Link-Up:</b> 50% off the First \$60.00 for Activation.</p>	<p><b>Program-based:</b> TANF, Food Stamps, Medicaid, LIHEAP, SSI, Section 8</p> <p><b>Income-based:</b> N/A</p>	<p><b>Initial Certification:</b> If the subscriber certifies that he/she qualifies for Lifeline, the sales personnel signs the applicant up for Lifeline service and the subscriber receives the discounted service at the start of the next billing cycle.</p> <p><b>Verification:</b> Annual verification process is used. Sends verification letters to a statistically valid sample of qualified Lifeline subscribers (uses federal rules for determining statistically valid sample). Subscribers must return certification forms along with documentation.</p>
Sprint PCS	<p><b>Lifeline:</b> \$13.50-Monthly Discount off \$35.00 Service Plan. 300 Anytime Minutes and 1,000 Night and Weekend Minutes for Local or Long-Distance. \$0.45 Per Minute for Additional Usage.</p> <p><b>Link-Up</b> \$18.00 Link-Up Discount off \$36.00 One-time Activation Charge.</p>	<p><b>Program-based:</b> TANF, Food Stamps, Medicaid, LIHEAP, SSI, Section 8</p> <p><b>Income-based:</b> 135% of the FPG</p>	<p><b>Initial Certification:</b> Required to complete an application and submit supporting documentation providing proof of eligibility. The customer receives the discounted service at the start of the next billing cycle.</p> <p><b>Verification:</b> Annual verification process is used. Sends verification letters to a statistically valid sample of qualified Lifeline subscribers (uses federal rules for determining statistically valid sample). Subscribers must return certification forms along with documentation.</p>

## B. Florida Public Service Commission

1. **Docket No. 040604-TL** - Adoption of the National School Lunch program and an income-based criterion at or below 135% of the Federal Poverty Guidelines (FPG) as eligibility criteria for the Lifeline and Link-Up programs.

In light of the FCC's Order adopting the additional program criteria and the 135% FPG eligibility criterion, the FPSC, by Order No. PSC-04-0781-PAA-TL, issued August 10, 2004,<sup>26</sup> found that it was beneficial for Florida to also adopt the new criteria. The FPSC also determined that a streamlined certification process would ease the burden on consumers, get needed assistance to consumers quicker, and result in increased subscribership for the State of Florida.

On August 31, 2004, seven parties protested Order No. PSC-04-0781-PAA-TL. In their December 17, 2004, Prehearing Statements, BellSouth, Sprint, and Verizon questioned the Commission's authority to order the Lifeline enhancements contained in the order.

- BellSouth stated that "The Commission has no authority under Chapter 364, Florida Statutes to mandate additions to eligibility tests for Lifeline and Link-up."

<sup>26</sup> In Re: Adoption of the National School Lunch Program and an income-based criterion at or below 135% of the Federal Poverty Guidelines as eligibility criteria for the Lifeline and Link-Up programs, Docket No. 040604-TL.

- Sprint stated that “The Commission does not have the authority under governing Florida law to order the actions set forth in Order No. PSC-04-0781-PAA-TL.”
- Verizon stated that “There is nothing in Chapter 364 that gives the Commission the power to expand the Lifeline eligibility criteria, create a self-certification process and impose these unfunded mandates on incumbents. Indeed, the PAA Order does not cite any authority, nor is there any statute in Chapter 364 that even suggests – let alone expressly states – that the Commission has the power to expand the Lifeline eligibility criteria or create a self-certification process.”
- In their December 17, 2004 Prehearing Statements, the Office of Public Counsel and the AARP agreed that the Commission is authorized to order the actions set forth in Order No. PSC-04-0781-PAA-TL.

On February 8, 2005, the Commission, by Order No. PSC-05-0153-AS-TL, approved proposals filed by BellSouth, Sprint, and Verizon implementing a simplified Lifeline and Link-Up certification process. The new process allows eligible Lifeline and Link-Up customers to enroll in the programs by simply signing a document certifying, under penalty of perjury, that the customer participates in one of the Florida Lifeline and Link-Up qualifying programs. Order No. PSC-05-0153-AS-TL also established a one-year trial period to allow all parties to assess the costs associated with the simplified certification process and determine the corresponding benefits in terms of increased subscribership. Staff is hopeful that we will receive relevant information from the companies after the one-year trial period to be used to evaluate the impact of the simplified certification process.

This docket resulted in the creation of the simplified certification process whereby Lifeline eligible customers of BellSouth, Sprint, and Verizon simply check a box on the enrollment form indicating which eligible program they participate in, and submit the form to be enrolled in Lifeline. This docket also addressed the National School Lunch Free Lunch Program as a new eligibility criterion, which BellSouth, Sprint, and Verizon have now added.

BellSouth, Sprint and Verizon were concerned about possible fraud occurring with the simplified certification process. In order to address the carriers’ concerns, the FPSC, in Order No. PSC-05-0153-AS-TL, stated that “A review of the simplified certification process shall be held after six months from the effective date of the tariffs, or earlier if necessary.” Responses to recent staff data requests indicated that to date, carriers have found no noticeable fraud present with the simplified certification process.

**2. Other FPSC Matters**

**a. Docket No. 000733-TL** - Investigation to determine whether BellSouth Telecommunications, Inc.'s tariff filing to restructure its late payment charge is in violation of Section 364.051, Florida Statutes.

In this docket, the FPSC ordered that \$1,589,368 of unclaimed refunds be placed into the Community Service Fund to promote Lifeline and Link-Up programs.<sup>27</sup> The Commission also ordered BellSouth to provide the following information on a quarterly basis:

- 1) The dollar amounts disbursed from the Community Service Fund including payee, date, amount, purpose, and description of the services rendered as of the last day of the quarter.
- 2) The Community Service Fund account balance on the last day of the quarter.

Based on BellSouth's most recent quarterly report (3<sup>rd</sup> Quarter 2005) \$746,804.59 has been disbursed from the Community Service Fund to promote the Lifeline and Link-Up programs. Table 7 presents details of Community Service Fund disbursements through September 2005. A detailed update on BellSouth's outreach efforts, including Community Service Fund promotional efforts is discussed in Appendix A.

**Table 7 Community Service Fund Disbursements – May 2003 through June 2005**

Payee	Amount
Linking Solutions	\$460,039.05
IAC Group	\$100,002.00
KMR Consultants	\$ 50,400.00
New Birth Broadcasting Corporation	\$ 6,000.00
Durra-Print	\$119,488.86
Printing (Other)	\$ 10,874.68
Total	\$746,804.59

**b. Docket No. 050095-TL** – Petition for extension and modification of existing Service Guarantee Program and for limited waiver of Rules 25-4.066(2), 25-4.070(1)(b), 25-4.070(3)(a), and 25-4.073(1)(d), F.A.C., by BellSouth Telecommunications, Inc.

Order No. PSC-05-0440-PAA-TL, issued April 25, 2005, in Docket No. 050095-TL, approved BellSouth's proposal to add the National School Lunch Free Lunch program to its Lifeline and Link-Up eligibility criteria.

<sup>27</sup> Order No. PSC-04-1124-FOF-TP, issued November 15, 2004, in Docket No. 000733-TL and Docket No. 001503-TP.

**c. Docket No. 050490-TL** - Petition for approval of Service Guarantee Program, with relief from requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), F.A.C., by Sprint-Florida, Incorporated.

Order No. PSC-05-0918-PAA-TL, issued September 19, 2005, in Docket No. 050490-TL, approved Sprint's proposal to add the National School Lunch Free Lunch program to its Lifeline and Link-Up eligibility criteria.

**d. Verizon Tariff Filing** - On October 17, 2005, Verizon filed a tariff to add the National School Lunch Free Lunch program to its Lifeline and Link-Up eligibility criteria with a effective date of November 1, 2005.

### **3. Outreach Activities**

The FPSC remains committed to increasing public awareness about the availability of the Lifeline and Link-Up programs. The FPSC has, and continues to devote resources to various outreach initiatives. As discussed in Section VIII and Appendix A, the FPSC's Lifeline and Link-Up consumer outreach program began in 1995, and focuses on distributing educational material to agencies, organizations, and individuals most likely to come into contact with citizens who qualify for the programs. The FPSC also produces public service announcements, and continues to develop partnerships with other agencies and organizations to promote Lifeline and Link-Up.

## **C. Office of Public Counsel**

**1. Docket No. 040451-TP - Petition by Citizens of Florida to initiate rulemaking that would require local exchange telecommunications companies (LEC) to provide Lifeline service within 30 days of certification.**

On May 13, 2004, the OPC filed a petition to initiate rulemaking addressing Lifeline. The OPC proposed that the Commission adopt a rule requiring LECs to begin providing Lifeline service to customers within 30 days of receiving OPC certification of eligibility under section 364.10(3)(a), Florida Statutes. Staff workshops were conducted on August 19, 2004, and September 3, 2004, to receive input from all interested parties regarding the OPC's petition.

In March and April 2005, OPC received commitment letters from BellSouth, Sprint, and Verizon regarding the sign-up and continued eligibility of customers who are eligible for Lifeline and Link-Up credits. Among other commitments, the carriers agreed to provide Lifeline assistance to existing customers within 30 days of receiving certification of eligibility



On July 15, 2005, Commission staff counsel received a letter from OPC indicating that “it is no longer necessary to go forward with rulemaking in this docket.” The letter stated that OPC had “worked hard with the local exchange companies to improve the processing of income-based Lifeline applications” and that OPC is satisfied with the improvements made by the companies.

Since OPC initiated this rulemaking docket by the filing of a petition, it was OPC’s right to withdraw the petition. By Order PSC-05-0911-FOF-TP, issued September 16, 2005, the PSC acknowledged the withdrawal and closed the docket. If the PSC determines that future rulemaking regarding Lifeline should be initiated, the Commission can do so by its own Motion.

#### **D. Florida Eligible Telecommunications Carrier (ETC) Applications**

##### 1. Wireless applications filed with the FCC for ETC status in Florida

Three wireless carriers have received ETC designation in Florida. They include Nextel Partners,<sup>28</sup> Sprint PCS,<sup>29</sup> and ALLTEL Communications petition for non-rural areas of Florida.<sup>30</sup>

There are presently four wireless carrier ETC designation petitions pending before the FCC:

AT&T Wireless Services, Inc. - On May 3, 2004, AT&T Wireless Services, Inc. (AT&T), filed a petition with the FCC for ETC status in the State of Florida.<sup>31</sup> AT&T’s petition is pending.

TracFone Wireless, Inc. - On September 7, 2004, TracFone Wireless, Inc. (TracFone), filed a petition with the FCC for ETC status in the State of Florida.<sup>32</sup> TracFone, as a pure reseller of communications, was not eligible to become an ETC under current FCC rules requiring ETCs to offer service using its own facilities or a combination of its own facilities and resale of another carrier’s services. On June 4, 2004, TracFone filed a petition with the FCC requesting a waiver of this requirement. By Order FCC 05-165, released September 8, 2005, the FCC granted forbearance from the facilities requirement for ETC designation for Lifeline support only. TracFone’s petition is pending.

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<sup>28</sup> NPCR, Inc. d/b/a NEXTEL PARTNERS, Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida, Docket No. 96-45.

<sup>29</sup> Sprint Corporation, Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida, CC Docket No. 96-45.

<sup>30</sup> ALLTEL Communications, Inc., Petition for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(6) of the Communications Act of 1934, CC Docket No. 96-45.

<sup>31</sup> AT&T Wireless Services, Inc., Petition for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(6) of the Communications Act, FCC 97-419, CC Docket No. 96-45.

<sup>32</sup> TracFone Wireless, Inc., Petitions for Designation as an Eligible Telecommunications Carrier in the State of Florida and Commonwealth of Virginia, CC Docket No. 96-45.

Southern Communications Services, Inc., d/b/a Southern LINC - On September 15, 2004, Southern LINC, filed a petition with the FCC for ETC status in the State of Florida.<sup>33</sup> Southern LINC's petition is pending.

ALLTEL Communications, Inc. - On October 13, 2005, ALLTEL Communications, Inc. filed a petition for ETC status for rural areas of Florida.<sup>34</sup> ALLTEL's petition is pending.

## **2. CLEC applications filed with the FPSC for ETC status in Florida**

Nexus Communications, Inc., Nexus Communications TSI, Inc. - On November 21, 2005, Nexus Communications, Inc. filed a petition for ETC status in the State of Florida.<sup>35</sup> Nexus Communication Inc's petition is pending.

Budget Phone, Inc. - On July 13, 2005, Budget Phone, Inc. filed a petition with the FPSC for ETC status in the State of Florida.<sup>36</sup> Budget Phone's petition was approved by the FPSC at the December 6, 2005, Agenda Conference.

Ganoco, Inc. d/b/a American Dial Tone - On August 11, 2005, Ganoco, Inc. d/b/a American Dial Tone filed a petition with the FPSC for ETC status in the State of Florida.<sup>37</sup> Ganoco's petition is pending.

Knology of Florida, Inc. - On November 12, 2004, Knology of Florida, Inc. (Knology) filed a petition with the FPSC for ETC status in the State of Florida.<sup>38</sup> On March 21, 2005, the FPSC issued Order No. PSC-05-0324-PAA-TX, granting Knology ETC status.

Two additional CLECs, Coastal Connections and Telscape Communications, Inc., filed petitions with the FPSC for ETC status, but later withdrew their petitions.

## **VIII. Development of Procedures to Promote Lifeline, Pursuant to Section 364.10, Florida Statutes**

The requirement of the 2003 Act to develop procedures to promote Lifeline participation in cooperation with the Department of Children and Families (DCF), the Commission, other state

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<sup>33</sup> Southern Communications Services, Inc., d/b/a Southern LINC, Petition For Designation as an Eligible Telecommunications Carrier, CC Docket No. 96-45, FCC 97-419.

<sup>34</sup> ALLTEL Communications, Inc., Petition for Designation as an Eligible Telecommunications Carrier for Rural Areas of Florida, CC Docket No. 96-45.

<sup>35</sup> Docket No. 050889-TX, Petition for Designation as Eligible Telecommunications Carrier by Nexus Communications, Inc., d/b/a Nexus Communications TSI, Inc.

<sup>36</sup> Docket No. 050483-TX, Petition for Designation as Eligible Telecommunications Carrier by Budget Phone, Inc.

<sup>37</sup> Docket No. 050542-TX, Petition for Designation as Eligible Telecommunications Carrier by Ganoco, Inc. d/b/a American Dial Tone.

<sup>38</sup> Docket No. 041302-TX, Petition of Knology of Florida, Inc. for Designation as an Eligible Telecommunications Carrier.

agencies, and the telecommunications companies providing Lifeline service<sup>39</sup> has resulted in a comprehensive, collaborative process to develop promotional procedures that have a statewide impact. During 2005, Senate Bill 1322 was signed into law expanding the 2003 Act to include the Department of Education and Office of Public Counsel.<sup>40</sup>

Activities to promote Lifeline and Link-Up Florida have been occurring since 1995, but none as comprehensive as the current effort. Since July 2003, local, state and federal agencies, organizations, businesses, and telecommunications companies have been working together on a Lifeline Project (Project) to develop and implement promotional procedures. Although several state agencies are involved in the administration of the eligible programs, DCF is the only Florida state agency that determines eligibility and provides program benefits directly to citizens as described in the 2003 Act. Recognizing the importance of Lifeline and Link-Up to eligible citizens, other agencies, organizations, and businesses have joined in the outreach effort on a voluntary basis.

#### **A. Project Participants**

The following local, state and federal agencies, organizations, businesses, and telecommunications companies are now involved in the collaborative effort to increase awareness and participation in the Lifeline and Link-Up programs. Because the Project participants have engaged additional organizations having contact with eligible individuals to assist in Lifeline awareness, and enlisted the support of sister organizations, it is anticipated that the list will continue to grow even more in 2006.

Local, State and Federal Agencies, Organizations, and Businesses:

- ◆ AARP - Florida Chapter (formerly the American Association of Retired Persons)
- ◆ ACCESS Florida Partners
- ◆ Agency for Health Care Administration (AHCA)
- ◆ Agency for Workforce Innovation (AWI) and Workforce Florida, Inc. (WFI)
- ◆ Area Agency on Aging
- ◆ Big Bend 2-1-1
- ◆ Braille and Talking Book Library
- ◆ Capital Area Community Action Agency, Inc. (CACAA)
- ◆ City and County Consumer Assistance Departments
- ◆ Faith Radio Station
- ◆ Federal Social Security Administration (SSA) - Tallahassee District

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<sup>39</sup> As passed in 2003: Chapter 364.10(3)(d), Florida Statutes, 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, the commission, and telecommunications companies providing Lifeline services, the development of procedures to promote Lifeline participation.

<sup>40</sup> As expanded in 2005: Chapter 364.10(3)(h), Florida Statutes, 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, the Department of Education, the commission, the Office of Public Counsel, and the telecommunications companies providing Lifeline services, the development of procedures to promote Lifeline participation.

- ◆ Florida Alliance for Information and Referral Services (FLAIRS)
- ◆ Florida Association of Community Action (FACA)
- ◆ Florida Association of Community Health Centers
- ◆ Florida Association of Food Banks (FAFB)
- ◆ 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 Impact
- ◆ Florida Office of Public Counsel (OPC)
- ◆ Florida Public Libraries
- ◆ Florida Public School Districts and Special Districts
- ◆ Florida Public Service Commission (FPSC)
- ◆ Florida Telecommunications Relay, Inc. (FTRI)
- ◆ Habitat for Humanity
- ◆ KMR Consultants, LLC
- ◆ Leon County School Board
- ◆ Linking Solutions, Inc.
- ◆ National Federation of the Blind (NFB), Big Bend Chapter
- ◆ Tallahassee Memorial Hospital (TMH) and other Florida Hospitals
- ◆ Tallahassee Urban League
- ◆ United Way of Florida

Telecommunications Companies:

- ◆ ALLTEL Communications, Inc. (Alltel)
- ◆ BellSouth Telecommunications, Inc. (BellSouth)
- ◆ Frontier Communications of the South, Inc. (Frontier)
- ◆ GTCOM
- ◆ ITS Telecommunications Systems, Inc. (ITS)
- ◆ Smart City Telecom (Smart City)
- ◆ Sprint-Florida, Inc. (Sprint)
- ◆ TDS Telecom/Quincy (TDS)
- ◆ TTSC/NEFCOM-Northeast (Northeast)
- ◆ Verizon Florida, Inc. (Verizon)

## **B. 2005 Lifeline Promotional Highlights**

During 2005, the Project participants continued to develop and implement new promotional procedures, as well as build upon prior promotional activities. In addition, the Project participants worked to implement the new provisions in Senate Bill 1322. Some of the highlights from the 2005 Lifeline activities are:

**Back-to-School Lifeline Project:** As discussed previously, in early 2005, BellSouth, Sprint and Verizon entered into settlement agreements which included a provision that the companies would work with the Commission on a concerted school outreach effort. Subsequent to those agreements, Senate Bill 1322 was passed, requiring that the Department of Education and Office of Public Counsel be included in the promotional procedures development process. The Back-to-School Lifeline Project was designed to meet both of these requirements.

At the beginning of each school year, local schools provide informational packets for students to take home to their parents. In 2004, the Commission and the Leon County School Board conducted a pilot project to include Lifeline information in the back-to-school packets to help inform possible eligible families about the availability of the Lifeline and Link-Up programs. During 2005, this concept was expanded for statewide coverage to include all 67 Florida Public School Districts and four Special Districts.

The Back-to-School Lifeline Project participants included the Department of Education, all 67 Florida Public School Districts and four Special Districts, the Office of Public Counsel, the Commission, KMR Consultants, Florida Impact, and the LECs providing Lifeline service. A new brochure, which included a Lifeline application, was designed specifically for this project. The telecommunications companies, through KMR Consultants, contacted each School District and coordinated the distribution of the brochures to 2.6 million students in all Public Schools Grades K thru 12, including Charter Schools. Several media events were held to increase awareness of this outreach effort. During 2006, the Project participants will consider whether the Back-to-School Lifeline Project should be repeated on an annual basis.

**Program-Based Lifeline Applications:** As discussed previously, in early 2005, BellSouth, Sprint and Verizon developed a simplified Lifeline and Link-Up certification process. The resulting simplified certification forms were used as the foundation for two joint applications that were developed for use in the Back-to-School Lifeline Project brochures. The first joint application is used to target customers of BellSouth, Sprint or Verizon. The second joint application targets customers of ALLTEL, Frontier, GTCOM, ITS, Northeast, Smart City, or TDS.

The distinction between the two forms is that BellSouth, Sprint and Verizon allow customers to self-certify, under penalty of perjury, that they participate in one of the Lifeline and Link-Up qualifying programs without providing additional documentation at the time of application. The remaining ETCs continue to require that the applicant provide proof of eligibility. The applications include the companies' mailing addresses and fax numbers where the completed applications may be sent. Also, both applications are available in English and

Spanish. Efforts are underway to translate the applications into Haitian Creole to be used in conjunction with the Commission's existing Haitian Creole brochure.

Although the applications were created for use in the Back-to-School Lifeline Project, both are general enough to be used in other settings. Consequently, the Project participants agreed that it would be appropriate for the Commission to post the applications on its Internet Web site to increase accessibility. The online version of the form was modified to allow agencies or customers to type the necessary information directly onto the form and print a copy to be mailed or faxed to the telephone company. The Commission also distributes printed copies upon request and at Lifeline events. During 2006, the Project participants will continue to work to improve the accessibility of Lifeline applications to eligible consumers. Efforts are underway to distribute applications to the participating agencies to be distributed to eligible clients who visit those sites.

**Department of Community Affairs:** The DCA's Division of Housing and Community Development administers the Low-Income Home Energy Assistance Plan (LIHEAP) and provides LIHEAP grants to local governments and non-profit agencies to assist eligible low-income households in meeting the costs of home heating and cooling. The DCA has continued to work with those agencies to incorporate the regular distribution of Lifeline educational materials into their client interview process. In addition, during 2005, the DCA modified its procedures in the Community Services Block Grant program to add an indicator to its work plan that allows the Community Action Agencies to report on the number of clients they help to secure Lifeline services.

**Connect Florida Campaign:** The Connect Florida Campaign (Campaign) was established by Linking Solutions, Inc., OPC, and BellSouth, to increase Lifeline awareness and participation through the development of public-private partnerships. State Legislators, FPSC Commissioners, local officials, the AARP, and Sprint joined the effort. The Campaign focuses on establishing sustained partnerships with local non-profit community-based organizations. Lifeline and Link-Up community events are held to present information about the programs and to encourage individuals and non-profit organizations to participate in the Campaign on a year-round basis. Key groups such as senior centers, Section 8 housing units, churches, and urban leagues are notified of the event well in advance to encourage attendance by community representatives and eligible individuals. Event attendance generally ranges from 50 people at the smaller events and up to several hundred for the larger events. Eligible individuals are given an opportunity to submit an application at that time.

During late 2004 and 2005, event locations included Deltona, West Palm Beach-Lake Worth, Palm Beach Gardens, New Smyrna Beach, Daytona Beach, Lake City, Gainesville, Miami, Tampa, Jacksonville, and Washington County. Several events were postponed due to hurricanes, but will be rescheduled during the upcoming year along with new locations. Both the OPC's income-based Lifeline application and the companies' simplified certification applications are used at these events depending on which works best for each applicant. Completed income-based applications are subsequently processed by the OPC, and the simplified certification applications are forwarded to the appropriate company by Linking

Solutions. Statistical information on the number of calls received, applications received, and applications approved by the OPC is provided in Appendix A.

**Community Events:** Project participants continue to seek community events where Lifeline educational materials can be provided and discussed with citizens. Examples of 2005 events where Lifeline educational booths were located include the Department of Elder Affairs Ambassadors for Aging Day at the Florida Capitol, the Florida Association for Community Action, Inc.'s 25<sup>th</sup> Annual Training Conference, and the Capitol for a Day Event in Fort Myers.

**Community Presentations:** Project participants also continued to reach out to eligible individuals on a more personal level. Several of the Project participants arranged and provided educational presentations at locations within communities across the state. Examples of groups visited in 2005 are the Marianna Rotary Club; Polk County Opportunity Council, Inc.'s Healthy Families/Healthy Communities Events; St. Johns County Council on Aging Events; the FLAIRS 2005 Annual Conference; and local senior centers and low-income residences.

**Tribal Lands Assistance:** During 2005, the Florida Association of Community Action helped facilitate the distribution of Lifeline and Link-Up educational materials and applications to all 56 of its local Community Action Agencies, including two Tribal Lands Agencies representing the Seminole and Miccosukee Tribes.

**Problem Solving:** The “grass roots” promotional events have given Project participants the unique opportunity to have one-on-one conversations with eligible individuals. Although many event attendees take advantage of the opportunity to apply for Link-Up and/or Lifeline Assistance during the event, some do not. During 2005, the Project participants endeavored to uncover the underlying reasons that lead to a consumer's decision not to apply. The following are some of the reasons that were discovered:

**Identity Theft and Financial Scams:** We have all heard stories of individuals who have had their identity stolen or have fallen prey to a financial scam. Fortunately, many organizations have accepted the challenge of educating consumers about these dangers. In fact, some individuals have been trained so well that they refuse to fill out an application for Lifeline and Link-Up benefits even though they clearly qualify and could benefit from the programs. The Project participants recognize the importance of protecting applicants' personal information, while removing obstacles that prevent eligible individuals from applying. The Office of Public Counsel has led this effort by modifying its income-based Lifeline application to only request the last four digits of the applicant's social security number. The Commission has likewise modified the joint program-based applications. During 2006, the Project participants will continue to assess this issue to determine if other steps can be taken to help reassure applicants that it is safe to apply for these programs while encouraging them to remain vigilant about protecting themselves from identity theft and financial scams.

**I've Fallen and Can't Get Up:** The term “Lifeline” is quite often associated with the Lifeline product that is designed to be worn around a person's neck and used to call for help in an emergency. During Lifeline promotional events, it is not uncommon to be told

by attendees that they do not need what we are offering because they already have the little device around their neck. It has proven difficult to change this perception because the Lifeline device has been marketed so heavily and is familiar to so many people. Absent the financial resources to conduct a similar advertising campaign, other creative marketing strategies are needed to help alleviate this confusion. The Commission is currently revising its educational materials to emphasize the Link-Up program first, then Lifeline, to help break the word association with the Lifeline device. During 2006, the Project participants will continue to review this issue and possible options to increase awareness of the “Link-Up Florida and Lifeline Assistance Programs.”

**Fear of Reduced Benefits:** The Project participants have recently learned that eligible individuals often believe the benefits they are receiving through public assistance programs will be reduced if they enroll in the Lifeline and Link-Up programs. Given a choice between assistance with food and medical bills versus a phone bill, consumers naturally choose the former. During 2006, the Project participants will work to improve consumer information about this issue.

**Child/Guardian Administration Over Financial Matters:** In many cases, eligible individuals have come to rely on a family member, such as an adult child, to assist them with financial decisions. Although eligible individuals may understand the advantages of the Lifeline and Link-Up programs, they will not agree to complete an application without first asking their family member to review it. Whether these individuals or their family members ultimately complete the application process is unknown. The key to addressing this issue is to develop other ways to help educate all Floridians about these programs so they can assist others who are eligible even if they are not.

**Cellular Telephones:** In some cases, eligible individuals have cellular phone service rather than wireline phone service. Although they could benefit from the Lifeline program, they prefer the convenience of a cellular phone. With respect to senior citizens, a family member often helps subsidize the cost of the cellular phone service to ensure that the elderly family member has ready access to telephone service. Until recently, Lifeline benefits were not available to cellular customers. As discussed previously, several wireless providers have sought approval to provide Lifeline service this year. During 2006, the Project participants plan to work with these wireless providers to determine how best to educate consumers of the availability of Lifeline service for cellular phones in some areas.

**Lifeline Across America:** On the national level, on July 26, 2005, the FCC and the National Association of Regulatory Utility Commissioners (NARUC) launched “Lifeline Across America,” a nationwide program to raise awareness of the Lifeline and Link-Up programs. The “Lifeline Across America” initiative is a coordinated effort involving the FCC and NARUC, working with the states, industry and consumers to promote the programs. Specific areas to be addressed include:

**Best Practices Working Group** that will develop guidelines to help carriers target consumers who are eligible for participation in the Lifeline and Link-Up programs. The



working group is comprised of representatives from the FCC and NARUC, and will include input from state and local government entities, industry, tribes and consumer groups;

**Joint Outreach Materials** in English and Spanish that will be distributed and available to targeted audiences, including: consumer-friendly fact sheets, an eligibility checklist, as well as other publications and marketing materials. The FCC and NARUC will be working with state and local government entities, industry, tribes and consumer groups to distribute information in order to maximize outreach efforts to eligible consumers;

**FCC and NARUC Web Site Enhancements** that will highlight the Lifeline and Link-up programs and provide information in a consumer-friendly and informative manner; and

**Train-the-Trainer Program** to educate state and local government stakeholders about Lifeline and Link-up eligibility requirements and procedures. Such program may be web-based to maximize cost efficiencies. The FCC and NARUC will partner with relevant state and local government entities, industry, tribes and consumer groups to facilitate the training effort.

The FPSC will be an active participant in the initiative, and will present analysis and findings from the “Lifeline Across America,” study in a future report.

Clearly, the Lifeline promotional activities undertaken by the Project participants are responsible for certain eligible individuals enrolling in the Lifeline or Link-Up programs who were not previously aware of these valuable benefits. But there is still much more work to be done. In the event financial resources become available, use of television public service announcements and target marketing should be pursued. During 2006, the Project participants will continue to work to increase awareness and participation in these programs. A detailed discussion of promotional activities by program participants is presented in Appendix A of this report.

## **IX. Effectiveness of Procedures to Promote Participation**

As discussed in greater detail in Section VIII and Appendix A, the FPSC, in cooperation with other state and federal agencies, the OPC, the LECs, and other organizations, is engaged in extensive Lifeline and Link-Up promotional efforts. Because most of these efforts run concurrently, it is difficult to measure the impact of any single activity on Lifeline and Link-Up participation. However, there does appear to be some developing evidence of the impact of several promotional efforts on Lifeline participation as discussed below.

- A. BellSouth, Sprint, and Verizon’s implementation of the income-based criterion of 135% of the FPG.
- B. BellSouth, Sprint, and Verizon’s implementation of the self-certification process for enrollment under the program-based criteria.

- C. The DCF Lifeline Project which implemented the Lifeline notification procedure and streamlined certification for DCF clients.
- D. Continued development and implementation of procedures by all parties to increase Lifeline outreach and public awareness, including, state-wide and local promotional efforts.
- E. Implementation of the Back-to-School Lifeline Project on a state-wide basis.

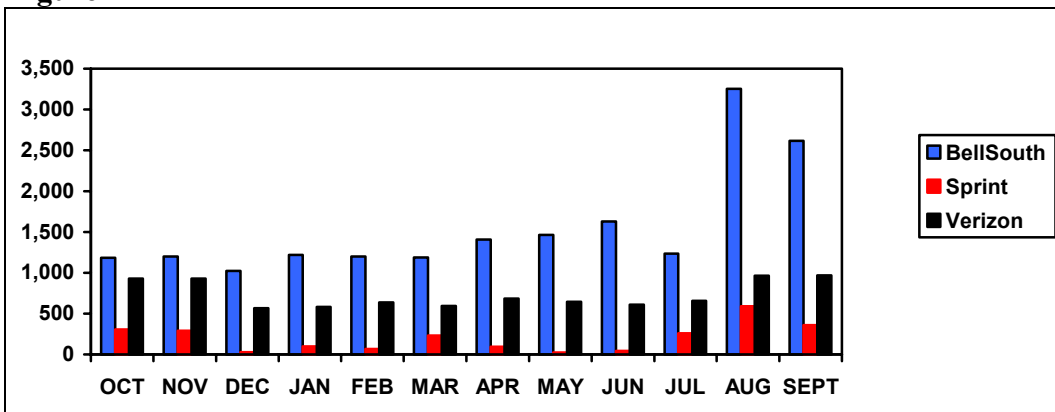
As discussed in Appendix A, in July 2005, televised media coverage of a promotional event held in Miami generated 12,260 telephone calls to the OPC. The calls for that month alone totaled more than the calls for the preceding six months, January through June. Similarly, in September 2005, a press conference in Tallahassee generated an extra 1,000 calls to the OPC.

As explained in Figure 1 below, BellSouth, Sprint, and Verizon experienced notable increases in new Lifeline customers during the July-September time period. As discussed in Section VIII-B, the Back-to-School Lifeline Project was implemented on a state-wide basis at the beginning of the 2005 school year. It appears that the project had a positive impact on enrollment.

The current participation rate of 12.4% suggests that a significant portion of the Lifeline-eligible population may not be aware of the Lifeline and Link-Up programs. A 2005 survey conducted by the Bureau of Economic and Business Research at the University of Florida indicates that only 19.83% of respondents were aware of the Lifeline program.

**New Lifeline Customers Added Each Month  
October 2004 through September 2005**

**Figure 1**



## **X. Conclusion**

The impact on Lifeline subscribership as a result of the expansion of customer eligibility criteria for Lifeline by BellSouth, Sprint, and Verizon to include the income-based standard of 135% of the Federal Poverty Guidelines and the National School Lunch Free Lunch Program are inconclusive at this time. The impact of the 12-month Lifeline enrollment simplified certification pilot program, which concludes in early 2006, is also inconclusive. Further, as presented in Figure 1, notable increases in new Lifeline customers occurred during the July-September time period, particularly in BellSouth's case. We point out that the Back-to-School Lifeline Project and televised promotional events held during this time period may have had a positive impact. Continued expansion of the Lifeline program will require a sustained effort, including the development of new and innovative ways to improve awareness and streamline the enrollment process.

As mentioned previously, a PURC study, which will be available in early 2006, is investigating Lifeline and Link-Up penetration rates, and the reasons eligible consumers do not take advantage of Lifeline and Link-Up. PURC will also be utilizing the results of the study to provide white papers and research related to participation in Lifeline and Link-Up with an emphasis on forward-looking issues.

In 2006, Commission staff will analyze the data collected from the simplified certification initiative along with findings from the PURC study, and present recommendations to the Commission for future action.

**Appendix A**  
**Promotional Activities**

## **Specific Promotional Activities by Project Participants**

The following is a detailed discussion of the role that each of the Lifeline Project participants is playing in the development of procedures to promote Lifeline. The discussion includes the eligible programs that each participant is involved with, past and present outreach efforts, existing procedures that can be continued or expanded, and new procedures that are being considered for development and implementation.

The focus of the 2005 Lifeline promotional activities has been outreach at the grass roots level with the inclusion of statewide efforts such as the Back-to-School Lifeline Project. During 2006, the Project participants will continue to work with the outreach partners to explore new approaches for reaching eligible citizens and expanding existing Lifeline promotional efforts.

**AARP - Florida Chapter:** The requirements of the 2003 Act do not apply to the AARP. However, the AARP is a strong advocate for Lifeline awareness, and representatives of the AARP-Florida Chapter have offered to assist the Commission and other state agencies in the development of promotional procedures. The AARP currently provides Lifeline information on a recurring basis in its magazine, and at the three Florida AARP Offices located in Miami, St. Petersburg, and Tallahassee. The AARP has agreed to continue these promotional activities. The AARP has also been involved in the Connect Florida Campaign and has developed a Lifeline application to assist its members in applying for Lifeline.

**ACCESS Florida Participants:** The DCF has implemented the Automated Community Connection to Economic Self-Sufficiency system known as ACCESS Florida. The system allows citizens to apply for Food Stamps, TANF, or Medicaid through the Internet. In order to improve citizens' access to these services, the DCF has developed the Community ACCESS Network of local community participants who are willing to help clients obtain these services. The ACCESS Florida Participants include organizations such as aging resource centers, child advocacy centers, community centers, county public health units, domestic abuse centers, faith-based organizations, food banks, homeless organizations, hospitals, libraries, public schools, social services, and workforce one stop centers. The organizations assist clients in using the ACCESS Florida system by providing access to computers, printers, telephones, fax machines, and copy machines and helping the applicants complete an online or printed application. At present, 215 organizations are serving as ACCESS Florida Participants. During 2006, the Project participants plan to work with the DCF and ACCESS Florida Participants to provide Lifeline educational materials and applications to eligible individuals through the ACCESS Florida Participant local sites. Additionally, the Commission will work with the DCF to assess the possibility and feasibility of incorporating Lifeline and Link-Up information on the ACCESS Florida Web site.

**Agency for Health Care Administration (AHCA):** AHCA has contact with recipients of Medicaid and Supplemental Security Income (SSI) benefits, but does not provide benefits through either program. Specifically, AHCA administers the Medicaid Program, but the DCF determines client eligibility, and benefits are distributed by approved Medicaid providers. The Social Security Administration (SSA) performs all functions for the SSI Program (i.e., administration, eligibility determination, and distribution of benefits.) Although it is likely that

Medicaid and SSI recipients will receive Lifeline information through the DCF or SSA, AHCA has volunteered to assist in distributing Lifeline information in other forums not used by those agencies.

The Project participants determined that eligible citizens residing in nursing homes may not have easy access to Lifeline information. The participants agreed that it would be appropriate to develop procedures to increase awareness of Lifeline within this target group. It was determined that Lifeline information could be provided to nursing homes through an existing AHCA program. Specifically, AHCA's Long Term Care Monitoring Program ensures that all nursing homes in Florida are visited by a Quality of Care Monitor each quarter. During 2004, AHCA's Quality of Care Monitors provided each nursing home administrator with a Lifeline educational kit. The FPSC subsequently received orders for educational materials from the nursing homes. During 2006, the FPSC will continue to work with AHCA and the nursing home administrators to ensure that the nursing homes have adequate supplies of educational materials available to nursing home residents and their family members who may be eligible for Lifeline assistance.

**Agency for Workforce Innovation (AWI) and Workforce Florida, Inc. (WFI):** WFI is the state's chief workforce policy organization. Created by the Workforce Innovation Act of 2000, the public-private partnership supports and promotes economic growth through workforce development. The AWI serves as the administrative agency for WFI. Neither the AWI nor WFI provides benefits through any of the eligible programs. However, due to WFI's extensive contact with eligible individuals, WFI has volunteered to assist with the outreach efforts.

WFI's Better Jobs/Better Wages Council assists families transitioning from welfare to work and former welfare recipients working in low-wage jobs with limited mobility. WFI programs are implemented through 24 regional workforce boards. Workforce development services are provided through a system of more than 200 One-Stop Career Centers designed to provide easy access to services including job placement, job training, and temporary cash assistance. The WFI regional workforce boards and One-Stop Career Centers work in coordination with the DCF District Offices and other organizations to assist citizens at the local level. Previously, Lifeline informational packets were distributed to all 24 regional workforce boards. The FPSC subsequently received additional orders for educational materials from the workforce boards during 2004 and 2005. Each regional workforce board determined the best procedure for distributing educational materials within its region. During 2006, the FPSC will continue to work with AWI and WFI to explore new approaches for reaching WFI's clients and to ensure that adequate supplies of Lifeline educational materials and applications are available.

**Area Agency on Aging:** Local Area Agencies on Aging have contact with senior citizens who may be eligible for Lifeline due to their income level or participation in an eligible program. These organizations have agreed to assist in the effort to make Lifeline educational materials available to their clients. The Project participants will continue to work with these organizations to provide educational materials and schedule additional grass roots meetings in the upcoming year.

**Big Bend 2-1-1:** Big Bend 2-1-1 is the Information and Referral Service Agency for the Big Bend area in Florida and has contact with eligible individuals seeking information and assistance for various needs. During 2004, Big Bend 2-1-1 agreed to include information about the Lifeline and Link-Up programs in its database of information used to assist local citizens. In addition, Big Bend 2-1-1 has assisted the Project participants with contacting other 2-1-1 Information and Referral Service Agencies in the state and the Florida Alliance for Information and Referral Services (FLAIRS.) The FPSC provided a Lifeline presentation and educational materials at the FLAIRS 2005 Annual Conference. In addition to the Big Bend 2-1-1, some telecommunications companies have worked directly with Informational and Referral Services in their service areas. During 2006, the Project participants will continue to work with Big Bend 2-1-1 and other Florida 2-1-1 service providers to make information available to eligible citizens seeking help through those organizations.

**Braille and Talking Book Library:** The Bureau of Braille and Talking Book Library Services is under the Department of Education, Division of Blind Services. Since 1950, the Bureau has been designated by the Library of Congress/National Library Service for the Blind and Physically Handicapped as the regional library for Florida, and loans Braille and recorded books and magazines to all eligible residents of the state. In addition, the Bureau has established 11 sub-regional libraries to provide local talking book services to residents of metropolitan areas. Reading materials are sent to and from customers via postage-free mail, and all services are provided at no charge. During 2004, the Bureau agreed to translate the Commission's Lifeline brochure into Braille and produce copies for the FPSC to distribute. The Braille brochures became available for use in July 2004. During 2005, the FPSC continued to work with the Braille and Talking Book Library to make Lifeline information available to sight impaired individuals who may be eligible for Lifeline.

**Bureau of Indian Affairs Programs:** Individuals who are receiving benefits through a qualified Bureau of Indian Affairs program are eligible for expanded Lifeline and Link-Up benefits. Florida's tribes fall under the Bureau of Indian Affairs Regional Office located in Nashville, Tennessee. Florida's two federally recognized tribes are the Miccosukee and Seminole Tribes. At present, there is one small Head Start Program serving 20 children of the Miccosukee Tribe, and one school lunch program in Clewiston for children of the Seminole Tribe. The agencies that are located near federally recognized lands are being made aware of the expanded benefits so they may inform clients living in those areas. During 2005, the Project participants worked with the Florida Association of Community Action to provide Lifeline and Link-Up educational materials to its two Tribal Lands agencies representing the Seminole and Miccosukee Tribes. The Commission will continue to work with these and other agencies to ensure that eligible individuals living on tribal lands are informed of the availability of Lifeline and Link-Up.

**Capital Area Community Action Agency, Inc. (CACAA):** CACAA is a private non-profit organization created to help low-income families gain financial independence and self sufficiency in the Big Bend area. During 2004, the CACAA agreed to assist in the outreach effort to provide Lifeline educational materials to its clients. In addition, the CACAA assisted the Project participants in contacting other Community Action Agencies throughout the state. During 2005, this promotional effort was expanded to include all local Community Action

Agencies that are members of the Florida Association of Community Action. The Project participants will continue to work with the CACAA and other Community Action Agencies to provide Lifeline educational materials and applications to eligible clients served by these agencies.

**City and County Consumer Assistance Departments:** A number of cities and/or counties have Consumer Assistance Departments that provide information and assistance to local citizens. These Departments have contact with individuals who are eligible for Lifeline based upon their income level or participation in eligible programs. City and county Consumer Assistance Departments throughout Florida have agreed to assist in the Lifeline outreach effort by making educational materials available to local citizens seeking assistance through their offices. Cities represented include: Jacksonville, Miami, Orlando, Tallahassee, Tampa, and West Palm Beach. Counties that have agreed to assist in the outreach effort include: Broward, Duval, Hillsborough, Leon, Miami-Dade, Orange, Pinellas, and Palm Beach. During 2005, the Project participants continued to work with these and other local governments to make Lifeline educational materials available to local citizens.

**Faith Radio Station:** In keeping with the grass roots theme for outreach, the Project participants initiated a pilot project with a local radio station. Faith Radio Station in Tallahassee agreed to play a Lifeline Public Service Announcement (PSA) free of charge. The FPSC has produced a radio PSA which is currently being reviewed. Upon approval, the PSA will be aired in the local market. It is anticipated that the pilot PSA can be distributed to additional radio stations throughout Florida willing to join in the outreach effort.

**Federal Social Security Administration (SSA) - Tallahassee District:** The SSI Program is administered by the SSA. The SSA District Offices determine client eligibility and distribute program benefits at the local level. The SSA - Tallahassee District Office has assisted in expanding Lifeline outreach to all of the SSA Offices in Florida. Information packets were previously sent to all 57 SSA District Offices, and the Offices subsequently ordered additional Lifeline educational materials from the FPSC. The SSA and FPSC will continue to work together to ensure that the SSA District Offices receive the necessary educational materials to provide to SSI recipients.

**Florida Alliance for Information and Referral Services (FLAIRS):** FLAIRS is a statewide association of agencies and individuals committed to the provision of quality information, referral, and hotline services. FLAIRS members include Florida 2-1-1 Agencies, United Ways, crisis hotlines, libraries, military service centers, elder helplines, child care resource and referral providers, and others who provide hotline and information services. The Alliance offers an annual training conference for members and other interested service providers. During 2005, FLAIRS assisted in the Lifeline promotional effort by allowing the Commission to participate as a presenter at its Annual Conference. In addition, FLAIRS representatives were actively involved in distributing Lifeline educational materials to the conference attendees and encouraging them to share the materials with others in their organizations who were not able to attend the conference. During 2006, the Project participants will continue to work with the FLAIRS representatives and members to increase awareness of the Lifeline and Link-Up programs.



**Florida Association of Community Action (FACA):** Since 1981, the FACA has served as a network of Florida Community Action Agencies, Head Start programs, Weatherization programs, and other sanctioned programs to raise the health, education, and economic standards of Florida's economically disadvantaged citizens. FACA serves its members through such avenues as educational programs, information exchange, advocacy and support services, and collaboration and shared resources. Since 1988, the FACA has developed and managed Florida's statewide, toll-free Hunger Hotline. The Hunger Hotline provides referrals to approximately 2000 agencies across the state of Florida which offer various assistance programs to Floridians. During 2005, the FACA assisted in the Lifeline promotional effort by allowing the Commission to participate as a Lifeline and Link-Up exhibitor at FACA's 25<sup>th</sup> Annual Training Conference. Also, FACA helped facilitate the distribution of Lifeline and Link-Up educational materials and applications to all 56 of its member local community action agencies, including two Tribal Lands agencies representing the Seminole and Miccosukee Tribes. During 2006, the Project participants will continue to work with FACA to increase awareness of and participation in the Lifeline and Link-Up programs among the individuals served by FACA's member agencies.

**Florida Association of Community Health Centers:** The Florida Association of Community Health Centers represents 26 community health centers which assist individuals who may be eligible for Lifeline. The Association has agreed to assist the Project participants in the outreach effort by making Lifeline educational materials available to individuals who visit the community health centers. Lifeline informational packets were previously distributed to each of the 26 community health centers. During 2005, the Project participants continued to work with these centers to help inform eligible individuals about the availability of the Lifeline and Link-Up programs.

**Florida Association of Food Banks (FAFB):** The Florida Association of Food Banks represents 16 member food banks that serve all 67 counties in the state of Florida. The FAFB is affiliated with America's Second Harvest which has a nationally recognized food distribution system and has 200 member food banks throughout the country. During 2005, the FAFB worked with the Project participants to help provide Lifeline educational materials to eligible individuals who receive assistance through the member food banks. The Project participants will continue to work with the FAFB to make Lifeline and Link-Up information available to FAFB clients.

**Florida Department of Children and Families (DCF):** As stated previously, the DCF determines eligibility and provides benefits to recipients of Food Stamps or TANF. The DCF also determines eligibility for Medicaid; however, benefits are distributed by approved Medicaid providers. The DCF began its Lifeline outreach efforts with a mass mailing in 1998. The DCF has since implemented procedures to promote Lifeline on a regular basis. Specifically, the Florida Legislature appropriated \$500,000 for fiscal year 2001-2002 to be transferred from the Commission's Regulatory Trust Fund to the DCF to fund a Lifeline Project. On January 15, 2003, the Legislative Budget Commission approved the DCF Lifeline Project expenditure plan, which was designed to use \$130,050 of the original appropriation. During 2002 and 2003, the DCF, the Commission, Florida Telecommunications Industry Association, and LECs worked together to implement the DCF Lifeline Project.

The DCF modified its eligibility determination procedures so that information about the Lifeline and Link-Up programs is provided during client interviews. Brochures and posters are provided by the Commission to individual DCF field offices for distribution to program beneficiaries. The DCF provides an eligibility notice to all clients who are determined to be eligible for Medicaid, Food Stamps, or TANF. Effective April 21, 2003, the eligibility notice also informs clients that they may be eligible for Lifeline assistance. Prior to that date, the required proof of eligibility varied among telecommunications companies. Under the DCF Lifeline Project, the LECs agreed to accept the DCF's eligibility notice as proof of eligibility for Lifeline. The new notification procedure and streamlined eligibility verification were expected to provide increased awareness and enrollment in these programs. Following implementation of the new procedures, several telecommunications companies confirmed that they were receiving requests for Lifeline assistance from customers who had received the new DCF eligibility notice, and that the notices were helpful in streamlining the enrollment process. The Commission and DCF will continue to work together to ensure that the DCF District Offices receive adequate supplies of educational materials and Lifeline applications for distribution to clients.

**Florida Department of Community Affairs (DCA):** The DCA's Division of Housing and Community Development administers the Low-Income Home Energy Assistance Plan (LIHEAP), but does not determine client eligibility or provide benefits. The DCA provides LIHEAP grants to local governments and non-profit agencies to assist eligible low-income households in meeting the costs of home heating and cooling. Prior to implementation of the Project, Lifeline educational packets were sent by the Commission to all 34 agencies in Florida that administer the LIHEAP at the local level. The DCA has continued to work with those agencies to incorporate the regular distribution of Lifeline educational materials into their client interview process. In addition, during 2005, the DCA modified its procedures in the Community Services Block Grant program to add an indicator to its work plan that allows the Community Action Agencies to report on the number of clients they help to secure Lifeline services. The DCA and FPSC will continue to work together to explore new approaches for providing educational materials to DCA's clients and ensure that the local agencies have adequate supplies of educational materials and Lifeline applications to distribute.

**Florida Department of Education (DOE):** During 2004, the DOE provided assistance with the Lifeline promotional effort through its Division of Blind Services. The DOE's Division of Blind Services provides assistance to sight impaired individuals who may be eligible for Lifeline. The Division agreed to assist in the outreach effort by providing Lifeline educational materials to its clients. As discussed previously, the Division alerted the Project participants to the need for Lifeline educational materials in different formats that are accessible to sight impaired citizens. As a result, the Commission's Lifeline brochure was translated to Braille by the Braille and Talking Book Library. The Division also advised the Project participants regarding the best methods for providing educational materials in a computer format that can be read using accessibility software. During 2005, the DOE provided further assistance with the Back-to-School Lifeline Project that was discussed previously in Section VIII-B. The Project participants will continue to work with the DOE to increase awareness of and participation in the Lifeline and Link-Up programs.

**Florida Department of Elder Affairs (DEA):** The DEA does not administer or provide benefits through any of the eligible programs but does have contact with eligible individuals. The DEA has been assisting with Lifeline outreach efforts since 1998. The DEA currently has procedures in place for providing Lifeline information to eligible citizens with whom the agency has contact. The DEA regularly includes information about the Lifeline and Link-Up programs in its Elder Update publication. The DEA also provides educational information through its Elder Helpline, and at health fairs and expositions. It was determined that it would be appropriate for the DEA to continue to provide Lifeline information through these means. The DEA and FPSC will continue to work together to explore new approaches for providing educational materials to DEA clients and ensure that DEA has adequate supplies of educational materials to distribute.

**Florida Impact:** Since 1979, Florida Impact has been dedicated to reducing hunger and poverty in Florida. The organization works to increase access to food programs by conducting aggressive outreach strategies and public policy advocacy. Florida Impact works with Food Service Directors for many of Florida's School Districts to provide information about Food Stamp and National School Lunch Programs to eligible families. During 2005, Florida Impact assisted with the Back-to-School Lifeline Project by facilitating contact with its network of Food Service Directors.

**Florida Office of Public Counsel (OPC):** As discussed previously, the 2003 Act expanded the Lifeline eligibility criteria to include individuals who meet an income eligibility test at 125 percent of the Federal Poverty Guidelines (FPG). In 2005, the Florida Legislature increased the standard to 135 percent. Section 364.10(3)(a), Florida Statutes, states in part that "The Office of Public Counsel shall certify and maintain claims submitted by a customer for eligibility under the income test authorized by this subsection." Accordingly, the OPC has implemented procedures to process customer applications.

The OPC's procedures include telephone consultations to determine initial eligibility, distribution of applications to customers, review of submitted applications, written notification of the eligibility determination, and provision of customer eligibility information to the appropriate LECs. Customers who are currently receiving telephone service from BellSouth, Sprint, or Verizon are then enrolled in Lifeline by their telephone company based upon information provided by the OPC. Customers who do not currently have a telephone must contact their telephone company directly to request the installation of telephone service. In those cases, the OPC requests that the customer contact the OPC upon receiving his or her new telephone number so that the Lifeline and Link-Up credits may be activated.

The OPC also helped establish the Connect Florida Campaign and has been actively involved in the Connect Florida Campaign events. The OPC staff are regularly on hand to assist customers with the application process during the events. The events have been beneficial in increasing awareness and participation in the Lifeline program. Additionally, information gathered by the OPC seems to support the concept that the promotion of Lifeline and Link-Up is directly related to the programs' participation rates. In July 2005, a televised promotional event held in Miami generated 12,260 telephone calls. The calls for that month alone totaled more than the calls for the preceding six months, January through June. Similarly, in September 2005,

a press conference in Tallahassee generated an extra 1,000 calls. The OPC reports that it regularly receives letters and calls of thanks from Lifeline participants who appreciate being able to speak to someone in person and receive assistance with signing up for the program. The media advertisement used in conjunction with personal one-on-one assistance in the enrollment process has proved to be beneficial in increasing awareness of and participation in these programs. Statistics regarding the OPC's eligibility program are shown below.

Figure 2 presents data on the number of Lifeline applications received each month from October 2004 through September 2005. Figure 3 presents data on the number of applications approved, denied, pending; and the number of non BellSouth, Sprint or Verizon customers. During this time period, the OPC received 45,378 telephone calls about Lifeline, received 12,486 Lifeline applications, and approved 10,957 applications for customers of BellSouth, Sprint and Verizon. The remaining applications were either denied, pending, or from non BellSouth, Sprint or Verizon customers.

**Figure 2**

**Lifeline/Link-Up Applications Received**  
October 2004 thru September 2005

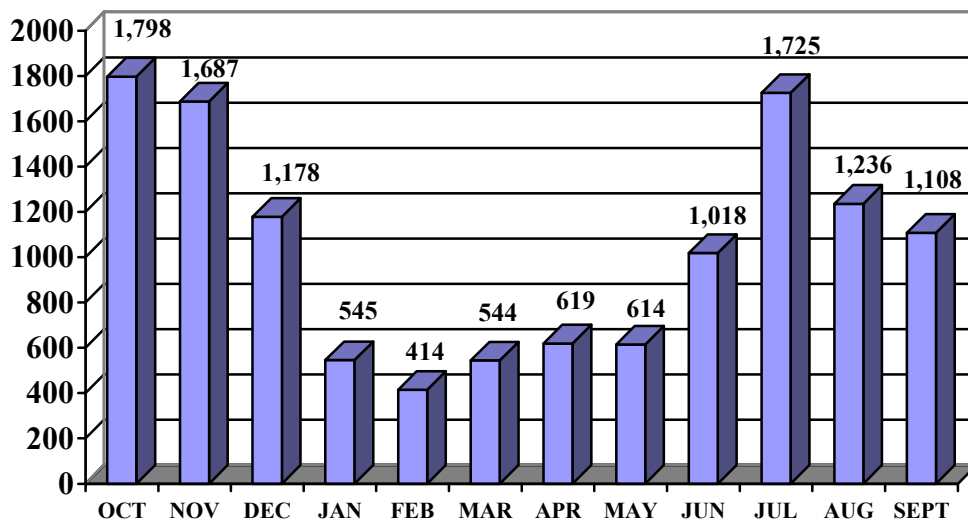
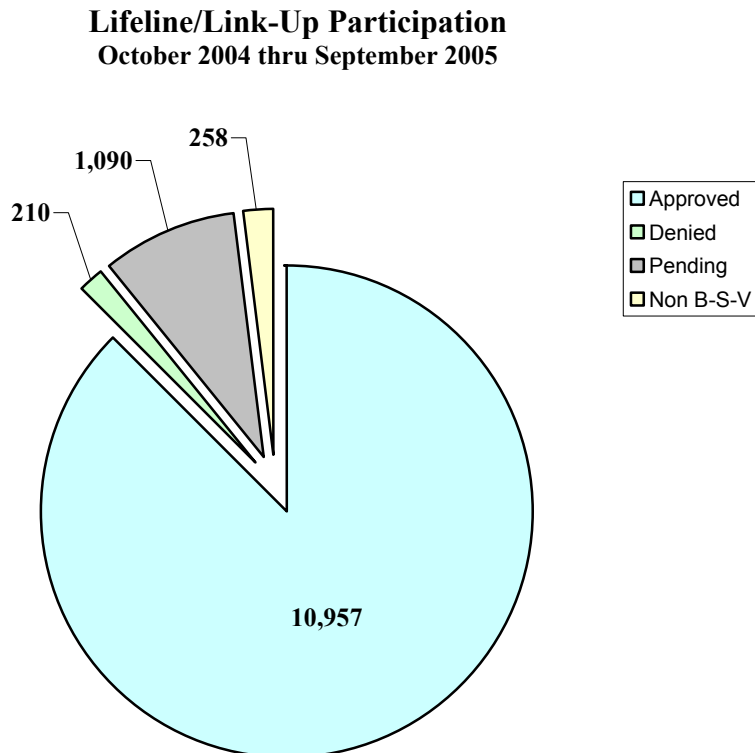


Figure 3



**Florida Public Libraries:** Florida's Public Libraries are visited by thousands of citizens each year, some of whom may be eligible for assistance through the Lifeline and Link-Up programs. Many libraries have been helping to make Lifeline information available to library patrons for a number of years. However, in 2004, the Commission's Library Outreach Program was expanded to include every public library in Florida. This was the first time the FPSC had undertaken such a comprehensive library outreach effort and provided materials to all Florida public libraries at one time. The outreach effort was repeated in 2005. Many of the libraries regularly request additional supplies. During 2006, the Project participants will continue to work with Florida's public libraries to ensure that Lifeline information remains available to the public.

**Florida Public School Districts and Special Districts:** As discussed previously, all 67 Florida Public School Districts and four Special Districts participated in the Back-to-School Lifeline Project in 2005. The Districts assisted in providing Lifeline educational brochures including Lifeline applications to 2.6 million Florida students. During 2006, the Project participants will continue to work with the School Districts to provide Lifeline information to eligible families.

**Florida Public Service Commission (FPSC):** The Commission's Lifeline consumer outreach program began in 1995, following establishment of the Lifeline and Link-Up programs by the Florida Legislature. The focus of the outreach program has been, and will continue to be, to get educational materials into the hands of those agencies, organizations, and individuals most likely

to come into contact with citizens who qualify for the benefits. To accomplish this, the Commission publishes a variety of educational materials, including brochures, posters, and applications in English and Spanish. Through partnerships with other agencies, the Commission became aware of a growing need to provide Lifeline information in the Haitian Creole language and in Braille. Consequently, the Commission's Lifeline brochures and posters were translated into Haitian Creole and became available for distribution in January 2004. Efforts are currently underway to translate the Lifeline applications into Haitian Creole. Further, the Braille brochures became available for use in July 2004. The Commission also produces Lifeline information on computer disks in a format that is compatible with accessibility software programs and is exploring other formats to make information even more widely available.

The Commission has formed partnerships with a number of organizations that have worked with Commission staff to provide Lifeline information to the public. In addition to the original Project participants, the Commission has partnered with county libraries, city and county consumer affairs offices, churches, senior centers, and other organizations to increase awareness about Lifeline. The Commission also regularly provides Lifeline information at utility hearings, on the Commission's Web site, and through a Lifeline E-mail that is periodically sent to the Commission's Lifeline partners and other interested persons. The Lifeline E-mail includes a form that can be used by recipients to order supplies of Lifeline educational materials by E-mail, postal mail, or by telephone. Several recipients requested supplies after receiving the first E-mail.

The Commission previously distributed 111,940 Lifeline brochures and posters during the time period from October 2003 through September 2004. This year, from October 2004 through September 2005, the Commission distributed 130,718 Lifeline brochures, posters, and applications throughout the state. This represents a 16.77 percent increase over the 2003-2004 distribution total.

During the initial phase of the Project, it was determined that one change should be made to the Commission's current procedure for providing educational materials to other agencies and organizations. Section 364.10(3)(b), Florida Statutes, requires that, "Each local exchange telecommunications company (LEC) subject to this subsection shall provide to each state and federal agency providing benefits to persons eligible for Lifeline service applications, brochures, pamphlets, or other materials that inform such persons of their eligibility for Lifeline, and each state agency providing such benefits shall furnish the materials to affected persons at the time they apply for benefits." Because the Commission already has procedures in place for entities to order Lifeline brochures and posters, the Project participants determined that it would be more efficient to continue using the current process for distributing the educational materials to the state and federal agencies. It was envisioned that the LECs could assist with the production of the educational materials to be distributed through the current system. However, the requirement to provide printed materials contained in Section 364.10(3)(b), Florida Statutes, is contingent upon the implementation of a switched network access rate reduction. The requirement could not be placed into effect while the BellSouth, Sprint, and Verizon petitions for access charge reductions were pending in court. In the interim, the Commission continued to produce the Lifeline educational materials for distribution pending a final decision by the court. The recent court decision upholding the Commission's approval of the rate applications has triggered

implementation of this requirement. During 2006, the FPSC will work with the telecommunications companies to determine how best to meet this requirement.

**Florida Telecommunications Relay, Inc. (FTRI):** FTRI provides specialized telecommunications equipment to qualified residents of Florida who are deaf, hard of hearing, deaf/blind, or speech impaired. FTRI has contact with individuals who may be eligible for Lifeline. During 2004, FTRI agreed to assist in the outreach effort by providing the Commission's Lifeline educational materials to its clients. During 2005, the Project participants continued to work with the FTRI to improve accessibility to Lifeline information for its clients.

**Habitat for Humanity – Florida (Habitat):** Habitat for Humanity International was founded in 1976. Habitat helps to break the cycle of poverty by working in partnership with low-income families to build decent homes they can afford to buy. Habitat for Humanity's work is accomplished at the community level by affiliates -- independent, locally run, nonprofit organizations. Each affiliate coordinates all aspects of Habitat home building in its local area -- fund raising, building site selection, partner family selection and support, house construction and mortgage servicing. Many of the Habitat families are eligible for Lifeline and Link-Up based upon the income eligibility criteria. During 2006, the Project participants plan to work with the Florida Habitat for Humanity's 71 local affiliates to provide Lifeline and Link-Up educational materials and applications to the Habitat families, so they may obtain affordable telephone service in their new Habitat homes.

**KMR Consultants, LLC (KMR):** KMR is a Tallahassee based firm that specializes in developing and integrating private sector business practices into federal, state, and local governmental agencies. KMR is under contract with BellSouth and Sprint to promote the Lifeline and Link-Up programs. During 2005, KMR served as the lead coordinator for the Back-to-School Lifeline Project, helping to contact and enlist the support of Florida's education officials in all 67 Public School Districts and four Special Districts.

**Leon County School Board:** During 2004, the Leon County School Board agreed to work with the Project participants to explore ways to provide Lifeline information through the school system. As discussed previously, at the beginning of each school year, local schools provide informational packets for the students to take home to their parents. As a pilot project in 2004, the School Board agreed to include Lifeline information in the packets to help inform possible eligible families about the availability of the Lifeline and Link-Up programs. During 2005, the School Board participated in the statewide Back-to-School Lifeline Project and assisted with local promotional media events. The Project participants will continue to work with the School Board on future promotional efforts.

**Linking Solutions, Inc.:** Linking Solutions is a private business under contract with BellSouth and Sprint to promote the Lifeline and Link-Up programs. As discussed in Section VIII-B, Linking Solutions assisted in the initial development and continues to take a lead role in the Connect Florida Campaign. The Campaign focuses on establishing sustained partnerships with local non-profit community based organizations. Lifeline and Link-Up community events are held to present information about the programs, and to encourage individuals and non-profit organizations to participate in the Campaign on a year-round basis. Attendance at these events

ranges from 50 people at the smaller events up to several hundred at the larger events. Attendees are given the opportunity to ask questions and complete a Lifeline application during the event. These events have been a successful tool in promoting increased participation in the Lifeline program.

In addition, Linking Solutions has been actively involved in increasing awareness of Lifeline through smaller grass roots meetings at the local level with entities such as senior centers and churches. Non-profit organizations, churches, and community groups, that naturally serve eligible consumers are encouraged to join the Campaign as Alliance Partners. Alliance Partners participate in a training session, share the information with their members, and through their outreach programs assist consumers with the application process. The Project participants will continue to work with Linking Solutions on additional Connect Florida Campaign events in 2006.

**National Federation of the Blind (NFB), Big Bend Chapter:** The NFB is the nation's largest membership organization of blind persons. With fifty thousand members, the NFB has affiliates in all fifty states, plus Washington D.C. and Puerto Rico, and over seven hundred local chapters. As a consumer and advocacy organization, the NFB is considered the leading force in the blindness field today. Among its many services, the NFB provides information and referral services to its members. Previously, the Project participants partnered with the local NFB chapter for the Big Bend area to provide Lifeline information to its members. During 2006, the Project participants will work to expand this effort to include other NFB chapters in Florida.

**Tallahassee Memorial Hospital (TMH) and other Florida Hospitals:** Health care professionals throughout the state come in contact with eligible individuals on a daily basis, primarily in hospital emergency rooms. TMH staff suggested that it would be helpful to include hospital social workers and emergency room waiting rooms in the outreach effort. During 2004, as a pilot project, Lifeline educational materials were provided to TMH to be made available to patients and their family members who visit the emergency room. During 2005, this promotional effort was expanded to include all 279 hospitals registered with the Florida Department of Health. During 2006, the Project participants will continue to work with Florida's hospitals to provide Lifeline educational materials to eligible patients and family members.

**Tallahassee Urban League:** The Urban League provides assistance to many people within the community, some of whom may be eligible for Lifeline. Previously, the Tallahassee Urban League joined in the outreach effort to provide Lifeline educational materials to eligible citizens in the Tallahassee area and to explore new ways to provide educational materials to eligible individuals. During 2006, the Project participants will continue to work with the Urban League to expand this outreach effort to Urban Leagues throughout the state.

**Telecommunications Companies:** The LECs have worked in conjunction with the state agencies on outreach efforts such as the DCF Lifeline Project, the OPC's implementation of the income eligibility criteria procedures, and the Lifeline Project resulting from the 2003 Act. Additionally, each LEC that offers Lifeline provides Lifeline information to the customers on an annual basis through mass mailings or bill inserts. Some companies voluntarily provide Lifeline information more than once a year. As discussed earlier, the LECs have initiated outreach



activities at the local level within their service territories, often working jointly with the local public assistance organizations.

BellSouth, in conjunction with Sprint, ran a commercial via the Transit Television network in Orlando which began in November 2005, and will run for approximately three months. BellSouth also contracted with IAC Public Relations, Inc. (IAC) to provide public relations and advertising in order to create an awareness of the Lifeline program. Radio spots were produced in English, Spanish, and Creole and aired throughout Florida. BellSouth provides Lifeline information not only through annual bill inserts but also through the customer informational directive (“CID”) letters that are provided to all new and transfer customers, articles in BellSouth Residential Starlines and Business Lines (English and Spanish), and Customer Guides (phone book).

Verizon Florida hosted and sponsored six Lifeline sign-up events from December 2004 through November 2005 in its service areas. The company targeted audiences in areas such as community centers and low-income housing developments, with the number of attendees ranging from 75 to 300 people. Also, Verizon signed up Lifeline subscribers at four major community events including the Black Heritage Month Festival, Conga Caliente and the annual "I Have A Dream Festival." These festivals drew crowds from 500 to as many as 15,000 participants. At all events, Verizon employees are present to explain Lifeline and Link-Up, and to distribute and accept applications.

This type of grass roots work at the local level is a vital component in the effort to increase Lifeline awareness.

**United Way of Florida:** The United Way works with local organizations to improve the community. Many of those organizations have regular contact with individuals who may be eligible for the Lifeline and Link-Up programs. During 2004, the United Way of the Big Bend agreed to assist in providing Lifeline educational materials to eligible citizens through its member organizations in the Big Bend area, as well as assist in distributing Lifeline educational packets to all of the United Way Regional Offices in Florida. During 2005, the Project participants continued to work with the United Way to increase Lifeline awareness and participation among individuals who are assisted through the United Way member organizations.

**U.S. Department of Housing and Urban Development (HUD):** The Federal Public Housing Assistance (Section 8) Program is under the U.S. Department of Housing and Urban Development but is administered at the state level through local public housing agencies. Prior to the Project, Lifeline educational kits were sent to all 128 agencies administering Section 8 Housing in Florida. Some agencies have repeatedly placed new orders for additional educational materials. During 2005, the Connect Florida Campaign events included Section 8 Housing locations. During 2006, the Project participants will continue to work with the local public housing agencies to ensure that they receive adequate supplies of educational materials to provide to eligible citizens in their program.