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RECORDS AND  
REPORTING

May 28, 1999

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: DocketNo. 990694-TL

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and 15 copies of the Joint Petition to Expand Lifeline Assistance Plan Eligibility Criteria.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

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FPSC-BUREAU OF RECORDS



Jack Shreve  
Public Counsel

CB:bsr

Enclosures

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Joint Petition to Expand Lifeline )  
Assistance Plan Eligibility Criteria )

Docket 990694-TL  
Filed: May 28, 1999

**JOINT PETITION TO EXPAND LIFELINE  
ASSISTANCE PLAN ELIGIBILITY CRITERIA**

Pursuant to Rule 28-106.201, Florida Administrative Code, the Citizens of Florida, by and through Jack Shreve, Public Counsel; Robert A. Butterworth, Attorney General of the State of Florida; and the American Association of Retired Persons (collectively "Joint Petitioners") file this petition to expand lifeline assistance plan eligibility criteria so that those persons with existing debts to the local exchange companies may no longer be denied lifeline service as long as those customers subscribe to toll blocking service.

1. Section 350.0611, Florida Statutes (1998) empowers the Public Counsel to provide legal representation for the citizens of the state in proceedings before the Commission. This statute specifically authorizes the Public Counsel to recommend to the Commission, by petition, the commencement of any proceeding or action.

2. The Attorney General is the chief legal officer of the state<sup>1</sup> and has authority

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<sup>1</sup> Article IV, Section 4, Florida Constitution.

to appear in all suits in which the state may be interested.<sup>2</sup>

3. The American Association of Retired Persons (AARP) is a nonprofit membership organization representing the interests of older persons throughout the United States. Nationally, the AARP has approximately 32 million members. Of these, approximately 2,200,000 are residents of the State of Florida. The AARP represents the interests of its members who are customers of local exchange companies in Florida and is, therefore, a party whose substantial interests will be determined by the Commission in this proceeding.

4. Joint petitioners do not believe this petition raises any disputed issues of material fact.

5. Lifeline Assistance Plans enjoy broad support in both federal and state law. Federal law provides up to \$7.00 per month assistance to lifeline consumers when states provide an additional \$3.50 per month.<sup>3</sup> State law requires each telecommunications company serving as carrier of last resort to provide a Lifeline Assistance Plan to qualified

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<sup>2</sup> §16.01, Florida Statutes (1998).

<sup>3</sup> 47 CFR §54.403. The Florida Public Service Commission requires local telecommunications companies to provide the additional \$3.50 per month in its lifeline offerings, so that lifeline customers receive a total benefit of \$10.50 per month. See FPSC Docket no. 970744-TP.

residential subscribers.<sup>4</sup> Lifeline provides a critical service enabling customers to receive telephone service when they might otherwise be unable to afford it.

6. State law<sup>5</sup> and federal regulations<sup>6</sup> prohibit disconnection of lifeline service for nonpayment of long distance charges, but local telecommunications carriers may refuse to provide lifeline service in the first place if the customer has a preexisting debt to the company.<sup>7</sup> Alternative carriers are proliferating in Florida to provide toll-blocked local service to such customers at up to \$59.95 per month.<sup>8</sup>

7. Lifeline service, however, recognizes the benefit of putting more people on the local telephone network. Local telephone service can provide the connection that allows someone to gain employment and become a productive member of the community. For an elderly shut-in or a parent who needs to keep in touch with their child, local telephone service is a necessity. In addition, lifeline service provides the capability to call 911 both for emergencies and for reporting crimes. Wide availability of lifeline service benefits the entire citizenry of Florida.

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<sup>4</sup> §364.10(2), Florida Statutes (1998).

<sup>5</sup> §364.604(4), Florida Statutes (1998).

<sup>6</sup> 47 CFR §54.401(b).

<sup>7</sup> Order no. PSC-98-0328-FOF-TP issued February 24, 1998, contains the Florida Public Service Commission's eligibility criteria for lifeline service. These are the criteria we seek to expand by this petition.

<sup>8</sup> See, e.g., Florida tariff of 1-800-RECONEX, Inc.

8. Our experience indicates that the refusal of local telecommunications companies in Florida to provide lifeline service to customers with preexisting debts is a huge obstacle to expanding subscribership of lifeline service in Florida. Some companies have discretionary internal policies allowing customers with past debts to obtain lifeline service if (1) the past-due debt has not been sent to a bill collection agency, (2) the customer begins a plan to pay off the debt over a 4 to 6 month period, and (3) the customer agrees to toll limitation or toll restriction. However, this practice still uses the prospect of local phone service as leverage to obtain payment for past charges, including past-due long distance charges, and does not go far enough to encourage lifeline service in Florida.

9. Potential users of lifeline service have often been disconnected in the past for nonpayment of long distance charges. Lifeline provides little use for these persons if the local exchange companies refuse to provide them lifeline service on account of the previous debt. Both the Joint Board and the Federal Communications Commission have found that disconnection for nonpayment of long distance charges is a significant cause of low subscribership among low-income consumers.<sup>9</sup>

10. We do not seek action by the Commission excusing persons from obligations for past debts. Instead, we simply seek a ruling by the Commission that such past debts may no longer be used by the local telecommunications companies as a basis for denying

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<sup>9</sup> *Universal Service Order*, FCC 97-157 (May 8, 1997), ¶ 28.

lifeline service to subscribers who would otherwise be eligible for the service. Local telecommunications companies should be allowed to require such customers to take toll blocking as a condition of such service, and the companies would be able to use other commercially available means to collect past debts short of denying the subscriber lifeline service.<sup>10</sup>

11. Recent adverse trends in the number of households subscribing to telephone service in Florida show that the need for action is greater now than ever. When lifeline was introduced in Florida during 1995, 93.9% percent of the households in Florida subscribed to telephone service. The percentage dropped to 93.1% in 1996, 92.8% in 1997, and 92.6% in 1998.<sup>11</sup> Subscribership among households with less than \$10,000 annual income in Florida dropped from 86.7% in March, 1995, to 85.4% in March, 1998.<sup>12</sup>

12. Florida's telephone service subscribership is worse than that for the nation as a whole. In 1995, Florida's household subscribership of 93.9% was the same as the

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<sup>10</sup> Joint petitioners do not oppose a review of other restrictions that might apply to lifeline service, such as restrictions on optional services available to lifeline customers, but such restrictions, if any, should apply to all lifeline customers.

<sup>11</sup> *Telephone Subscribership in the United States*, Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, released May, 1999.

<sup>12</sup> *Telephone Penetration by Income by State*, Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, released February, 1999. Household income is provided in March, 1984 dollars. The current dollar equivalent for 1995 is a household income of \$14,756 per annum, and the current dollar equivalent for 1998 is a household income of \$15,809 per annum.

United States average. By 1998, the national average subscribership had risen to 94.1%, but Florida had dropped to 92.6%.<sup>13</sup> This trend must be reversed.

13. If we in Florida are to fulfill the expectations of achieving universally available basic telephone service for all of our citizens -- a goal that is specifically embodied in our state and federal statutes -- then we must attach a greater sense of urgency to the expansion of lifeline to more of the customers who qualify for the service. Neither this nation nor this state can any longer allow young children to grow up in households that do not even have access to 911 emergency service. Our local exchange companies have failed to take the necessary steps to expand lifeline to a significant percentage of eligible subscribers. It is important now for the Commission to ensure that the goals for universal service contained in the 1995 Florida legislation and 1996 federal legislation are passed on to our low-income subscribers before this decade ends. The time to act is now.

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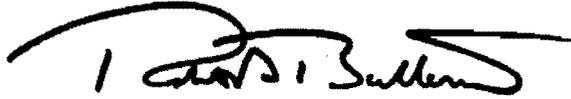
<sup>13</sup> *Telephone Subscribership in the United States*, Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, released May, 1999.

**WHEREFORE,** joint petitioners request the Commission to expand lifeline assistance plan eligibility criteria so that those persons with existing debts to the local exchange companies may no longer be denied lifeline service as long as those customers subscribe to toll blocking service.

Respectfully submitted,



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