The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Communications, Energy, and Public Utilities Committee

BILL: SB 814

INTRODUCER: Senator Aronberg

SUBJECT: Lifeline Telecommunications Service

DATE: January 29, 2010 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	Caldwell	CU	**Favorable**
2.			CF	
3.			WPSC	
4.				
5.				
6.				

I. Summary:

The bill would allow a commercial mobile radio service provider (CMRS) that has been designated as an eligible telecommunications carrier (ETC) to use the federal poverty guidelines as eligibility criteria to offer Lifeline services, if it first notifies the Public Service Commission of this election. The bill changes the date by which both procedures to promote Lifeline participation and procedures for automatic enrollment in Lifeline must be developed to December 31, 2010. The bill also authorizes the Department of Children and Family Services (DCF), the Department of Education (DOE), the Public Service Commission (PSC), and the Office of Public Counsel (OPC) to share with ETCs information such as a person's name, date of birth, service address, and telephone number, so the carriers can identify and enroll eligible persons in the Lifeline program. This information would remain confidential and may only be used to determine eligibility and enrollment in the Lifeline program.

The bill substantially amends section 364.10 of the Florida Statutes.

II. Present Situation:

Lifeline Assistance is a program under the federal Universal Service Fund that provides credits against the cost of basic local telecommunications service or other lifeline assistance plans to qualifying low-income customers in order to encourage them to subscribe to telephone service. Carriers that are designated ETCs are eligible to participate in and receive benefits from the federal Universal Service Fund. Either the Federal Communications Commission (FCC) or the

Florida Public Service Commission (PSC) designates a telecommunication carrier in Florida as an ETC using the definition provided in the FCC's universal service rules.[1]

Currently 21 companies in Florida have ETC status and participate in the Lifeline program. All ETCs in Florida that are local exchange telecommunications companies with more than 1 million access lines must provide Lifeline services to qualifying customers or potential customers using an eligibility criteria of the customer's income being 150 percent or less of the federal poverty income guidelines.[2]

Under federal law, CMRS providers may be designated ETCs so long as they comply with state requirements.[3] The FCC designated the wireless carriers Sprint-Nextel and ALLTEL Communications as ETCs. In approving this designation the FCC noted that ETCs must comply with state requirements in states that have Lifeline programs. Subsequently, the PSC found that it had authority to consider applications for ETC status by CMRS providers.[4]

Subsection 364.10(3)(h), F.S., requires each state agency providing benefits to persons eligible for Lifeline to develop procedures to promote Lifeline participation in cooperation with DCF, DOE, PSC, and telecommunications companies providing Lifeline services.[5] The statute requires these procedures be developed by December 31, 2007. Additionally, by that date the PSC, DCF, and OPC are required to enter into a memorandum of understanding (MOU) to establish the respective duties of each entity to establish an automatic enrollment process.

III. Effect of Proposed Changes:

The bill amends subsection 364.10(3), F.S., to authorize CMRS providers designated as ETCs to utilize the income eligibility test to qualify Lifeline customers for the program.

The bill extends the December 31, 2007 deadline for both development of procedures to promote Lifeline participation and entering into a MOU to establish duties to establish an automatic enrollment process. The extended deadline would be December 31, 2010.

The bill further amends the requirement for development of procedures to promote Lifeline participation to specify that the telecommunications companies participating in development of these procedures are those that have been "designated eligible telecommunications carriers" providing Lifeline services. This appears to have no effect, as under current law the only telecommunications companies that can provide Lifeline services are those that have been so designated.[6]

[1] Subsections 54.201(b) and (c), CFR.
[2] 364.10(2), F.S.
[3] 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.
[4] Order No. PSC-07-0288-PAA-TP, issued April 3, 2007.
[5] The new language does not include CMRS providers as the definition of the term "telecommunications companies" does not include them, 364.02(14), F.S. So if this is the intent, the bill must be revised.
[6] 364.02(14), F.S.

The bill also authorizes the DCF, DOE, PSC, and OPC to exchange sufficient information with appropriate ETCs, such as a person's name, date of birth, service address, and telephone number, so the carriers can identify and enroll an eligible person in the Lifeline and Link-Up programs[7]. The information remains confidential pursuant to s. 364.107 and may only be used for purposes of determining eligibility and enrollment in the Lifeline and Link-Up programs.

Finally, the bill adds each ETC offering Lifeline and Link-Up services into the existing requirement that the PSC, DCF, and OPC enter into a MOU outlining the respective duties of each entity to establish an automatic enrollment process. The PSC does not currently enter into MOUs with private entities.

The bill takes effect July 1, 2010.

Other Potential Implications:

None.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

NA

B. Private Sector Impact:

The PSC reports that the bill should make it easier for eligible citizens to acquire wireless service. It is unclear whether increased use of Lifeline will increase direct private sector costs, costs to utilities, competition, private enterprise, or the employment markets. It is

[7] Link-Up America is a program which helps income-eligible customers initiate telephone service, whereas Lifeline Assistance provides discounts on basic monthly services for qualified telephone subscribers.

clear that demand for this program has grown rapidly recently, with subscribership up 236% from June 2008 to June 2009.[8]

C. Government Sector Impact:

The PSC reports that it can perform its new duties under the bill at existing staffing levels and without fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

[8] Based on industry responses to FPSC data requests (2005-2009), as reported in "Number of Customers Subscribing To Lifeline Service and the Effectiveness of Procedures to Promote Participation," FPSC, (Dec. 2009).