

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
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**Public Service Commission**

OCT 10 1997

October 9, 1997

**FCC MAIL ROOM**  
**BY AIRBORNE EXPRESS**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW, Room 222  
Washington, DC 20554

Re: CC Docket No. 96-45 - Federal-State Joint Board on Universal Service.

Dear Mr. Caton:

Enclosed are an original plus 15 copies of the Florida Public Service Commission's Petition for Declaratory Statement, Waiver, and Clarification and Request for Expedited Ruling to be filed in the above docket. Please date-stamp one copy and return it in the enclosed, self-addressed stamped envelope.

Sincerely,

Cynthia B. Miller  
Senior Attorney

CBM:jmb  
Enclosure  
cc: Parties of Record

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BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

RECEIVED

OCT 10 1997

FCC MAIL ROOM

In the Matter of )  
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Federal-State Joint Board on )  
Universal Service )  
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CC Docket No. 96-45

**THE FLORIDA PUBLIC SERVICE COMMISSION'S  
PETITION FOR DECLARATORY STATEMENT, WAIVER, AND CLARIFICATION AND  
REQUEST FOR EXPEDITED RULING**

The Florida Public Service Commission (FPSC) seeks a declaratory statement, waiver, and clarification on certain issues pertaining to the Lifeline Assistance Plan (Lifeline) as set forth in the Federal Communications Commission's (FCC's) Order on Universal Service, CC Docket No. 96-45, FCC Order 97-157, Released May 8, 1997 (Order). The FPSC asks for a declaratory statement, pursuant to 47 C.F.R. 1.2, as to whether its state Lifeline Assistance Plan qualifies as state matching under the new federal rules. If it does not qualify, we ask for a waiver of the default eligibility requirements for Lifeline with regard to Temporary Assistance to Needy Families (TANF). In the alternative, we ask for a waiver to allow the FPSC to set eligibility requirements or to implement a grandfather provision for certain recipients of Lifeline eligible through participation

in TANF. Finally, the FPSC asks for clarification regarding the definition of toll limitation services for Lifeline subscribers.

We ask for expedited ruling so that these matters may be resolved prior to the January 1, 1998 effective date. If the matters addressed below are not favorably decided, Florida carriers will have no choice but to notify Lifeline subscribers qualifying only under TANF that they will no longer be able to participate after that date.

**CONSUMER QUALIFICATIONS FOR LIFELINE AND STATE MATCHING REQUIREMENTS**

The FCC has adopted specific means-tested eligibility standards for Lifeline participation for states that do not provide matching support from the intrastate jurisdiction.

[T]he default Lifeline eligibility standard in non-participating states will be participation in Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance or Section 8, or Low Income Home Energy Assistance Program (LIHEAP). [The FCC] specifically decline[d] to base eligibility solely on a program, such as Aid to Families with Dependent Children (AFDC), that will be altered significantly by the recently-enacted welfare reform law. (¶ 374, Order)

These eligibility standards are included in FCC rule 47 C.F.R. § 54.409(b).

The welfare reform enacted was The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. That legislation replaced certain public assistance programs, including AFDC, with one program called TANF. The program is not

federally managed, as was the case with AFDC. Rather, each state was required to submit a State Plan to the federal Department of Health and Human Services (HHS) for approval. New programs were to take effect July 1, 1997.

Although AFDC was eliminated, other programs have taken its place. Yet, successor programs funded under TANF are not included under the new Lifeline eligibility rules. As a result, families receiving public assistance under the new programs may be eliminated from the Lifeline plan, unless they qualify for other assistance, such as Medicaid. While qualification for Medicaid was automatic under the AFDC program, that is not the case with TANF. The overlap among programs that existed in the past appears no longer to exist. Thus, there is no safety net to catch participants who will no longer qualify for Lifeline due to changes in the way public assistance is administered and funded.

Our difficulty in resolving this problem is that while Florida does participate in Lifeline, there is no state fund. Lifeline has been implemented under Section 364.10(2), Florida Statutes. The statute states that ". . . a telecommunications company serving as carrier of last resort shall provide a Lifeline Assistance Plan to qualified residential subscribers, as defined in a commission-approved tariff. . . ." Pursuant to statute, the FPSC requires LECS to provide a rate reduction of \$3.50 per month to Lifeline consumers. However, there is no

state mechanism requiring other carriers to contribute. While the FCC has not mandated the creation of a state fund for carriers to obtain the \$1.75 federal contribution above the baseline, it is not clear to the FPSC that our program will qualify as 2-for-1 matching for state participation in Lifeline.

If the \$3.50 waiver by the carrier of last resort does not qualify as state participation, Florida will not have the ability to set Lifeline eligibility requirements. Instead, the default eligibility standards will be used. Since our state program has been based in part on AFDC and its successor TANF, it is possible that some Lifeline customers in Florida will be unable to participate beginning January 1, 1998. In view of the fact that we have low, albeit growing, participation (slightly over 2% of residential access lines), the change in eligibility qualifications could be detrimental to our program. The FPSC believes the spirit of Lifeline has been to increase telephone subscribership among low-income groups. The omission of TANF from eligibility requirements removes a previously eligible group from participation. We do not believe this was the intended result. We are currently working to determine how many customers will be impacted and will provide information as it becomes available.

We ask the FCC to issue a declaratory statement as to whether Florida's Lifeline Assistance Plan qualifies as 2-for-1

matching, which would allow the state to determine eligibility requirements. If Florida's plan does not qualify, we ask for a waiver of the default eligibility requirements for Lifeline with regard to TANF participants. In the alternative, we ask for a waiver to allow Florida to set Lifeline eligibility requirements, or to implement a grandfather provision which would allow existing Lifeline subscribers to continue to qualify for Lifeline.

#### **TOLL LIMITATION**

In defining toll limitation, the FCC discusses two types of services: toll blocking and toll control. In 47 C.F.R. § 54.400, toll blocking is described as a service "that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel." Toll control "allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle." It appears that the goal is to allow the customer to have a preset spending limit (including zero). Carriers must provide these services to Lifeline subscribers at no charge.

Our question for clarification is whether it is required that other toll control services be provided at no charge to Lifeline subscribers. Examples would include such services as international toll blocking, or toll blocking with a PIN number

that allows only those who have the PIN number to make calls. Such services do not have the characteristic of a preset spending limit.

We also ask for clarification regarding whether the toll control service required to be offered by carriers must limit collect calls. It is clear in 47 C.F.R. § 54.400(2) that toll blocking only pertains to outgoing calls. However, the rule is silent as to whether toll control includes both incoming (collect) and outgoing calls.

Respectfully submitted,



Cynthia Miller  
Senior Attorney  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

DATED: October 9, 1997

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

In the Matter of )  
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Federal-State Joint Board on ) CC Docket No. 96-45  
Universal Service )  
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY on this 9<sup>th</sup> day of October, 1997, a true and correct copy of the foregoing Florida Public Service Commission's Petition for Declaratory Statement, Waiver, and Clarification and Request for Expedited Ruling will be furnished to parties on the mailing list previously used in this docket.

  
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Cynthia B. Miller  
Senior Attorney