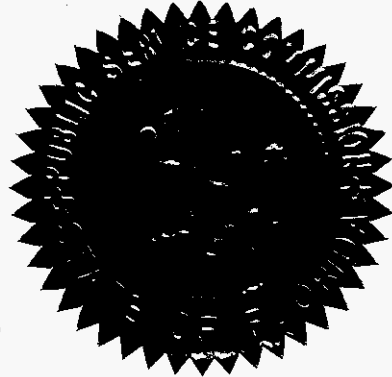


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT PETITION FOR SHOW CAUSE DOCKET NO. 080278-TL
PROCEEDINGS AGAINST VERIZON
FLORIDA LLC FOR APPARENT
VIOLATION OF RULE 25-4.070,
F.A.C., CUSTOMER TROUBLE
REPORTS, AND IMPOSE FINES,
BY THE OFFICE OF THE ATTORNEY
GENERAL, CITIZENS OF THE STATE
OF FLORIDA, AND AARP.

IMPLEMENTATION OF FLORIDA DOCKET NO. 080234-TP
LIFELINE PROGRAM INVOLVING
BUNDLED SERVICE PACKAGES AND
PLACEMENT OF ADDITIONAL
ENROLLMENT REQUIREMENTS ON
CUSTOMERS.



PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 4

COMMISSIONERS
PARTICIPATING: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP
COMMISSIONER DAVID E. KLEMENT

DATE: Tuesday, November 10, 2009

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER-DATE

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FPSC-COMPLIANCE OFFER

P R O C E E D I N G S

1
2 **CHAIRMAN CARTER:** And when we last left we
3 had called staff up and the parties to come together
4 on Item 4.

5 Staff, you're recognized.

6 **MS. CURRY:** Kiwanis Curry on behalf of
7 Commission staff. Item 4 is staff's recommendation
8 that the Commission accept the joint settlement
9 agreement between Verizon, the Attorney General's
10 Office, OPC, and AARP whereby to resolve the
11 apparent violations of Rule 25-4.070. Verizon will
12 issue credits to all local residential customers in
13 the amount of \$1.75 million, contribute \$250,000 to
14 the general revenue fund, and provide Lifeline
15 discounts to all eligible customers who request the
16 discount and receive regulated telecommunications
17 service packages.

18 In addition, a letter submitted by the
19 Hispanic Legislative Caucus was placed in the docket
20 file on November 9th. The letter discusses the
21 dispersment of the settlement agreement and
22 requests that the promotion of Lifeline and Link-Up
23 programs be considered. The parties would like to
24 address this issue at this time, and staff is
25 available for questions.

1 **CHAIRMAN CARTER:** Okay. Mr. O'Roark.
2 Mr. Beck, do you want to be -- now, you guys changed
3 your seats on me, so I don't know who wants to be
4 first. Who's on first?

5 **MR. O'ROARK:** I'm happy to speak up, Mr.
6 Chairman.

7 **CHAIRMAN CARTER:** Mr. O'Roark, you're
8 recognized.

9 **MR. O'ROARK:** Good morning, Mr. Chairman
10 and Commissioners. De O'Roark with Verizon.

11 Verizon supports staff's recommendation.
12 Earlier this year Commissioner Skop, who was the
13 prehearing officer in this case, strongly encouraged
14 the parties to try to get together and reach a
15 settlement. It has taken some time and a number of
16 negotiating sessions, but the parties were finally
17 able to get together and achieve a mutually
18 acceptable resolution that has a strong focus on
19 consumer benefit.

20 Verizon appreciates the effort that staff
21 and the other parties have made in bringing this
22 matter to a conclusion. Verizon would respectfully
23 request that the Commission approve staff's
24 recommendation.

25 Let me add that with respect to the letter

1 that came in last night, the parties were made aware
2 of that this morning. We have caucused. Obviously,
3 the other parties and staff can speak for
4 themselves, but my understanding is that all parties
5 continue to stand behind staff's recommendation.
6 However, if it were the Commission's pleasure and
7 the Commission wished to allocate \$50,000 of the
8 \$250,000 earmarked for the general revenue fund and
9 to take that \$50,000 and have Verizon use it for
10 Lifeline/Link-up outreach, that would be acceptable
11 to Verizon and my understanding is that would be
12 acceptable to the other parties.

13 Thank you.

14 **CHAIRMAN CARTER:** Thank you. Mr. Beck.

15 **MR. BECK:** Thank you, Mr. Chairman.

16 Charlie Beck, Office of Public Counsel. I
17 agree with what Mr. O'Roark said. We caucused
18 before agenda this morning and certainly if it is
19 the Commission's desire to allocate \$50,000 to the
20 Lifeline promotion in Verizon's territory, we're
21 good with that.

22 **CHAIRMAN CARTER:** Mr. Twomey, good
23 morning.

24 **MR. TWOMEY:** Good morning, Mr. Chair and
25 Commissioners. I'm Mike Twomey appearing on behalf

1 of AARP Florida. That's correct, we're in
2 agreement, first of all, with the staff's
3 recommendation that you approve the settlement, of
4 course. And that if you are of interest in taking
5 \$50,000 from the 250,000 earmarked for general
6 revenue, that would be fine by us. Thank you.

7 **CHAIRMAN CARTER:** Ms. Bradley, good
8 morning.

9 **MS. BRADLEY:** Good morning. Cecilia
10 Bradley on behalf of the Attorney General. We
11 certainly support the settlement agreement and
12 staff's recommendation. We think it provides some
13 benefits directly to consumers that will be helpful
14 there.

15 As to this thing that came up yesterday,
16 if it's the Commission's wish to do so, we would
17 support that. We certainly support Lifeline and
18 Link-Up. Our only request would be that there be
19 certain guidelines so that we can ensure that it's
20 spent for the most useful purpose for Lifeline and
21 Link-Up, and I'm sure staff can come up with some
22 guidelines to make sure it is very effectively used
23 and within a reasonable period of time. Thank you.

24 **CHAIRMAN CARTER:** Thank you, Ms. Bradley.
25 Commissioners, I think that it's an

1 opportunity for us to do something good.
2 Commissioner Skop did a good job as prehearing
3 officer on that. He encouraged the parties to
4 settle. Usually when you do that no one gets what
5 they want, but it ends up being a pretty good deal.
6 And I think that with the letter from the Hispanic
7 caucus requesting that some of these funds be set
8 aside to spend for Lifeline awareness in the Verizon
9 territory is a good idea, and I think that anything
10 we can do to increase the percentage of our Florida
11 citizenry in the Lifeline program as well as
12 increase the knowledge of the program is going to
13 better serve the less and the least of us. And I
14 think it's a good idea; I'm very supportive of it,
15 and I look forward to us having our discussion on it
16 and moving forward.

17 Commissioner Skop, you're recognized.

18 **COMMISSIONER SKOP:** Thank you, Mr.
19 Chairman.

20 And I also echo your comments and
21 appreciate the letter from Representative Bovo in
22 the Hispanic caucus. Just one follow up on that
23 request to staff in relation to earmarking \$50,000
24 of the proposed settlement going to the general
25 revenue fund. To address Ms. Bradley's concerns,

1 what safeguards could be put on that to ensure that
2 the money is prudently spent to promote Lifeline and
3 Link-Up within Verizon's service territory to
4 benefit the constituents in those areas as well as
5 what efforts does Verizon already have to do or
6 requirements in terms of promoting it. So I'm
7 trying to understand the benefits that might enure
8 from adopting the request.

9 **MS. SALAK:** Verizon is required to already
10 do some outreach that's specified by 364.10 with
11 other agencies and other places. Under the federal
12 guidelines, they are required to advertise and do
13 outreach, also. So this would be additional funds
14 that would be available for outreach in this case.

15 We have had monies earmarked for outreach
16 before for two other companies and they set up what
17 are called community service funds. Basically, in
18 those cases we have reporting requirements and a
19 sign-off of any expenditures by OPC. So OPC would
20 virtually have to approve of their expenditures.

21 **COMMISSIONER SKOP:** And I think that
22 addresses the concern. I think that's adequate
23 protection, OPC signing off, and I think that's a
24 great suggestion to promote Lifeline and Link-Up.
25 And to Mr. O'Roark, I appreciate the effort of your

1 company to work with the parties and achieve a
2 favorable settlement for consumers of the state of
3 Florida.

4 **MR. O'ROARK:** Thank you.

5 **CHAIRMAN CARTER:** Commissioners?

6 Commissioner Argenziano.

7 **COMMISSIONER ARGENZIANO:** Is \$50,000 -- I
8 mean, \$250,000 is a drop in the bucket for GR
9 anyway. I mean, is there anybody objecting to maybe
10 putting more into the advertising of the Lifeline,
11 more than 50,000? In today's market of advertising,
12 50,000 doesn't get you very much. I don't know if
13 it throws a monkey wrench into anything, and I'm not
14 trying to do that, I just don't know what the
15 differences are. Because when you look at 250,000
16 in general revenue, I mean, that's kind of a joke.
17 That doesn't do much to general revenue.

18 **MS. SALAK:** I can only tell you -- and I
19 think the parties will have to address that. I can
20 tell you that during our negotiations that was an
21 important point for some of the parties, that some
22 money go to general revenue. They would have to
23 address it themselves today whether or not it should
24 go to Lifeline or GR.

25 **COMMISSIONER ARGENZIANO:** I mean, is there

1 a reason that it wouldn't be more money going to
2 more awareness so there wouldn't be any doubt that
3 the proper advertising of the program were out
4 there? I mean, what is it going to do for GR? I
5 guess I'm just looking at it on a bigger picture
6 thinking that 250,000 -- I would rather see 50,000
7 go into GR and the rest for advertising the program.

8 **CHAIRMAN CARTER:** That's a good idea.

9 **MR. BECK:** Commissioner, if it's the
10 Commission's desire to spend more of that money
11 toward that we would have to caucus separately. I
12 mean, we have all agreed to support the agreement.
13 It's unanimous. If there would be a change we would
14 have to meet to discuss that. It is whatever the
15 Commission's pleasure is.

16 **COMMISSIONER ARGENZIANO:** I don't want to
17 stall anything or throw a monkey wrench.

18 **CHAIRMAN CARTER:** Would that give you guys
19 heartburn if the Commission were to recommend an
20 additional amount to go to marketing versus the
21 200,000 into GR?

22 **MR. BECK:** We would simply have to meet.
23 I think some of the principals would have to concur
24 and we would have to get -- if that is your desire,
25 we would need to meet separately and discuss whether

1 we would do that.

2 **COMMISSIONER ARGENZIANO:** And, Mr. Chair,
3 it just seems that there has been -- I mean, even
4 through the letter from the caucus that there seems
5 to be still an awareness -- a lack of awareness by
6 some people out there about the program. I know it
7 has been moving along and it's doing better, but
8 obviously there is some concern, and I just didn't
9 know. And really knowing how much 200,000 means to
10 general revenue, I thought perhaps -- but, you
11 know, it is up to the will of the Commission and the
12 parties.

13 **CHAIRMAN CARTER:** Commissioner Edgar for a
14 question.

15 **COMMISSIONER EDGAR:** When I reviewed this
16 when it it first came in to us, and I'm pleased to
17 have a settlement put forth to us, so I thank all
18 the parties and, of course, our staff for working
19 together. But the question that immediately hit me,
20 which I think is similar to what I'm kind of hearing
21 is why a portion to general revenue. And I'm all
22 for good funding for general revenue that is used
23 for good things, but realizing that the initial
24 complaint was for injuries to customers, why a
25 portion of a settlement to general revenue and what

1 is kind of the philosophy or the basis of that, as
2 opposed to something that goes more back directly to
3 the customers in one form or another.

4 **MR. BECK:** Commissioner, had this case
5 gone to hearing, the Commission's sole authority
6 would have been to fine the company, so any outcome
7 of the case would have been to general revenue
8 funds. What we did is we agreed that 1.75 million
9 would go to customers instead of that, and then
10 parties agreed that 250,000 should go to general
11 revenue. So what the agreement does is shifted it
12 to customers more than it would have -- the
13 Commission could have done had it gone to hearing.

14 Settlements are important. And one of the
15 provisions of the agreement, and this is fairly
16 standard in settlements, is that no party to the
17 settlement will request support or seek to impose a
18 change in the application of any provision of this
19 settlement agreement.

20 **COMMISSIONER EDGAR:** I understand that,
21 Mr. Beck. I was just wondering what the thinking
22 was behind an amount, whatever amount, to general
23 revenue.

24 **MR. BECK:** Well, other than all of it
25 would have gone to general revenue had it gone to

1 hearing, and we allocated the vast margin of it to
2 customers instead of that, but we felt a portion
3 should still go to general revenue. If it is the
4 Commission's desire for us to do something
5 different, we would be glad to meet and do that.
6 But it would simply -- I don't think we can
7 negotiate in front of the Commission and reach an
8 agreement in that manner.

9 **CHAIRMAN CARTER:** Well, we certainly don't
10 want to derail the hard work, and we sincerely
11 appreciate the efforts of the parties. And I think
12 that just the mere fact that you have agreed to put
13 50,000 among the -- all of the parties have agreed
14 to the 50,000, I don't want to lose that. I would
15 rather have that, but like Commissioner Argenziano
16 said, you know, \$200,000 in a \$60 billion budget,
17 you know, don't move the needle that much. I mean,
18 I'm in favor of the agreement, but I would hope
19 if -- I don't want to derail it, but I wish that we
20 could give more to the Lifeline program. And I'll
21 tell you up front, I'm a cheerleader for Lifeline,
22 so that's where I'm coming from.

23 **MR. O'ROARK:** Mr. Chairman.

24 **CHAIRMAN CARTER:** Mr. O'Roark.

25 **MR. O'ROARK:** Given what the Commissioners

1 are saying, I wonder if you might give us one minute
2 to caucus. And rather than have this -- it sounds
3 like the Commissioners might prefer to see some more
4 money go to the Lifeline fund. Verizon is prepared
5 to suggest something right now to the three persons
6 sitting immediately to my left, and I think in a
7 minute we could probably figure this out.

8 **CHAIRMAN CARTER:** Let's take a break,
9 Commissioners. We'll take five.

10 (Off the record.)

11 **CHAIRMAN CARTER:** We are back on the
12 record. And when we last left, Commissioners, we
13 gave the parties an opportunity to kind of have a
14 little council.

15 Mr. O'Roark, you're recognized.

16 **MR. O'ROARK:** Thank you, Mr. Chairman.

17 The parties did confer briefly, and what
18 we would be willing to do is split it 50/50, 125,000
19 for Lifeline outreach, 125,000 to the general
20 revenue fund.

21 **CHAIRMAN CARTER:** Outstanding.
22 Outstanding. Thank you very kindly.

23 Commissioners, why don't we close this out
24 before they change their mind.

25 Commissioner Argenziano, you're recognized

1 for a motion.

2 **COMMISSIONER ARGENZIANO:** I move staff on
3 the new recommendation of the splitting 50/50, and
4 that's my motion.

5 **CHAIRMAN CARTER:** She moves staff with the
6 understanding that the 250 -- instead of going to
7 general revenue, 125 will go to the Lifeline
8 awareness program and 125 will go to the GR.

9 Commissioner Skop.

10 **COMMISSIONER SKOP:** Thank you, Mr.
11 Chairman. I would second the motion. And just, if
12 I heard staff correctly, that Public Counsel will be
13 signing off on -- okay. Thank you.

14 **MR. BECK:** (Indicating yes.)

15 **COMMISSIONER SKOP:** So I second the
16 motion.

17 **CHAIRMAN CARTER:** And that is consistent
18 with how the program works now is that OPC has to
19 sign off to make sure that there is integrity in the
20 program, and I feel very comfortable knowing that.

21 Commissioners, any further discussion?
22 Any further debate?

23 Hearing none, all in favor, let it be
24 known by the sign of aye.

25 (Simultaneous vote.)

1 **CHAIRMAN CARTER:** All those opposed, like
2 sign. Show it done. Thank you very kindly to all
3 the parties. Thank you very much.

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COUNTY OF LEON)

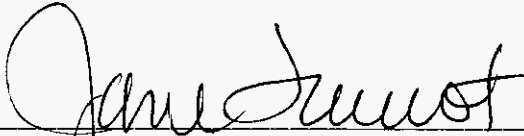
CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 20th day of November, 2009.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732

on 11/10/09

Item No. 4

080278TL & 080234-TP

State of Florida



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Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 9, 2009
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: William C. Garner, Assistant to Chairman Carter *WCG*
RE: Docket Nos. 080278-TL & 080234-TP -- Verizon Show Cause Proposed Settlement Agreement

Ann,

Please include the attached correspondence in the main docket file of the above-referenced dockets.

Commissioner Carter has not viewed this correspondence. It therefore does not constitute an impermissible Ex Parte communication.

Cc: Roberta Bass
Steve Larson
Bill McNulty
Lorena Holley

DOCUMENT NUMBER-DATE

11202 NOV-9 8

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FLORIDA HOUSE OF REPRESENTATIVES
ESTEBAN L. BOVO

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FACSIMILE TRANSMITTAL

Company: Florida Public Service Commission

To: Matthew Carter, Chairman Fax: (850) 413-7118

From: Gigi Bolt

Date: November 9, 2009

RE: FL Hispanic Legislative Caucus

Number of Pages to Follow: 1

Reply to: *District Office* X *Capitol Office*

Comments:

ELDER & FAMILY SERVICES POLICY COMMITTEE
VICE-CHAIR

MILITARY & LOCAL AFFAIRS POLICY COMMITTEE

ENERGY & UTILITIES POLICY COMMITTEE

TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
COMMITTEE

DOCUMENT NUMBER - DATE

11202 NOV-9 8

FPSC-COMMISSION CLERK



Chairman Matthew Carter
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Proposed Settlement Agreement
Docket Nos. 080278-TL & 080234-TP

Dear Chairman Carter:

The Florida Hispanic Legislative Caucus is a Florida non-profit organization whose mission is to advocate issues that are important to the betterment of members of the Hispanic community. Our members consist of Florida House members of Hispanic descent that live across this great state.

It has come to our attention that the Commission is scheduled to take up a proposed Settlement Agreement executed between Verizon, the Office of the Attorney General, the Office of Public Counsel and the AARP at the November 10, 2009 Agenda Conference which seeks to resolve all issues in Docket No. 080278-TL and issues relating to bundled services in Docket No. 080234-TP. The Caucus takes no position with respect to this settlement except as it applies to the lack of funding in the proposed agreement towards Lifeline and Linkup outreach within Verizon's service territory.

The Lifeline and Linkup Assistance programs are very important to the constituents that our members serve. In these very difficult economic times, it is more important than ever for the citizens of Florida to be made aware of public assistance programs such as the Lifeline and Linkup, which were created for their benefit, and will allow them to have access to a telephone.

On behalf of the Caucus, I respectfully request that this Commission consider allocating a portion of the proposed settlement dollars to be used to promote the Lifeline and Linkup programs.

Sincerely,

Representative Esteban Bovo
Chairman, Florida Hispanic Legislative Caucus

Florida Hispanic Legislative Caucus

Rep. Antlere Flores, Rep. Erik Fresen, Rep. Luis Garcia, Rep. Eddy Gonzalez, Rep. Marcelo Llorente, Rep. Carlos Lopez-Cantera, Rep. Juan-Carlos Planas, Rep. David Rivera, Rep. Julio Robaina, Rep. Michael Scionti, Rep. Darren Soto, Rep. Juan C. Zapata & Rep. Esteban Bovo, Chairman

DOCUMENT NUMBER-DATE

11202 NOV-9 8

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