

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Adoption of the National School )  
Lunch Program and an income-based )  
Criterion at or below 135% of the )  
Federal Poverty Guideline as eligibility )  
Criteria for the Lifeline and Link-up )  
Programs. )  
\_\_\_\_\_ )

Docket No. 040604-TL

Filed: December 17, 2004

**SPRINT-FLORIDA, INCORPORATED'S**  
**PREHEARING STATEMENT**

SPRINT-FLORIDA, INCORPORATED ("Sprint" or the "Company"), pursuant to Order No. PSC-04-1066-PCO-TL, submits the following Prehearing Statement:

A. **WITNESSES:** Sprint has prefiled the testimony of the following witnesses:

Sandra A. Khazraee (Direct and Rebuttal) Issues 1-6

B. **EXHIBITS:** At this time Sprint has no prefiled exhibits but reserves the right to introduce exhibits at the hearing as necessary to present its case and for cross-examination purposes.

C. **BASIC POSITION:** Sprint supports Lifeline and believes it is a valuable service that, when effectively implemented, enhances universal service. However, Lifeline is not without costs and those costs are recovered directly or indirectly from Florida telecommunications services users. Sprint's objective is to implement an effective plan which minimizes costs to consumers but provides a safety net to maintain local telephone service for those who are economically disadvantaged. Thus, Sprint believes that the

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existing programs, already implemented in Florida, best serve the needs of all customers, that is, Lifeline, future Lifeline and non-Lifeline customers that ultimately bear the costs of the Lifeline program.

**D-F. ISSUES AND POSITIONS:**

**ISSUE 1:** **Is the Commission authorized under state or federal law to order the actions set forth in Order No. PSC-04-0781-PAA-TL?**

**Position:** No. 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

**ISSUE 2:** **Are the actions taken by the Commission in Order No. PSC-04-0781-PAA-TL reasonable and non-discriminatory?**

**Position:** No. The actions taken by the Commission are not reasonable in that they have not been demonstrated to be the most effective way to achieve the stated goal of increasing Lifeline participation and they may impose significant and unnecessary costs on Sprint. In addition, the proposal for a two-tiered level of support based on the manner of qualification is discriminatory.

**ISSUE 3:** **Should the Commission address the Lifeline and Link-Up issues in rulemaking pursuant to Section 120.54, Florida Statutes?**

**Position:** Yes. The actions proposed by the Commission meet the definition of a rule in s. 120.52(15), Florida Statutes. Therefore, pursuant to chapter 120, Florida Statutes, the Commission is required to implement these changes through a 120.54, Florida Statutes, rulemaking proceeding. Importantly, the rulemaking process provides an

opportunity for the affected parties to analyze and provide a Statement of Estimated Regulatory Costs for the proposed rules.

**ISSUE 4: What are the economic and regulatory impacts of implementing the actions taken by the Commission in Order No. PSC-04-0781-PAA-TL?**

**Position:** Sprint will likely incur costs to implement the National School Lunch free lunch criterion because it will require interfacing with multiple school districts throughout Florida. Sprint also will incur an estimated \$800,000 in costs to implement the self-certification program set forth in the PAA Order, as well as estimated costs of \$4 to \$5 per customer related to the customer contact protocols. In addition, Sprint will incur as yet undetermined costs associated with the additional reporting requirements set forth in the Order.

**ISSUE 5A: Should consumers be allowed to self certify for program-based Lifeline and Link-Up eligibility?**

**Position:** The self-certification plan proposed by the Commission is susceptible to fraud and abuse. In addition, the annual re-certification and customer contact protocol requirements would impose significant financial and administrative burdens on Sprint. In contrast, Sprint believes that its current processes are a suitable facsimile of the self-certification process, are not unduly burdensome or time consuming and do not present a barrier to Lifeline enrollment.

**ISSUE 5B: If so, how much assistance should be provided for customers using self-certification?**

**Position:** Sprint believes that bifurcating support is discriminatory and would also impose significant administrative and economic burdens on Sprint.

**ISSUE 6:** Is the Commission authorized under state or federal law to establish a state lifeline funding mechanism? If so;

**ISSUE 6A:** What is the appropriate state lifeline funding mechanism and how should it be implemented and administered?

**Position:** The Commission does not have the authority to establish a state Lifeline funding mechanism other than the current funding mechanism. Even if the Commission determined that it had such authority, Sprint believes that the Commission should not establish a separate funding mechanism, as it would impose administrative burdens and costs that likely would outweigh the value of a fund.

**G. STIPULATIONS:** The Company is not aware of any pending stipulations at this time.

**H. PENDING MOTIONS:** The Company is not aware of any pending motions at this time.

**I. PENDING CONFIDENTIALITY REQUESTS:** The Company has no pending Confidentiality Requests at this time.

**J. COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE:** The Company does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

**K. RELEVANT DECISIONS**

Report and Order and Further Notice of Proposed Rulemaking, WC Docket 03-109, In the Matter of Lifeline and Link-up, Release No. FCC 04-87, released April 29, 2004.

**L. OBJECTIONS TO WITNESS' QUALIFICATIONS:** The Company has no objections to a witness' qualifications as an expert.

Respectfully submitted this 17<sup>th</sup> day of December, 2004.



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