

VOTE SHEET

SEPTEMBER 23, 1997

RE: DOCKET NO. 970644-TP - Establishment of eligible telecommunications carriers pursuant to Section 214(e) of the Telecommunications Act of 1996. DOCKET NO. 970744-TP - Implementation of changes in the Federal Lifeline Assistance Plan currently provided by telecommunications carriers of last resort.

Issue 1: Should the FPSC designate eligible telecommunications carriers (ETCs), pursuant to 47 C.F.R. § 54.201-.203?

Recommendation: Yes. Initially, the incumbent LECs should be designated as ETCs. LECs should continue to serve their current certificated service areas. All carriers who wish to receive ETC status in the service area of a non-rural LEC should apply to the FPSC for ETC status and should propose what they believe is an appropriate service area, subject to FPSC approval. Any carriers that wish to be designated as an ETC in the service area of a rural LEC must show why it is in the public interest to have more than one ETC in that service area. Additionally, if approved, such carriers must serve the entire service area of the rural LEC or make a showing as to why some other area would better serve the public interest.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

MAJORITY DISSENTING Amazor A

DOCUMENT NUMBER-DATE

09786 SEP 24 5

FPSC-RECORDS/REPORTING

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(Continued from previous page)

Issue 2: By what means should the availability of services be advertised? Recommendation: On an interim basis, ETCs should provide Lifeline and Link Up information in their telephone directories. This information should include information on voluntary toll limitation services and the availability of reduced deposits. If the directory contains an index, Lifeline and Linkup should be listed in the index. ETCs should provide a bill stuffer advertising the availability of these services on an annual basis. Further, ETCs should be required to work with local welfare agencies, to the extent it is possible, to reach eligible subscribers. At such time as non-LECs apply to become ETCs, additional advertising requirements for all supported services should be established that will apply to both LECs and non-LECs.

APPROVED as clarified at confuence.

Issue 3: Should ETCs be permitted to disconnect the service of Lifeline customers for non-payment of toll charges?

Recommendation: No. Local service for Lifeline customers may not be disconnected for non-payment of toll charges; however, toll service may be disconnected for non-payment. Toll limitation services should be made available to customers on a voluntary basis and at no charge, in exchange for reduced or zero deposits. ETCs unable to provide toll limitation services at this time should file implementation plans and a request for waiver with the FPSC within 30 days of the vote on this recommendation.

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Issue 4: Should the FPSC approve a reduction of \$1.75 in the amount paid by consumers participating in the Lifeline Assistance Plan (Lifeline)? Recommendation: Yes. The FPSC should approve a reduction of \$1.75 in the amount paid by consumers participating in Lifeline. No matching state support is required. Telecommunications carriers should discount rates to Lifeline subscribers accordingly. Tariffs reflecting changes to Lifeline should be filed within 30 days of the vote on this issue, to be effective January 1, 1998.

APPROVED

<u>Issue 5:</u> Should Florida apply for an additional \$1.75 in federal funding for the Lifeline Assistance Plan which requires matching state support of \$3.50?

Recommendation: Not at this time. Pursuant to Section 364.10(2), Florida Statutes, telecommunications carriers of last resort must provide a Lifeline Assistance Plan to their customers. However, it is not clear that Florida's program meets the FCC's requirement that state universal service support for Lifeline must be provided in an equitable and non-discriminatory manner. Until further guidance is received from the FCC or from the Florida Legislature, no action should be taken on this issue.

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Issue 6: Should these dockets be closed?

Recommendation: Yes, if no person whose substantial interests are affected by the FPSC's proposed agency action files a protest within 21 days of the issuance date of the order. If a protest is filed that is applicable to one ETC, the order should remain in effect with respect to all other ETCs.

APPROVED

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offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefor using media of general distribution.

The Act provides that State commissions may designate ETCs either on their own motion or upon request.

The FCC determined in its Report and Order on Universal Service (CC Docket No. 96-45, FCC Order 97-157, Released May 8, 1997) (Order) that the supported services to be provided by all ETCs must include voice grade access to the public switched network, a certain amount of free local usage, dual tone multifrequency signaling or its functional equivalent, single-party service, access to emergency services, access to operator services, access to interexchange service, and access to directory assistance. In addition, ETCs must provide Lifeline and Link Up to eligible subscribers. As part of their Lifeline plans, ETCs must offer voluntary toll limitation services in exchange for reduced or zero deposits.

The Order institutes several changes in the existing Lifeline program. Many of the changes were adopted to make the program consistent with the Act, particularly with regard to competitive neutrality. The current program is a function of jurisdictional separations and applies only to incumbent LECs; thus, it is not competitively neutral. Other changes were instituted in an attempt to increase subscribership levels among low-income consumers.

Beginning January 1, 1998, a baseline federal support amount of \$3.50 will be available in all states, the District of Columbia, and all territories and possessions, regardless of whether any intrastate support is provided. The baseline amount of federal support will increase from the current \$3.50 waiver of the Subscriber Line charge (SLC) to \$5.25, provided the state approves the additional support to be passed through in intrastate rates. The federal jurisdiction will also provide additional Lifeline support equal to one-half of any intrastate support, up to an additional \$1.75. A total of \$7.00 in federal universal support can be received for each Lifeline subscriber.

This recommendation addresses the initial designation of ETCs in Florida, and implementation of changes to Lifeline.

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area, unless a different area is approved by both the state Commission and the FCC. Additionally, the Act requires that

[b]efore designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest. (47 U.S.C. 214(2))

It should be noted that under Florida law, ALECs may not offer basic local telecommunications services within the territory served by a small LEC before January 1, 2001 unless it has elected price regulation. However, mobile carriers may serve those areas, and may apply for ETC status.

Staff recommends that the requirements of the 1996 Act can be met initially by designating the incumbent LECs as ETCs. LECs should continue to serve their current certificated service areas. All carriers who wish to receive ETC status in the service area of a non-rural LEC should petition the FPSC for ETC status and should propose what they believe is an appropriate service area, subject to FPSC approval. Any carriers that wish to be designated as an ETC in the service area of a rural LEC must show why it is in the public interest to have more than one ETC in that service area. Further, if approved, such carriers must serve the entire service area of the rural LEC to be considered an ETC or make a showing as to why some other area would better serve the public interest.