

**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.)

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Prepared By:

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BILL: SPB 7036

INTRODUCER: Committee on Regulated Industries

SUBJECT: Lifeline Telecommunications Service

DATE: January 14, 2022

REVISED: \_\_\_\_\_

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ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Sharon _____	Imhof _____	_____	<b>RI Submitted as Comm. Bill/Fav</b>

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**I. Summary:**

SPB 7036 amends ss. 364.10 and 364.107, F.S., under the Lifeline program to conform to current federal regulations.

The bill clarifies that an eligible telecommunications carrier (ETC) must notify a Lifeline subscriber (subscriber) of impending termination of Lifeline service if there is reason to believe that the subscriber no longer qualifies for the service. It requires a subscriber to provide proof of continued eligibility for Lifeline service upon request of the ETC, the Federal Communications Commission (FCC) or its designee.

The bill removes obsolete provisions relating to income eligibility standards that are inconsistent with current FCC requirements. It removes references to state agencies no longer involved in the development of procedures for promoting Lifeline, leaving just the Public Service Commission (PSC) and the Department of Children and Families (DCF). The bill clarifies that the PSC and the DCF may exchange information with ETCs, and the FCC or its designee, in order to enroll eligible customers in Lifeline service. The bill requires any state agency that determines a person is eligible for Lifeline service to coordinate with the FCC or its designee to verify eligibility.

The bill amends s. 364.107, F.S, allowing state agencies to share information with the FCC or its designee to verify eligibility or auditing of a Lifeline Assistance Plan.

The bill is effective July 1, 2022.

## II. Present Situation:

### Lifeline Service

The Lifeline program has provided telecommunication services discounts to qualifying low-income consumers since 1985.<sup>1</sup> The initial goal was to ensure that all Americans could connect to jobs, family, and emergency services through phone service. Since then, that goal has expanded to include the provision of broadband Internet service.<sup>2</sup>

Under the program, qualifying consumers may receive a discount up to \$9.25 toward their monthly phone or broadband Internet bills through service providers that have been designated as ETCs. Consumers may choose to receive monthly wireless minutes and/or measured data service from designated wireless providers, instead of the credit.<sup>3</sup>

Lifeline is a federal program funded by the Universal Service Fund (USF).<sup>4</sup> Its rules are established by the FCC, which designated the Universal Service Administrative Company (USAC), an independent not-for-profit corporation, as Lifeline's administrator.<sup>5</sup> USAC is responsible for data collection and maintenance, support calculation, and disbursement for Lifeline.<sup>6</sup>

Consumers may qualify to participate in Lifeline through income-based eligibility standards, if their total household income is less than 135 percent of the Federal Poverty Guidelines, which are annually updated by the United States Department of Health and Human Services.<sup>7</sup> Alternatively, consumers may qualify to participate in Lifeline through program-based eligibility if they are enrolled in any of the following:

- Supplemental Nutrition Assistance Program (SNAP);
- Medicaid;
- Federal Public Housing Assistance;
- Supplemental Security Income;
- Veterans or Survivors Pension Program; or
- Bureau of Indian Affairs Programs, including Tribal Temporary Assistance to Needy Families, Head Start Subsidy, and National School Lunch Program.<sup>8</sup>

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<sup>1</sup> FCC, *Lifeline Program for Low-Income Consumers*, <https://www.fcc.gov/general/lifeline-program-low-income-consumers> (last visited Jan. 12, 2022).

<sup>2</sup> PSC, *2021 Florida Lifeline Assistance Report* (Dec. 2021), p. 3, available at: <http://www.psc.state.fl.us/Files/PDF/Publications/Reports/Telecommunication/LifelineReport/2021.pdf> (last visited Jan. 12, 2022).

<sup>3</sup> *Id.*

<sup>4</sup> The USF is both a fund and category of FCC programs and policies implementing the Universal Service principle that all Americans should have access to communications services. This principle is a cornerstone of the Communications Act of 1934 that established the FCC. See FCC, *Universal Service*, <https://www.fcc.gov/general/universal-service> (last visited Jan. 13, 2022).

<sup>5</sup> PSC, *2021 Lifeline Report*, *supra* n. 2, at 3. See Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, *Poverty Guidelines for 2021*, <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines> (last visited Jan. 13, 2022).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *Id.*

### *Lifeline in Florida*

In Florida, the PSC has oversight of the program and is charged with designating telecommunications companies with ETC status, pursuant to 47 C.F.R. s. 54.201.<sup>9</sup> ETCs must provide service to qualified residential subscribers, as defined in the ETC's published schedules.<sup>10</sup> Each local exchange telecommunications company with more than one million access lines and which is designated as an ETC must, and any wireless service provider designated as an ETC may, upon filing a notice of election to do so with the PSC, provide Lifeline to any otherwise eligible customer or potential customer whose household income is 150 percent or less of the federal poverty guidelines for Lifeline.<sup>11</sup>

The Office of Public Counsel (OPC)<sup>12</sup> certifies and maintains claims submitted by customers for Lifeline eligibility under the income test.<sup>13</sup> Customers may also be eligible for Lifeline under the eligibility standards established by federal law based on participation in certain low-income assistance programs.<sup>14</sup>

Each state agency providing benefits to persons eligible for Lifeline service, must develop procedures to promote Lifeline participation in cooperation with the DCF, the Department of Education, the PSC, the OPC, and ETCs.<sup>15</sup> These named agencies may exchange information with the appropriate ETC, including a person's name, date of birth, service address, and telephone number. This information is otherwise confidential and exempt from public disclosure, but for the limited purposes of determining eligibility and enrollment in the program.<sup>16</sup>

If a state agency determines that someone is eligible for Lifeline, that agency must immediately forward their information to the PSC for automatic enrollment with the appropriate ETC.<sup>17</sup> The state agency must include an option for an eligible customer to choose not to subscribe to the Lifeline service.<sup>18</sup>

An ETC must notify a Lifeline subscriber of impending termination of Lifeline service if the ETC reasonably believes that the subscriber no longer qualifies for Lifeline service.<sup>19</sup> Notification must be sent in a letter separate from the subscriber's bill.<sup>20</sup> A subscriber must be given 60 days from the termination letter to demonstrate continued eligibility.<sup>21</sup>

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<sup>9</sup> Section 364.10, F.S.; R. 25-4.0665, Fla. Admin. Code (Lifeline Assistance).

<sup>10</sup> Section 364.10(1)(a), F.S.

<sup>11</sup> Section 364.10(2)(a), F.S. There have not been any wireline carriers in Florida with more than a million access lines since 2016. An ETC may provide the Lifeline discount to qualifying customers using the expanded 150 percent guideline, however, this would not qualify for reimbursement from USAC under the 135 percent guideline.

<sup>12</sup> Under s. 350.0611, F.S., the Office of Public Counsel provides representation for the people of the state in proceedings in front of the PSC.

<sup>13</sup> Section 364.10(2)(a), F.S.

<sup>14</sup> Section 364.10(2)(a), F.S.

<sup>15</sup> Section 364.10(2)(g)1., F.S.

<sup>16</sup> Sections 364.10(2)(g)1. and 364.107, F.S.

<sup>17</sup> Section 364.10(2)(g)1., F.S.

<sup>18</sup> Section 364.10(2)(g)2., F.S.

<sup>19</sup> Section 364.10(1)(e)1., F.S.

<sup>20</sup> *Id.*

<sup>21</sup> Section 364.10(1)(e)2.

## 2016 Lifeline Modernization Reform Order

In April 2016, the FCC issued the Lifeline Modernization Order (2016 Order).<sup>22</sup> The intent was to modernize the program by including broadband as a supported service, designating uniform minimum service standards and eligibility criteria and establishing the National Verifier.<sup>23</sup> Prior to the 2016 Order, states could establish their own income eligibility standards or include additional state qualifying programs. In 2016, the FCC eliminated this provision to simplify administration of the program and bring uniformity among the states.<sup>24</sup>

### *National Lifeline Eligibility Verifier*

To fight waste, fraud, and abuse in the program, the 2016 Order directed the USAC to develop the National Verifier as a way to determine initial subscriber eligibility, conduct annual recertification, populate a national database of Lifeline customers, and support payments to ETCs.<sup>25</sup> The National Verifier's efficiency depends on the establishment of an automated verification interface process connected to qualifying program databases. The National Verifier is connected to federal databases, including the Public Housing Assistance and Medicaid databases, allowing additional avenues to verify eligibility.<sup>26</sup>

### *USAC Interface with the DCF Database*

In 2019, the PSC coordinated an informal meeting between the DCF and USAC, to assist in Florida's transition to the National Verifier.<sup>27</sup> This meeting established the groundwork for an automated verification process, allowing the USAC to interface with the DCF's qualifying program database. USAC's connection to the DCF database was established in January 2021. The DCF database provides the USAC with confirmation of a customer's participation in a qualifying program, without revealing the type of program or other customer information, and eliminating the need for supporting documentation.<sup>28</sup>

### *Minimum Service Standards*

The 2016 Order required all ETCs to provide a discount for broadband service meeting the FCC's established minimum service standards.<sup>29</sup> These standards are reviewed annually by the FCC to ensure that Lifeline service options remain viable as technology improves.<sup>30</sup> As of December 2019, the minimum service standards were:

- Mobile voice - 1,000 minutes per month;
- Mobile broadband usage - 8.75 GB per month at 3G; and
- Fixed broadband - 20 Mbps downstream and 3 Mbps upstream with 1 TB data usage per month.

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<sup>22</sup> FCC, *FCC Modernizes Lifeline Program for Low-Income Consumers*, <https://www.fcc.gov/document/fcc-modernizes-lifeline-program-low-income-consumers> (last visited Jan. 13, 2022).

<sup>23</sup> PSC, *2021 Lifeline Report*, *supra* n. 2, at 15.

<sup>24</sup> FCC, *Third Report and Order*, FCC 16-38, WC Docket No. 11-42 (released April 27, 2016) at p. 77, par. 212.

<sup>25</sup> PSC, *2021 Lifeline Report*, *supra* n. 2, at 17.

<sup>26</sup> *Id.* At 18.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> PSC, *2021 Lifeline Report*, *supra* n. 2, at 15. To be exempt, an ETC needed to be granted forbearance by the FCC.

<sup>30</sup> *Id.* To receive USF support, ETCs must meet the minimum service standards.

### III. Effect of Proposed Changes:

**Section 1** clarifies that an ETC must notify a subscriber of impending termination of Lifeline service if there is reason to believe that the subscriber no longer qualifies for the service. It requires a subscriber to provide proof of continued eligibility for Lifeline service upon request of the ETC, the FCC or its designee.

The bill removes obsolete provisions relating to income eligibility standards that are inconsistent with current FCC requirements. It removes references to state agencies no longer involved in the development of procedures for promoting Lifeline, leaving just the PSC and the DCF. The bill clarifies that the PSC and the DCF may exchange information with ETCs, and the FCC or its designee, in order to enroll eligible customers in the program. The bill requires any state agency that determines a person is eligible for Lifeline service to coordinate with the FCC or its designee to verify eligibility.

**Section 2** amends s. 364.107, F.S., allowing state agencies to share information with the FCC or its designee to verify eligibility or auditing of a Lifeline Assistance Plan.

**Section 3** provides that the bill is effective July 1, 2022.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

#### D. State Tax or Fee Increases:

None.

#### E. Other Constitutional Issues:

None.

### V. Fiscal Impact Statement:

#### A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections: 364.10 and 364.107 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.