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Cc:
Bcc:
Subject: CPUC Information Alert: Proposed Decision Issued Adopting Revisions to Modernize and Expand the California LifeLine Program (R.11-03-013)

CPUC Information Alert: Proposed Decision Issued Adopting Revisions to Modernize and Expand the California LifeLine Program (R.11-03-013)

The California Public Utilities Commission (CPUC) today issued an Assigned Commissioner Proposed Decision that, if approved by the full CPUC, would adopt revisions to the California LifeLine Program, which provides discounted basic telephone services to eligible California households. This item is targeted to appear on the CPUC's December 5, 2013, Voting Meeting agenda.

The Proposed Decision is available at
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M080/K274/80274744.PDF>.

The proposed revisions include extending the price cap on California LifeLine wireline services and extending the CPUC's current practice of requiring carriers that have a Certificate of Public Convenience and Necessity (CPCN) to offer California LifeLine, including carriers who provide VoIP service through their CPCN.

In making the revisions in the Proposed Decision, for which Commissioner Catherine J.K. Sandoval is the lead Commissioner, the CPUC had the benefit of important contributions from more than 350 Californians in eight Public Participation Hearings (PPHs) held throughout the state last summer.

The Proposed Decision would adopt new rules allowing the inclusion of wireless services among the offerings supported by the California LifeLine program under a structure that would provide more support for more minutes of wireless service in order to encourage affordability for plans that provide sufficient minutes to meet

communications and address public safety concerns. For wireline California LifeLine, the CPUC would largely continue the current requirements. The current California LifeLine from wireline providers represents an important option for Californians who want LifeLine that will work inside the home and provide a fixed-rate option, a feature many Californians requested during the PPHs to help with low income household budgeting. The current price caps for wireline -- \$6.84 for a flat rate plan and \$3.66 for a measure rate plan -- would be extended through December 31, 2015. Similarly, the price for fixed wireline VoIP service would also be capped at \$6.84 through December 31, 2015.

All service plans, including bundled service, promotional service, and family plans, that meet or exceed the proposed minimum LifeLine service elements and are consistent with California LifeLine rules will be eligible for the California LifeLine discounts. The monthly support California LifeLine providers receive will be reflected in the discounted monthly service price for eligible California LifeLine subscribers.

More specifically, the Proposed Decision would adopt new California LifeLine wireless service elements requiring that participating wireless service providers offer eligible California LifeLine subscribers between 501 and 999 voice minutes to receive the fixed reimbursement from California's Universal Lifeline Telephone Service (ULTS) Trust Administrative Committee of \$5.75 per participant, and a \$0.50 a month administrative fee per participant, with consumers then obtaining a \$5.75 discount on such service. For wireless California LifeLine plans that offer 1,000 or more voice minutes, the fixed reimbursement would be \$12.65 per eligible participant, and a \$0.50 a month administrative fee per participant, with consumers receiving a discount of \$12.65, commensurate with the ULTS support provided to the carrier.

Wireline VoIP carriers may, but are not required to, apply to become Eligible Telecommunications Carriers (ETCs) under federal law, to increase the support eligible for California LifeLine service. If the provider has ETC status under federal rules, and was thereby eligible for federal support, the wireless California LifeLine provider would be able to combine federal Lifeline support of \$9.25 a month and California LifeLine monthly support of \$12.65, plus a \$0.50 a month administrative fee, for a total monthly support of \$22.40.

Providers of California LifeLine fixed wireline VoIP services, from January 1, 2014, through December 31, 2015, would be eligible to receive reimbursement amounts of \$12.65 a month, plus a monthly \$0.50 administrative fee per eligible participant served, for a total monthly support of up to \$13.15. However, if the California LifeLine

provider has ETC status to offer fixed-VoIP telephone services conforming to the CPUC's new rules, the provider would be able to combine federal Lifeline support of \$9.25 a month and California LifeLine monthly support of \$12.65, plus a \$0.50 a month administrative fee, for a total monthly support of up to \$22.40. Through December 31, 2013, CPCN holders who provide California LifeLine via fixed wireline VoIP services would be eligible to receive reimbursement amounts of \$11.85 a month, plus a monthly \$0.50 administrative fee per eligible participant served, for a total monthly support of \$12.85.

If approved, the Proposed Decision would, among other things, prohibit California LifeLine providers from charging participants a monthly number portability charge or comparable fee, which is consistent with federal rules.

The Proposed Decision would also require that all California LifeLine wireless providers provision unlimited access to the following three-digit special service numbers: 211 (Community Information and Referral Services), 311 (Non-emergency Police and Other Governmental Services), 511 (Traffic and Transportation Information), 611 (Repair Service), 711 (Telecommunications Relay Service), 811 (Access to One Call Services to Protect Pipeline and Utilities from Excavation Damage), and 911 (Emergency Services). These special services numbers are today included as unlimited local calling numbers for California LifeLine provided via wireline. The same safety, accessibility, and affordability imperatives support including these numbers for wireless California LifeLine subscribers, and not counting them against plan minutes used. Nor would California LifeLine providers be allowed to charge for paying bills in person by check, cash, or other means. The new rules would impose a uniform 14-day return policy. Handsets would be available to California LifeLine participants on the same basis as to other retail customers.

The Proposed Decision would extend the California LifeLine program, when funded exclusively by California funds, to otherwise eligible low income California resident households without Social Security numbers but where the eligible participant has some other form of valid government issued identification.

The full set of proposed rule changes to the CPUC's General Order 153, which governs the California LifeLine Program, are appended to the Proposed Decision as Attachment D.

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