



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**FILED**

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Order Instituting Rulemaking on the Commission's Own Motion to Review the Telecommunications Public Policy Programs.

R.06-05-028  
(Filed May 25, 2006)

**RESPONSE OF COX CALIFORNIA TELCOM, LLC, DBA COX COMMUNICATIONS,  
ON MOTION OF THE UTILITY REFORM NETWORK FOR CLARIFICATION OF  
THE TREATMENT OF LIFELINE RATES**

Pursuant to the Commission's Rules of Practice and Procedure ("Rules"), Cox California Telcom, L.L.C., *dba* Cox Communications (U-5684-C) ("Cox") submits this timely response to motion of The Utility Reform Network ("TURN") for clarification of the treatment of Lifeline rates ("Motion").

**I. TURN's Request For A Lifeline Rate Freeze Is Overbroad.**

In its Motion, TURN requests that the Commission clarify that Lifeline rates will not change after December 31, 2010. TURN seeks this clarification in light of the pricing flexibility that the URF ILECs will have for basic service as of January 1, 2011 and the Commission having yet to issue a decision concerning the Lifeline program in R.06-05-028.<sup>1</sup> Cox appreciates TURN requesting that the Commission clarify the status of Lifeline rates in light of URF ILEC's pricing flexibility for basic service, but submits that the requested relief is overbroad and misplaced in that TURN's request if granted, could unnecessarily freeze all Lifeline rates unnecessarily for three years.

First, TURN's request is overbroad, in part, because Decision 08-09-42 addresses the rates that the URF ILECs may charge for residential, basic service and Lifeline service,<sup>2</sup> but it does not address, let alone cap or freeze, what Cox and other CLECs providing residential service may charge for basic service. Unlike the URF ILECs, CLECs are not and have never been rate-regulated. CLECs have always had the flexibility to determine the rates they would charge for basic service, as well as other services they offer with very limited exception.<sup>3</sup>

<sup>1</sup> See, Motion, pp. 3-4.

<sup>2</sup> See, D.08-09-42, pp. 38-40. The decision states, "For the *three ILECs other than AT&T*, therefore we shall allow annual increases in their monthly rate caps equivalent to the AT&T amount of \$3.25 effective January 1, 2009 and 2010, respectively." *Id.* (Emphasis added).

<sup>3</sup> See, D.07-12-020.

General Order 153, Sections 8.1.4 and 8.1.5 provide that Lifeline rates must be the lower of (a) 50% of the given carrier's tariffed, basic service rate; or (b) 50% of AT&T's tariffed, basic service rate.<sup>4</sup> As such, if Cox is presently charging less than AT&T, for example, then GO 153 does not and the Commission should not prohibit Cox from raising its basic service rate provided that it does not charge more for Lifeline than what AT&T charges for Lifeline.

Second, Cox opposes TURN's request to freeze Lifeline rates and payments to carriers providing Lifeline for three years because TURN's request is inconsistent with the Commission's intent for the requirements in Decision 08-09-042 to remain in place until the "issuance of a decision in our Universal Service proceeding (R.06-05-028), addressing how the Lifeline program will be changed to reflect the Basic Rate Decision adopted today."<sup>5</sup>

Moreover, TURN's request if granted could effectively postpone or otherwise make it more complicated for the Commission to reform the Lifeline program prior to the expiration of such three year period. For example, the Commission previously considered adopting a specific set support amount, as compared to setting Lifeline rates. For clarity, Cox is not endorsing or recommending that the Commission adopt any specific Lifeline program rule or feature at this time. Rather, Cox notes that freezing the current Lifeline rates for three years could be interpreted to mean that the corresponding Lifeline program structure will also be frozen for that time period, but the Commission may decide it is reasonable to implement a different program structure.

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<sup>4</sup> Cox acknowledges that the Commission suspended GO 153, Section 8.1.4 but submits it did so only for the purpose of authorizing the URF ILECs to discount their Lifeline service rates by more than 50%. See, D.08-09-042, p. 39.

<sup>5</sup> Id. (Footnote omitted).

## **II. Conclusion.**

Cox encourages the Commission to issue a decision on the Lifeline program as soon as is practicable. Carriers offering residential service are required by statute to provide Lifeline service and as such, the Commission should ensure that the Lifeline program not only achieves the Commission's universal service goals but also reasonably compensates carriers for providing Lifeline service on a discounted basis. Cox looks forward to further participating in both R.06-05-028 and R.09-06-019 and working with the Commission to implement sound and reasonable public policy programs.

Dated: August 31, 2010

Respectfully submitted,

/s

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**CERTIFICATE OF SERVICE**

I, Margaret L Tobias, the undersigned, hereby declare that, on September 2, 2010 caused a copy of the foregoing:

**RESPONSE OF COX CALIFORNIA TELCOM, LLC, DBA COX COMMUNICATIONS,  
ON MOTION OF THE UTILITY REFORM NETWORK FOR CLARIFICATION OF  
THE TREATMENT OF LIFELINE RATES**

in the above-captioned proceeding, to be served as follows:

- [ X ] Via email and US Mail to the Assigned Commissioner in R.06-05-028
- [ X ] Via email service and US Mail to Administrative Law Judge in R.06-05-028
- [ X ] Via email service to all parties included in the attached service

Dated: September 2, 2010 at San Francisco, California.

/s

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Margaret L. Tobias

CALIFORNIA PUBLIC UTILITIES COMMISSION  
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