



**FILED**  
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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding  
Revisions to the California High Cost Fund  
B Program.

Rulemaking 09-06-019  
(Filed June 18, 2009)

**ASSIGNED COMMISSIONER'S RULING  
AND AMENDED SCOPING MEMO**

This ruling provides an amended scoping for this proceeding as prescribed below. The Commission opened this proceeding (as successor to Rulemaking (R.) 06-06-028) to implement reforms to the California High Cost Fund-B (B-Fund). The B-Fund program is part of the Commission's broader policy to meet universal service goals. Reforms to the B-Fund program have prioritized consideration of updates to the basic telephone service definition. By Assigned Commissioner's Ruling dated May 10, 2010, an amended scoping memo stated that the definition of basic telephone service would be addressed on a statewide basis including eligibility for both the B-Fund and for Universal Lifeline Telephone Service. All other reforms to the Lifeline program, including Lifeline pricing and support calculation methodologies, were to be addressed in R.11-03-013.

This amended scoping memo updates the schedule for the remainder of the proceeding.

The next step in this proceeding will be the issuance of a decision updating the definition of basic service. Once an updated definition of basic service is

adopted, the proceeding will resume efforts to update cost proxy data to calculate B-Fund support. In opening R.09-06-019, the Commission stated an intent to update high-cost support through design of a reverse auction process. By ruling dated February 11, 2010, an Assigned Commissioner's Ruling solicited comments as to the merits of continuing to pursue design of a reverse auction process, and whether it was realistic to expect significant interest in bidding, or whether alternative measures to update high-cost support should be prioritized.

Once an updated basic service definition is adopted, I will issue a ruling as to whether to continue with a reverse auction or to redirect the focus toward other measures to calculate high-cost support. Based on that ruling, a further schedule will be provided to complete the process for updating the data used to determine B-Fund support.

In view of the work remaining to be done in this proceeding, that previous schedule determination needs to be updated. The remaining steps for this proceeding are thus:

1. Issuance of a Proposed Decision updating the basic service definition;
2. Issuance of an Assigned Commissioner Ruling on whether to continue with a reverse auction or to pursue alternative measures;
3. Adoption of a schedule to conclude work necessary:
  - (a) to update cost proxy data for B-Fund purposes; and
  - (b) to determine how B-Fund program administration can be improved, automated, and streamlined.

It is anticipated that this proceeding will conclude within 18 months of the issuance of this amended scoping memo, pursuant to Public Utilities Code Section 1701.5.

**IT IS RULED** that:

1. This amended scoping memo in Rulemaking (R.) 09-06-019 is hereby amended.

2. The amended scoping memo updates the schedule to clarify the next steps to conclude the proceeding as set forth below:

- a. Issuance of a Proposed Decision updating the basic service definition;
- b. Issuance of an Assigned Commissioner Ruling on whether to continue with a reverse auction or to pursue alternative measures;
- c. Adoption of a schedule to conclude work necessary:
  - (1) to update cost proxy data for B-Fund purposes;+ and
  - (2) to determine how B-Fund program administration can be improved, automated, and streamlined.

3. It is anticipated that this proceeding will conclude within 18 months of the issuance of this amended scoping memo, pursuant to Public Utilities Code Section 1701.5.

Dated September 16, 2011, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner