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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 Memo for the proceeding. This proceeding was opened (as successor to Rulemaking (R.) 06-06-028) to implement reforms to the California High Cost Fund-B (B-Fund) in accordance with the Commission's policies to meet universal service goals for telecommunications services. The most recent Amended Scoping Memo in this proceeding was issued on January 29, 2013.

This ruling provides an additional amendment to the scope of the proceeding for the opportunity to comment on staff findings regarding the affordability of basic telephone service within California, and amends the scope of the proceeding accordingly, as explained below.

In 2008, the California Legislature directed the California Public Utilities Commission (Commission) to complete by July 1, 2010 a telephone service affordability survey of customers and noncustomers who reside in areas funded

by the California High Cost Fund-B (CHCF-B).<sup>1</sup> Also, the Commission ordered in Decision (D.) 08-09-042 that a statewide affordability survey be completed by June 30, 2010, to gather information on which to base future telephone regulation policies.

In response to these directives, the Commission's Communications Division (CD) completed a report issued on September 30, 2010, entitled: "Staff Report to the California Legislature: Affordability of Basic Telephone Service" (CD Report). The CD report contains an analysis and findings from the basic telephone affordability surveys as required by Senate Bill 780 and ordered by D.08-09-042. The full three-volume CD Report is posted at the Commission's website: [www.cpuc.ca.gov/PUC/telco](http://www.cpuc.ca.gov/PUC/telco).

### **Amended Scoping Memo**

The Commission's universal service guiding principles recognize the necessity of affordable service rates to meet the telephone subscription goal of 95%.<sup>2</sup> As stated in the CD Report (p.2): "The Commission can use this study to help assess the most vulnerable populations at risk and in conjunction with the Commission's Annual Subscribership Report to the Legislature identify demographic groups and areas of the state where the 95% subscribership goal has not been met."

The scope of the proceeding is thus amended to take comments on the findings regarding the affordability of basic telephone service published in the

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<sup>1</sup> Senate Bill 780 (Chapter 342, Statutes 2008; amending Public Utilities Code Section 739.3 and adding Section 275.6), introduced by Senator Wiggins and coauthored by Senators Cox and Kehoe.

<sup>2</sup> D.96-10-066 established a universal service goal of 95% statewide phone subscribership.

CD Report, particularly in view of the current environment in which basic telephone service rates charged by the major incumbent local exchange carriers (ILECs) are no longer subject to rate caps.

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 adopted to consider the findings regarding the affordability of basic telephone service published in the Communications Division Report issued on September 30, 2010, entitled: "Staff Report to the California Legislature: Affordability of Basic Telephone Service." The report is incorporated by reference into the record of this proceeding, and may be accessed at the Commission's website: [www.cpuc.ca.gov/PUC/telco](http://www.cpuc.ca.gov/PUC/telco).

2. Opening comments shall be due on May 17, 2013 and reply comments shall be due on June 3, 2013.

Dated April 23, 2013, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner