BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking Regarding Revisions to the California Universal Telephone Service (LifeLine) Program.	Rulemaking 11-03-013 (Filed March 24, 2011)

REPLY COMMENTS
OF THE OFFICE OF RATEPAYER ADVOCATES
ON THE ASSIGNED COMMISSIONER'S PROPOSED DECISION

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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission's (the "CPUC" or "Commission") Rules of Practice and Procedure, the Office of Ratepayer Advocates ("ORA") hereby submits these Reply Comments in response to Opening Comments filed by parties on November 19, 2013, regarding the Assigned Commissioner Sandoval's Proposed Decision ("PD") issued on October 30, 2013.

ORA reviewed the parties' Opening Comments.[1] Some parties voice strong support of the PD, some seek non-controversial or technical clarifications, and some argue for significant revision of the PD. Among the parties who filed opening comments, ORA finds the most common ground in the comments offered by the Joint Consumers, NAAC, CforAT. At the same time, ORA concurs that certain technical clarifications sought by CTIA, CalTel, Cricket, the Small LECs, and TracFone warrant the Commission's consideration. ORA disagrees, however, with many aspects of the comments offered by AT&T, Cox, and Verizon. Most specifically, ORA does not share their opposition to extending the LifeLine rate caps. ORA's responses are discussed below.

II. THE COMMISSION SHOULD DISMISS AT&T AND VERIZON'S OPPOSITION TO EXTENSION OF THE LIFELINE RATE CAP.

AT&T and Verizon both oppose the PD's extension of wireline LifeLine rate cap, and cite the 2010 affordability study as a reason why customers *ought to* be able to afford higher telephone rates.[2] Neither AT&T nor Verizon actually offers any actual policy argument for why rates should be increased, other than to reiterate an argument to

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[1] Opening Comments on the PD were filed by AT&T, Budget Prepay, Inc., California Association of Competitive Telecommunications Companies (CalTel), California Cable and Telecommunications Association (CCTA), Center for Accessible Technology (CforAT), Cox Communications, Cricket Communications, CTIA-The Wireless Association (CTIA), Greenlining Institute, National Asian American Coalition (NAAC), National Consumer Law Center, Office of Ratepayer Advocates (ORA), Small Local Exchange Carriers (Small LECs), SureWest, TracFone, The Utility Reform Network (TURN), and Verizon. TURN, Greenlining Institute, and National Consumer Law Center filed together as Joint Consumers.

[2] AT&T Comments at 8; Verizon opening Comments at 12.

eliminate all retail price regulation for residential service.[3] As the PD correctly notes, the Affordability Study is stale,[4] and of limited relevance today because of regulatory and market changes since the study issued in 2010. Furthermore, Uniform Regulatory Framework (URF) incumbent local exchange carriers (ILECs) continue to report steady price increases in telephone service, including basic service, since staff issued the Affordability Study in 2010. The purpose of the LifeLine program is to provide low-income consumers with affordable telephone service. The PD's extension of the LifeLine rate cap ensures that consumers will continue to receive LifeLine at affordable rates while the Commission implements the new LifeLine program. There is no reason for the Commission to yield to AT&T's and Verizon's opposition to maintaining existing LifeLine rate caps.

III. THE COMMISSION SHOULD INCORPORATE THE OPTION OF UNLIMITED VOICE MINUTES AS PART OF THE PROPOSED TIER STRUCTURE FOR LIFELINE SUPPORT, AND SHOULD ALLOW FOR UNLIMITED N11 ACCESS FOR WIRELESS LIFELINE CUSTOMERS

ORA fully supports and agrees with comments filed by Joint Consumers that the proposed tier structure for a wireless minutes allowance should include elements to encourage the provision of wireless LifeLine plans with unlimited minutes. LifeLine carriers should be given incentives to provide unlimited calling plans. ORA also supports and agrees with comments filed jointly by Joint Consumers, CforAT, and NAAC for unlimited N11 access for wireless LifeLine customers.[5]

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[3] AT&T Comments at 8.

[4] PD at 109.

[5] Joint Consumers Comments at 7; CforAT Comments at 2; NAAC Comments at 4.

IV. THE COMMISSION SHOULD CLARIFY WHAT SERVICE ATTRIBUTES DO AND DO NOT COUNT AGAINST THE PROPOSED UNBUNDLED SERVICE OBLIGATION

In opening comments, ORA provided support for the proposed unbundled service obligation contained in the PD.[6] Upon reviewing parties' opening comments regarding the unbundled service obligation, ORA agrees with Cricket that there may be additional non-video or non-data services that are already common elements of most wireless plans offered in the wireless market place today by federal-only ETCs, *e.g.* an allowance for text messages, call-waiting, caller-ID, or voice mail.[7] Thus, the Commission should clarify that such services may count toward the proposed unbundled service obligation so that wireless LifeLine customers are not penalized or treated differently from non-LifeLine customers in this regard.

V. THE COMMISSION SHOULD CLARIFY THE PURPOSE OF SUPPORT FOR NON-RECURRING CHARGES

TracFone, Small LECs, and SureWest all raise concerns with using LifeLine funds to support non-recurring connection/activation charges.[8] While LifeLine funds should be used to overcome legitimate barriers preventing customers from participating in the LifeLine program as a matter of policy, the Commission should be mindful of the potential abuse discussed in ORA's opening comments. Thus, ORA supports TracFone's recommendation that the PD be revised to clarify the purpose for which this activation/connection subsidy can be used.

VI. CONCLUSION

ORA supports the PD and urges the Commission to stand its ground against AT&T's and Verizon's opposition to the extension of the LifeLine rate cap.

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[6] PD at 83.

[7] Cricket Comments at 8.

[8] TracFone Comments at 2; Small LECs Comments at 8; SureWest Comments at 2-3.

Respectfully submitted,

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