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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding
Revisions to the California Universal
Telephone Service (LifeLine) Program.

Rulemaking 11-03-013
(Filed March 24, 2011)

**ASSIGNED COMMISSIONER'S RULING AND AMENDED
SCOPING MEMO REGARDING PHASE II**

Summary

This ruling amends the scope of this proceeding and establishes a procedural plan for Phase II for the Commission's consideration of participation in LifeLine service by Voice over Internet Protocol (VoIP) enabled providers that do not have a Certificate of Public Convenience and Necessity.

1. Background

On January 16, 2014, the Commission issued its Decision Adopting Revisions to Modernize and Expand the California LifeLine Program, Decision (D.)14-01-036. D.14-01-036 revised the California LifeLine Program (California LifeLine or LifeLine) by extending the price cap on LifeLine wireline services and adopting specifications for LifeLine wireless services. The California LifeLine service elements adopted promote competition by preserving essential consumer protections across technology platforms and by assuring that minimum communications needs are met regardless of income. The Commission sought to achieve technological neutrality by focusing on the function California LifeLine service is to perform. D.14-01-036 was the first

substantive decision in this proceeding and applied to all extant California LifeLine providers and to those eligible to participate as under the newly adopted rules.¹

D.14-01-036 assigned development of rules for participation by VoIP enabled providers that do not have a Certificate of Public Convenience and Necessity (CPCN) in the California LifeLine program to this subsequent phase, Phase II, of this proceeding.² On February 25, 2014, the assigned Commissioner issued a Ruling and Scoping Memo which designated Commissioner Michael Picker as the Assigned Commissioner for these non-tariffed VoIP issues. This Ruling reaffirms the assignment of President Picker as the assigned Commissioner for Phase II issues.³

The purpose of this Assigned Commissioner Ruling is to set out the procedural plan for the remainder of this proceeding and address the scope of issues the Commission will address for the remainder of this proceeding.

2. Scope of the Proceeding

In the first portion of 2015, the Commission intends to focus primarily on the participation of non-tariffed VoIP providers in the Lifeline Program, considering appropriate rules for non-tariffed VoIP providers participation in the California LifeLine Program consistent with applicable laws including, but not limited to Pub. Util. Code § 710, and in recognition that VoIP customers also pay the surcharge that supports the California LifeLine Program. Under California

¹ D.14-01-036 defined eligible participants as all carriers who hold a CPCN, wireless registration, or franchise authority.

² VoIP carriers without a CPCN are also referred to as “non-tariffed VoIP providers.”

³ See February 25, 2014, Assigned Commissioner’s Ruling and Scoping Memo, R.11-03-013.

Public Utilities Code Section 239, VoIP is defined as voice communication that uses Internet Protocol or a successor protocol to enable real-time, two-way voice communication.⁴ This scoping ruling proposes that Phase II examine rules to apply to those who provide service as defined by Pub. Util. Code §239 (a) and (b).

At the outset, the Commission will look at the following issues:

1. Service Elements
2. Program Implementation
3. Program Administration
4. Legal and Jurisdictional issues
5. Safety Considerations
6. Non-Discrimination
7. Consumer Protection

⁴ Cal. Pub. Util. Code § 239(a) (1) "Voice over Internet Protocol" or "VoIP" means voice communications service that does all of the following:

(A) Uses Internet Protocol or a successor protocol to enable real-time, two-way voice communication that originates from, or terminates at, the user's location in Internet Protocol or a successor protocol.

(B) Requires a broadband connection from the user's location.

(C) Permits a user generally to receive a call that originates on the public switched telephone network and to terminate a call to the public switched telephone network.

(2) A service that uses ordinary customer premises equipment with no enhanced functionality that originates and terminates on the public switched telephone network, undergoes no net protocol conversion, and provides no enhanced functionality to end users due to the provider's use of Internet Protocol technology is not a VoIP service.

(b) "Internet Protocol enabled service" or "IP enabled service" means any service, capability, functionality, or application using existing Internet Protocol, or any successor Internet Protocol, that enables an end user to send or receive a communication in existing Internet Protocol format, or any successor Internet Protocol format through a broadband connection, regardless of whether the communication is voice, data, or video.

8. Privacy
9. Program Compliance
10. Complaint procedure
11. Enforcement Actions
12. Program Evaluation

In order to proceed in a timely and organized manner, Commission Staff intend to present an initial draft proposal for a LifeLine Program for non-tariffed VoIP providers to the Administrative Law Judge (ALJ) and the Assigned Commissioner for consideration. The Judge and I anticipate issuing a ruling setting forth a draft proposal for Comment and Reply Comment from parties to allow the Commission to thoughtfully consider a program to allow interconnected VoIP providers to offer LifeLine service in California.

In addition, D. 14-01-036 deferred consideration of certain issues to this or a subsequent phase of this proceeding. Those issues are listed in Section 5 of D.14-01-036 and remain in the scope of the proceeding. By separate ruling, the Commission will request party input to prioritize the pending issues remaining from Phase I that need to be addressed in this rulemaking.

3. Category of Proceeding and Need for Evidentiary Hearings

There is no change in the category of this proceeding as quasi-legislative, as defined by Rule 1.3(d), and that evidentiary hearings are not necessary.

4. Schedule

Pursuant to Pub. Util. Code § 1701.5, it is anticipated that this proceeding will be concluded within 18 months of the issuance of this Scoping Memo. The schedule for the remainder of this proceeding is as follows:

Event	Date
Staff Proposal on Lifeline Program for non-tariffed VoIP Providers	February 2015
Parties file and serve opening comments on draft proposal	March 2015
Parties file and serve reply comments	March 2015
All-Party Meeting and Workshops (if any)	April 2015
Possible Ruling with Revised Proposal on Lifeline Program	April-May 2015
Parties file and serve Opening Comments on Revised Proposal	May 2015
Parties file and serve Reply Comments on Revised Proposal	May 2015
Proposed Decision - Lifeline Program for non-tariffed VoIP Providers	July-August 2015

5. Ex Parte Communications

The Commission’s *ex parte* communication rules set forth in Rule 8.3(a) shall apply in this quasi-legislative proceeding.⁵

IT IS RULED that the scope and schedule of Phase 2 of this proceeding are established as set forth in this Amended Scoping Memo.

Dated February 3, 2015, at San Francisco, California.

/s/ MICHAEL PICKER

Michael Picker
Assigned Commissioner

⁵ Rule 8.3(a) In any quasi-legislative proceeding, *ex parte* communications are allowed without restriction or reporting requirement.