

**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.

R.11-03-013
(Filed March 24, 2011)

COMMENTS OF AT&T ON PROPOSED DECISION

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California Public Utilities Commission Decisions

Re Revisions to the California Universal Telephone Service (LifeLine) Program, Decision No. 14-01-036, Decision Adopting Revisions to Modernize and Expand the California Lifeline Program, 2014 WL 469030 (Cal.P.U.C. Jan. 16, 2014).....2

Rules and Regulations

Cal. P.U.C. General Order 66-C.3

Cal. P.U.C. General Order 153.4

AT&T¹ respectfully submits its Comments on the Proposed Decision (“PD”) filed on September 27, 2016. The purpose of this proceeding is to open the California LifeLine program to voluntary participation by non-certificated fixed-VoIP providers, and encourage such providers to offer California LifeLine service.² That is a worthy goal. Consumers in California and across the nation are increasingly choosing VoIP service rather than traditional circuit-switched telephone service, largely because of the ability to bundle VoIP service with Internet and video service. LifeLine customers should be able to enjoy the same benefits. Indeed, LifeLine customers have shown a strong desire for service over “non-traditional” technology platforms, such that in only a few years the overwhelming majority of LifeLine subscribers have switched to wireless for their LifeLine service. One reason for the instant success of wireless LifeLine service is that it is not subjected to the same kind of comprehensive, public-utility style regulatory requirements that apply to traditional circuit-switched wireline LifeLine service.

The PD, however, would subject non-certificated fixed-VoIP LifeLine providers to a range of public-utility style regulatory requirements, many of which do not apply to wireless LifeLine providers. These requirements would unnecessarily burden VoIP providers in entering, participating in, and exiting the LifeLine program. The PD therefore would strongly discourage VoIP providers from voluntarily joining the LifeLine program, to the detriment of consumers. Accordingly, several aspects of the PD should be changed, for the reasons discussed below.

¹ Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C); AT&T Corp. (U 5002 C); Teleport Communications America, LLC (U 5454 C); and AT&T Mobility LLC (New Cingular Wireless PCS, LLC (U 3060 C); AT&T Mobility Wireless Operations Holdings, Inc. (U 3021 C); and, Santa Barbara Cellular Systems, Ltd. (U 3015 C)), collectively hereinafter “AT&T.”

² Though this proceeding is addressing fixed VoIP, the Commission should permit nomadic VoIP to participate on the same terms.

ARGUMENT

I. THE PD IMPOSES UNREASONABLE BURDENS ON VoIP PROVIDERS

The PD would establish mandatory service elements for non-certificated VoIP providers, including a requirement to offer a voice-only service option. These service elements appear to have been largely copied from the wireline service elements in D.14-01-036 (Attachment D). Such requirements overlook the marketplace facts. Many consumers choose VoIP precisely because it is bundled with data and video service, and very few subscribers have VoIP service for a stand-alone voice lines. Such VoIP bundles offer consumers, including low-income consumers, the best value for their overall voice, data, and video needs, and offer savings over buying those services a la carte.³ That is why the FCC allows all ETCs to offer bundled service among their LifeLine offerings.⁴ Nothing is to be gained by requiring non-certificated VoIP providers to offer stand-alone voice services that few customers of VoIP service want. But the loss from such a requirement is obvious, as it would further disincent non-certificated VoIP providers from voluntarily participating in the LifeLine program.

The PD also would require non-certificated VoIP providers to abide by several General Orders designed for certificated, traditional public utilities.⁵ The PD contains no discussion or rationale for imposing these obligations on non-certificated VoIP LifeLine providers. The only implicit purpose of this requirement seems to be to subject non-certificated VoIP providers to all the same obligations as certificated public utilities, regardless of whether imposing such obligations is relevant to the LifeLine program. For example, the PD would subject VoIP

³ See PD, p. 14 (noting the “additional savings associated with bundled services”).

⁴ *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, 27 FCC Rcd. 6656, 55 Communications Reg. (P&F) 471, FCC 12-11, ¶ 315 (2012).

⁵ PD, pp. 24-25.

providers to GO 133-C's (or its successor's) requirements on service quality, which can expose carriers to fines and penalties and include onerous tracking and reporting requirements.

No entity is likely to willingly subject itself to an entire slate of service quality requirements that have not applied to it before, much less to open itself to fines and penalties for not meeting those requirements. Similarly, the PD would subject non-certificated VoIP providers to GO 66-C (or its successor), which is currently being revised in a manner that is likely to provide far less protection for confidential information. No entity is likely to volunteer to be subject to rules that put the confidentiality of its sensitive business information – much of which would now have to be provided to the Commission under the PD – at risk of disclosure.

The PD also would impose other onerous new reporting requirements on non-certificated VoIP providers regarding trouble tickets for retail (non-LifeLine) service, annual schedules of rates and charges, affiliate transactions, operational and financial details, and a residential service geographical survey.⁶ Yet the PD does not explain why such reports are necessary or what they have to do with the provision of LifeLine service by non-certificated VoIP providers. Once again, these requirements appear to have no connection with LifeLine, but rather seem aimed at gathering information from VoIP providers for unrelated purposes and potential attempts at regulation. Entities that are not already subject to traditional public utility-style regulation of this kind are not likely to volunteer for it.

II. THE PD IMPOSES EXIT BARRIERS THAT DISCOURAGE NEW ENTRY

In addition to making it burdensome to participate in the LifeLine program, the PD would impose several requirements that make it unduly difficult for a non-certificated VoIP provider to leave the LifeLine program or transfer its LifeLine customers to another carrier.⁷ Such

⁶ *Id.* at 20.

⁷ *Id.* at 20-24.

requirements are unnecessary, because Alternative LifeLine providers, such as VoIP providers, already have their own rules governing exits from the LifeLine program. Under current LifeLine rules, VoIP and wireless providers need only notify customers 30 days in advance of their exit from the market.⁸ This streamlined process is perfectly appropriate for voluntary participants in the LifeLine program. Moreover, GO 153, § 4.3.7 states that only “Traditional carriers” are subject to the industry noticing requirements in General Order 96-B, yet the PD would make VoIP providers subject to all the requirements of GO 96-B as well.⁹ If the Commission truly wants to encourage participation in the program, it should make entry, participation, and exit by VoIP providers simple, and certainly no more onerous than for wireless providers. The PD, however, would once again impose materially more burdens on VoIP providers than wireless providers when it comes to exit or transfer of LifeLine customers.

CONCLUSION

For the reasons stated, the PD should be revised to at most treat non-certificated fixed-VoIP providers the same way as wireless LifeLine providers. That is a straightforward, reasonable path, and one that is much more likely to encourage VoIP providers to join the LifeLine program, as opposed to making participation prohibitively burdensome.

⁸ GO 153, § 4.7.3.

⁹ PD, p. 25.

Appendix: AT&T's Recommended Revisions to Proposed Decision's Findings of Fact and Conclusions of Law

Conclusions of Law

15. The California LifeLine fixed-VoIP service elements ~~should need not~~ mirror the traditional wireline service elements ~~for the most part, except that we should not require fixed-VoIP providers to offer eligible participants equal access to inter-exchange service providers because it is not required under federal rules.~~

30. Fixed-VoIP service providers should be required to prepare and submit to CD the following reports; Schedule of Surcharge Remittance, ~~Customer Trouble Tickets Reports for both retail and California LifeLine services,~~ Schedule of Rates and Charges, ~~Affiliate Transactions Report,~~ Operation and Financial Report, and Residential Service Geographical Survey.