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TO PARTIES OF RECORD IN RULEMAKING 11-03-013

This is the proposed decision of Commissioner Sandoval. This item is targeted to appear on Agenda No. 3327 for the Commission's December 5, 2013, Business Meeting, but may appear on a later agenda. Interested persons may monitor the Business Meeting agendas, which are posted on the Commission's website 10 days before each Business Meeting, for notice of when this item may be heard. The Commission may act on the item at that time, or it may hold an item to a later agenda.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as provided in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at www.cpuc.ca.gov. Pursuant to Rule 14.3, opening comments shall not exceed 15 pages.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ KAREN V. CLOPTONKaren V. Clopton, Chief
Administrative Law Judge

KVC:jt2

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER SANDOVAL**
(Mailed 10/30/2013)

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)

**DECISION ADOPTING REVISIONS TO MODERNIZE AND EXPAND THE
CALIFORNIA LIFELINE PROGRAM**

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DECISION ADOPTING REVISIONS TO MODERNIZE AND EXPAND THE CALIFORNIA LIFELINE PROGRAM**1. Summary**

This decision adopts revisions to the California LifeLine Program (California LifeLine or LifeLine). The program revisions include extending the price cap on LifeLine wireline services and adopting specifications for LifeLine wireless services. Our decision is informed by Commission precedent, the extensive comments and reply comments filed with the Commission in response to our Scoping Memo, and the important contributions of more than 350 Californians in the eight Public Participation Hearings (PPHs) held throughout the state over the last summer. Our focus here is to develop rules allowing the inclusion of wireless services among the offerings supported by the California LifeLine Program. For LifeLine provided by wireline, we largely continue the current requirements as they provide an important option for Californians that want LifeLine that will work inside the home and provide a fixed-rate option, a feature many Californians requested during the PPHs to help with low-income household budgeting. We extend our current practicing of requiring carriers that have a Certificate of Public Convenience and Necessity (CPCN) to offer California LifeLine, including carriers who provide Voice Over Internet Protocol service through their CPCN. Wireline VoIP carriers may, but are not required to, apply to become Eligible Telecommunications Carriers under federal law, to increase the support eligible for LifeLine service.

Our goal in this proceeding, as in others before it, is to offer, in the words of the Moore Universal Telephone Act, "high-quality basic telephone service at

affordable rates to the greatest number of California residents...by making residential service affordable to low-income citizens..."¹ With that in mind, we have used the Commission's recent redefinition of Basic Service as a springboard for determining which wireless service elements and plans are eligible for LifeLine support for qualified participants, meet our universal service objectives, preserve program integrity, contribute to public safety, and acknowledge the market and technological changes and differences that have reshaped the telecommunications industry. We will continue to monitor the changing marketplace in which California LifeLine must operate and will take further action in subsequent decisions of this proceeding to assure that LifeLine service remains affordable, of high quality, and meets the shifting communications needs of its participants.

2. Background

On March 30, 2011, the California Public Utilities Commission (Commission or CPUC) opened this Rulemaking to focus on revisions to the California LifeLine Program. This program was designed to ensure that telephone service remains affordable for low-income Californians. Our on-going commitment to achieving that objective led to this Rulemaking to examine the California LifeLine program rules and adapt them, as necessary, to meet the communications needs of Californians to promote safety, the economy, and the public interest. This proceeding is a successor to the Commission's earlier Rulemaking (R.) 06-05-028, where the Commission addressed its

¹ Pub. Util. Code § 871.7(a).

telecommunications public policy programs, and a sequel to its revision of basic telephone service in Decision (D.) 12-12-038.

In 2006, the Commission opened R.06-05-028 (Rulemaking) to evaluate whether California's universal service public policy programs should be updated to reflect changes in the telecommunications industry. Through that Rulemaking, the Commission set out to reform California LifeLine in order to guarantee that high-quality communication services were affordable and widely available to all. In D.10-11-033, the Commission adopted a new methodology for providing California LifeLine support to consumers and in doing so ensured that the Commission was able to monitor impacts on ratepayers so that the telephone service rate would remain just and reasonable and that the California LifeLine rate would remain affordable.

The Commission also acknowledged in D.10-11-033 that significant technological and regulatory changes in the telecommunications industry had occurred since the Moore Universal Telephone Service Act (Moore Act).² Consumers have accelerated their use of communications options, many of which have never been subject to traditional utility regulation and whose providers have not previously participated in the California LifeLine Program. We recognized the challenge to making these newly popular communication services and platforms available to California LifeLine participants. In D.10-11-033, the Commission clarified that service providers aside from those offering landline telephone services may voluntarily participate in California LifeLine.

² The Moore Act is established in Pub. Util. Code §§ 871-884.

The Commission also targeted reforms to the most pressing problems confronting the California LifeLine Program and approved numerous changes, including the “de-linking” of California LifeLine from the AT&T basic rate structure, adopting a Specific Support Amount (SSA) methodology as the best option for reimbursing California LifeLine providers, and capping, until December 31, 2012, the then-current California LifeLine rates of \$6.84 and of \$3.66 for flat-rate and measured-rate local telephone services, respectively. D.10-11-033 reiterated that various types of service providers, such as wireless service providers and voice over internet protocol (VoIP) service providers, might participate in California LifeLine if they complied with the current requirements. The Commission designated this phase of the proceeding as the place to consider additional changes needed to facilitate that participation. D.10-11-033 anticipated that this phase would clarify outstanding issues regarding the rules for how wireless and VoIP service providers might participate in California LifeLine under a revised version of General Order 153.

The Commission in D.10-11-033 also took note of the recommendations from The Utility Reform Network (TURN), National Consumer Law Center, and Disability Rights Advocates that the scoping memo for this proceeding address the following issues:

1. declining levels of enrollment in the Lifeline program;
2. creating a process for determination of Lifeline eligibility prior to signing up with a carrier; and
3. applying Lifeline subsidy to bundled services.

In addition to the Commission’s own expectations regarding the scope of this phase of the proceeding, the Commission’s Division of Ratepayer

Advocates³ on January 26, 2010, issued its report on the 2009 Lifeline Wireless Forum (Forum) held in partnership with Assembly Member Felipe Fuentes, Chair of that body's Utilities and Commerce Committee. The two-day Forum included former California Public Utilities Commissioners Dian Grueneich and Timothy Simon. ORA explained that the Forum was convened to bring together a broad range of stakeholders to (i) identify issues and concerns about modernizing California LifeLine, and (ii) elicit ideas on the best ways to incorporate wireless service into the program consistent with the Commission's public policy goals under the Moore Act.

The Forum participants ranked the crucial policy and implementation issues that must be addressed if California LifeLine were expanded to include wireless providers. These included:

Public safety, including the availability of 911 emergency telephone service;

Features and plans, including whether the Commission should set a number of minutes for outbound calls, charges for incoming calls or to toll-free numbers, contract termination fees, and the role of prepaid wireless;

Administrative issues, including the use of a third-party administrator and whether households could qualify for more than one California LifeLine subscription; and

Consumer education, including how to inform California LifeLine participants, including those with special needs, of changes to the program.

³ On September 26, 2013, the Division of Ratepayer Advocates became the Office of Ratepayer Advocates (ORA) through Senate Bill 96.

Most recently, in D.12-12-038, the Commission adopted updated requirements for residential basic telephone service (basic service). (See Attachment A below.) D.96-10-066 had first provided a uniform definition of basic service appropriate in 1996 for meeting universal service needs by defining a certain minimum level of service. The Commission's revisiting of the basic service definition was intended to be technology-neutral in updating the original service elements. The new basic service definition applies on a statewide basis to all telecommunications carriers wishing to offer basic residential telephone service, though only Carriers of Last Resort (COLRs) are required to offer basic residential telephone service.

In adopting a new definition, the Commission recognized that the basic service elements would serve as a starting point for defining California LifeLine's service elements in this proceeding. Would households that qualify for California LifeLine discounts need telephone service differing from the basic service elements as defined in D.12-12-038, and if so, how? The Commission indicated that it intended to provide low-income households with a broader range of choices for discounted California LifeLine services, consistent with their service needs, and accompanied by appropriate consumer protections.

The Commission required all companies offering basic service to provide customers and potential customers with information regarding 911 reliability and accuracy, as well as clear and conspicuous disclosures of the capabilities and material limitations in service coverage, service availability, and service quality. These disclosures must be of sufficient clarity and detail to enable customers to know what the service offered as basic service should provide.

Since at least 2010, the Commission has evaluated proposals by wireless service providers seeking Eligible Telecommunications Carrier (ETC) status to

provide federally funded discounted wireless service to low-income households. The California ETC general requirements for federal Lifeline are that the carrier must offer local usage plans comparable to those provided by the incumbent local exchange carrier and that the plans must be in the public interest.⁴ In reviewing the proposed service offerings of wireless carriers seeking federal support as wireless ETCs, the Commission has compared the proposed price of the wireless service provider's proposed service, including additional features such as unlimited long distance calls and caller ID, to a similar set of services from AT&T and Verizon California, Inc., the two largest wireline incumbent local exchange carriers in California. To evaluate the public interest component, the Commission has looked at the advantages to consumers offered by the proposed services and price point. Where the wireless proposed service offerings were at a lower retail price, the Commission concluded that the wireless proposed service was in the public interest.

The Commission examines whether the proposed ETC offerings comply with state requirements, including General Order 153, and meets the existing California LifeLine service elements. In recent ETC Resolutions, the Commission has allowed federally supported wireless service providers to deviate from the following six California LifeLine service elements:

- Ability to receive free unlimited incoming calls;
- Customer choice of flat rate local service or measured rate local service;
- Free provision of one directory listing per year;
- Free white pages telephone directory;

⁴ 47 U.S.C. 214(e); Resolution T-17266, page 2 (consistent with FCC 05-46 § IV).

- Free access to Directory Assistance (DA) calls; and
- Free access to 800 and 800-like toll-free numbers.

The Commission has acknowledged two safety considerations inherent in most wireless services: 1) the likely removal of the handset from the home; and 2) poor mobile reception resulting from weather conditions, terrain, indoor use, or gaps in service coverage. In Resolution T-17258, for example, the Commission noted these concerns and in Ordering Paragraph 7 of that Resolution, the Commission required the service provider to “include adequate information about the potential coverage and service quality issues a customer may encounter if s/he opts to select a federal wireless LifeLine plan versus a State LifeLine wireline plan,” with such information subject to staff review and approval.

Commission Resolutions for federal Lifeline wireless offerings in California have approved the following features and prices reflecting the price charged to the customer after applying the federal Lifeline subsidy of \$9.25 a month:

- Cricket Communications, Resolution T-17266 (December 7, 2010):
 - o \$21.50 Plan, unlimited local, long-distance, text, and Caller ID.
- Telscape, Resolution T-17339 (October 17, 2011):
 - o All Plans include free handset, Caller ID, voicemail, call waiting, 3-way calling, with a \$30 activation fee;
 - o Plan 1, 300 minutes or texts for \$2.50;
 - o Plan 2, 1100 minutes or text for \$20.
- Virgin Mobile, Resolution T-17388 (March 5, 2013):
 - o All plans include free handset, Caller ID, call waiting, voicemail and local calling; no contract or activation fee required;

- o Free Plan, 250 voice minutes, 250 domestic messages;
- o \$5 Plan, 500 voice minutes, 500 domestic messages;
- o \$20 Plan, 1,000 voice minutes, 1,000 domestic messages;
- o \$30 Plan, unlimited voice, domestic messages, and Virgin XL downloads.
- Nexus, Resolution T-17389 (March 6, 2013):
 - o Three offerings, all with free handset, no contracts, and no activation fees;
 - o Free Plan, 250 voice minutes, 250 domestic texts, instant messaging, or emails;
 - o \$5 Plan, 500 voice minutes, 500 domestic messages; and
 - o \$20 Plan, 1000 voice minutes, 1000 domestic messages.

3. The 2013 Phase of this Proceeding

On January 29, 2013, the assigned Commissioner Catherine J.K. Sandoval hosted an All-Party Meeting regarding the scope of R.11-03-013. Commissioner Sandoval encouraged stakeholders to submit questions for the Commission's consideration during the proceeding.

On April 10, 2013, Commissioner Sandoval issued her ruling and scoping memo (Scoping Memo) and the procedural plan for the Commission's consideration of revisions to the California LifeLine Program. The Scoping Memo incorporated many of the concerns and questions raised by the stakeholders in the All-Party Meeting (which are set forth in Attachment B). The general focus was on three topics: (1) the definition of California LifeLine service elements, (2) program administration and General Order 153, which implements the program, and (3) extending the cap on California LifeLine rates.

The Scoping Memo also set the dates for parties to file comments and established a schedule for extensive public participation hearings (PPHs) throughout the state.

On August 20, 2013 Commissioner Sandoval hosted a workshop regarding the California LifeLine Program's application process. The workshop sought to determine the feasibility of a new or supplementary process whereby California LifeLine applicants would apply directly to the California LifeLine Administrator to verify their eligibility without the need to establish "regular" phone service in advance of eligibility certification. The consensus among workshop participants was that this alternative application process would be beneficial. However, it was also recognized that numerous implementation details would need to be developed in a subsequent phase of the proceeding.⁵

3.1. Public Comment and Filed Comments

3.1.1. Public Participation Hearings

Detailed summary reports on each of the eight PPHs written by the CPUC's Public Advisor's Office are set forth in Attachment C.⁶ Generally, members of the public agreed that wireless phone service is important to many households and an option they wished to have for California LifeLine. Several speakers expressed the view that wireless is particularly well-suited for homeless

⁵ See section 5 of this Decision for a list of the pending issues for subsequent phases.

⁶ The public may purchase copies of the PPH transcripts by contacting the Administrative Law Judge Division's Reporting Section. Instructions for ordering these transcripts are online at <http://www.cpuc.ca.gov/PUC/forms/CFRForm.htm>. The phone number for the CPUC's Court Reporter is (415) 703-2288 and e-mail is reporting@cpuc.ca.gov. One can also download, fill out, and submit a transcript order form.

and transient families, including foster youth who may frequently change housing placements, to reach the services and resources they need. Some consumers recommended that California LifeLine offer a wireless service option with unlimited minutes and texting for a flat rate. Others supported an overall discount option so that customers could decide what package of services was most suitable for them. We take into account the public's contribution at these PPHs in more detail in the Discussion section below.

3.1.2. Filed Comments and Reply Comments

The parties filed opening comments on the issues and questions set forth in the Scoping Memo (Attachment B) on May 28, 2013, and reply comments on June 12, 2013.

Pacific Bell Telephone (AT&T)

AT&T asserted that the Commission should not order LifeLine providers to offer a specific LifeLine service plan. The LifeLine service elements should mirror the rules recently promulgated by the Federal Communications Commission (FCC) in 47 C.F.R. § 54.101(a), as modified by subpart E, because the FCC's definition is technology-neutral. For AT&T, the basic service elements should follow the federal lifeline definition of "voice telephony services." For E911 and 911 services, the Commission should not impose obligations separate or greater than the obligations service providers have to abide by under the FCC's definition.

According to AT&T the Commission does not have the authority to regulate wireless rates under Section 332 of the Federal Communications Act, including monthly voice minutes and texts. AT&T maintained that the Commission should allow service providers to offer any voice service plan it chooses to LifeLine customers, as the FCC has recognized. The Commission's

role is to accommodate consumer choice. For AT&T, this means that the LifeLine SSA should be applicable to a variety of non-minimal service plans as a LifeLine “discount” which would be applied at the discretion of the eligible subscriber. The Commission should also let LifeLine consumers apply their discount to bundled service offerings. AT&T contends that rate decisions are better left to carriers of LifeLine to decide, and AT&T would prefer the Commission decide against extending a rate freeze or enacting a SSA freeze. For AT&T the Affordability Study indicates a LifeLine rate increase to \$10.50 is well within what LifeLine subscribers can afford. AT&T argues that the Commission should not consider a statewide LifeLine basic service rate.

AT&T further contends that the Commission should continue to use third party administrators because they deal with customer eligibility, forms management, the call center, and reports. To assist the third party administrator in its duties, AT&T argues that the Commission should replace the pre-qualification system with pre-registration. AT&T supports the Commission using the same vendor it has used in the past to conduct outreach about the availability of alternative technologies; however, it argues that the Commission should not require that the company support additional languages.

In its reply comments, AT&T argued that basic service elements should not be the same as LifeLine elements, that wireless and alternative providers should be allowed to participate in LifeLine, that the Commission should allow carriers to manage their own LifeLine service offerings, and that a rate and/or subsidy freeze is counterproductive.

SureWest Telephone (SureWest)

SureWest argued that implementing and reforming the Lifeline working group should be the Commission’s top priority. SureWest argued that the

Commission should retain pre-qualification but pursue pre-registration, that neither the Lifeline rates nor the SSA should be subject to a cap, that the basic service elements should not follow the federal LifeLine definition, that all LifeLine providers should be required to provide E911 service and unlimited local voice service, and that the option to provide a bucket of minutes should be available and standard for all wireline carriers. According to Surewest, LifeLine service elements should be technology-neutral, but wireless and VoIP providers that seek to provide LifeLine should potentially be subject to additional requirements ensuring service properly safeguards LifeLine customers given the different properties of these non-traditional service platforms; however, the Commission should defer considering whether VoIP providers are eligible to participate in LifeLine. SureWest argued that the LifeLine SSA should be applicable to voice services only, not “any existing offering.” While LifeLine should continue using a third party administrator, SureWest questioned whether it is appropriate for Xerox to process claims. According to SureWest, bad debt incurred by carriers implementing LifeLine should be refunded through the program.

In its reply comments, SureWest supported many of the consumer groups’ recommendations regarding the structure of the LifeLine program and the fundamental rules governing program participation. Specifically, SureWest urged the Commission to adopt the Joint Consumers’ proposals to reconsider the role of the Working Group. On the other hand, SureWest argued that consumer groups have not shown that the cap on LifeLine rates should be retained; and that if it is retained, there cannot be a limit on the set support amount. SureWest emphasized that the Commission should not impose new generic consumer protections in areas that have already been addressed in other proceedings and

that the existing in-language rules are sufficient and appropriately balanced. According to SureWest, AT&T's Rule 12 Tariff Disclosures cannot and should not be imposed upon other carriers.

The Small LECs: Calaveras Telephone Company, Cal-Ore Telephone Co., Ducor Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Co., The Ponderosa Telephone Co., Sierra Telephone Company, Inc., The Siskiyou Telephone Company, Volcano Telephone Company, Winterhaven Telephone Company, Foresthill Telephone Co., Pinnacles Telephone Co.

The Small LECs support the pre-qualification system but argue that the Commission should also consider adding a pre-registration option. They noted that Community-based organizations could play a critical role reducing the impact of the initial costs of applying for LifeLine. The Small LECs urged the Commission to establish technology-neutral, objective standards and service elements that it believes are minimally required for LifeLine. They argued that LifeLine service providers should be required to meet basic service elements and be bound by all consumer protection rules applicable to wireline providers. According to the Small LECs, the Commission should conduct a separate proceeding addressing VoIP eligibility; wireless and VoIP providers should potentially be subject to additional requirements than traditional providers. For the Small LECs, however, if alternative providers are permitted to offer LifeLine on different terms than provided under the current program, those terms should be equally available to all providers and the Commission should avoid unique rules to accommodate particular technologies.

The Small LECs assert that basic LifeLine elements should not follow the federal LifeLine definition. They insist that all LifeLine providers should be required to provide E911, and, at a minimum, unlimited local usage should be

included as part of any “bucket” proposal. The Small LECs further recommended that the SSA should not be capped, the rate cap should be removed, and bad debt should be borne by the cost-causer, the LifeLine program, in order to accurately reflect the source of the cost to the public. The Small LECs urge that LifeLine benefits should not extend to non-voice services, including the LifeLine SSA itself. The Small LECs echoed SureWest’s comments on the third party administrator. They contend that the Commission should not implement a state-wide LifeLine basic service rate for all carriers because that might mean they would be forced to offer LifeLine service at a loss.

In reply comments, the Small LECs reiterated their argument that California should establish additional oversight mechanisms over the third party administrator. Additionally, they highlight that the Commission should continue providing specialized access for disabled members of the community. While the Small LECs support preserving existing in-language service, they counsel against adopting additional requirements that would be inconsistent with Commission precedent. They argue that carriers voluntarily providing LifeLine services must also be held to the program’s rules and the Commission’s consumer protection requirements. Finally, the Small LECs maintained that AT&T disclosure requirements in Tariff Rule 12 should not be generally imposed onto all carriers.

Verizon California, Inc. (Verizon)

Verizon contended that if the Commission believes Lifeline service should be different from basic service, it must ask the legislature to amend the law because the Commission is restricted by the Moore Act. Verizon argues Lifeline service is a discount off the price of basic service; it is not a separate service with a separate definition. Verizon contends that the Commission cannot create a new

definition for LifeLine service but it can update the current definition and manage LifeLine to increase efficiency. Verizon proposed four steps to ensure that the Lifeline fund is managed efficiently: (1) eliminate the current price freeze for “stand-alone” Lifeline service because there is ample evidence that the LifeLine service rate could increase and still remain affordable, and there is no credible evidence for continuing a price freeze; (2) re-calculate the monthly per-line support amount by including an offset for any federal support; (3) cap the subsidy for non-recurring charges; and (4) maintain the current pre-qualification standards for the same reasons they were implemented in 2009.

According to Verizon, the Commission should not micromanage service offerings because to do so would constrain consumer choice. Verizon contends that Public Utilities Code Section 710 does not affect the state’s universal service programs, including Lifeline. For Verizon, the marketplace, not the LifeLine program, ensures service quality for LifeLine subscribers.

In its reply comments, Verizon argued that suggestions to add requirements to the provision of discounted basic service are unnecessary and anti-consumer. It reiterated that the Commission must retain pre-qualification because it prevents fraud, waste and abuse, and backbilling problems. Verizon counsels that eligibility requirements should not be changed because there is no indication of how such proposals will further the Moore Act’s service goals.

ORA/Brown/CPA (ORA)

ORA asserted that the definition of "LifeLine" service elements should be similar to the "basic service" elements and the basic service elements should be the minimum standard for LifeLine service elements; however, the Commission may wish to adopt additional protections for low income LifeLine customers. ORA contends that California should not adopt the more limited federal

definition of LifeLine service or the federal definition of what constitutes acceptable 911/E911 service. ORA emphasized that service providers need to clearly state in their advertising/marketing material whether they are offering state LifeLine, federal Lifeline, or both. Because the Commission has not deemed VoIP providers to be "telephone corporations" under the Public Utilities Code, VoIP service is not presently eligible and VoIP providers cannot receive Lifeline subsidies. ORA contends that discussion of VoIP providers as LifeLine participants should be left to Phase II of the proceeding. ORA observes that the wireline LifeLine program works and should not be diminished to accommodate "new" technologies.

ORA suggested implementing pre-registration as a complementary option to pre-qualification and applying the Rule 12 marketing requirements to all LifeLine service providers, not just to AT&T. In ORA's view, there is no need to duplicate the federal Lifeline program or to expand the California LifeLine program to include prepaid wireless service.

While carrier parties refer to the 2010 Affordability Study, believes the Study is of limited relevance today due to regulatory and market changes since 2010. ORA argued that the Commission should return to the fixed discounted rate for wireline LifeLine service instead of using a fixed dollar amount voucher (the SSA) because the voucher system is better suited for wireless LifeLine. Finally, ORA urged that the Commission needs to cap carrier draws from the LifeLine Fund, and that the LifeLine fund should not be used to reimburse carriers for bad debt.

**Center for Accessible Technology, The Greenlining Institute,
National Consumer Law Center, and The Utility Reform Network**
(Joint Consumers)

Joint Consumers stressed that LifeLine requirements must parallel the basic service requirements to avoid subsidizing a substandard “poor persons” service; however, Joint Consumers claimed that there are several vulnerable populations that require additional protections, which may allow deviation from the standard. Joint Consumers proposed specific elements for LifeLine, including unlimited minutes and texting, application of the discount to family plans, more robust directory assistance, limits on bundling, but allowances for wireless services that include voicemail and some extended or CLASS services such as Caller ID Waiting and an administrative mechanism to petition to add additional services. According to Joint Consumers, these elements mirror the basic services definition but do not directly copy it.

Joint Consumers supported using a third party administrator, but the process should be reviewed for communication and accountability. Joint Consumers advocated pre-registration, urging the Commission to cap non-recurring charges and also cap the subsidy, with an expansion of eligibility requirements, a state-wide LifeLine rate and an increased use of community based organizations with specific knowledge of vulnerable LifeLine communities. Joint Consumers argue that issues regarding VoIP technology in LifeLine should be addressed now and the Commission should look to Public Utilities Code Section 710 for determining carrier participation eligibility. Joint Consumers argued that current requirements for the distribution of sensitive subscriber data, especially any part of a consumer’s Social Security Number, not only risk privacy violation and identity theft but are also discriminatory against customers without a Social Security Number. The Commission needs to limit

these requirements and work with the FCC to eliminate the Social Security Number requirement altogether.

In reply comments, Joint Consumers urged the Commission to avoid basing any LifeLine program changes on market forces in order to ensure LifeLine remains an affordable service. Joint Consumers contend that the FCC definition is too vague to protect consumers and carriers ignore important services, such as emergency services, when fixing the number of minutes in their Lifeline-eligible plans. According to Joint Consumers, the Commission can and should impose a cap on LifeLine rates paid by consumers and on the subsidies paid to carriers. Joint Consumers recognize that LifeLine should not unduly burden carriers but should be sufficient to benefit LifeLine subscribers. Joint Consumers also implored the Commission to reject the “coupon” system proposals.

Joint Consumers urged that the Commission should also clarify the extent to which carriers can draw both federal and state subsidies for LifeLine. Joint Consumers supported holding a workshop or series of workshops to address issues regarding the Working Group and outreach issues. Lastly, Joint Consumers asserted that the Commission should clarify its authority over VoIP providers that wish to participate in the LifeLine program.

TracFone Wireless, Inc. (TracFone)

TracFone contended that California LifeLine is currently inefficient because it is no longer in the public interest to remain under one technology and one business model that favors non-mobile LifeLine customers. First, TracFone insisted that the Commission should implement the requirements for initial eligibility and annual verification adopted by the FCC in February, 2012, because they have succeeded in reducing waste, fraud, and abuse in the federal Universal

Service Fund (USF). If the Commission adopted the FCC rules, the third party administrator would be unnecessary.

Second, TracFone argues LifeLine should include mandatory access to E911 where it is available. TracFone points out that not all emergency situations arise at the home, and many LifeLine households do not remain in one permanent residence.

Third, TracFone contends the Commission should require that ETCs pass all LifeLine support received to their LifeLine customers rather than requiring specified quantities of minutes. TracFone argues that requiring specified quantities of minutes would violate Section 332(c)(3) of the Communications Act and would be at odds with the purpose of California LifeLine.

Lastly, TracFone argues that the Commission should make changes to LifeLine administration in order to accommodate the current multi-provider, multi-technology environment, cut administrative costs, and streamline the LifeLine program by not supporting non-recurring or connection charges. TracFone states that it is willing to provide an unlimited calling LifeLine service plan at no charge, with less California LifeLine support than providers currently receive.

CTIA - The Wireless Association (CTIA)

CTIA notes that a growing number of consumers are choosing wireless as their preferred communications platform. To meet these changing needs, CTIA argues the Commission should look to the FCC's definition of "basic service" for federal Lifeline services and clarify the elements of the Commission's "basic service" definition in a technologically neutral manner. CTIA contends the "basic service" definition approved by the Commission in D.12-12-038 may prohibit consumers from applying the California LifeLine discount to wireless

services and is inconsistent with existing consumer protection laws that already apply to wireless services.

For CTIA, there are issues surrounding access to emergency services and voice grade connections. CTIA argues the Commission should allow wireless providers the same ability to seek waivers of particular basic service elements under the state LifeLine program that the Commission provides as part of the federal Lifeline program. CTIA's voluntary Consumer Code for Wireless Service, which covers 97% of all wireless subscribers, requires participating service providers to allow subscribers to terminate wireless service without an early termination fee should the terms of the consumer's contract change in a materially adverse manner. CTIA encourages the Commission to look to FCC policies respecting waste, fraud, and abuse to ensure the sustainability of the program.

In its reply comments, CTIA stressed that changes to California LifeLine should be consistent with changing consumer demands. Specifically, CTIA argued that low-income consumers should be afforded the opportunity to apply the LifeLine discount to their service of choice. According to CTIA, technologically neutral policies best serve low-income consumers. For CTIA, further delay does not benefit low-income consumers. CTIA argues that the Commission should not consider future implementation problems at this stage. According to CTIA, ORA's proposal is discriminatory because it would exclude prepaid wireless service from the California LifeLine program. While CTIA agreed with the goals of Joint Consumers' proposal and definition of "basic service," it finds some specifics of the proposal unnecessary in light of increasing use of wireless and existing state and federal regulations.

Additionally, CTIA contended that Joint Consumers' proposals for emergency communications are not technologically neutral and ignore the fact that consumers already rely on wireless for those communications. CTIA characterizes wireless services as vital to low-income consumers. For CTIA, California's LifeLine program can be a vehicle to ensure that these consumers can access the communications services that best meet their needs.

Cox California (Cox)

Cox urged the Commission to adopt LifeLine program guidelines that are technologically and competitively neutral, consistent with the federal universal service program, and simple and straight-forward. Cox argued that the Commission should adopt the service elements required for federal universal service programs because they are competitively and technologically neutral, straight-forward, consistent with the Moore Act and do not contravene Section 710(a). According to Cox, the Commission should adopt minimum service requirements and rules that allow LifeLine subscribers to benefit from the competitive marketplace, just as non-LifeLine subscribers do.

Cox argued that the Commission should not pursue "minimal" plans or "non-minimal" or any plans that traditional wireline providers can offer but which other providers, such as wireless and VoIP cannot. Cox characterized the proposals in the Scoping Memo regarding discounts equal to SSAs as discriminatory, not competitively-neutral, and in violation of the Moore Act because they would apply to only one type of provider. According to Cox, the Commission must allow the existing practice of including LifeLine in bundled service offerings; a rule stating otherwise would be discriminatory towards LifeLine consumers and contravene LifeLine's purpose.

The Commission, according to Cox, should adopt a definition of basic service/LifeLine service that allows, but does not require, VoIP providers to participate in the LifeLine program. Cox argued the Commission should not adopt any proposal that would continue the cap on LifeLine rates, set a statewide rate, or cap the amounts LifeLine providers are reimbursed.

Cox asserted that the Commission should not re-litigate issues it has resolved relatively recently, including, but not limited to, the SSA and use of the third party administrator. Instead, Cox noted, the Commission needs to clarify the role of the Working Group, how Staff implements changes to the LifeLine program and, if it elects to consider a pre-registration option, consider all issues that will impact Lifeline customers, LifeLine providers, Staff, and the third party administrator.

Time Warner Cable Inc. (Time Warner)

Time Warner emphasized that providers of VoIP services should remain eligible to participate in the California LifeLine program, notwithstanding the enactment of Public Utilities Code Section 710. Time Warner argues that given FCC rulings and statements, as long as the applicant for ETC designation is a “common carrier,” it remains eligible for ETC status and can participate in the LifeLine program. Time Warner recommended that the Commission should clarify this point in its decision rather than deferring it to another phase.

California Cable & Telecommunications Association (California Cable)

California Cable argued that the Commission has already determined that VoIP providers may participate on a voluntary basis in the LifeLine program. According to California Cable, Public Utilities Code Section 710 does not limit the ability of VoIP providers to participate in LifeLine and gives the Commission authority to grant VoIP providers’ applications for ETC status. Because there are

no authority issues, California Cable contends that the Commission must not defer the eligibility of a VoIP provider to a later proceeding and it must designate any VoIP provider that elects to participate in the LifeLine Program as an ETC.

National Asian American Coalition (Coalition)

For the Coalition, California LifeLine is currently inadequate because participation in LifeLine has fallen dramatically. It urges that in-language marketing and ethnic media sources must be employed to build enrollment among low-income and hard-to-reach communities to remedy this. It suggested using community-based organizations because they have the necessary language capabilities and cultural awareness. Finally, the Coalition argued that there is a high need for surveys to identify the cause in subscription decline, the actual projected number of families interested in LifeLine, and what efforts can be undertaken to ensure maximum participation at the lowest possible cost.

In its reply comments, Coalition recognized that other parties, Joint Consumers and SureWest in particular, agree with its position on community-based organizations. The Coalition argues that reliance on web services should not take the place of more traditional outreach enrollment methods that do not require internet access. The Coalition argues that delaying the topic of outreach to a later proceeding might give it the priority status it requires. While there is merit to allowing basic free market forces to help indicate consumer demand, for the Coalition those forces need to be closely supervised and supplemented. Lastly, the Coalition argues that the pre-qualification requirement should be replaced by Joint Consumers' predetermination suggestion.

**Cricket Communications, Inc., Sprint Nextel, T-Mobile West LLC
dba T-Mobile** (Wireless Parties)

The Wireless Parties argue that if the Commission chooses to redefine basic service elements for the LifeLine program, it must interpret those elements in a technologically neutral manner. Additionally, according to the Wireless Parties the Commission should establish a waiver process similar to that used for ETC designations today and modify the administration of the LifeLine Program by eliminating the third party administrator and the pre-qualification requirement.

In reply comments, the Wireless Parties stressed that the Commission should implement the Wireless Parties' basic service interpretation and waiver methodology and ensure that 911 requirements in the basic service decision do not exclude wireless carriers from the LifeLine Program. Similarly, the Wireless Parties contend that the Commission should temper voice grade service requirements in the basic service decision to avoid excluding wireless carriers from the LifeLine program. To facilitate consumer choice, Wireless Parties argue that the Commission should not limit carriers' ability to develop Lifeline plans by requiring unlimited minutes or establishing a maximum rate. The Wireless Parties urge the Commission to permit LifeLine support for bundled plans. Finally, the Wireless Parties contend that if the Commission does not completely eliminate the third party administrator, it should, at a minimum, allow ETCs to determine customers' eligibility for LifeLine services if those ETCs are willing to assume the costs of doing so themselves (subject to audits), eliminate or not require pre-qualification for carriers offering LifeLine services on a prepaid or pay-in-advance basis, and require that the third party administrator meet or

surpass enhanced performance-based goals for determining customers' eligibility for LifeLine services.

iFoster (iFoster)

iFoster supported replacing the pre-qualification system with a pre-registration program. iFoster contends that the pre-qualification system creates barriers for foster youth, limiting their access to LifeLine. To help foster youth become successful, independent adults, iFoster notes that foster youth require ongoing connection to support networks, the ability to reach emergency services, and the ability to have a constant way to be reached throughout the duration of multiple placements. A pre-registration program facilitates the ability of Child Welfare Directors Association of California (CWDA) and California's county child welfare agencies to oversee the education and referral of foster youth to LifeLine. iFoster suggested the Commission implement targeted outreach efforts specifically for youth in care.

4. Discussion

As set forth above, the Commission has engaged in an extensive process to obtain comments from all interested stakeholders such as service providers, organizations, and consumers. We have carefully considered these comments in developing the next stage for the California LifeLine Program.

Within its limits, we find the existing program is working well for California; it is those limits we propose to address here. Nevertheless, in order to continue the CPUC's efforts to modernize the California LifeLine Program, we modify its specifications to facilitate the participation of providers other than wireline service providers offering only landline telephone services. These modifications accommodate consumers' transformed minimum communications

needs and make more types of telephone services affordable for low-income households.

4.1. Requirement of a Certificate of Public Convenience and Necessity, a Wireless Identification Registration, and/or a Franchise to Provide California LifeLine Service

To ensure compliance with rules, consumer protection, and our fiduciary responsibility, all providers participating in the California LifeLine Program shall have a Certificate of Public Convenience and Necessity (CPCN), a Wireless Identification Registration (WIR) from the CPUC, and/or Franchise authority to provide California LifeLine service. Service providers certificated or registered to offer residential telephone service in the state of California must offer California LifeLine service.⁷ All California LifeLine providers shall comply with the CPUC's rules, orders, and decisions, and the California Public Utilities Code.

The requirement that a California LifeLine provider have a CPCN, WIR, and/or Franchise is necessary to protect public safety, create accountability for the use of ratepayer LifeLine funds, ensure compliance with the LifeLine rules and all other rules applicable to CPCN, WIR, and/or Franchise holders, and protect consumers and competition. This requirement ensures that the CPUC has jurisdiction over LifeLine providers so it can supervise compliance with applicable rules and ensure that ratepayer funds are used with integrity.

LifeLine providers have more duties than the duty to provide voice-grade telephone service. A LifeLine provider must, among other obligations, carry and complete calls, including calls to rural areas, 711 calls placed by telephone relay

⁷ COLRs must also offer California LifeLine service as part of their COLR obligations.

users, and 911 calls. A LifeLine provider's telephone service affects not only the LifeLine participant, but all who are connected to and dependent on the public switched telephone network or any successor network, by undergirding our public safety organizations, our government agencies, our businesses, our families, and us as individuals. A LifeLine provider must comply with consumer protection rules including, but not limited to, rules against slamming (the unauthorized change of telephone service provider) and cramming (the unauthorized addition or charges to a telephone bill), have good billing practices, protect consumer privacy, and act in accordance with CPUC General Order 168⁸ (the Consumer Bill of Rights).

A speaker at the PPH in Riverside complained of being slammed by a provider that attempted to characterize her affirmative answer to a question about whether she was interested in information about saving money on her telephone bill as authorization to change her service provider. She then received a telephone bill that was more than \$500 the following month because the plan she selected with a different telephone company included calls to Mexico for a set monthly rate, and the slam displaced both her telephone company and plan of choice. LifeLine participants, like all Californians, should not be subjected to slamming, and service providers that engage in such practices are subject to CPUC rules that prohibit slamming, to investigation, and to potential penalty. This is but one example of the imperative of applying consumer protection rules to LifeLine providers as we aim to protect participants, competition, and all ratepayers, and to foster accountability and good practices.

⁸ http://docs.cpuc.ca.gov/PUBLISHED/GENERAL_ORDER/54500.htm.

A LifeLine provider must also attach its facilities, as authorized by its CPCN, WIR, or Franchise, in accordance with CPUC General Order 95⁹ which governs attachment to poles, conduits, and rights of way, in order to protect public safety. The facilities used to provide California LifeLine service affect all users of the telephone system, and the electrical system and poles to which those facilities are often attached. Failure to observe General Order 95 may have catastrophic consequences, including deaths, fires, severe injuries, and property damage. We note that in September 2013 the CPUC levied a \$14.5 million penalty against NextG, of which \$8.5 million will go to California's General Fund, resulting from Investigation (I.) 09-01-018.¹⁰ NextG admitted in that investigation that a pole with its equipment was overloaded in violation of CPUC rules. That overloaded pole contributed to the Malibu fire. NextG will use the remaining \$6 million to conduct an audit of its 60,000 pole attachments in California, and perform remedial work as necessary to bring its pole attachments into compliance.

All CPCN, WIR, and Franchise holders must comply with General Order 95, General Order 128¹¹ (regarding underground electric supply and communications systems), the California Public Utilities Code, and the Commission's rules, orders, and decisions. We note that California Public Utilities Code Section 710, which delineates the CPUC's jurisdiction over VoIP

⁹ <http://docs.cpuc.ca.gov/PUBLISHED/Graphics/162158.PDF>.

¹⁰ <http://www.cpuc.ca.gov/NR/rdonlyres/F057DA13-FAE9-4795-8449-6A7FF98D0857/0/CPUCEnhancesSafetyIssues515MillioninPenaltiesandRemediationAgainstSCEandNextGforMali.pdf>.

¹¹ http://docs.cpuc.ca.gov/PUBLISHED/GENERAL_ORDER/52591.htm.

and Internet Protocol (IP) enabled services, states in § 710(c)(7) that it does not affect or supersede “The commission’s authority relative to access to support structures, including pole attachments, or to the construction and maintenance of facilities pursuant to commission General Order 95 and General Order 128.”

LifeLine providers shall be subject to CPUC jurisdiction, audits, inspections, and penalties for non-compliance on the same basis as other holders of a CPCN, WIR, or Franchise. Put succinctly, California LifeLine providers shall comply with all of the CPUC’s rules, orders, and decisions, and the California Public Utilities Code.

4.2. Interim Process for Becoming a California LifeLine Provider

On an interim basis, until the Commission develops a modified process, any new service provider interested in participating in the California LifeLine Program shall file a Tier 3 advice letter to our Communications Division demonstrating that its proposed California LifeLine service(s) are in compliance with General Order 153 and the requirements adopted in this Decision. The potential provider should address how its proposed schedule of rates and charges and its terms and conditions comply with the requirements we adopt herein. Separate from the advice letter, the potential provider must submit its marketing materials¹² to Communications Division for review and approval. After the Commission approves the Tier 3 advice letter, the California LifeLine

¹² Marketing materials includes materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage. This list is consistent with the FCC’s definition of marketing materials in Lifeline and Link Up Reform and Modernization et al., Report and Order and Further Notice of Proposed Rulemaking, WC Dkt. Nos. 11-42 et al., CC Dkt. No. 96-45, FCC 12-11 (rel. Feb. 6, 2012), ¶ 275.

provider may simultaneously establish the electronic communications protocols and interfaces needed to interact and communicate with the California LifeLine Administrator and its master database. We encourage potential providers to discuss in advance and work cooperatively with Communications Division staff regarding their Tier 3 advice letters invoking this interim process.

Although we have opted to use this Tier 3 advice letter filing as an interim process to enable new fixed-VoIP or wireless service providers to become California LifeLine providers, we intend, in (a) subsequent decision(s),¹³ to create an efficient procedure for service providers to expeditiously join the California LifeLine Program, to revise the process for seeking and receiving ETC status, and for updating the terms and conditions associated with being designated an ETC.

To avoid gaps in LifeLine service for existing wireline California LifeLine carriers and participants, and in light of the minimal changes to wireline California LifeLine adopted in this Order, existing wireline California LifeLine providers within 45 days of the adoption of this Decision shall file a Tier 2 advice letter certifying that they comply with the applicable service elements in Appendix A-2 for wireline LifeLine or Appendix A-3 for LifeLine provided by a CPCN holder using VoIP, or will comply with those service elements in advance of approval of their Tier 2 advice letter or within 45 days of its issuance. Current California LifeLine providers shall meet their LifeLine obligations by either continuing to offer their existing LifeLine service pending approval of their Tier II advice letter, or by offering a service consistent with the LifeLine Elements in Appendix A-2 or A-3, and may apply California LifeLine support to bundled or

¹³ See section 5 of this Decision for a list of the pending issues reserved for subsequent decisions.

discounted offerings, but may not require bundles as a gateway to California LifeLine.

4.3. California LifeLine Service Elements

The California LifeLine service elements we adopt in this Decision reflect the changes in the communications marketplace and the services we believe are necessary to meet California LifeLine participants' minimum communications needs, which is the standard adopted in the Moore Act that authorized LifeLine. The updated service elements are designed to allow California LifeLine service to be provisioned by different technologies. The service elements set forth in this Decision's Attachment D (Appendix A-1 to General Order 153 for wireline, Appendix A-2 for fixed VoIP, and Appendix A-3 for wireless) are the minimum service elements that must be offered on a non-discriminatory basis by any service provider offering California LifeLine telephone service within California. A California LifeLine provider may provide additional elements as part of its California LifeLine telephone service offering, but must not require those additional elements in order to access California LifeLine that conforms to the minimum service elements.

All plans, including bundled service plans, promotional service plans, and family plans, that meet or exceed the minimum service elements and are consistent with California LifeLine rules shall be eligible for the California LifeLine discounts. To the extent the plans meet or exceed the minimum service elements, the California LifeLine provider must apply the applicable support to the plan chosen by the California LifeLine participant, the person qualified for and receiving LifeLine service based on conformance to the eligibility rules and confirmation of eligibility through the enrollment process.

Our new California LifeLine service elements do not alter any of the responsibilities we have already implemented for COLRs in D.12-12-038, including the requirement that telephone service is guaranteed to work inside the residence. A COLR's obligation to provide California LifeLine service does not negate its primary responsibilities for providing basic telephone service. We have designed the California LifeLine service elements in order to give consumers a choice of services that are guaranteed to work inside the residence, primarily through wireline and fixed VoIP telephone services, and to give eligible consumers the option to choose LifeLine through wireless technologies which may have service or coverage limitations and may or may not work inside the home, but may offer the advantage of mobility. However, if a COLR chooses to provision its basic telephone service over a wireless platform after receiving Commission approval to do so, all basic and California LifeLine telephone services must work inside the residence.

We will continue to monitor the California LifeLine marketplace and take further action if: 1) California LifeLine service becomes unaffordable; 2) participants' communications needs are not adequately met; 3) the CPUC's and Moore Act's goals of promoting public safety, the economy, and civic participation through LifeLine are not being achieved, or 4) the program needs adjustment to ensure that ratepayer funds are used prudently and in a fiscally sound manner.

4.4. Monthly Service Rate Caps and Maximum Monthly Reimbursement Amounts for California LifeLine Wireline

Based on comments from the parties and from the public at the eight PPHs conducted throughout the state, we find that the caps on the rate for California LifeLine wireline service for flat-rate local service at \$6.84 and for measured-rate

local service at \$3.66 are reasonable and should be extended to December 31, 2015.¹⁴ California LifeLine will also continue to support and cap the rates in Extended Area Service Exchanges (EAS)¹⁵ to December 31, 2015. Similarly, we cap the monthly reimbursement amount per participant (SSA) for all California LifeLine providers that provide California LifeLine wireline consistent with the service elements in General Order 153 Appendix A-1 (in Attachment D of this Decision) at \$12.65 through December 31, 2015.¹⁶ ETCs certified by the CPUC to receive federal Lifeline support of \$9.25 a month may continue to receive such subsidies. Through December 31, 2015, a wireline ETC, upon Commissioner approval of that ETC's advice letter to become a California LifeLine provider, may combine federal Lifeline support of \$9.25 a month and California LifeLine monthly support of \$12.65, plus a \$0.50 a month administrative fee, for a total monthly support of up to \$22.40 per eligible participant.¹⁷ As discussed in more detail below, we will use similar maximum monthly reimbursement amounts for all California LifeLine services (wireline, fixed-VoIP, and wireless) as we achieve

¹⁴ D.10-11-033, Ordering Paragraph (OP) 15.

¹⁵ The EAS rates shall represent the capped rates as of June 30, 2013.

¹⁶ The SSA of \$12.65 shall be in effect starting January 1, 2014. For the remainder of 2013, the maximum SSA remains as \$11.85.

¹⁷ This Decision does not alter our established claims processes and requirements. For example, providers will need to report their administrative costs with each claim filing. Additionally, D.10-11-033's Ordering Paragraph 18 dictates that if a provider is unable to adequately justify claimed administrative expenses, but still seeks reimbursement for some of those expenses, it will be compensated at a rate no greater than \$0.03 per participant per month, which may result in a maximum total monthly support of \$21.93 instead of \$22.40.

a level of neutrality, administrative and cost efficiency, and consistency in program administration.

4.5. Maximum Monthly Reimbursement Amounts for California Lifeline Fixed VoIP

With regard to our new California LifeLine fixed-VoIP service elements, the reimbursement amounts and methodology should closely parallel California LifeLine wireline. These rules will foster competition, choice, and consumer protections for California LifeLine services.

VoIP service providers that currently offer residential voice services in California pursuant to their CPUC-issued CPCN, such as Charter and Astound, offer unlimited, nation-wide voice service for a fixed price.¹⁸ The California LifeLine fixed-VoIP service elements we adopt are largely consistent with VoIP marketplace offerings, and will incentivize the provision of affordable LifeLine telephone service, increase customer choice, and foster competitive options. The CPUC currently requires VoIP service providers that hold CPCNs and offer residential voice service through the authority conferred by their CPCN to provide California LifeLine consistent with the current LifeLine rules, including the requirement that the participant pay no more than \$6.84 a month for flat-rate wireline service. We extend that rule here. We also mandate that Franchise holders and CPCN holders that offer residential retail voice service through their Franchise or CPCN must allow eligible participants to apply the California LifeLine discount to all voice plans that meet the minimum LifeLine

¹⁸ http://charter.com/browse/content/make-way-for-more?intcmp=homepagehero_MWFM_1013, <http://www.astound.net/phone/phone-packages.php> and <http://www.astound.net/bundles/internet-cable-phone-packages.php>.

requirements, including bundled plans. A California LifeLine participant may qualify to subscribe, on the same basis as non-LifeLine customers, to VoIP service provider plans that offer more than LifeLine voice service. This requirement will promote consumer choice and competition, and will enable consumers who merit the California LifeLine discounts to opt for additional savings associated with bundled services. As discussed below, VoIP service providers that have a CPCN or Franchise may not require a LifeLine participant to subscribe to bundled service as a condition of receiving the California LifeLine discounts.

Upon Commission approval to become a California LifeLine carrier, fixed-VoIP service providers that are ETCs may combine federal Lifeline support and California LifeLine support, as do other wireline service providers. Today, the CPUC does not require VoIP service providers that provide retail residential telephone services through their CPCN to apply for ETC designation, but does require them to offer California LifeLine service. We adopt that policy as a rule, and do not require VoIP service providers that have a CPCN or Franchise to apply for ETC designation, since federal law does not require them to do so.

VoIP service providers with a CPCN or offering VoIP service through a California Franchise that are not ETCs shall be eligible for California LifeLine support (not federal Lifeline support) for California LifeLine service consistent with General Order 153 Appendix A-2 (in Attachment D of this Decision).

Existing wireline California LifeLine providers as of the adoption of this Decision, including CPCN holders who provide residential retail service through their CPCN using VoIP, shall file a Tier 2 advice letter certifying that they comply with the applicable service elements in Appendix A for LifeLine provided by a CPCN holder using VoIP, or will comply with those service elements in advance of approval of their Tier 2 advice letter or within 45 days of

its issuance. Current California LifeLine providers shall meet their LifeLine obligations by either continuing to offer their existing LifeLine service pending approval of their Tier 2 advice letter, or by offering a service consistent with the applicable LifeLine Elements in Appendix A (Attachment D of this Decision), and may apply California LifeLine support to bundled or discounted offerings, but may not require bundles as a gateway to California LifeLine.

As noted above, from January 1, 2014, through December 31, 2015, providers of California LifeLine fixed-VoIP services will be eligible to receive reimbursement amounts of \$12.65¹⁹ a month, plus a monthly \$0.50 administrative fee per eligible participant served, for a total monthly support of up to \$13.15. However, if the California LifeLine provider has ETC status to offer fixed-VoIP telephone services conforming to General Order Appendix A-2 (in Attachment D of this Decision), the provider may combine federal Lifeline support of \$9.25 a month and California LifeLine monthly support of \$12.65, plus a \$0.50 a month administrative fee, for a total monthly support of up to \$22.40. Through December 31, 2013, CPCN holders who provide California LifeLine via fixed-VoIP services shall receive reimbursement amounts of \$11.85 a month, plus a monthly \$0.50 administrative fee per eligible participant served, for a total monthly support of \$12.85.

4.6. Maximum Monthly Reimbursement Amounts for California LifeLine Wireless

For our new California LifeLine wireless service elements, we adopt requirements that California LifeLine wireless service providers offer participants between 501 and 999 voice minutes to receive the fixed

¹⁹ For the remainder of the year 2013, the maximum SSA remains as \$11.85.

reimbursement from California's Universal Lifeline Telephone Service (ULTS) Trust Administrative Committee of \$5.75 per participant, and a \$0.50 a month administrative fee per participant, with consumers then obtaining a \$5.75 discount on such service. For plans that offer 1,000 or more voice minutes, the fixed reimbursement shall be \$12.65 per participant, and a \$0.50 a month administrative fee per participant, with consumers receiving a discount of \$12.65, commensurate with the ULTS support provided to the carrier.

ETCs certified to receive federal Lifeline subsidies of \$9.25 a month may continue to receive such subsidies. Service providers that are both California LifeLine providers and ETCs may combine the state and federal support amounts according to the level of service offered to qualify for the California SSA. For example, an ETC plan offering 500 voice minutes or less would only be eligible to receive federal Lifeline support of \$9.25 a month, and no California LifeLine support. An ETC plan offering 501-999 voice minutes a month and complying with the service elements in General Order 153 Appendix A-3 (in Attachment D of this Decision), after Commission approval to provide California LifeLine, may receive California LifeLine support of \$5.75 a month and a \$0.50 a month administrative fee per participant from California's ULTS Administrative Committee Fund, in addition to federal Lifeline support of \$9.25 a month, for a total monthly support of \$15.50. An ETC plan offering 1000 or more voice minutes a month and complying with the service elements in General Order 153 Appendix A-3 (in Attachment D of this Decision), after Commission approval to provide California LifeLine, may receive California LifeLine support of \$12.65 a month and a \$0.50 a month administrative fee per participant from the Fund, in addition to federal Lifeline support of \$9.25 a month, for a total monthly support of \$22.40.

4.7. California LifeLine Discounts and Maximum Reimbursement Amounts for Service Connection/Activation and Service Conversion Charges

The Scoping Memo asked whether the California LifeLine Program should continue to support non-recurring charges such as service connection/activation and service conversion charges.²⁰ We continue to support the California LifeLine service connection/activation and conversion discounts, of up to \$39.00 per participant per instance. All California LifeLine telephone services (wireline, fixed-VoIP, and wireless) may be eligible for these discounts on non-recurring charges. Nevertheless, we will monitor the continued impact of funding these discounts, and may reconsider them in a subsequent decision.²¹ Staff has projected costs of about \$3.5 million attributed to providing these discounts on non-recurring charges. The California LifeLine Program's approved budget for fiscal year 2013-2014 is approximately \$282 million. Staff has reviewed data on the number of instances participants disconnected and reconnected within thirty day periods, but has not found sufficient data to justify discontinuing or to limiting these discounts on non-recurring charges.

We reiterate that our staff has the authority to audit providers that may be abusing or over-claiming California LifeLine support for any of the available discounts, including those for non-recurring charges. We also recognize that the FCC eliminated the service connection/activation discount except for consumers

²⁰ Scoping Memo, p. 11, "Should California continue to support non-recurring or connection charges through the LifeLine program?"

²¹ See section 5 of this Decision for a list of the pending issues for subsequent decisions. Specifically, we intend to study the impact of service connection/activation and conversion discounts on the program.

living on federally recognized tribal land, that wireless service providers typically do not charge a service activation fee, and that these discounts may incent churn in program participation. Therefore, as part of our prudent management of the Fund, we will continually monitor the California LifeLine marketplace and the impact of these discounts on the Fund.

4.8. Comparing the Current California LifeLine Program and the Next Stage California LifeLine Program Adopted in this Decision

The three primary differences between the current California LifeLine Program rules and the revised rules adopted today are: 1) creation of California LifeLine fixed-VoIP and wireless service elements; 2) changes reflecting some of the updated basic service elements (BSE) in the LifeLine context; and 3) the requirement that service providers participating in LifeLine must apply the LifeLine discount to all plans that meet or exceed the minimum service elements and are consistent with California LifeLine rules adopted in this Decision.

We broaden consumers' choices by establishing rules for California providers to offer LifeLine through fixed-VoIP and wireless service. By enabling more types of services to be eligible for California LifeLine support, we are increasing competition in the California LifeLine marketplace, which we expect will translate into California LifeLine services that PPH participants indicated they needed, while simultaneously protecting consumers, public safety, and program integrity.

We also increase consumer choice and competition by enabling participants to receive the California LifeLine discounts in all plans that meet or exceed the minimum service elements and are consistent with California LifeLine rules. Extending the applicability of the California LifeLine discounts to all types of service plans, including bundled plans, family plans, promotional plans, etc.,

should improve affordability and enhance competition. We expect as well that these changes will increase program participation by both consumers and service providers, thereby responding to concerns identified in the 2010 workshop about the decline in LifeLine enrollment.

The California service elements we adopt in this Decision reflect the updated BSEs where possible. Consistency in both sets of service elements should ease program administration and service provider compliance.

In addition, we prohibit California LifeLine providers from charging LifeLine participants a monthly number-portability charge or comparable fee. This requirement is similar to the federal Lifeline rules in 47 Code of Federal Regulations (CFR) 54.401(e), which states “Consistent with § 52.33(a)(1)(i)(C), eligible telecommunications carriers may not charge Lifeline customers a monthly number-portability charge.” Adopting a similar rule in California should encourage competition and further facilitate consumer choice.

Our California LifeLine service elements for wireline, fixed-VoIP, and wireless services are discussed in more detail below. The Commission’s approach is to recognize that in each instance – that is, with California LifeLine wireline, VoIP-based, and wireless – there are commonalities and differences in service features and differences in technologies. A one-size-fits-all approach would neither serve the goals of the California LifeLine Program, nor reflect technical realities that distinguish different technologies.

This approach is consistent with our energy-incentive programs such as the Self-Generation Incentive Program (SGIP), which provides varying levels of incentives for installation of different types of distributed generation technologies, including wind, advanced energy storage, biogas, and fuel cells, in light of their different stages of technological and marketplace development and

different production and capacity characteristics. Our SGIP incentive structure recognizes that different distributed generation resources have different characteristics, and therefore different impacts on customers, the power grid, and the environment. Since the SGIP's inception, customer incentives for installation of distributed generation have varied based on the technology used, with current incentive structures providing greater rewards for technologies that reduce greenhouse gas emissions.

Adopting a similar approach for California LifeLine recognizes technological and market differences in communications services, and creates incentives for the provision of services that meet California LifeLine participants' minimum communications needs as required by the Moore Act and this Commission's previous decisions and orders. We achieve technological neutrality by focusing on the function California LifeLine service is to perform. Recognizing differences in technology, marketing, and jurisdiction, we adopt California LifeLine service elements and support levels that vary appropriately according to the extent of service offered. This approach is warranted in order to achieve the program's universal service goals and promote public safety, the California economy, the well-being of LifeLine participants, and the vitality of all who communicate and connect through this program.

Our purpose is to maintain a high degree of uniformity in practice and program integrity across all technologies without being blind to their different capacities, billing arrangements, service features, and market characteristics, or to the Commission's jurisdiction with respect to those technologies. One of the chief objectives of the Moore Act is affordability of service. While that is a comprehensive and singular purpose, it requires program distinctions and

distinctive service elements for each technology in order for affordability to be realized in practical terms.

We further competition by providing consumers with more choices for providers across different technology platforms, while assuring public safety, consumer protection, and observance of rules that protect competition and program and service integrity. Our intent in this regard is to provide low-income households with a broader range of options for discounted California LifeLine services, consistent with their service needs, as they determine them, and accompanied by appropriate consumer protections. The California LifeLine service elements we adopt herein promote competition by preserving essential consumer protections across technology platforms and by assuring that minimum communications needs are met regardless of income.

4.9. California LifeLine Wireline Service Elements

The revised General Order 153, Appendix A-1, Service Elements of California LifeLine Wireline, is in Attachment D to today's Decision. We add additional California LifeLine wireline service elements to be consistent with the corresponding BSEs:

- if at any time a participant fails to receive a voice grade connection to the residence and notifies the provider, the provider is required to (1) promptly restore the voice-grade connection, or if not possible, (2) provide telephone service to that participant using a different technology if offered by the provider and if the participant agrees; and
- the provider must provide participants free blocking for 900/976 information services and one-time free billing adjustments for 900/976 charges inadvertently or mistakenly incurred, or without authorization

As discussed above, we find that the cap on the price for California LifeLine wireline service for flat-rate local service at \$6.84 and for measured-rate

service at \$3.66 should be extended through December 31, 2015, to promote affordability and service accessibility. California LifeLine will also continue to support and cap the EAS rates²² to December 31, 2015. In D.10-11-033, at Ordering Paragraph 15, the Commission capped the California LifeLine wireline rate at \$6.84 through January 1, 2013. In D.12-07-022, the Commission extended that cap to June 30, 2013. We find that the same reasons supporting the previous extensions --namely, allowing California LifeLine participants to have certainty with regard to the price of California LifeLine service -- remain applicable and that the cap should be extended to December 31, 2015. Many speakers at the Los Angeles, Salinas, Riverside, and Fresno PPHs spoke about the importance of having a predictable, stable, flat price for California LifeLine service so low-income eligible participants could plan and allocate their budgets accordingly. The rules we adopt will ensure that LifeLine participants will have a choice of a flat-rate California LifeLine wireline service costing no more than \$6.84 a month, at least through December 31, 2015, by which time we will revisit market developments to determine if this cap should be extended.

Similarly, we establish the maximum California LifeLine reimbursement amount (SSA) at up to \$12.65 through December 31, 2015, based upon the Commission's current SSA methodology.²³ \$12.65 is the SSA that would be triggered in 2014 when using 55% of the highest COLR basic rate (as of July 31) as reported to the Commission on August 1 of the previous year. We have noticed that COLRs have increased their residential retail rates, which has caused

²² The EAS rates shall represent the capped rates as of June 30, 2013.

²³ D.10-11-033, OP 6. The SSA calculation is rounded to the nearest \$0.05 as stated in footnote 174 of that decision.

the SSA to increase in parallel. We also expect that there will be new entrants to the California LifeLine Program as a result of this Decision. In order to maintain the integrity of the Fund, protect California ratepayers, and manage the Fund in a fiscally prudent manner, we cap the SSA through December 31, 2015. The Commission will evaluate trends in LifeLine service offerings, participation, and affordability after that date to determine whether to extend the cap for an additional period of time.

4.10. California LifeLine Fixed-VoIP Service Elements

Next, we continue and formalize our practice of including in the California LifeLine Program wireline carriers providing residential fixed-VoIP telephone services who do so through a CPUC-issued CPCN. While many service providers continue to offer California LifeLine services on a traditional wireline platform, we have noticed that some service providers are migrating to and/or choosing to offer some of residential their services on fixed-VoIP.

We reiterate that, under the Moore Act, all wireline service providers with a CPUC-issued CPCN or California Franchise providing residential telephone service through that Certificate or Franchise are required to offer California LifeLine services in California on a non-discriminatory basis in conformity to the Commission's LifeLine rules. This universal service obligation extends to wireline CPCN and Franchise holders that use their Certificate or Franchise to provide residential telephone service using fixed-VoIP technology; and we require these service providers to meet the service elements for fixed-VoIP in General Order 153 Appendix A-2 (in Attachment D of this Decision). The CPUC currently requires fixed-VoIP CPCN and Franchise holders to provide LifeLine telephone service if they offer residential service in the State through that

Certificate or Franchise, and thus, for instance, requires and provides California LifeLine ULTS support to the LifeLine offerings of such companies as Charter and Cox. The latter offers LifeLine services via both fixed-VoIP and traditional wireline telephone technologies. We expect the number of fixed-VoIP providers of residential service to grow over the next several years. In accordance with the universal service obligations of the Moore Act, we want the eligible low-income customers of these companies to have LifeLine available to them on terms and conditions comparable to other technology platforms, and appropriately tailored for VoIP's technical capabilities, market characteristics, and the needs of VoIP consumers.

Four service providers, AT&T, Verizon, Surewest, and Frontier, offer telephone service in California pursuant to a Franchise that predates the CPCN process. To the extent that Franchise holders offer residential service using VoIP through facilities built under authority of their Franchise, and interconnected with and to the Public Switched Telephone Network or its successors, and receive telephone numbers from the North American Numbering Plan Administration by virtue of their Franchise, we clarify that their LifeLine obligation does not depend on the technology used to provide voice service.

We note that Comcast California (Comcast) does not currently offer residential retail voice service through its CPCN holder, but offers business retail voice service through its CPCN holder.²⁴ California LifeLine is required of CPCN holders with residential retail voice offerings. Comcast may offer residential retail telephone service through its CPCN by following the interim

²⁴ Order Instituting Investigation (OII) 13-10-003 at 4.

process described in section 4.2 of this Decision to apply to become a California LifeLine carrier, and would thereby become eligible for California LifeLine support for residential retail voice telephone service.

The California LifeLine fixed-VoIP service elements mirror the traditional wireline service elements for the most part, except that we do not require fixed-VoIP providers to offer eligible participants equal access to inter-exchange service providers because it is not required under federal rules. We also do not require fixed-VoIP providers to provide a choice of flat or measured service to participants.

We observe that it is common for VoIP providers to offer unlimited nationwide calling as part of their VoIP service offerings.²⁵ The requirement that California LifeLine using fixed-VoIP offer participants unlimited incoming calls, unlimited local calls, unlimited N11 calls, and unlimited calls to 800 or 800-like toll-free services, all for no extra charge, is consistent with VoIP service providers' practices and service offerings. Continuing California LifeLine support for residential VoIP providers that have CPCNs and applying it to

²⁵ See, for example, <http://www.comcast.com/home-phone-service.html> (Comcast's "XFINITY Voice: Home Phone Service" offers unlimited nationwide talk and text); <http://www.charter.com/browse/phone-service/phone> (All of Charter's bundles offer "Charter Phone Unlimited" that includes unlimited local and long distance calling in the U.S., Canada, Puerto Rico, Guam, and The Virgin Islands); <http://www.timewarnercable.com/en/residential-home/phone/domestic-international-calling-plans.html> (Time Warner Cable's packages and stand-alone home phone service includes "Unlimited Nationwide" home phone service and offers unlimited calling anywhere, anytime in the U.S., Canada and Puerto Rico); <http://www.astound.net/bundles/internet-cable-phone-packages.php> (All of Astound's bundles offer "Unlimited Phone" that includes unlimited local and nationwide long-distance calling to the 50 states, Puerto Rico, Guam, the U.S. Virgin Islands, and Canada).

Franchise holders that use their Franchise authority to provide residential VoIP will increase choices for low-income Californians, increase competition, and help ensure that minimum communications service needs are met.

As to service providers' reimbursements, all wireline service providers, whether traditional or fixed-VoIP, will be eligible for the same reimbursements levels, which will be the SSA of \$11.85 per month through December 31, 2013, and the SSA of \$12.65 through December 31, 2015, per eligible participant per month.²⁶ The LifeLine service provider will also receive the monthly reimbursement for administrative costs of up to \$0.50 per eligible participant per month.

4.11. California LifeLine Wireless Services Elements

The revised General Order 153, Appendix A-3, Service Elements of California LifeLine Wireless is in Attachment D to today's Decision.

We encourage wireless service providers that are certified or registered as a telephone corporation in California and hold a WIR to participate in the California LifeLine Program. We acknowledge technological and jurisdictional differences between wireline and wireless California LifeLine providers. To facilitate the participation of wireless service providers and choice for wireless customers, we hereby establish California LifeLine rules for wireless service providers that vary from those applicable to wireline service providers. We do this in recognition of the fact that there are differences in technologies and jurisdiction due to federal rules that allow state regulation of wireless terms and

²⁶ The monthly SSA is up to \$11.85 through the end of 2013.

conditions of service, consumer protection, and other elements, but do not allow state regulation of wireless pricing or entry.²⁷

Our California LifeLine's wireless service elements differ from wireline service elements in the following respects:

- This Decision calibrates California LifeLine support to wireless plan minutes provided to the LifeLine participant to encourage market innovation and expanded service offerings that better meet the changing needs of California LifeLine participants. Commission-approved California LifeLine may receive a ULTS SSA of up to \$5.75 a month for plans offering between 501 and 999 voice minutes and an SSA of up to \$12.65 a month for plans offering more than 1000 voice minutes monthly, plus an administrative fee of up to \$0.50 per California LifeLine participant.
- In light of the correlation of the SSA to two tiers of plan minutes, support levels calculated to incentivize wireless California LifeLine providers to provide sufficient minutes to meet the minimum communications needs of eligible low-income participants, wireless providers are not required to provide participants unlimited incoming calls, unlimited outgoing local calls, a choice between flat or measured rate service, one directory listing annually, white pages telephone directory, directory assistance, and access to 800 or 800-like toll-free services that is not counted toward plan minutes.²⁸

²⁷ 47 U.S.C. 332(c)(3)(A).

²⁸ We acknowledge the current business model of wireless providers and also the need for participants to access social and medical services such as Suicide Hotlines, Domestic Violence Hotlines, etc. through calls to toll-free numbers. We encourage California LifeLine wireless providers to waive all charges for 800 or 800-like toll-free numbers associated with social and medical services and not count them toward plan minutes, but at this point do not require this as a condition of California LifeLine support. Moreover, we invite industry to work with the CPUC and other stakeholders to develop products that promote free access to 800 or 800-like toll-free numbers that are not

Footnote continued on next page

- We do not establish rates and charges for California LifeLine wireless telephone service, but set the minimum communications needs necessary to receive California LifeLine wireless support.,
- Wireless providers are not required to ensure that California LifeLine service works inside the participant's residence, but instead are required to provide a voice-grade connection, and allow participants to cancel their service within 14 days of service activation without incurring early termination fees.
- Wireless participants shall receive free, unlimited access to special services N11 numbers, specifically, 211, 311, 511, 711, 811, and 911. Wireless providers shall not count LifeLine participant calls to these special services against the participants' allotted minutes or number of calls. For 711 calls, only the call to the 711 relay service for the deaf or speech-disabled shall not be counted against LifeLine plan minutes, while the relayed call itself may count toward applicable plan minutes.
- Wireless participants shall also receive free, unlimited access to 611 to facilitate low-income households' resolution of their telephone billing and service repairs. Calls to 611 shall not count against the participants' allotted minutes or number of calls
- All California LifeLine wireless providers shall prominently disclose and disseminate their terms and conditions of service, including the following:
 - a) Rates, fees, and charges including charges for service initiation, and in-person or cash bill payment;
 - b) the charges, terms, and conditions associated with purchasing additional minutes;

counted toward plan minutes used. We will monitor developments regarding 800 or 800-like toll-free numbers for California LifeLine wireless to determine if adjustments to this rule are necessary, particularly if minimum communications and emergency needs for LifeLine participants are not adequately met through the rules and tiered-incentives we adopt today.

- c) 911 emergency services location accuracy and reliability standards;
- d) potential service coverage and service quality issues;²⁹
- e) safety related considerations when handsets are removed from the home and when there is likely to be poor mobile reception;³⁰
- f) any charges associated with calling 800 or 800-like toll-free services, including whether such calls are counted toward minutes used;
- g) whether the device a carrier may elect to provide with the service is refurbished, the device's condition, repair, and warranty terms if refurbished, return policies including for device problems, and any options regarding the service life of a non-refurbished device;
- h) any limitations on the device's portability to other providers' wireless networks if the participant switches providers;
- i) the entitlement to a voice-grade connection;
- j) the conditions under which the participant may terminate service without penalty;
- k) the charges or fees associated with using operator services; and
- l) power back-up requirements for the system that supports California LifeLine wireless service including limitations due

²⁹ This requirement to prominently disclose and disseminate information regarding potential service coverage and service quality issues is consistent with the CPUC's established obligation for federal Lifeline wireless ETCs in Resolutions T-17284, OP 11; T-17258, OP 7; T-17339, OP 7; T-17388, OP 8; and T-17389, OP 8.

³⁰ In Resolutions T-17388 and T-17389, the Commission identified these safety related considerations including some potential causes for poor mobile reception as weather conditions, terrain, or gaps in service coverage. In OP 8 in these two CPUC Resolutions, the Commission established the obligation for federal Lifeline wireless ETCs to inform consumers about potential coverage, service quality and safety issues.

to power for equipment on towers or other facilities, e.g., that wireless telephone service may not work if the tower the wireless handset is trying to reach loses commercial or backup power.

- Finally, we establish a contract termination and return policy and specific billing provisions that aim to protect low-income households.

The four primary differences between the California LifeLine wireless service elements, as compared to the BSEs are: 1) the elimination of the requirement of a voice-grade connection within the residence to the public switched telephone network or successor network, except to the extent that the LifeLine wireless service is approved by the Commission to fulfill a COLR's basic service obligations; 2) the calibration of the California LifeLine SSA to two sets of minimum allotments of voice minutes (an SSA of \$5.75 a month for plans offering between 501 and 999 voice minutes and an SSA of \$12.65 a month for plans offering more than 1000 voice minutes), plus an administrative fee to \$0.50 per California LifeLine participant; 3) a contract termination and equipment return policy, and; 4) a robust and detailed set of information for providers to prominently disclose and disseminate as a part of their terms and conditions of service to LifeLine subscribers.

At the PPHs, the public acknowledged the technological difficulty of wireless telephone services always and everywhere working inside the residence, and expressed interest in stronger consumer protections. Many speakers at the PPHs spoke of needing to leave their home to find one spot where they could get a signal.³¹ The Yurok tribe representative testified at the

³¹ PPH Rancho Cordova, May 14, 2013, page 37.

PPH in Eureka that many residents of their federally recognized reservation would be happy if they only had to drive for 30 minutes to get a wireless signal.³² Many speakers at the PPH expressed an interest in having LifeLine wireless service that works inside the home.³³ Others spoke of the value of wireless mobility, and the willingness to trade off mobile access away from the residence for a signal's access in the home.³⁴

We recognize that wireless service is not functionally available and always and everywhere sufficient to provide a voice-grade connection inside all household residences, a fact raised in PPHs held in rural areas such as Eureka and in urban areas such as San Francisco. Residents of Humboldt and Del Norte counties in the northwestern part of California reported that wireless service is not available in many areas due to the terrain, sparse population, and decisions of service providers not to build facilities or to expand wireless service to places like the upriver portion of the Yurok reservation.³⁵ Several San Francisco residents spoke of the difficulty of making wireless calls from inside their single residency occupancy hotels, and concerns about privacy and safety if they had to go outside to make a call.³⁶

³² PPH Eureka, July 17, 2013, page 475.

³³ PPH San Francisco, May 15, 2013, page 121; PPH Los Angeles, June 18, 2013, page 386; PPH Riverside, June 17, 2013, page 285.

³⁴ PPH Eureka, July 17, 2013, page 475; PPH Fresno, July 31, 2013, page 573; PPH Salinas, August 13, 2013, pages 655-656, 673.

³⁵ PPH Eureka, July 17, 2013, pages 472-473.

³⁶ PPH San Francisco, May 15, 2013, pages 92, 111, 148.

The CPUC is conducting a mapping project to provide more detailed accurate maps of wireless signals.³⁷ This initiative is intended to provide “groundtruthing” regarding wireless signal coverage. Californians may download the app through Google Play³⁸ to participate in the project using an Android phone. The CPUC is in the process of expanding the project to Apple iPhones. This project will help identify wireless signal availability and signal strength at a more granular level. It will help customers choose the service which best meets their needs, identify gaps in coverage, and indicate opportunities for infrastructure investment and policy adjustments to encourage improved and expanded wireless service to Californians across the state.

We believe that the California LifeLine requirements for disclosures, voice-grade connection, minimum service elements, and return policies we adopt today will allow people who want to choose LifeLine wireless service to find a product and provider that best suits their needs. By continuing to require that LifeLine wireline and fixed-VoIP work inside the home, California LifeLine participants will have the option of choosing a LifeLine telephone service that is required to work inside the home if that is an aspect of their minimum communications needs they value highly. Thus, we do not require at this time that California LifeLine wireless telephone service work inside the home. We urge participants to promptly check the quality of their wireless signal coverage inside their residence if they plan to use the California LifeLine telephone service

³⁷ CPUC, the California Interactive Broadband Map, http://www.broadbandmap.ca.gov/CA_Interactive_BB_Map.pdf, at 1.

³⁸ CPUC, CalSpeed (Aug. 23, 2013), <https://play.google.com/store/apps/details?id=gov.ca.cpuc.calspeed.android>.

inside the home and in lieu of wireline service, and to cancel their California LifeLine wireless service within the 14-day service cancellation period provided herein to avoid early termination fees if they are dissatisfied with the signal coverage or quality, a suggestion raised by speakers at our very first PPH at Rancho Cordova.³⁹

Participants should evaluate whether a California LifeLine wireline, fixed-VoIP, or wireless telephone service will best suit their needs, and compare phone plans, features, limitations, and applicable rules. We remind participants that eligible households are limited to one California LifeLine discount per household. However, households with a household member who is hearing impaired or uses a teletypewriter (TTY) may be eligible to receive the California LifeLine discounts on two separate telephone lines.⁴⁰ In Ordering Paragraphs 36 to 39 in D.10-11-033, the Commission adopted staff's recommendation to expand California LifeLine Program's accessibility for hearing impaired consumers to provide California LifeLine discounts for wireless text messaging/data services for consumers that receive wireless equipment through California's Deaf and Disabled Telecommunications Program (DDTP). Resolution T-17089 directed staff to implement a multi-phase pilot program whereby eligible participants would be issued a credit which would be applied to the equipment component of a wireless communications device. However, we discovered that pilot participants who were eligible for both DDTP and California LifeLine were reluctant to sign-up to receive the wireless device because the monthly recurring

³⁹ PPH Rancho Cordova, May 14, 2013 at 39-40.

⁴⁰ There is no federal Lifeline support for the second discounted telephone line we make available to teletypewriter users or hearing impaired consumers.

costs were a disproportionately high percentage of their low incomes.⁴¹ Therefore, the CPUC further expanded California LifeLine's accessibility to DDTP participants to ensure that the equipment purchased by the DDTP program will be effective in meeting the communications needs of eligible low-income users.

California LifeLine providers that are certified as ETCs may also offer participants federal universal service support in addition to our California LifeLine support. Such providers must comply with the FCC's and California's eligible telecommunications carrier designation rules in order to qualify for both support levels.

A provider with a WIR, but without ETC status, is also eligible to participate in California LifeLine. This is similar to our acceptance of certificated VoIP wireline service providers without ETC status, and further advances our efforts to promote competition and to increase participants' choices in services and in providers. However, we reaffirm our existing California LifeLine policy established in D.10-11-033 that the California LifeLine Program will not make up the difference in federal support for service providers without an ETC designation. This policy incentivizes California LifeLine providers to seek ETC designation in order to be eligible for federal Lifeline support. The federal rules make it optional for wireless providers to seek ETC designation and declare themselves to be common carriers; and we do not require such a designation and declaration for wireless providers that wish to apply for California LifeLine support for service that meets the rules and service elements established herein.

⁴¹ CPUC Communications Division DDTP Wireless Pilot 2nd Report at 3 (Nov. 2008).

We believe this policy will speed the provision of service, competition, choice, and a range of services to meet California LifeLine participants' minimum communications needs in accordance with the Moore Act.

Although we take several steps to encourage participation of wireless service providers in the California LifeLine Program, a wireless service provider may still choose to seek or to retain limited ETC designation and to offer its customers only the federal Lifeline discounts. As is now the case, service providers choosing this option will not be eligible for California LifeLine support. Currently authorized federal Lifeline wireless plans in California, discussed above, are examples of plans that we have routinely approved for federal Lifeline providers with limited ETC designation.

If a WIR holder or a California wireless ETC wishes to provide California LifeLine consistent with the service elements and rules adopted herein and stated in General Order 153 Appendix A-3 (in Attachment D of this Decision), it must file a schedule of rates and charges with the CPUC and/or upon request by staff.⁴² The wireless provider must also follow the interim process described in Section 4.2 of this Decision.

As we established in D.10-11-033, since wireless participation in the LifeLine program is voluntary, wireless providers may withdraw from the program at anytime. However, wireless providers are required to provide a 30-day notice to customers and fulfill any contractual obligations that they have

⁴² D.10-11-033, Ordering Paragraph 3.

entered into with their customers before ceasing their participation in the LifeLine Program.⁴³

If an ETC, wireless or wireline, wishes to relinquish its ETC status, it must also comply with the federal ETC relinquishment requirements set forth in 47 U.S.C § 214(e)(4). Section 214(e)(4) requires the requesting ETC to provide a notice to the State commission and fulfill other obligations including ensuring that all customers served by the requesting ETC will continue to be served.⁴⁴

⁴³ D.10-11-033, COL 13. General Order 153 §5.4.5 provides that “A subscriber changing his/her California LifeLine Service Provider shall not be required to undergo the Application Process, provided that the subscriber initiates California LifeLine service with his/her new California LifeLine Service Provider within 30 days of disconnecting California LifeLine service with the previous California LifeLine Provider and the subscriber maintains eligibility in all other respects. If a subscriber changes his or her principal place of residence, while maintaining eligibility in all other respects, the subscriber shall not be required to go through the Application Process again.”

⁴⁴ 47 U.S.C. § 214(e)(4) states: “A State commission (or the [FCC] in the case of a common carrier designated under paragraph (6)) shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission (or the [FCC] in the case of a common carrier designated under paragraph (6)) of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission (or the [FCC] in the case of a common carrier designated under paragraph (6)) shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier.” See also 47 C.F.R. § 54.205.

4.12. California LifeLine Wireless Reimbursement Amounts and Methodology

To the extent the wireless plans meet or exceed the minimum standards specified in this Decision, providers shall apply the California LifeLine discount to the plan chosen by the participant. California LifeLine wireless plans may be offered on a pre-paid or post-paid basis to participants. A provider's telephone service plans, including existing plans, shall be eligible for California LifeLine support if they meet or exceed the specified standards set by this Decision.

Wireless providers shall apply the Specific Support Amount, plus any additional federal Lifeline support, to reduce the price of any qualifying California LifeLine service plan and charge the participant the resulting remainder.

The monthly California LifeLine wireless discount of \$12.65⁴⁵ per participant shall apply to qualifying wireless service plans offering 1,000 or more voice minutes per month, which may also include domestic messaging (texts or text messages). For California LifeLine wireless providers offering qualifying wireless service plans with 501 to 999 voice minutes, which may also include domestic messaging, the California LifeLine discount shall be \$5.75⁴⁶ per participant. Any applicable federal Lifeline support may further reduce a California LifeLine participant's bill. Similar to California LifeLine wireline providers' monthly reimbursement for administrative costs of \$0.50 per participant per month, wireless providers shall be reimbursed by the same

⁴⁵ This fixed \$12.65 discount and support will be in effect until December 31, 2015.

⁴⁶ This fixed \$5.75 discount and support will be in effect until December 31, 2015.

amount for administrative costs, subject to the same standards of cost justification.

We also extend the existing service connection/activation and conversion discount of up to \$39⁴⁷ for discounted wireless telephone services. While we maintain these discounts on non-recurring charges, we recognize the following:

- that state and federal policies to promote competition through number portability allow a customer to switch between service providers;
- that limitations in the quality of a wireless signal or coverage might motivate switching to another wireless service provider; and
- that low-income households may occasionally have difficulty paying their bills and may disconnect and reconnect telephone service as a result.

By continuing to support these discounts on non-recurring charges, we ease consumers' ability to switch service providers and services if they choose to do so.

Our actions in the energy field through this Commission adoption of the California Alternate Rates for Energy (CARE) program, which supports low-income households energy bills, provide guidance on how LifeLine should incentivize good fiscal management by participating consumers and the CPUC as the administrator of ratepayer funds. D.12-08-044 allows audits of qualifying households with energy usage greater than 600% of the average amount of energy in order to create incentives for CARE participants to conserve energy and prevent program fraud or abuse. This audit rule was subsequently put into

⁴⁷ This variable \$39 discount and support will be in effect until December 31, 2015.

statute by Senate Bill 1207, which was chaptered on September 27, 2012, and codified as Pub. Util. Code § 739.1(h)(2). In the future, it may be appropriate to implement incentives for households that receive California LifeLine discounted telephone service and providers to avoid connection and reconnection fees that result in charges to the Fund that affect all contributing ratepayers. As mentioned above we will monitor the continued impact of funding these discounts on non-recurring charges, and may reconsider them in a subsequent decision.

Additionally, to receive any California LifeLine support, the provider shall comply with General Order 153 as revised herein, other applicable rules, orders, and decisions required by the CPUC, and the California Public Utilities Code. We fix the above two possible reimbursement amounts (\$12.65 for wireless plans offering over 1000 voice minutes a month and \$5.75 for wireless plans offering 501-999 voice minutes a month per eligible LifeLine participant served) for California LifeLine wireless services because we find that this will ensure affordability and incentivize innovation, investment, and a range of service options to meet participant minimum communications needs.

We recognize our Specific Support Amount methodology is based upon the rates of COLRs' basic telephone service only through wireline service. Therefore, we will continue to review the California LifeLine marketplace and determine if California LifeLine service becomes unaffordable or if trends or issues in program administration and design suggest that these support amounts for each set of minutes provided, or other elements of LifeLine wireless service, should be adjusted.

Our rules do not preclude providers from offering California LifeLine plans to retail customers who do not qualify for LifeLine discounts. However,

providers will not be allowed to receive California LifeLine support for such customers.

4.13. Minimum Allotments of Voice Minutes for California LifeLine Wireless

The California LifeLine Program is designed to provide support for telephone services that meet low-income Californians' specific communications needs, to encourage service providers to offer services that meet these consumers' needs, and to ensure that participants receive a higher level of services commensurate with the level of California LifeLine support offered to service providers. Although the FCC has declined to set minimum federal service standards, the FCC applauds states that have a minimum set of monthly voice minutes.⁴⁸ We find it necessary to establish minimum allotments of voice minutes as a part of our fiduciary responsibility to manage the Fund, to be good stewards of ratepayer funds, to meet minimum communications needs of California LifeLine participants, and to ensure affordability of wireless telephone services for low-income Californians. We believe these rules will encourage both eligible low-income Californians and service providers to participate in LifeLine, thereby addressing a concern raised in the 2010 workshop about declining LifeLine participation.

To ascertain, in part, the characteristics of wireless telephone plans the Commission considers will achieve a minimum need for communications and the public interest standard, we utilize a methodology similar to that we have

⁴⁸ *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Dkt. Nos. 11-42 et al., CC Dkt. No. 96-45, FCC 12-11 (rel. Feb. 6, 2012), ¶ 50.

used in evaluating requests for limited ETC designation to offer federal Lifeline discounts. We consider these major factors:

- (1) Wireless user's minutes of use (MOU) per month;
- (2) Consumers' recommended services;⁴⁹ and
- (3) Available wireless service offerings in the marketplace.

To gauge wireless users' average MOU, we evaluated various sources of information. In recent CPUC Resolutions⁵⁰ granting limited ETC designation to offer federal Lifeline discounts, we selected an average customer MOU of 769 a month based on year 2007 data produced by the CTIA.⁵¹ Subsequently, the CTIA released newer data based on year 2011, indicating an average customer MOU of 615 a month.⁵² CPUC staff reviewed publicly available information online about

⁴⁹ The CPUC hosted eight PPHs statewide to gauge and listen to the public's recommendations and preferences for California LifeLine service characteristics. Our consideration of consumers' recommended services is consistent with the criteria for reviewing basic service elements set out in D.96-10-066, which include whether the service is essential for participation in society, whether a substantial number of customers subscribe to the service, the benefits associated with the service, and the availability of the service. The position paper by James Stegeman, Dr. Steve Parsons, Robert Frieden, and Mike Wilson, concludes that universal service supported services "should be based on current customer preferences (e.g., do not require wireless competitive ETCs to provide 'wireline' service characteristics that consumers may not want." This position paper is available at http://files.ctia.org/pdf/PositionPaper_Stegeman_Parsons_Frieden_wilson_USFReverseAuctions.pdf.

⁵⁰ Resolutions T-17266, T-17284, T-17258, and T-17339.

⁵¹ See Table 38 within *Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, Sixteenth Report, WT Dkt. No. 11-186, FCC 13-34 (rel Mar. 21, 2013) (16th Report).

⁵² *Id.*

average monthly customer MOU. A June 2011 online news article⁵³ in Fortune found that the typical AT&T customer averaged 21 minutes a day, which equals to an average MOU of 651 for a month with thirty-one days. In contrast, the federal Lifeline customers of Leap Wireless, which offers unlimited pre-paid wireless voice service for \$21.50 a month under the Cricket brand as a federal ETC in California, and to the general public for \$35.00 a month in the San Diego, Fresno, and Madera/Modesto markets in which it operates, averaged 50 minutes per day, which equals to an average MOU of 1,550 for a month with thirty-one days.

Another source for MOU data is Bank of America Merrill Lynch (BAML). BAML regularly compares minutes of use in the United States (U.S.) with other countries in its Global Wireless Matrix reports. BAML found that based on year-end 2011 data U.S. wireless consumers used an average of 945 minutes per month.⁵⁴ This represents a 14% increase from an MOU of 824 based on year-end 2009 data.⁵⁵

The CPUC's Communications Division issued a data request to wireless service providers including Cricket, Nexus, AT&T, Verizon, T-Mobile, and Metro PCS to gather more information regarding wireless usage in California. The information from this data request showed that post-paid users' average MOU

⁵³ Scott Wooley, Cell phone use is up so why are brain cancer rates down, CNN Money (June 7, 2011), <http://tech.fortune.cnn.com/2011/06/07/cell-phone-use-is-way-up-so-why-are-brain-cancer-rates-down/>

⁵⁴ CTIA, 50 Wireless Quick Facts, <http://www.ctia.org/advocacy/research/index.cfm/AID/10380>; <http://blog.ctia.org/2012/05/31/benefits/>

⁵⁵ Ralph de la Vega, The United States, the most Vibrant Wireless Market in the World, http://www.att.com/Common/about_us/files/pdf/RDLV_CTIA-slides.pdf.

ranged from about 625 to 925 while pre-paid users' average MOU ranged from about 240 to more than 1,475, and correlated roughly with the plan minutes offered.

MONTHLY MOU COMPARISON TABLE				
YEAR	MOU (BAML)	MOU (CTIA)	MOU (CPUC DATA REQUEST)	MOU (FORTUNE ARTICLE)
2011	777 ⁵⁶ and 945 ⁵⁷ (777+945)/2 = 861	615	Post-paid users' average MOU: about 625 to 925 Pre-paid users' average MOU: about 240 to 1,475+	AT&T: 651 Cricket: 1,550
2010		647	N/A	
2009	824 ⁵⁸	696	N/A	
2008	848 ⁵⁹ and 830 ⁶⁰ (848+830)/2 = 839	708	N/A	
2007		769	N/A	

⁵⁶ Glen Campbell, Bank of America Merrill Lynch, *Global Wireless Matrix* 3Q 2011.

⁵⁷ Glen Campbell, Bank of America Merrill Lynch, *Global Wireless Matrix* 1Q 2012.

⁵⁸ Glen Campbell, Bank of America Merrill Lynch, *Global Wireless Matrix* 1Q 2010.

⁵⁹ Glen Campbell, Bank of America Merrill Lynch, *Global Wireless Matrix* 2Q 2008. Although, CTIA calculates its own MOU, it routinely uses BAML's value to represent MOUs in its Web site, reports, and presentations e.g., CTIA, President Obama Transition Team Briefing Presentation Slides (Dec. 9, 2008), http://files.ctia.org/pdf/President_Obama_Transition_Team_Briefing_Presentation_Slides.pdf; and CTIA, The U.S. Wireless Industry Overview (April 25, 2012), http://files.ctia.org/pdf/042412_-_Wireless_Industry_Overview.pdf.

⁶⁰ Glen Campbell, Bank of America Merrill Lynch, *Global Wireless Matrix* 4Q 2008.

The MOUs from these various sources demonstrate consumers on average use more than 500 minutes per month of wireless voice service. Using the information we have regarding average consumer monthly MOUs, we analyzed the available federal Lifeline wireless service offerings in California to determine if they satisfy the communications needs of these participants, and if additional support from the Fund is warranted to fulfill those needs and support public safety and the California economy.

Through the eight PPHs statewide, we listened to consumers' experiences with the federal Lifeline wireless service and their recommendations for how the CPUC may design the California LifeLine wireless service. The PPHs, attended by Commissioner Sandoval, ALJ Bushey and other ALJs, staff from the Communications Division, and from the Public Advisors Branch, ran from near the Oregon border to near the Mexican border, in our largest cities, in medium-sized cities, and in smaller cities located in or next to rural areas. The LifeLine PPHs ran from May to August 2013 in San Diego, Riverside, Los Angeles, Fresno, Salinas, San Francisco, Sacramento, and Eureka. All throughout the state, consumers who spoke at the PPHs requested that the California LifeLine program create incentives for carriers to provide them with generous allotments of voice minutes, and with expanded text messages options. Several speakers expressed concern that the 250 voice minute plans currently offered in California by some federal ETCs (Nexus Communications, Inc. (Nexus) and Virgin Mobile USA, L.P. (Virgin), a division of Sprint), while free, provided only eight minutes of talk-time per day, which many characterized as inadequate.⁶¹ While simplicity

⁶¹ PPH San Francisco, May 15, 2013, page 136; PPH Los Angeles, June 18, 2013, pages 387, 396, 403, 429; PPH San Diego, June 12, 2013, pages 221, 226.

and predictability of a free plan where subscribers did not have to worry about paying by a specific date likely attracted Lifeline subscribers to the 250 voice minutes plan, it tended to entail the trade-off of a limited satisfaction of communications needs.

Numerous speakers at the San Francisco and Los Angeles PPHs expressed frustration at running out of minutes while being on hold with social service providers accessed by calling 800 or 800-like toll-free numbers.⁶² Wireline LifeLine providers do not charge for 800 or 800-like toll-free numbers, and do not count them toward “minutes” or as calls even though the subscriber chooses a measured rate option that limits the number of calls. Low-income Californians use 800 or 800-like toll-free numbers to call government services including the Social Security Administration, to find out about the status of disability benefits, Veterans benefits, health care service and insurance options, or tenant service. Suicide hotlines, domestic violence prevention hotlines, the prevention of violence against women hotline, and other services that address or help prevent emergencies also use 800 and 800-like toll-free numbers. Many LifeLine PPH speakers discussed the need for predictable bills for low-income consumers, and the desire to have enough voice minutes, preferably an unlimited number of voice minutes, to meet their communication needs, including for 800 or 800-like toll-free services and to special services N11 numbers.⁶³ Although we do not require California LifeLine wireless providers to provision free, unlimited access

⁶² PPH San Francisco, May 15, 2013, pages 118, 126; PPH Los Angeles, June 18, 2013, page 372; See also PPH San Diego, June 12, 2013, page 267; PPH Salinas, August 12, 2013, page 34.

⁶³ *Id.*

to 800 or 800-like toll-free numbers that are not counted against allotted plan minutes, we base the supported minimum California LifeLine wireless service elements on how much consumers use their voice minutes, and accordingly set higher levels of communications services eligible for California support to meet low-income households needs.

Some wireless providers offer pre-paid plans that shut off after the voice minutes are exceeded. The prospect of Californians having their calls to a suicide hotline cut short by running out of minutes is chilling. While consumers may continue to call 911 even when plan minutes are exhausted, Californians in that situation may not realize that 911 remains available. Moreover, these 800 and 800-like toll-free numbers, along with the connection to essential referral service providers offered by 211, and non-emergency and other local government services offered by 311, relieve the 911 system of calls that can be handled through these other special services. If we required that only calls to 911 be free and not counted toward minutes, instead of also requiring that the appropriate special service related N11 numbers be free and not counted toward minutes, such a decision would add congestion to the 911 system in emergencies, and could result in unnecessary delays for emergency services. Our decision avoids shifting costs to local and state governments, ratepayers, and taxpayers when LifeLine participants run out of minutes and call 911 instead of N11 special services.

SureWest and the Small LECs in their comments argue that all LifeLine providers should be required to provide 911 service and unlimited local voice service. Unlimited local voice, such as is provided today through flat-rate California LifeLine to wireline customers, includes N11 numbers. The N11

numbers are not only a feature of local calling, they are a critical LifeLine which helps callers, saves public resources, and promotes public safety.

The short code N11 number 711 is also crucial to enable deaf and speech-impaired Californians to make calls and communicate public safety, economic, and social services resources and opportunities. The Small LECs in their comments urged the Commission to ensure the continuation of specialized access for disabled members of the community through the California LifeLine program. Access to 711 is an important component of local calling for wireline LifeLine participants, and it should be extended to other technologies in a manner that makes it affordable and accessible.

Ensuring that California LifeLine participants have adequate minutes for their minimum communications needs, especially their needs for social services and critical services such as assistance hotlines, promotes public safety, good fiscal administration, sound public policy, and the well-being of all Californians.

The four current wireless ETCs in California offer federal Lifeline plans with at least 250 voice minutes a month, at prices ranging from \$0 to \$30 for 250 voice minutes to unlimited voice minutes, respectively. Specifically, the four federal Lifeline wireless providers have the following federal Lifeline plans:

- 1) Cricket offers unlimited voice + text for \$35 a month with no voice-only plan; all Cricket smartphone plans include voice + text + data;
- 2) Telscape plans include voice + text and Telscape Lifeline ETC plans provide 300 voice minutes + 300 texts for \$2.50 a month or 1100 voice minutes + 1100 texts for \$20.00 a month;
- 3) Sprint (Assurance) provides 250 voice minutes + 250 texts for \$0.00 a month or 1000 voice minutes + 1000 texts for \$20.00 a month, or Unlimited voice + text for \$30 a month; and
- 4) Nexus (ReachOut) provides 250 voice minutes + 250 texts for

\$0.00 a month or 500 voice minutes + 500 texts for \$5.00 a month or 1000 voice minutes + 1000 texts for \$20.00 a month.

We find that with the exception of Cricket's unlimited voice plans, some speakers at the PPHs associated these federal Lifeline wireless plans with monthly costs and plan features that met neither subscribers' minimum communications service needs nor their standards of affordability. Speakers at the San Diego and Fresno PPHs who subscribed to Cricket's unlimited voice plan through the federal Lifeline program were very happy with the service and unlimited minutes provided. Cricket is the only ETC currently offering unlimited voice minutes, and it operates in relatively few markets: San Diego, Fresno, and Modesto/Madera. We note that AT&T Wireless has proposed to acquire Cricket and has pledged not to file a request to withdraw or modify Cricket's federal ETC service for at least 18 months after the asset and license acquisition is approved by state authorities, including this Commission, and the FCC, and the transaction has closed. We believe the rules we adopt here, calibrated as they are to the voice minutes offered will encourage innovation, investment, and the provision of more affordable service that will better meet the minimum communications needs of low-income, LifeLine-eligible Californians.

Therefore, we choose to support wireless telephone service plans with California LifeLine's funding that at a minimum offer voice minutes corresponding more closely with the average MOUs experienced nationwide and by Californians.⁶⁴ Specifically, as noted above, California LifeLine shall support wireless telephone plans that offer at least 501 minutes per month and conform

⁶⁴ See MOU Comparison Table, *supra*.

to the California LifeLine wireless service elements in General Order 153 Appendix A-3 (in Attachment D to this Decision) to meet Californians' specific minimum communications needs, promote public safety, and foster economic participation and growth.

We establish two tiers of monetary support for LifeLine wireless plans based on the number of voice minutes they offer. California LifeLine providers offering plans complying with the LifeLine wireless service elements shall be eligible to receive \$5.75 and \$0.50 per LifeLine participant for administrative support if they offer 501-999 minutes. California LifeLine providers offering plans compliant with the service elements in General Order 153 Appendix A-3 (in Attachment D to this Decision) that provide more than 1000 minutes shall be eligible to receive \$12.65 and \$0.50 per LifeLine participant for administrative support. Providers offering 500 or fewer minutes may apply to be certified as a federal ETC, and receive the federal support only, for plans consistent with or improving upon those already approved by the Commission for federal ETC support.

This California LifeLine support structure will foster a range of choices for low-income Californians, and create incentives for carriers to offer more minutes for the generous California LifeLine SSA. We reject suggestions that we apply one SSA or any set amount as a discount applicable to all wireless plans because we find such a system is not likely to provide sufficient incentives for carriers to offer enough minutes for low-income households to meet their minimum communications needs. Plans that offer insufficient minutes to meet California LifeLine participants' minimum communications needs may result in more overage fees for the Lifeline participant, undermining affordability. They may also increase congestion in the 911 system and result in unnecessary delays for

emergency services should calling 911 be the only available special services number for low-income customers.

The MOU chart and data show that most Californians and Americans use more minutes than are provided by most of the plans currently provided in California under the federal ETC subsidy of \$9.25 a month. Offering a state subsidy of \$5.75 and \$0.50 a month for administrative costs for plans offering between 501-999 minutes will incent more carriers to offer such plans, and make them more affordable to Lifeline participants. Affordability for LifeLine-eligible Californians may improve, and carrier participation may increase, if the carriers are able to qualify for both a federal ETC \$9.25 a month subsidy and the California LifeLine subsidy. For the range of 501-999 minutes, state and federal support combined will amount to \$15.50 a month. Offering a state subsidy of \$12.65 and \$0.50 a month for administrative costs for LifeLine element-compliant plans offering more than 1000 minutes will encourage more carriers to offer such plans, and thereby make them more affordable to Lifeline participants, particularly if the carrier is also a federal ETC provider and the \$9.25 a month subsidy is added to the California subsidy. That total support will amount to \$22.40 a month.

We believe these two tiers of support best leverage state and federal funds and foster choice, competition, and prudent fiscal management of the fund to the benefit of all ratepayers and eligible participants. We note that when Lifeline subscribers have the option of unlimited wireless voice service, as with the Cricket plan, they use substantially more than 1000 minutes a month, with Cricket customers using 1,500 minutes a month of voice service on average. Since we do not require LifeLine wireless providers to offer free, unlimited access to 800 or 800-like toll-free numbers that do not count toward minutes,

providing a higher subsidy of \$12.65 a month for plans that offer at least 1000 minutes a month will increase incentives to offer wireless plans that include enough minutes to cover the needs of low-income households to call 800 or 800-like toll-free numbers for access to such services as Covered California (the Affordable Care Act in California), Veterans benefits, Disability and Social Security benefits, and other numbers vital to many Californians such as suicide hotlines and domestic violence prevention hotlines, without worrying about exhausting voice minutes or incurring prohibitively expensive additional costs.

Aside from assessing MOUs to better satisfy low-income households' needs, we also observe how current federal Lifeline providers structure their federal Lifeline wireless service offerings in California. The four federal Lifeline wireless providers in California offer consumers a choice of voice minutes in increments of 250/300, 500, 1,000/1,100, and unlimited. Other potential wireless providers structure their plans similarly.⁶⁵

We also consider another state's available government discounted wireless plans. The Oklahoma Corporation Commission(OCC) requires a minimum of 1,000 local voice minutes per month of wireless ETCs on tribal land, and 500 local voice minutes per month on non-tribal land, or unlimited domestic calling to be considered in the public interest.⁶⁶ The OCC supports its Lifeline program with

⁶⁵ See, for example, Budget Mobile Lifeline, <http://www.budgetmobile.com/plans/> , and the Oklahoma Wireless Plans Chart.

⁶⁶ Oklahoma Register, Volume 30, No. 20, page 1592 (July 1, 2013), <http://ok.gov/sde/sites/ok.gov.sde/files/documents/files/30%20Ok%20Reg%2020.pdf> ; Jim Smith, Lifeline Law Advisor (July 12, 2013), <http://www.lifelinelaw.com/2013/07/12/tentvehicle-marketing-rules-and-other-restrictions-on-lifeline-marketing-now-effective-in-oklahoma/>.

\$1.17 per discounted telephone line per month.⁶⁷ While Oklahoma's support of \$1.17 is in addition to the federal funding received by the wireless ETCs serving Oklahoma, the OCC does not provide any reimbursement for administrative costs, taxes and surcharges, extended area service, and service connection/activation and conversion fees. Most of Oklahoma is on federally recognized tribal land,⁶⁸ allowing ETCs to receive enhanced Lifeline support of \$25 in addition to the \$9.25 resulting in total federal support of \$34.25 per participant.

OKLAHOMA WIRELESS PLANS CHART								
	Head Start Telecom, Inc. d/b/a Dartphone		Icon Telecom, Inc. ⁶⁹			YourTel America, Inc.		
Regular Rate	\$36.42	\$40	\$36	\$36	\$40			
Enhanced Lifeline Support	\$25							
Federal Lifeline Support	\$9.25							
Oklahoma Support	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	N/A	N/A	N/A
Total Support	\$35.42	\$35.42	\$35.42	\$35.42	\$35.42	\$34.25		
Monthly Discounted Rate	\$1	\$4.58	\$1	\$1	\$6.20	Free	\$1	\$4.58
Number of Voice Minutes	1,000	Unlimited	500	1,000	Unlimited	250	1,000	Unlimited

⁶⁷ Oklahoma Universal Service Fund, Lifeline Service Program Reimbursement Form, <http://www.occeweb.com/pu/OUSF/OUSF%20Request%20Forms/Lifeline%20Reimbursement%20Form.pdf>.

⁶⁸ <http://www.dartphone.com/oklahoma-tribal-land-map> and <http://www.ok.gov/odmhsas/documents/10%2037%20Federally%20Recognized%20Tribes%20in%20OK.pdf>

⁶⁹ Icon Telecom, Inc. notified the OCC and the FCC of its plan to relinquish its ETC designation and to stop offering Lifeline services. See Jennifer Loren, Okc based Icon Wireless Shuts Down Amid State Investigation, Newson6.com (Sept. 17, 2013, updated Oct. 7, 2013), <http://www.newson6.com/story/23459416/okc-based-icon-wireless-shuts-down-amid>.

OKLAHOMA WIRELESS PLANS CHART								
	Head Start Telecom, Inc. d/b/a Dartphone		Icon Telecom, Inc. ⁶⁹			YourTel America, Inc.		
Domestic Messaging (Text)	Or 2,000 texts	Not Available	1,500	500	Not Available	rate of 1 minute per text	Or 1,000 texts	Not Available
Additional Voice Minutes	Starts at \$5 for 60 voice minutes					increments of \$5, \$10, \$15, \$20, \$25, \$30, \$50 and \$60		

OKLAHOMA'S APPROVED LIFELINE WIRELESS PROVIDERS			
	WIRELESS PROVIDER'S NAME	FEDERAL	OKLAHOMA
1.	Assist Wireless, LLC	1	
2.	Blue Jay Wireless, LLC	1	
3.	Boomerang Wireless d/b/a en Touch Wireless	1	
4.	Budget PrePay, Inc. d/b/a Budget Phone, Inc.	1	
5.	Easy Telephone Services Co. d/b/a Easy Wireless	1	
6.	Head Start Telecom, Inc. d/b/a Dartphone (http://www.dartphone.com/lifeline-wireless)	1	1
7.	Icon Telecom, Inc. (http://www.icon.net/Lifeline.htm)	1	1
8.	IM Telecom, LLC d/b/a Infiniti Mobile	1	
9.	Nexus Communications, INC, d/b/a Nexus Communications TSI, Inc.	1	
10.	Q Link Wireless LLC	1	
11.	SafeTel, LLC (pending)	1	
12.	TAG Mobile, LLC	1	
13.	TelRite Corp. d/b/a Life Wireless	1	
14.	TerraCom, Inc.	1	1
15.	The Telephone Co., Inc.	1	1
16.	True Wireless, LLC	1	
17.	YourTel America, Inc. (https://www.yourtelwireless.com/lifeline-free-plans.php)	1	
	TOTAL #OF LIFELINE WIRELESS PROVIDERS SERVING ALL EXCHANGES IN OKLAHOMA ⁷⁰	17	4

⁷⁰ List of service providers as of Oct. 11, 2013 on OCC's Web site, OCC, Duplicate Providers by Exchange (Oct. 4, 2013), <http://www.occeweb.com/pu/ETC%20Designation/2013-10-04ETCInformationreport.pdf>.

Likewise, ETCs providing Lifeline in federally recognized tribal land in California would be eligible to receive enhanced federal Lifeline support of \$25 in addition to the \$9.25 resulting in total federal support of \$34.25 per participant. When leveraged with state LifeLine funds this will create incentives to offer Lifeline element compliant plans of 501-999 minutes a month for a total state and federal support level of \$40.50, and Lifeline element compliant plans of 1000 minutes a month or more for a total state and federal support level of \$47.40. As the Judicial Branch of the California courts notes, "California is home to more people of Native American/ Alaska Native heritage than any other state in the Country. There are currently 109 federally recognized Indian tribes in California and 78 entities petitioning for recognition. Tribes in California currently have nearly 100 separate reservations or Rancherias. There are also a number of individual Indian trust allotments."⁷¹ To qualify for the enhanced federal subsidy the service would need to be provided on federally recognized tribal land and conform to federal ETC rules.

At the LifeLine PPH in Eureka the representative of the federally recognized Yurok tribe, California's largest tribe with nearly 5,000 enrolled members,⁷² testified to the lack of availability of wireless service, or dial-tone phone service, in most of their reservation. We are concerned about the implications for public safety, economic participation, and community vitality and connectedness from the lack of communications service. The Yurok were granted a CPUC Rural Telecommunications Infrastructure grant in 2004 to bring

⁷¹ California Courts, The Judicial Branch of California, California Tribal Communities, <http://www.courts.ca.gov/3066.htm>.

⁷² <http://www.yuroktribe.org/culture/history/history.htm>.

electric and dial-tone telephone service to the reservation.⁷³ Electric service commenced to much of the Yurok reservation in mid-2013. Telephone service was provided to eight households as reported in a 2009 CPUC report.⁷⁴ We note with dismay that many households expecting to receive telephone service through the RTI grant still do not have dial-tone service as of October 2013. Construction and energizing of electric service took more than nine years after the grant's authorization. The CPUC Commissioners and staff, and the Yurok residents, await reply to inquiries about the deployment schedule for dial-tone telephone service necessary to call 911 in an area where wireless service does not reach many households. While the Yurok have developed their own wireless Internet service that reaches parts of their reservation,⁷⁵ 911 service does not accept emails or text, and a dial-tone connection to the PSTN is critical to reach these and other emergency services. We are concerned about the length of time between the grant approval and project completion and will review those issues separately to ensure that providers and suppliers who are contracted to bring these vital services are accountable for project monies and objectives.

At the Eureka PPH we heard from many speakers who described areas of rural Northern California where there is no wireless phone service, no cable service, no high-speed Internet service except through satellite providers with

⁷³ http://www.cpuc.ca.gov/NR/rdonlyres/1307DE29-BB35-4A8D-9C2F-CAA9BECA916C/0/rti_update_mar2009.pdf.

⁷⁴ CPUC, Rural Telecommunications Infrastructure Grant Program, RTI Update, page 5 (March 2009), http://www.cpuc.ca.gov/NR/rdonlyres/1307DE29-BB35-4A8D-9C2F-CAA9BECA916C/0/rti_update_mar2009.pdf.

⁷⁵ Joomla! Welcome to the WISP Directory, http://www.wispdirectory.com/index.php?task=listalpha&alpha=y&cat_id=0.

weekly bandwidth caps that can be exceeded through a single movie download, and in some cases, no dial-tone service or service characterized by frequent outages. We are concerned that these conditions persist in California in 2013, and will pursue some of these service and quality of service issues through other proceedings, including our service quality proceeding (R.11-12-001), the California Advanced Services Fund, and our wireless and broadband mapping project. We hope that the rules adopted here will also foster investment in infrastructure to expand service in rural areas, including federally recognized tribal lands. We believe the rules adopted in this Decision will help ensure that all Californians have their minimum communications needs met, their public safety enhanced, and that all Californians living in rural, remote, and tribal areas are able to participate in the economy through accessible and affordable communications technologies.

We have observed the retail service offerings available for residential customers and do not deem most currently available plans with at least 1,000 voice minutes as affordable for low-income households. Therefore, the graduated support we establish will incentivize providers to offer California LifeLine participants higher quality communications services, e.g., more voice minutes to receive the maximum reimbursement amounts. Graduating California LifeLine support to calibrate to the minutes provided creates incentives for carriers to meet communications needs of low-income Californians, helps control fund costs for all California ratepayers, and is sound policy and fiscal management as it correlates ratepayer support payments to the extent of service provided.

California's wireline LifeLine does not offer unlimited long distance calling, though it does require unlimited incoming calls and unlimited local calls

for flat-rate plans, and unlimited three-digit dialing to special services (211, 311, 511, 611, 811, and 911), and unlimited 800 or 800-like toll-free number calls. Since most wireless service providers do not differentiate between local and long-distance calls, but charge per minute for incoming and outbound calls, we conclude that requiring unlimited incoming calls, unlimited local calls, and unlimited 800 or 800-like toll-free numbers calls which do not count against minutes, is not consistent with market practices for wireless telephone service, and not necessary to meet California LifeLine wireless participants' minimum communications needs. However, the CPUC may provide California LifeLine support to telephone plans that meet or exceed the California LifeLine's service elements adopted today.

The predictability of designating fixed amounts for the discounts that participants will receive coincides with consumers' expressed needs at the PPHs for support certainty and ease of consumer calculation. While federal law prohibits the CPUC from regulating the price of wireless service,⁷⁶ a state may determine the level of support it will provide a carrier from its own state ratepayer funds. We choose to do so in a manner that will incentivize more affordable options, and therefore calibrate our support to the level of California wireless LifeLine service minutes provided.

The FCC also encourages state commissions to consider whether an ETC applicant offers a local usage plan comparable to those offered by the

⁷⁶ 47 U.S.C. 442(c)(3)(A) - "Notwithstanding section 152(b) and 221(b) of this title, no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service or any private mobile service, except that this paragraph shall not prohibit a State from regulating other terms and conditions of commercial mobile services. . . ."

incumbents in examining whether the ETC applicant provides adequate local usage to receive designation as an ETC. The FCC does not prevent states from determining the minimum number of local usage minutes appropriate for an applicant to be awarded ETC status.⁷⁷

Currently, California LifeLine wireline participants pay up to \$6.84 or half of the provider's rate for flat-rate local telephone service. Three federal Lifeline wireless providers (Nexus, Virgin, and Telscape) in California charge \$20.00 for wireless plans offering either 1,000 or 1,100 voice minutes monthly. Cricket and Nexus offer an unlimited voice plan costing \$21.50 and \$30.00, respectively, after applying the federal Lifeline discount. Accounting for the \$12.65 of California LifeLine support for these particular plans, wireless participants can potentially receive discounted telephone rates that are roughly comparable to what wireline participants are offered for flat-rate local telephone service, and that would provide additional benefits of long-distance service offered as per their practice.

Likewise, California LifeLine wireline participants pay up to \$3.66 or half of the provider's rate for measured-rate local telephone service. Nexus and Virgin charge \$5.00 for wireless plans with 500 voice minutes.

We designate \$5.75 as the California LifeLine support for eligible wireless plans with 501 to 999 voice minutes to encourage providers and competition to offer the higher end of this range at a lower price point.⁷⁸

⁷⁷ FCC 05-46, ¶ 34.

⁷⁸ We also observed retail service offerings with less than 1,000 minutes such as: 1) Verizon (pre-paid, non-smart phones) 500 voice minutes + unlimited texts + unlimited data for \$35.00 a month; and, 2) AT&T (post-paid smart phone) 900 minutes, no text or data, \$59.99 a month (additional minutes at 40¢ a minute).

If the federal Lifeline wireless providers are currently charging \$20 for wireless plans with 1,000 voice minutes while they are charging \$5 for 500 voice minutes, then the price of providing between 500 and 1,000 voice minutes could potentially be approximately \$15.00. The difference between \$15.00 and the federal support of \$9.25 is \$5.75. Additionally, if we chose the lowest end of the average MOU, which was CTIA's MOU of 615 voice minutes, and take the difference between 615 and the 500 voice minutes offered (the boundary we have set), this will result in the need to support 115 voice minutes. If we assume the average price of an additional minute is \$0.50, the product of 115 voice minutes and \$0.50 is \$5.75.

These support levels are based on the evidence of market practices and are designed to encourage service innovation, infrastructure investment, and to foster choice, competition, and ratepayer and consumer protection. We adopt these support levels to encourage prudent fiscal management of California's state LifeLine fund, to moderate the fund's impact on ratepayers, and to encourage providers to offer more plans with sufficient minutes of use and features to meet low-income participants' minimum communications needs.

4.14. Taxes and Surcharges Exemption

California LifeLine wireless participants shall continue to be exempt from paying the public purpose program surcharges, CPUC's user fee, federal excise tax, local franchise taxes, and State 911 tax associated with their telephone service as they are today. This exemption shall not alter the statutory requirement for all telephone corporations in California to assess, collect, and remit public purpose program surcharges on revenues collected from end-users for intrastate telecommunications services that are subject to surcharge, including VoIP service providers as provided in California Public Utilities Code Section 710.

4.15. Consumer Protection Requirements for California LifeLine Wireless**4.15.1. California LifeLine Service Unbundled Obligation**

Participating California LifeLine wireless providers shall offer at least one plan meeting California LifeLine wireless service elements on an unbundled basis, i.e., without any data and/or video services. However, any of the California LifeLine supported plans may include domestic messaging. California LifeLine providers shall not require participants to purchase bundled plans with video, data, and/or any other services to receive the California LifeLine discounts. However, our rules do not preclude consumers from upgrading or purchasing additional services they may want or need, while still retaining their LifeLine support. This flexibility will promote affordability for LifeLine participants and judicious fiscal management of ULTS ratepayer funds by preventing LifeLine carriers from forcing consumers to buy LifeLine packages with video and data in order to obtain LifeLine support. Since most wireless plans include domestic messaging and few offer stand-alone voice, we do not prohibit LifeLine carriers from offering domestic messaging with voice plans that otherwise meet the LifeLine service elements.

4.15.2. California LifeLine Services in Bundled Plans

California LifeLine providers shall offer potential and existing California LifeLine participants the choice to apply the federal Lifeline and California LifeLine discounts to residential telephone service plans or to any bundled service plan eligible for state support, including all promotional service or family plans that include California LifeLine telephone service consistent with California LifeLine rules. The purpose of this rule is to expand consumer choice and to promote competition and technological innovation in the range of

telecommunications services and technologies offered to consumers. California LifeLine participants should be able to apply the discount to any plan a service provider offers that meets the minimum criteria. As stated with regard to the unbundled obligation, LifeLine participants may not be forced to choose a plan bundled with video or data, or a family plan, to be eligible for LifeLine. While LifeLine carriers must offer one plan that contains only LifeLine-compliant voice, and may contain domestic messaging, a LifeLine carrier must also permit the LifeLine participant to apply the discount to other plans, including family and promotional plans, which contain LifeLine-compliant residential telephone service.

4.15.3. Free and Unlimited Calls to Special Service N11 Numbers

All California LifeLine wireless providers shall provision unlimited access to the following three-digit special service numbers: 211 (Community Information and Referral Services), 311 (Non-emergency Police and Other Governmental Services), 511 (Traffic and Transportation Information), 611 (Repair Service), 711 (Telecommunications Relay Service), 811 (Access to One Call Services to Protect Pipeline and Utilities from Excavation Damage), and 911 (Emergency Services). No charges shall be imposed for such calls. Calls to these special services N11 numbers also shall not be deducted from the participant's allotted voice minutes. Provisioning free, unlimited access to special services N11 numbers promotes public safety in emergency and non-emergency situations. The CPUC is committed to consumer and public safety and finds that untrammelled access to these special service numbers contributes to public safety.

The 211 abbreviated dialing code connects callers with community information and referral services such as evacuation assistance and suicide

prevention resources. The FCC established 211 in 2000 in response to a petition from the United Way, the Alliance of Information and Referral Systems, and several other organizations. The CPUC has authorized 211 services in many regions of California. The FCC notes the following

In July 2000, the Federal Communications Commission reserved the 211 dialing code for community information and referral services. The FCC intended the 211 code as an easy-to-remember and universally recognizable number that would enable a critical connection between individuals and families in need and the appropriate community-based organizations and government agencies. Dialing 211 helps the elderly, the disabled, those who do not speak English, those who are having a personal crisis, those who have limited reading skills, or those who are new to their communities, among others, by providing referrals to, and information about, health and human services organizations and agencies.⁷⁹

When the CPUC established the 211 service in Humboldt County in Northern California, Access Humboldt, a non-profit that promotes broadband Internet and information access in Humboldt County through its Digital Redwoods initiative, noted that “211 is a telephone short code that connects people to local Information & Referral (I&R) services - 211 is often a crucial back up to 911 services in disaster and emergency situations.”⁸⁰ In Los Angeles County, the most populous county in our state, “211 partners directly with the Los Angeles County Office of Emergency Management to be the primary provider of disaster preparedness and response information services to the

⁷⁹ <http://www.fcc.gov/guides/dial-211-essential-community-services>.

⁸⁰ 211 Service for Humboldt and other Counties in California without 211 Centers, AH Press Release, <http://accesshumboldt.net/site/211-service-humboldt-and-other-counties-california-without-211-centers-0>.

community before, during, and after disasters. In times of local or national distress, 211 LA County responds by providing timely and accurate information for any member of the community to learn valuable and life-saving information... Under contract with Los Angeles County, 211 is also the public's interactive information source for the County in the event of a disaster or terrorist act."⁸¹

The 211 service played a critical role in the wild fires that plagued Southern California in 2007. A report on the 211 service, *Trial by Fire, How 2-1-1's Regional Response to the 2007 Southern California Wildfires Underscored the Need for a Statewide Network*, was issued by Call 211; and the United Way lauded the role of 211 in disaster assistance, evacuation, and safety information:

In October 2007, Southern California communities experienced first-hand the role 2-1-1 can play during a disaster. Twenty separate wildfires consumed large parts of six Southern California counties; in all, more than 500,000 people would be evacuated from homes in San Diego County alone. During these evacuations, major highways were closed as new fires began and existing fires spread. Information about evacuations, shelters, and road closures changed by the minute. Over the period of October 21 through October 25, 2007, more than 130,000 calls to 2-1-1 were answered in the counties of Los Angeles, Riverside, Orange, San Bernardino, San Diego and Ventura, an increase of 764 percent over the same period the previous week. In a single day, October 24th, the six call centers answered more than 41,000 calls (with 2-1-1 San Diego answering 81 percent of them), comparable to the call volume of a mid-sized call center for an entire year. Unlike other types of disasters, wildfires pose the challenges of shifting evacuations, fires burning

⁸¹ 211 Los Angeles County, *Disaster Preparedness and Response*, <http://www.211la.org/disaster/>.

and expanding over days, continuously changing traffic closures, and simultaneous situations of response and recovery.⁸²

The 211 abbreviated dialing code and answering system has played a vital and life-saving role in many areas of the state. Access to 211 also helps Californians save time and minimize their calls to different services. California 2-1-1 reports that “Without 2-1-1 people must call an average of eight numbers before getting the help they need.”⁸³

At the LifeLine PPHs in Fresno, Eureka, and Salinas, several speakers addressed the importance of 211 and urged the Commission to ensure that LifeLine participants have the ability and enough minutes to reach 211. In Eureka the United Way representative discussed the role of 211 in connecting callers with social services, and evacuation assistance, an important role in a fire and tsunami-prone area.⁸⁴ In Fresno the United Way representative spoke about the importance of mobile access to 211, and 211’s assistance to callers seeking social service and emergency resources.⁸⁵ In Salinas the 211 representative spoke about the role of 211 in disaster aid, including the tsunami alert that followed the Fukushima earthquake and the damage to the Santa Cruz harbor.⁸⁶

⁸² Trial By Fire: How 2-1-1’s Regional Response to the 2007 Southern California Wildfires Underscored the Need for a Statewide Network, http://d32e7ipx0dnfwj.cloudfront.net/wp-content/uploads/2011/02/2-1-1-CA_uw_TrialByFire_FINAL_HI_RES1.pdf.

⁸³ California 211, <http://211california.org>.

⁸⁴ PPH Eureka, July 17, 2013, pages 505-509, 520-521.

⁸⁵ PPH Fresno, July 31, 2013, pages 554-555.

⁸⁶ PPH Salinas, August 13, 2013, pages 639, 643.

The PPH speakers who manage 211 systems reported that most 211 calls are brief, lasting 5 minutes or less.⁸⁷ Few calls last 30 minutes or more, although the length may change depending on the nature of the call and projects such as the Eureka 211 contract with Covered California to assist in Health Care enrollment questions.⁸⁸

In light of the importance of 211 to public safety including disaster and terrorism response, and social services including suicide prevention, and the relatively short reported duration of most 211 calls, we require California LifeLine providers to provide free, unlimited access to 211 and not count such calls toward any minute limitations or the basis for extra charges. Including 211 in the LifeLine elements may save overall minute usage, and will save time, prevent frustration, and may save lives. As California 2-1-1 noted, 211 calls are included for free for California LifeLine wireline participants as part of their free, unlimited local calling. We see no reason to deny this feature to California LifeLine participants who choose wireless services, as 211 access helps callers, promotes public safety, and reduces congestion on the 911 system and other first responder resources.

In 1997 the FCC approved the 311 abbreviated dialing code for non-emergency police and other government services. The 311 code was intended to relieve the burden on 911 so that only emergency calls were made to 911. Many communities also use 311 for callers to report hazards such as potholes that can lead to traffic accidents, and for non-emergency informational or safety matters.

⁸⁷ PPH Salinas, August 13, 2013, page 637.

⁸⁸ PPH Eureka, July 17, 2013, page 512.

The U.S. Department of Justice urged the FCC to create 311 and lauded its role in increasing public safety and reducing burdens on the 911 system.

As a vehicle for advancing community policing, 311 systems can create an avenue for citizens to share information with police, report quality of life issues before they escalate into larger crime and disorder problems, and gain access to police and other municipal services. By diverting non-emergency calls from 911 and reserving police resources for true emergencies, 311 systems can alleviate the cycle of reactive policing and enhance police service delivery.⁸⁹

We note that 311 calls are included for free for California LifeLine wireline participants as part of their free, unlimited local calling. We see no reason to deny this feature to California LifeLine participants who choose wireless service since 311 service helps callers, protects public safety, and reduces congestion on 911 emergency services and other first responder resources. If California LifeLine wireless participants ran out of voice minutes and could not call 311, they might call 911 instead, defeating the purpose of creating 311. Shifting calls to 911 instead of the appropriate special service related N11 numbers would add congestion to the 911 system, and could result in unnecessary delays for emergency services and in costs to local and state governments, ratepayers, and taxpayers. In light of the level of California LifeLine support we adopt in this Decision, we require LifeLine providers to include free, unlimited access to 311 and not count 311 calls toward any voice minute allotments.

The abbreviated dialing code 511 is used to access traffic and transportation information. This is important to public safety particularly when incidents such as the Bay Area Rapid Transit (BART) District strikes of 2013

⁸⁹ U.S. Department of Justice, Office of Community Oriented Policing, COPs Fact Sheet, Nov. 2007, <http://www.cops.usdoj.gov/Publications/e01060007.pdf>.

stopped BART service in the San Francisco Bay Area and greatly increased traffic congestion and the potential for accidents. 511 services provide alternate routes, and are also used by the deaf or hearing impaired consumers. The San Francisco Bay Area (SF Bay) 511 site lists frequently asked question including one relevant to this Decision, “**Is 511 really free?**” SF Bay 511 answered:

Yes. 511 does not charge for any feature on the 511 phone service or 511.org. In some cases, depending on your wireless agreement, you may receive charges from your mobile phone company. For example, wireless plans that bill for local calls such as from area code, 415, to area code, 510, may receive local tariff charges when dialing 511. If your plan does not include local tariff charges, then your 511 calls will continue to only cost you the minutes used during your calls. Additionally, if you sign up for MY 511 alerts, charges may be incurred when receiving text message alerts. Consult your wireless agreement or contact your wireless provider to understand whether you will incur these charges.⁹⁰

The ability to call 511 reduces calls to 911 about traffic conditions and accidents, and provides vital information to the public, especially during urgent situations like a transit strike or earthquake. Callers can dial 511 and “Say ‘Freeway Aid’ to get non-emergency freeway assistance,” helping travelers stuck on the road and potentially reducing 911 call volumes. The San Francisco Bay Area 511 “is managed by a partnership of public agencies led by the Metropolitan Transportation Commission, the California Highway Patrol (CHP), and the California Department of Transportation.” Its use also helps conserve CHP, and thus state resources, and facilitates safety and CalTrans work. While many Californians access 511 online, call volumes for the San Francisco Bay Area

⁹⁰ 511 SF Bay, Frequently Asked Questions, <http://511.org/call-511-faq.asp#free>.

511 exceeded 500,000 a month on average in 2011.⁹¹ LifeLine participants who run out of voice minutes may not be able to call 511 without buying extra voice minutes and incurring additional charges under current practices whereby wireless service providers count calls to 511 against allotted voice minutes. This may shift 511 calls to 911 instead because wireless callers can still connect to 911 for free even when voice minutes have expired. To promote public safety and avoid unnecessary congestion on the 911 system, we require LifeLine providers to provide free, unlimited access to 511 and not count calls to 511 against the participants' allotted voice minutes. The generous California LifeLine subsidy of \$5.75 and \$0.50 per LifeLine participant for LifeLine compliant plans offering 501-999 minutes, and \$12.65 and \$0.50 per LifeLine participant for LifeLine compliant plans offering 1000 or more minutes should be sufficient to address costs associated with providing this public safety and benefit LifeLine participants, ratepayers, public safety resources, and the public at large. We note that 511 calls are included for free for California LifeLine wireline participants as part of their free, unlimited local calling.

The wireless industry uses the abbreviated dialing code 611 to allow its customers to call their customer care for repair services. Dial 611.com reports "**It's Free** - Dialing 611 does not count against your monthly minutes."⁹² In light of industry practice⁹³ to include free, unlimited access to 611 in mobile voice

⁹¹ Metropolitan Transportation Commission 511 Usage Statistics
http://www.mtc.ca.gov/services/511/511_USAGE_STATISTICS.pdf.

⁹² Dial 611.com http://dial611.com/why_611.php.

⁹³ Staff learned that Virgin (via contacting its call center) and AT&T Wireless (via online search) do not count calls to 611 towards minutes of use. AT&T Wireless' GoPhone Plans include free calls to 611 ("Free Calls: 611 customer service & 911 emergencies.

Footnote continued on next page

plans and not count 611 calls against allotted voice minutes, and the role of 611 in helping consumers manage their plan usage and resolve billing and other issues, we require this continued provision of California LifeLine providers.

Moreover, California LifeLine wireline participants will benefit from a service element specifically requiring free, unlimited toll-free access to customer service for information about California LifeLine, service activation, service termination, service repair, and billing inquiries. We see no reason to deny a similar service element to California LifeLine wireless participants, as 611 helps manage their plans and resolve billing, coverage, and other issues. This can potentially reduce service disconnections and reactivations and Fund costs. Free access to 611 that does not count toward plan minutes assists in prudent ULTS fund management, and helps California LifeLine participants maintain effective and affordable service. In light of the level of California LifeLine support we adopt in this order, we require LifeLine carriers to include free access to 611 and not count 611 calls toward any minute limitations.

The FCC created the 711 three-digit dialing code in 1997 when it created 311.⁹⁴ It is established for Telecom Relay Services, crucial to communications

However, calls to 611 for the purpose of purchasing digital content will incur standard airtime charges after a period of time. 611 may not work in all areas. You can also use 866-499-7888 to reach customer service.” See <http://www.att.com/shop/legalterms.html?toskey=goPhonePickYourPlanTerms>). AT&T Wireless Home Phone also includes calls to 611 with its service (See Attachment H and <http://www.att.com/esupport/article.jsp?sid=KB413140&cv=820#fbid=X1XWy0flpdq>)

⁹⁴ Fact Sheet: Abbreviated Dialing Codes - N11, http://transition.fcc.gov/Bureaus/Common_Carrier/News_Releases/2000/nrc0036a.html.

from Deaf and Hard-of-Hearing persons. The FCC reports that “TRS permits persons with a hearing or speech disability to use the telephone system via a text telephone (TTY) or other device to call persons with or without such disabilities.”⁹⁵ The FCC lauds the ability of 711 to facilitate communications by and with people with a hearing or a speech disability:

If you want to call someone using TRS, use your TTY or dial 711 on your telephone, and you will automatically be connected to a TRS operator. If you’re a TRS user traveling out of state and want to make a call, there is no longer a need to learn the state’s TRS provider’s telephone number. Just dial 711. It’s fast, functional and free.⁹⁶

In light of the critical role of 711, the FCC has determined that providers of interconnected VoIP service must offer the 711 abbreviated dialing.⁹⁷

Today California LifeLine provides discounts on two telephone lines for TTY users or the hearing impaired, of which the second discounted telephone line is fully funded by California (no federal Lifeline support) in recognition of a household’s need for another telephone line aside from the telephone line dedicated to the TTY so that other possible household members may access telephone services. The Commission understands the importance of 711 and telephone relay services to the hearing and speech disabled, and has supported an additional line to ensure their access to the public telephone network. California state and federal laws also require service providers to complete 711 and relay calls. We have recognized that 711 and relay services are a lifeline for

⁹⁵ FCC Consumer Guide 711 for Telecommunications Relay Service, <http://transition.fcc.gov/cgb/consumerfacts/711.pdf>.

⁹⁶ *Id.*

⁹⁷ *Id.*

hearing and speech disabled Californians who have difficulty communicating via telephone without such services. The CPUC further expanded California LifeLine's accessibility to DDTP participants to ensure that the equipment purchased by the DDTP program will be effective in meeting the communications needs of eligible low-income users.⁹⁸

As with other abbreviated dialing codes (except for 411), 711 calls are included for free for California LifeLine wireline participants as part of their free, unlimited local calling. We see no reason to deny this feature to California LifeLine wireless participants. The 711 abbreviated dialing code is a vital link for hearing and speech impaired callers and for those who wish to communicate with them. It helps communication with public safety, increases opportunities for economic and civic participation, and increases connectedness critical to people with disabilities. If California LifeLine wireless participants ran out of minutes and could not call 711, they will face many more hurdles in having their calls understood. In light of the level of California LifeLine support we adopt in this Decision, we require LifeLine providers to include free, unlimited access to 711 and not count calls to 771 against the participants' allotted voice minutes. We distinguish a call to 711 from the associated call to another number, and only require the 711 component of the call not to be counted toward voice minutes, unless it is associated with a call to another N11 number other than 411 (Directory Assistance). This rule balances incentives for California LifeLine participants to be mindful of their use of voice minutes if they choose a plan that

⁹⁸ D.10-11-033, Section 5.3 at 76-77.

is not unlimited, with the need for access to 711 to promote public safety, economic participation, and civic inclusion.

The FCC launched the 811 abbreviated dialing code as the “Call before you dig” number in 2007 to provide access to one call services to protect underground utilities from excavation damage. With the urging of the Common Ground Alliance (CGA), the FCC adopted 811 as a national number so that all Americans, whether a renter tilling a backyard or community garden, a homeowner digging a fence post hole, or a contractor who plans to excavate, can find out about gas lines underground and ask for those lines to be marked.⁹⁹ “Knowing where utility lines are buried before each digging project helps protect those who dig from injury, expense and penalties,” said CGA President Bob Kipp.¹⁰⁰

The CPUC supports 811 “call before you dig” services and has participated in national and statewide campaigns to raise awareness about the 811 services.¹⁰¹ The CPUC emphasizes that, “Everyone from those digging small holes for lawn and garden projects to contractors digging up pavement need to call 811 to know what’s below before they start their project in order to eliminate the risk of striking an underground utility line. Installing a mailbox, putting in a fence, building a deck, and laying a patio are all examples of digging projects for which

⁹⁹ CGA launches national 811 "Call Before You Dig" number and Web site to help save lives and protect American underground infrastructure, <http://www.call811.com/for-the-media/launch-of-national-811.aspx>.

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

811 should be called before starting.”¹⁰² The CPUC also emphasizes that “Utility lines need to be properly marked because even when digging only a few inches, the risk of striking an underground utility line still exists. Failure to call before digging results in more than 250,000 unintentional hits annually.”¹⁰³

Striking an underground utility line can cause hazards ranging from damage to the line to death for the digger and others. Natural gas, electric, telecommunications, and water lines may be underground. Public safety is this Commission’s highest priority. Digs at utility lines have damaged natural gas lines, resulted in the death of those who struck a line, damaged lines, and can injure other people, in addition to damaging or destroying property. Preserving the ability for LifeLine participants to call before they dig is critical to public safety, the role of this Commission, to the safety of utility resources Californians count on, and is a prudent investment.

We note that 811 calls are included for free for California LifeLine wireline participants as part of their free, unlimited local calling. We find this a valuable feature for California LifeLine wireless participants. Enabling all California LifeLine participants to call 811 without its counting against their allotted voice minutes or number of calls may encourage more calls to 811 and requests that utility lines be marked in outdoor areas. If California LifeLine wireless participants ran out of voice minutes and could not call 811, they may risk injury to themselves and others, and damage utility lines and property, all for the lack of enough voice minutes to call 811. This could lead to increased 911 calls, and

¹⁰² California Public Utilities Commission, Call 811 Before You Dig, <http://www.cpuc.ca.gov/PUC/events/811.htm>.

¹⁰³ *Id.*

increased costs to utilities including telecommunications, electric, natural gas, and water utilities, who must repair dig-ins. In light of the level of California LifeLine support we adopt in this Decision, we require LifeLine providers to include free, unlimited access to 811 and not count 811 calls against the participants' allotted voice minutes.

4.15.4. Prohibition on Penalties Associated with Paying Telephone Bills

The provider shall not assess a fee to participants for paying their bills in person by cash, check or other form of payment. This requirement will promote program retention and continued telephone service usage while keeping telephone service affordable and eliminating barriers to consumers retaining their telephone service.

4.15.5. Contract Termination and Equipment Return Policy

California LifeLine wireless participants shall have the ability to terminate service for any reason within 14 days of service activation without incurring any charge, including an early termination fee. This rule is warranted in light of our decision not to require that LifeLine wireless work inside the home. California LifeLine participants must be given a meaningful opportunity to test the service at home and in areas they frequent. In-building penetration problems are common, and trees, mountains, terrain, and signal gaps can make service infeasible or below a voice-grade connection.

A uniform 14-day return policy will create administrative ease for LifeLine participants, providers, and administration. It may also discourage later disconnection and reactivation, actions which can potentially increase Fund costs. This will also encourage LifeLine participants to promptly check their signal and coverage adequacy, and make it easier for carriers to address concerns

about coverage, and reduce disputes with LifeLine participants who are able to cancel without penalty within 14 days of LifeLine service.

Any and all applicable service connection charges and deposits shall be refunded if the participant terminates California LifeLine wireless telephone service within three business days of service activation, excluding national holidays. These rules are consistent with the settlement agreement which wireless service providers signed with 32 other states.¹⁰⁴

Participants shall be responsible for paying for California LifeLine telephone services until the service termination date. The provider shall not assess a restocking fee upon participants for devices returned within three business days of service activation, excluding national holidays.

We encourage all service providers to adopt a sliding scale for the early termination fees, when applicable, so that the fee declines during the length of the contract. Such declining early termination fees reflect industry best practices, and the FCC encourages this practice.

The provider shall not require contracts lasting more than two years for California LifeLine participants; and the terms must be comparable to terms offered to the provider's other retail customers for the same service and/or device, except as needed to comply with California LifeLine rules.

¹⁰⁴ Cingular Wirelss LLC, Assurance of Voluntary Compliance, June 25, 2004; Sprint Spectrum, L.P., Assurance of Voluntary Compliance, June 25, 2004; Celloco Partnership d/b/a Verizon Wireless, Assurance of Voluntary Compliance, June 25, 2004.

4.15.6. Equivalent Rates for Purchasing Additional Voice Minutes

The provider shall provide participants an option to purchase additional voice minutes. Moreover, the provider shall allow participants to purchase additional minutes of voice service at the lowest charge offered to other retail customers for comparable plans with similar services and/or features. Furthermore, the provider may offer plans in which service may end, e.g., phone operation ceases except for 911 calls and calls to special services numbers 211, 311, 511, 611, 711, and 811 when the participant has used all of the allotted voice minutes, but shall prominently disclose that the phone will cease operation except for 911 calls, and calls to those numbers designated by this Commission as special services numbers for California LifeLine. The provider shall prominently disclose and disseminate the terms and conditions associated with the purchase of additional voice minutes, and the process for acquiring and paying for additional voice minutes.

We do not adopt any rules or discounts regarding any overage fees California LifeLine participants may incur. The FCC has implemented various initiatives to limit possible telephone bill shock. For example, the FCC reached a voluntary agreement with the major U.S. wireless service providers in the year 2011, in which these providers commit to sending a series of free usage alerts to their customers signed up for certain wireless plans.¹⁰⁵ The wireless plans with these alerts are those that impose additional charges for exceeding limits on voice, data or text usage. Moreover, consumers without an international

¹⁰⁵ Preventing Bill Shock, <http://reboot.fcc.gov/billshock>; Helping Consumers Avoid Bill Shock, <http://www.fcc.gov/bill-shock-alerts>; and CTIA Consumer Code for Wireless Service, http://files.ctia.org/pdf/The_Code.pdf.

roaming plan/package who may incur charges when using their wireless devices while travelling abroad can also receive these alerts. These providers will send the alerts to their customers when they approach or exceed their plan allowances for voice, data and messaging.

4.15.7. Equivalent Handsets

All handsets shall be available to LifeLine participants on the same basis as to the provider's other retail customers. It is our intent that participants should be able to have a choice of handsets. If the California LifeLine wireless plan comes with a device, the provider shall prominently disclose and disseminate information about whether the device is refurbished and if the device is limited to that provider's network. The terms for unlocking a device sold with a California LifeLine wireless plan must be consistent with the terms for other customers and must be prominently disclosed.

4.15.8. Free Blocking of and One-Time Free Billing Adjustment for 900/976 Information Services

The provider shall provision free blocking of 900/976 information services and provide participants a one-time free billing adjustment for 900/976 information services charges inadvertently or mistakenly incurred, or without authorization.¹⁰⁶

¹⁰⁶ Other billing adjustments for unauthorized charges appearing on a customer's phone bill are governed by D.10-10-034, the Commission's billing rules decision.

4.15.9. Prominently Disclose and Disseminate Terms and Conditions

Similar to the intent of CTIA's Consumer Code for Wireless Services,¹⁰⁷ and in compliance with General Order 168 (Consumer Bill of Rights), we require providers to prominently disclose and disseminate their terms and conditions of service. Participants have a right to receive clear and complete information about all material service terms and conditions. The Consumer Bill of Rights also provides that consumers have a right to clear and complete disclosure of material limitations on access to 911 emergency services.

These relevant terms and conditions shall encompass: the providers' rates and fees; the charges, terms, and conditions associated with purchasing additional minutes; 911 emergency services location accuracy and reliability standards; potential service coverage and service quality issues; safety related considerations when handsets are removed from the home and when there is poor mobile reception; any charges associated with calling 800 or 800-like toll-free services; the device's condition if refurbished; the device's operation on other providers' wireless networks if the participant switches providers; and power back-up requirements for the system that supports California LifeLine wireless service, including limitations due to power for equipment on towers or other facilities, e.g., that wireless telephone service may not work if the tower the wireless handset is trying to reach loses commercial or backup power. Additional disclosures must include the entitlement to a voice grade connection, the conditions under which the participant may terminate service without penalty, and the charges or fees associated with using operator services.

¹⁰⁷ CTIA Consumer Code for Wireless Service, http://files.ctia.org/pdf/The_Code.pdf.

4.15.10. Equivalent Terms of Sale

California LifeLine providers must offer California LifeLine telephone plans on the same basis as plans offered to their other retail customers except as provided in this Decision.

4.16. Free Access to California Relay Service via 711

Consistent with the way calls to 711 from wireline providers are treated, we allow California LifeLine wireless providers to assess air time minutes for 711 calls. The purpose of the 711 three-digit dialing access is to enable quick and efficient connection to a relay service provider. It is not intended to provide toll-free long distance calling to relay service users.¹⁰⁸

4.17. Toll Limitation Services at No Charge

Consistent with the federal rules, free, unlimited toll-limitation services, i.e., toll-blocking and toll-control, shall be required if the provider charges a fee for toll calls (domestic or international) in addition to the cost of the per month or per billing cycle rate for the telephone service. Otherwise, toll-limitation service does not need to be offered.

The provider shall provide toll-control service, but only if (i) the provider is capable of offering toll-control service, and (ii) the California LifeLine participant has no unpaid bill for toll service.

¹⁰⁸ We are mindful that wireline service providers' plans vary and some offer discounted toll rates to relay service users. Such discounts may be offered, consistent with California LifeLine, but are not required.

4.18. Free, Unlimited Access to Customer Service and In Language of Sale

The provider shall provide free, unlimited access to customer service for information about California LifeLine, service activation, service termination, service repair, and bill inquiries. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls

As required for wireline LifeLine, the provider shall provide free, unlimited access to customer service representatives fluent in the same language (English and non-English) in which California LifeLine was originally sold. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls

4.19. Interest-Free Payment Plans

We extend the benefit of interest-free payment plans applicable to service connection/activation and deposits received by California LifeLine participants with landline telephone service to consumers of other types of telephone services eligible for California LifeLine support. This will help participants defray and manage the costs of establishing telephone service (service connection/activation and deposit) and further advance our universal service objectives.

4.20. Deposits

Pre-paid plans do not typically have credit checks or deposits. However, it is possible for post-paid plans to require either a credit check or a deposit to establish telephone service. Under our current rules set forth in General Order 153, LifeLine providers may require consumers to post a deposit in order initiate telephone service, but they must refund the deposit once the consumers are approved for LifeLine. We extend this requirement to California LifeLine wireless providers, and allow them to collect deposits from consumers prior to

eligibility determination and then refund them, if LifeLine eligibility is approved. This requirement applies to post-paid plans, but also extends to pre-paid plans if those plans similarly require a deposit for service initiation.

Some wireless providers may require a credit check in lieu of a deposit in order for consumers to initiate service, and they may continue to do so for California LifeLine customers. California LifeLine wireless providers may, however, offer LifeLine participants the option of paying a deposit in lieu of a credit check or offer a deposit on the same basis as offered to non-LifeLine customers if the LifeLine participants do not qualify for the provider's credit score criteria established for all customers choosing that plan.

We also adopt the federal deposit rules in 47 C.F.R. 54.401(c), which state that "Eligible telecommunications carriers may not collect a service deposit in order to initiate Lifeline service for plans that: (1) Do not charge subscribers additional fees for toll calls; or (2) That charge additional fees for toll calls, but the subscriber voluntarily elects toll limitation service." We adopt these federal rules for California LifeLine wireless providers so that a wireless service provider offering a post-paid California LifeLine service may not charge or collect a service initiation deposit for plans that do not charge participants additional fees for toll calls, or plans that charge additional fees for toll calls, but the participant voluntarily elects toll limitation service.

4.21. Pre-qualification Exemption for Pre-paid Wireless Services

We exempt California LifeLine pre-paid telephone services from the pre-qualification¹⁰⁹ requirement. Unlike service provided on a post-paid contractual

¹⁰⁹ D.08-08-029, OP 1-6. G.O. 153 Section 2.38.

basis, there is no potential for back-billing. Therefore, after receipt of a participant's approval as determined by the California LifeLine Administrator, a provider may begin providing discounted service to the participant. The discount shall begin with the date of approval notification or the date California LifeLine service is activated, whichever is later. These conditions will help prevent waste, fraud, and abuse.

4.22. Expanding California LifeLine Program's Accessibility

We also extend California LifeLine's accessibility to eligible low-income California-resident households without Social Security Numbers (SSN), but where the eligible adult has some form of valid government issued identification. Joint Consumers argued that requiring an SSN is discriminatory, not necessary to protect program integrity, and undermines the Moore Act's objectives of providing affordable communications services for qualifying low-income California households. Under the rules that will be developed pursuant to this Decision, low-income California households with a government-issued identification may apply for the California LifeLine Program and receive the discounts if they are deemed eligible for the program.

The federal program requires the last four digits of the applicant's Social Security Number to prevent fraud, waste, and abuse. Our California-funded-only program shall differ from the federal program in this respect. In light of the requirements adopted herein for a form of valid government issued identification, for documentation of income-based or program-based eligibility, for California residency, for date of birth, and for other eligibility checks done by the California LifeLine Administrator, we deem these eligibility validation requirements to qualify for California LifeLine (but not federal Lifeline) a degree

of protection as strong or stronger than the use of the last four numbers of a SSN to verify eligibility.

We note that California has two California-funded-only LifeLine programs that do not draw on federal Lifeline funds. California eligible low-income TTY users, DDTP participants, and hearing impaired consumers may have two discounted telephone lines, of which the second telephone line is fully funded only by California LifeLine, i.e., has no federal Lifeline support, in order to facilitate safety, economic participation, and access. Additionally, non-ETCs including CPCN holders that provide California LifeLine through VoIP receive only California funding to offer California LifeLine. This precedent for California-funded-only LifeLine for non-ETC providers and DDTP participants or TTY users provides Californians with more choices of LifeLine providers, and provides needed services to Californians who are not adequately supported by federal funds.

Extending California-funded-only LifeLine to eligible low-income Californians who otherwise qualify for LifeLine and have a government identification, but not a valid SSN, is consistent with the goals of California's LifeLine Program: Access to affordable telecommunications services promotes public safety, may save lives, and create safer communities by enabling Californians who qualify for LifeLine but do not have a valid SSN to be able to call 911 emergency services, other special services and access 800 or 800-like toll-free services. It will also promote economic participation by qualifying low-income Californians who will have access to affordable communications services through these rules, and thereby help meet minimum communications needs for all residents of California. The Moore Act did not limit LifeLine to only Californians with a valid SSN; and we decline to import such a limitation from

the federal rules for California's administration of a Fund supported exclusively by California ratepayers. We also note that many California ratepayers do not have a valid SSN, yet currently pay into the Fund when they buy communications services. Extending the availability of California LifeLine to those without a valid SSN, but who otherwise qualify for LifeLine and have a valid government-issued identification, and other supporting documents required for eligibility, is consistent with the Moore Act, and this Commission's policies of promoting public safety, access, and affordability. We direct the Communications Division to begin developing this California LifeLine only funded program expansion to enable low-income consumers without SSNs to participate in the California LifeLine Program and promote community participation by such individuals. Implementation related policies and procedures of this California LifeLine-only funded program expansion will be the subject of a subsequent decision.

4.23. Rehearing Issues

In D.12-07-022, the Commission granted limited rehearing of D.12-11-033 to perform the following:

- a. Review the factors identified in D.00-10-028 and discussed in the official publication of that decision in 8 Cal.P.U.C.3d, at pages 641-643, that were not identified and discussed in D.10-11-033 and explicitly consider: (i) whether those factors still preclude wireless and other non-traditional carriers from participating in the California LifeLine program, and (ii) what action can be taken to facilitate wireless and other carriers' participation in the LifeLine program;
- b. Consistent with the discussion in the body of this order, ensure that rehearing is limited to addressing those issues that are true preconditions to allowing wireless and other non-traditional carriers to provide LifeLine service by allowing parties to present arguments showing that this Commission can avoid in-depth

- consideration of any of the factors identified in D.00-10-028 because circumstances make those factors less relevant today than they were in 2000;
- c. Give parties, the Assigned Commissioner(s) and the Assigned Administrative Law Judge(s) flexibility to consider these issues in this rulemaking or in conjunction with either R.09-06-019, regarding the definition of “basic service,” or R.11-03-013, the successor to this proceeding;
 - d. Re-open the record and include the study entitled “Affordability of Telephone Service 2010, Survey of Households” (2010 Affordability Study);
 - e. Give parties an additional opportunity to review and comment on the information contained in that study;
 - f. Receive input from the parties and to consider whether the information in the 2010 Affordability Study was given the proper weight in our analysis;
 - g. Receive input from the parties and to consider whether we are now required to change the analytic approach to affordability questions and their relationship to the adoption of a LifeLine ratesetting mechanism taken in D.10-11-033 and described in the body of this order;
 - h. Receive input from the parties and consider whether or how the practice of geographic deaveraging of basic rates should be taken into consideration by the mechanisms used to calculate the Specific Support Amount;
 - i. Consider the extent of the Small LECs’ bad debt costs, including evaluating the steps those carriers have undertaken to collect those costs, and how they are performing in this respect when compared with relevant benchmarks; and
 - j. Allow the Small LECs and other parties to present information on the rate mechanisms that already exist that would allow for the proper recovery of any bad debt costs and, if necessary, to determine what rate mechanisms should be used to address these costs.

As set forth above, we address the factors identified in D.00-10-028 and consider whether those factors still preclude wireless and other non-traditional carriers from participating in the California LifeLine program, and have taken action to facilitate wireless and other carriers' participation in the LifeLine program. We specifically sought input from the parties by including the issue in the Scoping Memo at pages 13 and following: How should the Commission address those factors identified in D.00-12-028 (and not addressed in D.10-11-033), and how should their potential effect on wireless providers in California be addressed? The Scoping Memo questions and the parties comments also addressed true preconditions to allowing wireless and other non-traditional carriers to provide LifeLine service and adopting a different definition of basic service for wireless LifeLine.

As for the study entitled "Affordability of Telephone Service 2010, Survey of Households" (2010 Affordability Study), we provided parties with an opportunity to provide comments in this proceeding on this issue by including the issue in the Scoping Memo at page 13: "How should the incorporation of the study entitled 'Affordability of Telephone Service 2010, Survey of Households' and telephone affordability in general be addressed?" We find that the information contained in the 2010 Affordability Study is stale, being several years old. Instead, we held PPHs throughout the state and gathered updated information directly from the public and other stakeholders on affordability. Finally, today's decision extends the rate freeze for another two years, through the end of December 31, 2015.

We also sought and received input from the parties as to whether or how the practice of geographic deaveraging of basic rates should be taken into consideration by the mechanisms used to calculate the Specific Support Amount.

This issue is included in R.11-03-013 Scoping Memo on page 14 in the question “Should the Commission consider the use of geographic de-averaging of basic rates when computing the SSA?”

As to the Small LECs’ bad debts, we have also included this issue in the Scoping Memo and sought input from the parties. On page 14 of the Scoping Memo, we asked “Should the Commission reconsider its decision to eliminate bad debt reimbursement for carriers?” SureWest and the Small LECs filed comments arguing that the Commission should reconsider and reinstate the recovery of bad debt losses from the Fund. ORA, on the other hand, states that the Commission correctly eliminated the bad debt reimbursement in D.10-11-033. Other parties did not comment on this issue.

No party has provided a compelling reason for us to reconsider our decision in D.10-11-033 to eliminate the recovery of bad debts. We stand by our decision reached in D.10-11-033 and reaffirm that a reimbursement of these costs is not consistent with our goal of ensuring that the Fund is managed in a fiscally sound and prudent manner. We will continue to not allow bad debt cost recovery from the Fund.

5. Pending Issues for Subsequent Decisions

In one or more subsequent decisions, we will address these issues:

- a. drafting necessary General Order 153 revisions to reflect this Decision’s policies and requirements;
- b. creating an efficient procedure for service providers to expeditiously join the California LifeLine Program beyond the interim procedure authorized in this Decision;
- c. revising the process for seeking and receiving ETC status and for updating the terms and conditions associated with being designated an ETC;

- d. expansion of the California LifeLine Program to enable access for low-income households without an SSN;
- e. creation of an alternative application process whereby consumers may begin the application process with the California LifeLine Administrator instead of the California LifeLine provider;
- f. exploration of whether entities without CPCNs, WIRs, or franchises should be allowed to participate in the California LifeLine program in light of: the imperative of maintaining program integrity; judicious use and supervision of the expenditure of ratepayer funds; ensuring compliance with the Commission's rules, decisions, and orders, including, but not limited to the California LifeLine rules, the California Public Utilities Code, and Commission jurisdiction;
- g. exploring possible efficiencies in program administration;
- h. studying possible improvements in the appeals process for California LifeLine eligibility determinations;
- i. exploring outreach strategies and the role of community-based organizations;
- j. studying the impact of service connection/activation and conversion discounts on the program; and
- k. investigating concerns related to applicants' and participants' privacy.

6. Comments on Proposed Decision

The proposed decision of Assigned Commissioner Sandoval was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____. Reply comments were filed on _____, by _____.

7. Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and Maribeth A. Bushey is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Commission convened eight public participation hearings throughout California and 392 persons were in attendance, with 239 offering comments to the Commission.
2. Formal written comments and reply comments were submitted by 29 parties on the issues listed in the Scoping Memo.
3. The Lifeline service elements set forth in Attachment D do not alter the Basic Service requirements for Carriers of Last Resort adopted in D.12-12-038.
4. The California LifeLine service elements set forth in Attachment D for wireline, fixed VoIP and wireless voice services are reasonable and promote affordability, service accessibility, choice, competition, consumer protection, and public safety.
5. The California LifeLine service elements set forth in Attachment D reflect the updated Basic Service Elements of D.12-12-038 where possible.
6. The cap on California LifeLine wireline service for flat-rate local service of \$6.84 and for measured service rate service at \$3.66 from the effective date of this Decision through December 31, 2015 is reasonable and will allow parties and the Commission an opportunity to review the effect of the caps in subsequent phases of the proceeding.
7. The cap on California LifeLine fixed VoIP service for voice service of \$6.84 from the effective date of this Decision through December 31, 2015 is reasonable and promotes affordability and service accessibility.
8. California wireline LifeLine providers are eligible to receive \$11.85 in Specific Support Amount from the effective date of this Decision through December 31, 2013 and \$12.65 from January 1, 2014 through December 31, 2015 per month for each eligible LifeLine participant.

9. California fixed – VoIP LifeLine providers are eligible to receive \$11.85 in Specific Support Amount from the effective date of this Decision through December 31, 2013 and \$12.65 from January 1, 2014 through December 31, 2015 per month for each eligible LifeLine participant.

10. California wireless LifeLine providers are eligible to receive \$11.85 in Specific Support Amount from the effective date of this Decision through December 31, 2013 and \$12.65 from January 1, 2014 through December 31, 2015 per month for each eligible LifeLine participant.

11. California LifeLine providers may claim a \$0.50 per month administrative fee for each eligible LifeLine participant.

12. The California LifeLine Program will continue to support and extend the current rate caps in Extended Area Service Exchanges until December 31, 2015.

13. California LifeLine providers that are eligible telecommunications carriers are eligible for federal Lifeline support of \$9.25 per month for each eligible LifeLine participant.

14. Wireless LifeLine participants should receive free, unlimited access to 211, 311, 511, 811 and 911 numbers to enhance public safety and calls to these numbers should not be counted against plan minutes.

15. Wireless Lifeline participants should receive free, unlimited access to 611 numbers to facilitate resolution of billing and service issues and 611 calls should not be counted against plan minutes.

16. Members of the public testified that they valued wireless service and the mobility it offered, but wanted their service to work at home, provide unlimited 800/8xx toll-free numbers, and sufficient wireless minutes to safely allow access to NXX (211, 311, 511, 611, 711, 811 and 911), up to unlimited minutes.

17. The 2010 Affordability Study information is several years old and is no longer useful, and PPH testimony is up-to-date and pertinent.

18. No party presented persuasive evidence that geographic de-averaging of basic rates should be taken into account in setting the Specific Support Amount.

19. No party presented persuasive evidence that our rule disallowing bad debt costs should be altered.

20. The issues set for rehearing in D.12-07-022 were included in the scope of this proceeding, and comments were received and considered in this proceeding.

21. There should be a Phase II in this proceeding, to address pending issues noted in the body of this Decision and such other matters as may come to the Commission's attention or by operation of law.

22. The California Lifeline service elements set forth in Attachment D allow LifeLine service to be provisioned on different technologies.

23. The California LifeLine service elements set forth in Attachment D are a minimum set of service elements that LifeLine providers must offer on a non-discriminatory basis.

24. California LifeLine providers may provide additional service elements as part of their California Lifeline telephone service offerings.

25. Carriers should be authorized to offer California wireless LifeLine plans on a pre-paid or a post-paid basis.

26. A LifeLine provider's telephone service plans, including existing plans, should be eligible for California LifeLine support if they meet or exceed the applicable California LifeLine program requirements.

27. Wireless LifeLine providers should not be prohibited from offering domestic messaging with voice plans that are otherwise consistent with the wireless LifeLine service elements.

28. Households with an eligible household member who is hearing impaired or uses a teletypewriter (TTY) may be eligible to receive the California LifeLine discounts on two separate telephone lines.

29. California LifeLine wireless providers should offer LifeLine participants the option of paying a deposit in lieu of a credit check or offer a deposit on the same basis as offered to non-LifeLine customers if the LifeLine participants do not qualify for the provider's credit score criteria established for all customers choosing that plan.

30. Because wireless participation in the LifeLine program is voluntary, wireless providers may withdraw at any time after providing a 30-day notice to customers and fulfilling contractual obligations entered into with their customers.

Conclusions of Law

1. All LifeLine providers must have a Certificate of Public Convenience and Necessity, Wireless Identification Number, or Franchise from the Commission.

2. A carrier with a Certificate of Public Convenience and Necessity, Wireless Identification Number or Franchise from the Commission, but without an Eligible Telecommunications Carrier status, is eligible to participate in the California LifeLine Program.

3. All wireline and fixed VoIP carriers with a Certificate of Public Convenience and Necessity from the Commission or Franchise authority to operate within California and that provide residential telephone service through that CPCN or Franchise must offer LifeLine service.

4. The revisions to Appendix A of General Order 153, including the LifeLine service elements for wireline in Appendix A-1, fixed VoIP in Appendix A-2, and

wireless Lifeline services in Appendix A-3, contained in Attachment D to today's decision should be adopted.

5. The cap on California LifeLine wireline service for flat-rate local service of \$6.84 and for measured service rate service at \$3.66 should be extended until December 31, 2015.

6. General Order 153 deposit rules for service initiation apply to wireless Lifeline providers.

7. Federal deposit rules in 47 C.F.R. 54.401(c) should be extended to California wireless LifeLine providers.

8. Wireless providers that offer Lifeline participants plans with 501 to 999 voice minutes should be eligible for reimbursement of \$5.75, with LifeLine subscribers receiving the same amount of discount on such service.

9. Wireless providers that offer LifeLine participants plans with 1,000 or more voice minutes should be eligible for reimbursement of \$12.65, with the Lifeline subscribers receiving the same amount of discount on such service.

10. Wireless LifeLine providers should apply the applicable Specific Support Amount, plus any additional federal Lifeline support, to reduce the cost of any qualifying California LifeLine service plan and charge the LifeLine participant the resulting amount.

11. California LifeLine providers should not require LifeLine participants to purchase bundled plans with video, data, and/or any other services to receive the California LifeLine discounts.

12. LifeLine providers should not assess a fee to LifeLine participants for paying their bills in person by cash, check, or other form of payment if the participant's service is on a pre-paid basis.

13. The service elements for wireless LifeLine may vary from wireline LifeLine because of differences in technology, regulatory jurisdiction, and service offerings.

14. Wireless Lifeline participants should receive free, unlimited access to 211, 311, 511, 611, 711, 911 and 911 numbers for reasons of public safety and convenience.

15. Non-COLR wireless LifeLine providers should not be required to provide voice-grade service in the residence of the LifeLine participant if their disclosure of coverage limitations and implementation of return policies enable informed customer choice.

16. The California Lifeline Program should not make up lost federal support for LifeLine providers that are not Eligible Telecommunications Carriers.

17. The \$39 discounted connection fee should be continued.

18. California wireless LifeLine support levels should be set to encourage LifeLine providers to offer Lifeline participants sufficient quantities of voice minutes to assure public safety and convenience as well as equitable treatment.

19. California LifeLine participants are exempt from paying the public purpose program surcharges, the CPUC user fee, federal excise tax, local franchise taxes and the state 911 tax.

20. California LifeLine providers are required to assess, collect, and remit public purpose programs surcharges on revenues collected from non-Lifeline end-users for intrastate telecommunications services.

21. All LifeLine providers should offer at least one plan meeting California LifeLine service elements on a stand-alone basis, but the discount may be applied to any service package meeting the minimum requirements.

22. California LifeLine wireless participants should be allowed to terminate service for any reason within 14 days of service activation without incurring a fee, and all service connection fees should be refunded if service is cancelled within three days of service activation.

23. California LifeLine wireless participants should not be charged a restocking fee if a wireless device is returned within three days of service activation.

24. California LifeLine wireless participants should be offered equivalent rates for extra minutes and for handsets as set for non-LifeLine customers.

25. California LifeLine wireless providers should prominently disclose terms and conditions of service.

26. Pre-paid customers should be exempt from pre-qualification requirements that require post-paid customers to pay the non-LifeLine rate until approval of LifeLine eligibility.

27. For pre-paid customers, discounts should begin with the date of approval notification or the date California LifeLine service is activated, whichever is later.

28. Wireless carriers that participate in the California LifeLine Program should file a schedule of rates and charges for services offered to eligible LifeLine participants.

29. All LifeLine providers must comply with the CPUC's rules, orders, decisions, and the California Public Utilities Code.

30. All LifeLine providers should be subject to CPUC jurisdiction, audits, inspections and penalties for non-compliance on the same basis as other holders of CPCN, WIR or Franchise operating authority.

31. LifeLine providers should offer California LifeLine service elements on a non-discriminatory basis.

32. California LifeLine providers should apply the applicable LifeLine support to the service plan chosen by the California LifeLine participant if the plan meets or exceeds the applicable minimum California service elements.

O R D E R

IT IS ORDERED that:

1. All California LifeLine Program providers must comply with the policies adopted in this order.
2. No later than 45 days after the effective date of this order all existing California LifeLine Program providers must file and serve Tier 2 advice letters with the Communications Division conforming their LifeLine tariffs to the requirements of today's decision.
3. All LifeLine providers must have a Certificate of Public Convenience and Necessity or a Wireless Identification Registration from the Commission, and/or Franchise operating authority.
4. California LifeLine wireline service providers must charge customers no more than \$6.84 per month for flat-rate local service and no more than \$3.66 per month for measured rate service through and until December 31, 2015.
5. The revised General Order 153 Appendix A listing California LifeLine service elements for wireline (Appendix A-1), fixed Voice over Internet Protocol (Appendix A-2), and wireless services (Appendix A-3) in Attachment D to this decision is adopted, and LifeLine service providers must comply with these service elements.
6. The scope and schedule of the next phase of this proceeding shall be set by further ruling of the assigned Commissioner.

7. Any fixed Voice over Internet Protocol or wireless service provider interested in participating in the California LifeLine Program must file a Tier 3 advice letter with the Communications Division demonstrating that its proposed California LifeLine service(s) are in compliance with General Order 153 and the requirements adopted in this Decision, pending the Commission adopting a formal process in subsequent phases of this proceeding. Such California LifeLine wireless providers and fixed Voice over Internet Protocol providers must also submit their proposed marketing materials to Communications Division for review and approval prior to dissemination to the public.

8. Rulemaking 11-03-013 shall remain open.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

Basic Telecommunications Service Elements

ATTACHMENT A

D.12-12-038

Basic Telecommunications Service Elements

At a minimum, the following service elements must be offered on a nondiscriminatory basis by any carrier providing Residential Basic Telephone Service (basic service) within California. These revised basic service elements do not impose an obligation to provide basic service upon any carrier where no such obligation exists today. Nor do they prohibit a carrier from electing to provide additional elements as part of its basic service offering. Any carrier may use any technology to satisfy any obligation to provide basic service as detailed below:

I. Basic Service Elements:

1. The provider must offer customers the ability to place and receive voice-grade calls over all distances utilizing the public switched telephone network or successor network.
 - a. Carriers offering basic service must at a minimum enable calls to be sent and received within a local exchange or over an equivalent or larger-sized local calling area.
 - b. A basic service provider must allow equal access to all interexchange carriers within the local calling area in accordance with state and federal law and regulation.
 - c. Carriers offering basic service must provide a voice-grade connection from the customer residence to the public switched telephone network or successor network.
 - d. Carriers offering basic service must disclose to each customer before subscription that they are entitled to a voice-grade connection and the conditions under which the customer may terminate service without penalty if one cannot be provided.
 - e. If at any time, a basic service customer fails to receive a voice-grade connection to the residence and notifies the provider, the basic service provider is required to (1) promptly restore the voice-grade connection, or if not possible (2) provide basic service to that customer using a different technology if offered by the provider and if the customer agrees; or (3) allow the customer to discontinue

service without incurring early termination fees, if applicable. Nothing in these rules should be inferred as modifying the service obligation of a COLR to ensure continuity of customers' basic service.

2. Free access to 911/Enhanced (E) 911 service.
 - (a) A basic service provider must provide free access to 911/E911 emergency services, in compliance with current state and federal laws and regulations.
 - (b) Any carrier that is not a traditional wireline provider of basic service will be required to make a showing by filing a Tier 3 Advice Letter that demonstrates its ability to provide 911/E911 location accuracy and reliability that is at a minimum at least reasonably comparable, but not necessarily identical to, that traditional wireline service offered by the existing COLR.
 - (c) The basic service provider will further be required to certify in a Tier 3 Advice Letter filing that it is compliant with 911/E911 standards established by state and federal laws and regulations, and will not be deemed to provide basic service if it has obtained a waiver from such state and federal laws and regulations.
 - (d) Each basic service provider must provide its potential and existing customers information regarding its 911/E911 emergency services location accuracy and reliability standards.
3. Access to directory services.
 - (a) Each basic service provider must offer access to directory assistance within the customer's local community that covers an area at least equivalent to the size of the geographic area the existing COLR's directory assistance service provides.
 - (b) For basic service provided by other than a traditional wireline carrier, a customer's listing may be excluded from the local directory and directory assistance as a default unless the subscriber affirmatively requests to have the number listed.
 - (c) For basic service provided by a traditional wireline carrier, a customer's listing shall be included for free in the local directory and directory assistance as a default unless the customer affirmatively requests to have the number unlisted.
 - (d) A basic service provider must provide customers the option to receive a free white pages directory covering the local community in which the customer resides. For purposes of this definition, the

local community shall include a geographic region at least equivalent to the area covered by the white pages directory that the existing COLR currently provides.

- (e) Because Verizon California, Inc. (Verizon) and other providers of basic service to customers residing in Verizon's service territory have been authorized to provide electronic delivery pursuant to Resolution T-17302, that authorization is compliant with the white pages directory requirement for basic service in Verizon's territory.
 - (f) The requirement to provide a free published directory can be satisfied using the procedures authorized in Resolution T-17302 in other territories upon the filing of a Tier 2 Advice Letter. Under this authorization, the affected customers will receive delivery of the directory electronically by CD-ROM or by on-line access, unless a customer affirmatively elects to receive a traditional printed paper copy by contacting the basic service provider under the procedures authorized in Resolution T-17302.
4. Billing Provisions
- (a) Providers of basic service must offer customers the option to receive unlimited incoming calls without incurring a per-minute or per-call charge.
 - (b) Carriers offering basic service must offer a flat rate option for unlimited outgoing calls that at a minimum mirrors the local exchange or an equivalent or larger sized local calling area in which the basic service customer resides.
 - (c) Basic service must be offered on a non-discriminatory basis to all residential households within the provider's service territory. A carrier may satisfy this obligation using different technologies throughout its service territory.
 - (d) Basic service providers must offer Lifeline rates on a non-discriminatory basis to any customers meeting Lifeline eligibility requirements residing within the service territory where the provider offers basic service.
 - (e) Carriers providing basic service must offer an option with monthly rates and without contract or early termination penalties.
 - (f) Carriers may offer added features and/or enhanced service elements without additional charge(s) as part of a basic service offering. For example, carriers must not obligate customers to also subscribe to

service bundles that require subscription to data and/or video services as a condition of receiving basic service.

- (g) As of January 1, 2011, the Commission no longer imposes caps on basic rates. A COLR serving in a high-cost area, however, will continue to be required to certify that its basic rate in a designated high-cost area does not exceed 150% of the highest basic rate charged by a COLR in California outside of the high-cost area.

5. Access to 800 and 8YY Toll-Free Services.

- (a.) Each provider of basic service must offer at least one basic service option that allows unlimited calls to 800 and 8YY toll-free numbers with no additional usage charges for such calls. A provider may offer alternative billing plans for basic service that may include usage charges for calls to 800 and 8YY toll-free numbers.

- (b) In any event, the carrier must provide full disclosure to the customer concerning how charges for 800 numbers would apply if the customer does not subscribe to an unlimited calling flat rate option.

6. Access to Telephone Relay Service as Provided for in Pub. Util. Code § 2881.

Basic service providers must offer free access to California Relay Service pursuant to § 2881 for deaf or hearing-impaired persons or individuals with speech disabilities.

7. Free Access to Customer Service for Information about Universal Lifeline Telephone Service (ULTS) Service Activation, Service Termination, Service Repair and Bill Inquiries.

The basic service provider shall provide free access to customer service for information about the above-referenced services.

8. One-Time Free Blocking for Information Services, and One-Time Billing Adjustments for Charges Incurred Inadvertently, Mistakenly, or Without Authorization.

Basic service must include the provision of one-time free blocking for 900/976 information services and one-time free billing adjustments for changes inadvertently or mistakenly incurred, or without authorization.

9. Access to operator services.

Basic service shall include free access to operator services.

II. General Requirements

In addition to the basic service elements and related requirements listed above, basic service shall be provided consistent with the following requirements.

- a) A basic service provider must file and maintain tariffs or schedules with the Commission by a Tier 2 Advice Letter for its basic service offerings which must include its basic service rates, charges, terms, and conditions; and must make them publicly available. Requirements for customer notice and/or Commission filings for revisions in basic service rates, charges, terms, and/or conditions must be made in accordance with the applicable requirements for tariff filings set forth in General Order 96-B.
- b) If a carrier chooses to offer basic service in all or part of its service territory using multiple, different technologies, each type of offering must be tariffed or scheduled with the Commission. This requirement does not extend beyond basic service.
- c) Each basic service provider must clearly inform all potential residential subscribers who contact the provider prior to initiating service of their option to purchase basic service and to subscribe to basic service on a month-to-month basis with no termed contracts.
- d) A provider must not represent to customers, or in advertising or by any other means, that any services, service elements, or service conditions, except those authorized by the Commission, constitute basic service in California.
- e) Until the Commission determines the extent to which new service quality standards should be adopted for carriers, a provider that wishes to offer basic service utilizing anything other than traditional exchange-based wireline technology that cannot comply with all the requirements of General Order 133-C must file a Tier 3 advice letter.
- f) This filing must indicate what General Order 133-C service quality measurements and reporting procedures it can comply with, those it can provide functionally equivalent reporting information for and lastly what measurement and reporting requirements are not applicable to the technology it is using to provide basic service. This filing must further

indicate how the new service or new technology maintains essential basic services or standards.

(END OF ATTACHMENT A)

ATTACHMENT B

Scoping Memo Questions, April 10, 2013

Attachment B

Scoping Memo Questions, April 10, 2013:

1. Definition of CA LifeLine Service Elements

- a. Are there any legal or statutory impediments to LifeLine service elements differing from Basic Service elements?
- b. Are there any policy impediments to LifeLine service elements differing from Basic Service elements?
- c. For policy or legal reasons, should the LifeLine service elements be the same as the Basic Telecommunications Service Elements adopted in D.12-12-038? What is the rationale for or against distinguishing the service elements for LifeLine and Basic Service? Note that LifeLine currently diverges from the Basic Service elements in D.12-12-038, and that it differed from the Basic Service elements under the prior Basic Service definition.
- d. If the LifeLine service elements diverge from basic service, how should they diverge? What service elements should be different? Please address the advantages and disadvantages of any differences in the LifeLine service elements as compared to the Basic Service elements.
- e. Should the basic service elements follow the federal LifeLine definition? Please address the advantages and disadvantages of using the federal LifeLine service elements definition.
- f. The federal LifeLine definition allows carriers to participate in the program if they comply with the E911 standard. Is this the appropriate standard for emergency service provided by LifeLine wireless carriers? Should wireline LifeLine providers be required to continue to provide 911 service, as opposed to E911 service, for LifeLine customers? How do proposals about next generation 911 and E911 affect this analysis?
- g. Are changes in the LifeLine service elements appropriate to entice wireless carriers and other nontraditional providers to offer LifeLine service, and to increase competition and choices for Californians about the type of LifeLine service they can receive and the range of providers?
- h. Should the wireless LifeLine service offerings include a specified number of monthly voice minutes or texts at a set price? If so, what should those monthly minutes, number of texts, and price be? The parties are encouraged to make specific recommendations. Note that

the Basic Service definition requires the ability to make and receive local calls all month. What would be the advantages and disadvantages to adopting that standard for LifeLine? If a “bucket of minutes” is required for LifeLine Service elements, how can we ensure access and affordability per the requirements of Pub. Util. Code §§ 871–884 if subscribers use all of their minutes before month-end?

- i. If the Commission required a “bucket of minutes” for LifeLine, should this requirement be the same across technologies? For example, is a “bucket of minutes” requirement more or less appropriate for wireless or wireline service offerings? Is a “bucket of minutes” standard appropriate for wireline LifeLine which currently offers unlimited incoming and outgoing local calls all month long?
- j. If the Commission decides not to require a specified set of monthly minutes and/or texts at a set price, what service should be required for LifeLine? Note that the LifeLine statute requires service to meet “minimum communications needs.” What are those needs and how can we ensure that they are met?
- k. Should the LifeLine Specific Support Amount (SSA) be applicable to a variety of non-minimal service plans as a LifeLine “discount” to be applied at the discretion of the eligible subscriber?
- l. Could the Commission do both – that is, adopt a minimal wireless LifeLine service definition, but also allow wireless provider to offer a discount equal to the SSA to any existing service offering?
- m. Should the Commission adopt a conversion factor to allow customer to adjust voice minutes and various text combinations? For example, is it feasible for the Commission to adopt, after notice and comment, a 1:10 minutes to texts ratio (or some other appropriate ratio) to allow a customer to customize the allowed number of minutes and texts? What of a LifeLine service definition that includes 250 minutes and 100 texts? Could LifeLine service elements flexibility go so far as to allow customer A, who wants more minutes and does not use text, to convert an allowance of 100 texts to an allowance of 10 more voice minutes? Would the reverse be feasible, that is, to trade voice minutes for texts?
- n. If the Commission were to adopt a specific number of voice minutes and texts at a given support amount, would the Commission be obliged to review and possibly update those numbers given changes in technology, customer use, and the telecommunications market-place, and taking into account demographic and regional differences in use? If

so, how should the Commission determine when such updates were necessary?

- o. What issues are raised by the application of LifeLine to bundled service offerings? Are any additional steps or requirements necessary to ensure that Californians are not required to purchase additional or bundled services as a gateway to subscribing to LifeLine?
- p. What rules, if any, are warranted regarding contract early termination fees or cancellation of contracts without penalty if service is not adequate? Should these rules differ for wireless or wireline LifeLine?
- q. What additional issues should the Commission consider regarding LifeLine service elements and requirements for LifeLine service?

2. Program Administration and General Order 153

- a. What changes are necessary to make the administration of the CA LifeLine program more efficient and accessible for customers and other stakeholders? California uses a third party administrator for initial LifeLine qualification and for annual renewal. Is that process effective or are adjustments warranted?
- b. What changes to program administration and General Order 153 are needed to accommodate prepaid services? Please be specific about the proposals and about any advantages and disadvantages of those proposals to accommodate pre-paid services.
- c. Should the CA LifeLine program continue to require “pre-qualification” of LifeLine subscribers, that is that a subscriber must obtain service from a carrier before being approved for LifeLine?
- d. Should the Commission pursue an option to allow customers to be pre-registered for CA LifeLine service (obtain an eligibility determination before signing up for service with a carrier), rather than requiring customers to obtain regular service while awaiting the determination of their LifeLine eligibility (and back-crediting them to the date of the request for LifeLine)? What would be the advantages and disadvantages of such a system?
- e. Should California continue to support non-recurring or connection charges through the LifeLine program?
- f. Is outreach about the LifeLine program adequate or effective for all Californians, including those with special needs and non-English speaking Californians? What changes should be made, if any, to the

outreach and information programs relevant to LifeLine? Should in-language marketing be required?

- g. Does Public Utilities Code 710 raise any issues about LifeLine eligibility for VoIP providers? If so, should VoIP eligibility to participate in LifeLine be referred to a second phase of this proceeding to ensure accountability to program rules and requirements?
 - h. Should the following issues be addressed in the first phase of the proceeding or reserved for a subsequent phase:
 - i. How might the LifeLine program better provide for the security of subscriber data and subscriber privacy?
 - ii. What should be the status of joint LifeLine accounts?
 - iii. What role should Community Based Organizations play in a reformed LifeLine program?
 - iv. How does the LifeLine Program ensure service quality for LifeLine subscribers?
 - v. Should the CAB Appeals Process be retained as is or modified? If modified, in what way?
 - vi. Are there additional procedures that might be useful in eliminating waste, fraud and abuse in a revised LifeLine Program?
 - i. Are there additional issues, not addressed in this Scoping Memo, that need the immediate attention of the Commission in this opening phase of the proceeding? If so, please explain what they are and why they need immediate consideration by the Commission.
3. Should the Commission extend the Cap on LifeLine Rates and carrier SSA subsidies?
- a. How should the Commission respond to the TURN Motion filed June 12, 2012 (along with the responses by other stakeholders)? The Commission issued D.12-07-022 granting a limited rehearing of D.10-11-033.
 - i. How should the Commission address those factors identified in D.00-12-028 (and not addressed in D.10-11-033), and how should their potential effect on wireless providers in California be addressed?

- ii. How should the incorporation of the study entitled “Affordability of Telephone Service 2010, Survey of Households” and telephone affordability in general be addressed?
- b. Is it in the public’s interest to extend a customer rate freeze for a set period of time (beyond June 30, 2013)? What would be rationale for the Commission to, in effect, re-regulate rates? How should the Commission address concerns that carriers will shift price burdens onto low-income consumers rather than claim government subsidy.
 - i. Please comment on TURN’s argument that LifeLine rates could increase to \$10.50 (under AT&T’s \$21.00 basic service package) which assumes the carrier will maximize the rate the customer pays (limited only by 50% of the basic rate from the Moore Act), and claim less from the federal and state LifeLine funds.
- c. Should the Commission consider a state-wide LifeLine basic service rate (or maximum) for all carriers? How would this apply to wireless providers?
- d. How should the Commission address the question of carrier compensation? The SSA was created to increase along with the rates of the four largest ILECs so as to give incentive for carriers to charge less to customers. Should this process be reevaluated? If the SSA is frozen, when basic rates increase, the LifeLine customers will be forced to make up the difference (barring a corresponding price freeze).
 - i. Should the Commission reconsider its decision to eliminate bad debt reimbursement for carriers?
 - ii. Should the Commission consider the use of geographic de-averaging of basic rates when computing the SSA?
- e. Would it be appropriate for the Commission to use an Order from the Executive Director (or an Assigned Commissioner Ruling) to extend the rate cap during the pendency of this proceeding, or is a formal Commission decision to that effect necessary?

(See Appendix C for a summary of rates for the largest ILECs from 2006 to present.)

(End of Attachment B)

ATTACHMENT C

**Reports from the Public Advisor's Office on LifeLine Public
Participation Hearings**

Attachment C

Reports from the Public Advisor's Office on LifeLine Public Participation Hearings

Public Advisor's Office
Public Participation Hearing (PPH) Report

Proceeding #: R.11-03-013

Location: Rancho Cordova, CA

ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Tuesday, May 14, 2013

Time: 6:00 p.m.

of Participants: 6

of Speakers

Total: 4

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 4

Press present: No

Summary of key sentiments expressed:

There are service quality issues and reliability issues. There is also a big lack of area coverage that needs to be addressed.

Individuals representing seniors, low-income families, and Russian immigrants all support the CA LifeLine program.

Complaint raised against the process of applying to program and waiting for adjustment to bills. Difficult for low-income families who initially get large bill(s) and then have to wait for adjustment to bills if they qualify for the discount.

A new alternative qualifying process is needed. The current process is problematic for many individuals.

Children need immediate access to families in case of emergencies. Families with more than one child in school should be allowed more than one cell phone.

LifeLine program needs to be more refined. It should provide more services such as voice calls.

LifeLine should be extended to cover more carriers.

**Public Advisor's Office
Public Participation Hearing (PPH) Report**

Proceeding #: R.11-03-013

Location: San Francisco, CA

ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Wednesday, May 15, 2013

Time: 4:00 p.m.

of Participants: 125

of Speakers

Total: 72

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 72

Press present: No

Summary of key sentiments expressed:

Reduce financial barriers.

Lived in Mission District for 50 years; more important to have cell phones now; therefore, wireless should be included.

A New America: Sample survey taken, over 300 interviewed. Only two knew of LifeLine and those two did not have SSN. Would like SSN removed as a requirement. What are you doing to reach the most vulnerable populations?

More people are using cell phones and dropping their land lines

Almost 100% of customers use cell phones. We need flexibility, wireless for safety is extremely important

TURN: This hearing is very important, and kudos to the CPUC for the best yet. Thank you for taking the time to ask customers what they want. It is important to have two-way communication with people, especially for seeking employment, contacting schools, networking

C-4

with each other and safety. Concerned about the Federal program – it is substandard. People deserve first class service at a discount.

Underserved populations are also students. No access. There should be one bill for both land line and cell phones.

This is a great way for low-income individuals to have phones at flat rates. Currently, there are no minutes to roll over, we need that.

As a single mother, I have a choice of paying bills or buying my son shoes. His shoes are a choice before me. I support this program

I need additional minutes just to speak to my therapist. I have to call her and speak one hour each week. I have no extra minutes for this.

Agree with charging for application process.

I need a cell phone for job seeking.

Central City Collaborative Services: Our clients need unlimited minutes. For those seniors on SSN and have to call, their minutes are used fast when they have to press 1 for English, press 2 for Spanish, then they are placed on hold. The hold continues when the operator comes on and says only 4 more minutes, then the music plays. Soon, the SSN seniors hang up because they know they are almost out of minutes. Because their minutes are used up quickly, they are faced with no extra minutes for an emergency. This forces them to ask others for phones because their minutes are depleted

Cell phones do not work much of the time as there is no signal. I manage a senior live-in facility in the Tenderloin. We have one-room tenants. Many are in wheelchairs. When they have to use their cell phones, and they cannot get a signal, they struggle to get downstairs in their wheelchairs to try and find locations where their phones work. Those in wheelchairs are not connected. This is dangerous for them.

I am advocating for unlimited minutes.

911 is essential for seniors and the homeless. This is our “life line;” please help.

Unlimited texting is also beneficial.

I have a roommate. She has a landline, and because of this, I cannot receive any LifeLine benefits for my cell. This is not right. There are two individual people living in one unit and the phone company said only one line per address. (Commissioner Sandoval requested Ben Schein to assist this customer as there is a rule applicable for this type of situation).

There are no payphones. They have all disappeared. They have been ripped off or destroyed. You cannot even find a phone directory where a payphone is, or the pay phone is not working. Please do something.

Discounts should be applied to flat rates.

More minutes please.

Please lessen the application process and make it easier.

LifeLine should apply to cell phones. There should be a variety of options to choose from. Go simplistically and review things. Make a plan, access it, evaluate it, maybe for a longer time, and look at optimal ways to utilize this better before adopting this program.

I have low income. We do not want to compromise on quality of service, especially in rooms for disabled. Low-income consumers need the service most; do not limit the minutes. Fit this into the budget.

A data plan is essential. 250 minutes does not work; need more minutes, especially when looking for employment or when calls come in from potential employers. After securing a cell phone, I finally secured employment.

The Federal program has too many problems. The people there are rude. They do not have accurate information or instructions, they cannot help us.

Those of us in shelters cannot become qualified through the current application process.

I do not understand LifeLine. What it is, where I should go, who has it. Application process needs streamlining.

My father-in-law had an accident outside; however, no one could contact his family because there was only a land line. If we had both cell and landline, it would have been helpful. I now have a cell phone too. Having unlimited minutes would be very helpful too.

Minutes should be based on individual needs.

My grandmother has Alzheimer's but she can dial my cell phone. Seniors like my grandmother need the wireless discount.

I go to Belmont School, and when the Sandy Hook tragedy occurred, many students became scared and needed to keep in contact with their parents. Having cell phones makes us feel better. Please keep cell phones; we need them.

I am a program manager for the Homeless Prenatal Program. Many clients have emergencies and have to contact me. Cell phones with unlimited minutes are essential.

Community Technology Alliance: Conducted a mobile phone survey. Findings were reported to the ALJ/Commissioner. Survey conducted in Santa Clara County, CA. Target population was telecommunications customers who are 18 years and older. Phone ownership, data accessibility, and phone carriers: 68.7% of the people interviewed have mobile phones. Of that total, 54.4% affirmed they have data access. Of the total interviewed, 51.8% were homeless and 48.7% were between 42 and 62 years old and 40% were families.

Please consider unlimited minutes.

**Public Advisor's Office
Public Participation Hearing (PPH) Report**

Proceeding #: R.11-03-013

Location: San Diego, CA

Presiding ALJ: Julie Halligan

Assigned ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Wednesday, June 12, 2013

Time: 4:00 p.m.

of Participants: 62

of Speakers

Total: 29

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 29

Press present: No

Summary of key sentiments expressed:

Wireless phone service is more practical than landline service. It is the only telephone service homeless and transient families have to reach the services and resources they need.

A lot of people, especially in the immigrant community, could be excluded from LifeLine because of the requirement of subscribers to have a social security number to be eligible for benefits.

Wireless phone service is no longer a luxury but a necessity, and it should be made easily available to all, regardless of their socio-economic status.

The CPUC should offer a wireless service option with unlimited minutes and texting for a flat rate, or at a discount.

The only way refugees can be well integrated into the community is by wireless service with unlimited LifeLine minutes.

Each member of the family should benefit from the LifeLine wireless discount since eligibility is based on household income.

War veterans who become homeless will not have access to services and family members without a landline. A LifeLine wireless plan would be very beneficial to them.

Support a wireless service option, but at a flat rate with unlimited minutes. All service providers should offer this Lifeline plan and not just the four mentioned.

The CPUC plan should apply to whichever service the consumer chooses because consumer choice equals maximum connectivity. Everyone benefits when society is connected to education, healthcare, and social services.

**Public Advisor's Office
Public Participation Hearing (PPH) Report**

Proceeding #: R.11-03-013

Location: Riverside, CA

Presiding ALJ: Julie Halligan

Assigned ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Monday, June 17, 2013

Time: 4:00 p.m.

of Participants: 30

of Speakers

Total: 26

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 26

Press present: No

Summary of key sentiments expressed:

A recent layoff created a personal need for the LifeLine program. Supports a wireless Lifeline program with a fixed discount and availability of service inside the home.

It is important as a teacher to be able to contact parents and a wireless service with a fixed discount will allow more parents to be connected. Wireless service should work inside the home as well. Individual is indifferent about the application process.

More people have wireless phones than home phones because they are not a luxury anymore, but a necessity. Supports a fixed discount wireless program with extra options being offered based on the customer's needs. Believes that not all cell phone providers should be obligated to offer LifeLine. Phone should not always have to work in the home because even phones without discounts have problems working in the home.

People should pick which service they want. Prefers 2nd application option and also prefers the Federal Lifeline over California LifeLine.

Many Indian casino dealers have low income and they all benefit from the LifeLine program. The LifeLine program is a good program.

Supports a wireless LifeLine Program that is instituted correctly with the right goals in mind. A low-income program should be affordable and have good quality of service. Supports a fixed cost service program that offers predictability and accountability so customers know exactly how much they will spend. Such a program should provide customers a good amount of minutes and text messages. Also, people should be allowed to apply first, get approved, and then, shop around to get the best service without being locked into a contract with a poor provider.

Supports a wireless fixed discount plan with several features, if customers can afford it. All providers should be mandated to provide LifeLine service. There are a lot of benefits in the LifeLine Program for many people.

The California LifeLine program should provide free 911 service, free or discounted web service, a minimum of 750 minutes of talk, and unlimited texting because texting is more widely used than calling. It should be one plan that fits all services. Supports 2nd option in application process.

A fixed wireless discount rate is in the best interests for people. Such a service should offer a set number of minutes and have a discount on overage minutes and offer different features. It should be a “one-size-fits-all” service that all carriers offer. Cell phone should not have to work inside the home. Customers should not have to pay up front for the program because these are low income individuals who cannot afford it.

LifeLine program is great for the elderly and disabled. LifeLine is not available in all areas because, even though they qualify for LifeLine, not all carriers offer a discount and they should. A wireless fixed discount program would help the disabled and elderly be more independent because they can leave the home by themselves. Such a service should be guaranteed to work inside the home. The application process should be as easiest as possible with fewer steps. Current application process is simple but the renewal process is not.

Supporting and praising the CPUC’s process of taking in public comments before making a decision in this rulemaking. Emphasizing the importance of communication and having a phone. Encouraging audience to give their input.

LifeLine is important. Fixed discount works best. Should be extended to include wireless because people now always use cell phones. Cell phones should not be guaranteed to work in the home. The current options being given, however, are tying people down to their homes because they have to choose a home service or wireless service that might not work in the home. All carriers should offer the discount service. Application should be completed first rather than having to get a phone then apply to avoid some out-of-pocket fees that are not affordable.

LifeLine is a good viable service for a lot of people; government should not be providing the aide for people in need. Church should be the source for aid; then, non-profit agencies. It should not be the government’s responsibility to pay for services with people’s tax money unless all possible alternative aid sources have been exhausted. Not in favor of “forced benevolence.” Not in favor to expand LifeLine, but supports a fixed discount LifeLine wireless service that works in the home.

We need to find a way to mobilize people to express their opinions on telecommunication matters. Supports a fixed “portable” discount that an individual can use with any provider after they go through a pre-approval process so they are not obligated to be in a situation they end up not liking. Discount should

be offered to wireless phones. Wireless service offer should be basic with the freedom to add features as people deem necessary. Basic service should include some text and some access to internet. All telecommunications providers should offer LifeLine discount. Wireless service should be available in the home. An alternative application process that is simpler should be considered. We need to make sure there is a system that overlooks quality of service in the program and provides accountability.

Supports a fixed discount because people who sign up for LifeLine are of fixed incomes. Supports unlimited minutes and texting because when calls are made to customer service centers, customers are put on hold for long periods of time and most minutes are spent on these calls.

Supports a fixed discount wireless program with unlimited minutes and local emergencies services. The LifeLine application process is long and cuts off people after changing addresses; therefore, support is given to an alternative application process.

The people of COPE support a flat monthly service fee. This is what they mean when they mention support for a fixed wireless discount program

Wants the LifeLine Program to include a "Family Pack" for families to use in case of emergencies. Having one phone per family leaves the rest of the family members disconnected from the rest. The family pack should include as many lines as a family has members.

A fixed monthly rate is a better option for families than a fixed discount.

Supports a wireless LifeLine discount program with unlimited talk, text, web access, 911, 411, 211 services and without tax or service fees. Need such a service to stay connected to family and school children during emergencies and other important matters.

Supports a wireless discount program with unlimited minutes and web service that is no more than \$30 per month. The current discount programs offer limited minutes and web usage and they are often not enough to make the calls necessary to stay in touch with important family matters.

A wireless LifeLine service will help local grassroots movement volunteers reach out to their communities via phone and internet by being able to contact individuals, mostly parents, to become involved in important community matters.

Customer describes how she was involved in a "slamming" incident that cost her over \$400. Therefore, she supports an all-inclusive, fixed monthly rate service.

Families live on fixed incomes and require protection; therefore, a wireless California LifeLine program is much needed. Under the federal wireless LifeLine program, phones are old recycled phones without internet access or data access. The California LifeLine program needs to offer phones of good quality and good customer service. Supports a fixed monthly fee service with no contracts, hidden fees, or termination fees. Providers need to offer contracts in the languages they market in and consumers should be pre-qualified before starting service.

**Public Advisor's Office
Public Participation Hearing (PPH) Report**

Proceeding #: R.11-03-013

Location: Los Angeles, CA

Presiding ALJ: Julie Halligan

Assigned ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Tuesday, June 18, 2013

Time: 4:00 p.m.

of Participants: 75

of Speakers

Total: 53

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 53

Press present: No

Summary of key sentiments expressed:

The general sentiment of the attendees was that a wireless LifeLine program is a necessity. A wireless program would give them the needed mobility to stay on the hunt for better employment opportunities.

The program is welcomed by the low-income population.

A monthly allowance of 250 minutes is not enough for a wireless phone plan. It amounts to about eight minutes a day.

The program should also include a "hotspot" option to assist students.

LifeLine would assist the homeless in accessing basic public services.

Wireless LifeLine would allow people greater mobility to accomplish other daily tasks.

It allows parents to keep in close contact with their kids when they are away from home.

The LifeLine plan should be 750 minutes and include unlimited data and texting.

There is a concern over the service of the wireless phone.

The California Public Utilities Commission should provide both and let the individual choose what plan is best for them.

**Public Advisor's Office
Public Participation Hearing (PPH) Report**

Proceeding #: R.11-03-013

Location: Eureka, CA

Presiding ALJ: John S. Wong

Assigned ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Wednesday, July 17, 2013

Time: 4:00 p.m.

of Participants: 12

of Speakers

Total: 6

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 6

Press present: KIEM TV Channel 3 News

Summary of key sentiments expressed:

A neighboring mobile home park has 88% of its residents enrolled in CARE. These individuals would also qualify for LifeLine, but few residents have landlines. LifeLine is a great program that only benefits people who have landlines, but the world now uses wireless voice, text, and data. Current unlimited calls, text, and data plans are very expensive compared to the \$7 a month rate LifeLine offers on landlines. LifeLine should offer a low flat rate wireless service with similar services, and should mandate that all wireless carriers offer the service. It should not have to work inside the home, however, because that is not practical. Applicants should be able to apply first before getting the service.

Residents with low monthly incomes, disabilities, who struggle with housing, and have no phones or online access are "sitting ducks." Individuals cannot successfully access website

information and the resources they are entitled to as veterans, disabled people, and students without internet access or wireless phones and text in 2013.

Phillipsville, CA in Southern Humboldt County has almost zero wireless capabilities, creating a challenge that forced people to move to another city. In a nearby city, people go to the local motel to pick up wireless internet access. People use wireless access to find lost relatives or friends in the area and to contact family in emergencies.

Humboldt County has about 10,000 households that are eligible for LifeLine but do not receive the services. The CPUC, along with the community, needs to do something about it. There are many means of communication such as wireless phone, VoIP, landlines, and others; and, the people should be provided with at least one form of communication if not another. Also, the CPUC should not be restricted by the state legislature when trying to help residents with telecommunications issues.

Access to communication is critical and essential for people to find the resources they need to help themselves. VoIP, text, and data should be offered to people. People should also have unlimited wireless service for a fixed amount. All carriers should be required to offer the service and provide 211 services. Lastly, the application process should be streamlined.

Wireless is an incredibly important service to be offered by LifeLine. Because of the changing foundation on how people use voice, people do not need or use landlines anymore. Schools, teachers, and school administrators have the need to reach parents very quickly, and for that, people need wireless. Rural areas do not have the best quality yet, but if there are existing wireless services, it is expected for all to have access. It is also important for voice service to be unlimited. Texting is cheaper and should be allowed, and in the case where voice is limited, texting could help offset the use of voice minutes. Lastly, service should offer unlimited minutes in respect to 800 numbers.

**Public Advisor's Office
Public Participation Hearing (PPH) Report**

Proceeding #: R.11-03-013

Location: Fresno, CA

ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Wednesday, July 31, 2013

Time: 4:00 p.m.

of Participants: 50

of Speakers

Total: 29

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 29

Press present: No

Summary of key sentiments expressed:

The majority sentiments were:

CA LifeLine program should be expanded to include wireless services. Mobile devices are being used more and more. A mobile population needs mobile communication.

One-size-fits-all policy is a bad idea. Consumers should have option to choose phone service and then apply for LifeLine service.

Alternative pre-qualification application process is better. Current application process is problematic and confusing.

Monthly flat rate is the best option. People can then project budget.

Fresno has a unique population in that it is transient due to the many migrant farm workers. Difficult for teachers to get ahold of parents who do not have wireless service. Often, the landline has been disconnected. Wireless is important for this population.

Process to apply should be simple and easy. Especially because seniors, disabled, and homeless can struggle with complicated process.

Homeless population needs affordable wireless service. It is the only way they can connect to others since they do not have a home. Looking for employment can be challenging since their service may be disconnected for a length of time; therefore, employers cannot reach them.

Difference between rural homelessness and urban homelessness. Homeless population faces different barriers in rural and mountainous areas such as finding access to free internet in libraries.

Domestic violence victims need wireless service especially since they live in fear. Need immediate emergency access. Wireless should have LifeLine option so that these victims can afford wireless service.

Should not matter whether you have or do not have an SSN to apply for LifeLine.

Would like to see discount cover overages, text, and data charges.

Customer should still be able to receive calls even if service has been disconnected. Important for emergency calls and for homeless individuals receiving calls from employers.

Minutes should be unlimited so that people do not have to deal with overage charges and face disconnection.

Technology should not be too complex since seniors struggle with changing technology.

Protection for consumers is important. If flat rate is set, what will stop carrier companies from inflating prices?

There are community groups that can help consumers with the application process, especially those who are Limited-English Proficiency individuals, seniors, and homeless. These community groups need to be funded.

**Public Advisor's Office
Public Participation Hearing (PPH) Report**

Proceeding #: R.11-03-013

Location: Salinas, CA

ALJ: Maribeth A. Bushey

Commissioner: Catherine Sandoval

Brief Description of Proceeding: Order Instituting Rulemaking regarding revisions to the California Universal Telephone Service (LifeLine) Program.

Date: Tuesday, August 13, 2013

Time: 4:00 p.m.

of Participants: 32

of Speakers

Total: 20

Supporting proceeding: 0

Opposing proceeding: 0

Neither supporting nor opposing (expressing other ideas): 20

Press present: No

Summary of key sentiments expressed:

Mayor Pro Tem, City of Seaside: It would be good to know if you are eligible before the process because to get money back is not worth it for some people. A one-size-fits-all plan would not work. A mixture of LifeLine discounts is the better of the two options. If you cannot combine the decision you should explain why. LifeLine should definitely include a wireless discount and should have coverage in the home, but it should not cover overages.

Mayor, City of Gonzales: Many families do not have access to phones in their homes; therefore, wireless availability is a good idea. It would be a benefit to farm-worker families. Whether it is a fixed flat rate or a fixed discount, they are both good.

The services provided should be technologically pertinent to today. The issue of access is essential and customers should be allowed flexibility.

Minutes should not be limited because when people call for social services they get put on hold and that uses up minutes. The Commission should consider public service announcements because people do not know this program exists.

Consider unlimited texting and web usage. In emergencies, sometimes text is the only service available. Create a multi-tier system where consumers can compare services across carriers.

LifeLine is a vital communication tool to find and maintain employment. Let customers decide what service serves their needs best.

LifeLine should apply to consumers' wireless and home phone service. Extending LifeLine to mobile phones will allow families to use the savings for other vital services. Low-income parents would be able to stay connected with their children's schools with wireless service.

Many high-functioning adults live in group homes where they do not have landlines. A wireless phone is a link to their family and to help. Without that option, there is a disconnect between the service and the user.

The consistency of having one number is very important and all carriers should be a part of the plan.

Many people have made wireless phones their primary mode of communication and small business owners support the expansion of LifeLine to include wireless phones. There should be a discount on overage fees.

People with low income are often in dependent situations where they are not really calling the shots, a LifeLine wireless phone would be a good idea. It should not be one wireless phone per household. It should be based on the number of adults in the household.

There should be a 24-hour personal emergency response service for the elderly.

There are different levels of low income and they all need to be serviced. There should be free accessibility to 211 and 911 numbers. What about seniors in rural areas, communication dead zones?

Some seniors cannot read. Access to service providers to assist in completing the applications would be great because a lot of them do not know how to apply.

Unlimited text and calls would be great. Many seniors depend on younger children to take care of them so some type of phone alert system would be great.

It is hard for low-income families because, right now, their wireless phone bills are \$100 a month. They have to choose between paying their wireless phone or paying for food.

Force the providers to compete for customers. The providers should ask upfront if the consumer qualifies for LifeLine, and it should be offered at the point of sale.

Do not speak in terms of discounts; there is no certainty in discounts. A flat fee is better for people on a fixed budget. Let people keep their phone numbers and do not lock them into contracts.

Low-cost wireless service would help people connect with family, doctors, and possible employers. Have you considered VoIP options like Google Voice?

Families of enlisted individuals live only by phone and they use wireless phones. Incorporate the families of the Armed Forces in your decision. Everybody is different and has different needs.

(End of Attachment C)

ATTACHMENT D

General Order 153

Appendix A

Attachment D

General Order 153

Appendix A

CALIFORNIA LIFELINE PROGRAM SERVICE ELEMENTS

The California LifeLine Program's (California LifeLine) service elements reflect the changes in the communications marketplace. The updated service elements are designed to allow the California LifeLine service to be provisioned on different technologies. The service elements set forth in Appendix A-1 for wireline, Appendix A-2 for fixed Voice over Internet Protocol, and Appendix A-3 for wireless are a minimum set of service elements that must be offered on a non-discriminatory basis by any service provider providing California LifeLine telephone service within California. A California LifeLine provider (Provider) is not prohibited from providing additional elements as part of its California LifeLine telephone service offering.

All plans, including bundled service, promotional service, and family plans, that meet or exceed the minimum service elements and are consistent with California LifeLine rules shall be eligible for the California LifeLine discounts. The California LifeLine provider must apply the applicable support to the plan chosen by the California LifeLine participant (Participant) to the extent the plans meet or exceed the minimum service elements. Additionally, the California LifeLine service elements do not alter any of the responsibilities adopted for Carriers of Last Resort (COLR) in Decision 12-12-038, including the requirement that telephone service must work inside the residence.

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Appendix A-1

Service Elements of California LifeLine Wireline

The California LifeLine service elements for wireline telephone services are as follows:

1. The provider must offer participants the ability to place and receive voice grade calls over all distances utilizing the public switched telephone network or successor network.
 - a) The provider must, at a minimum, enable calls to be sent and received within a local exchange or over an equivalent or larger-sized local calling area.
 - b) The provider must allow equal access to all interexchange carriers within the local calling area in accordance with state and federal law and regulation.
 - c) The provider must provide a voice-grade connection from the participant's residence to the public switched telephone network or successor network.
 - d) The provider must disclose to each participant before activating service that they are entitled to a voice grade connection and the conditions under which the participant may terminate service without penalty if one cannot be provided.
 - e) If at any time a participant fails to receive a voice-grade connection to the residence and notifies the provider, the provider is required to (1) promptly restore the voice-grade connection, or if not possible (2) provide telephone service to that participant using a different technology if offered by the provider and if the participant agrees. Nothing in these rules alters or modifies the service obligation of a COLR to ensure continuity and functionality of basic service within the residence.

2. The provider must provide free, unlimited access to 911 emergency services, in compliance with current state and federal laws and regulations.
 - a) Each provider must provide its potential and existing customers information regarding its 911 emergency services, in compliance with current state and federal laws and regulations.
3. The provider must provide for free, one directory listing per year and white pages telephone directory, to participants.
 - a) The provider shall include a participant's listing for free in the local white pages telephone directory as a default unless the participant affirmatively requests to have the number unpublished.
 - b) The provider shall include a participant's listing for free in the directory listing as a default unless the participant affirmatively requests to have the number unlisted.
 - c) The provider must provide participants the option to receive a free printed paper copy of the white pages directory instead of an electronic copy covering the local community where the participant resides if the provider publishes the white pages directory in both printed and electronic forms. Some service providers may provide electronic delivery i.e., by CD-ROM or by on line access, of the free white pages directory pursuant to Resolution T 17302. However, participants may contact the provider to affirmatively elect to receive a printed paper copy instead of an electronic copy of the free white pages directory.
4. The provider must abide by the following additional billing provisions.
 - a) The provider must offer a flat rate option for unlimited outgoing calls that at a minimum mirrors the local exchange or an equivalent or larger sized local calling area in which the participant resides.
 - b) The provider must offer California LifeLine discounted services on a non-discriminatory basis to any customer residing within

- the service territory where the provider offers retail residential telephone services. The provider must only provide California LifeLine discounts to participants that are approved by the California LifeLine Administrator.
- c) The provider must offer an option with monthly rates and without contract or early termination penalties.
 - d) The provider may offer features and/or enhanced services in plans that could potentially be eligible for California LifeLine support, if the plans meet or exceed the California LifeLine minimum standards set by the CPUC. However, providers must not obligate participants to also subscribe to service bundles that require subscription to data and/or video services as a condition of receiving the California LifeLine discounts.
5. The provider must offer access to California Relay Service pursuant to Public Utilities Code § 2881 for deaf or hearing-impaired persons or individuals with speech disabilities.
 6. The provider must provide participants free blocking for 900/976 information services and a one-time free billing adjustment for 900/976 information services related charges inadvertently or mistakenly incurred, or without authorization.
 7. The provider must provide free access to operator services.
 8. The provider must provide the ability to receive free, unlimited incoming calls.
 9. The provider must provide access to local directory assistance (DA). Each provider shall offer to its participants the same number of free DA calls that the provider provides to its retail customers.
 10. The provider shall offer and file a schedule of California LifeLine service rates and charges.
 11. The provider must offer a choice of local flat-rate service or measured-rate service. There are small ILECs that do not have to offer subscribers the

choice of local flat or measured-rate service, unless the small ILEC offers this option to its retail customers.

12. The provider must provide free, unlimited access to 800 or 800-like toll-free services.
13. The provider must provide free, unlimited access to customer service for information about California LifeLine, service activation, service termination, service repair, and bill inquiries. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls.
14. The provider must provide free, unlimited access to customer service representatives fluent in the same language (English and non-English) in which California LifeLine was originally sold. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls.
15. The provider must provide free access to Toll-Blocking Service.
16. The provider must provide free access to Toll-Control Service, but only if (i) the California LifeLine Service Provider is capable of offering Toll-Control Service, and (ii) the California LifeLine subscriber has no unpaid bill for toll service.
17. The provider must provide access to two California LifeLine discounted telephone lines to Deaf and Disabled Telecommunications Program participants or teletypewriter users.
18. The provider must provide free access to the California Relay Service via the 711 abbreviated dialing code.

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Appendix A-2

Service Elements of California LifeLine Fixed Voice over Internet Protocol
Telephone Service

The California LifeLine service elements for fixed Voice over Internet Protocol (VoIP) telephone services are as follows:

1. The provider must offer participants the ability to place and receive voice grade calls over all distances utilizing the public switched telephone network or successor network.
 - a) The provider must, at a minimum, enable calls to be sent and received within a local exchange or over an equivalent or larger-sized local calling area.
 - b) The provider must provide a voice-grade connection from the participant's residence to the public switched telephone network or successor network.
 - c) The provider must disclose to each participant before activating service that they are entitled to a voice grade connection and the conditions under which the participant may terminate service without penalty if one cannot be provided.
 - d) If at any time a participant fails to receive a voice-grade connection to the residence and notifies the provider, the provider is required to (1) promptly restore the voice-grade connection, or if not possible (2) provide telephone service to that participant using a different technology if offered by the provider and if the participant agrees. Nothing in these rules alters or modifies the service obligation of a COLR to ensure continuity and functionality of basic service within the residence.
2. The provider must provide free, unlimited access to 911 emergency services, in compliance with current state and federal laws and regulations.

- a) Each provider must provide its potential and existing customers information regarding its 911 emergency services, in compliance with current state and federal laws and regulations.
3. The provider must provide for free, one directory listing per year and white pages telephone directory, to participants.
 - a) The provider shall include a participant's listing for free in the local white pages telephone directory as a default unless the participant affirmatively requests to have the number unpublished.
 - b) The provider shall include a participant's listing for free in the directory listing as a default unless the participant affirmatively requests to have the number unlisted.
 - c) The provider must provide participants the option to receive a free printed paper copy of the white pages directory instead of an electronic copy covering the local community where the participant resides if the provider publishes the white pages directory in both printed and electronic forms. Some service providers may provide electronic delivery i.e., by CD-ROM or by on line access, of the free white pages directory pursuant to Resolution T 17302. However, CaLL participants may contact the provider to affirmatively elect to receive a printed paper copy instead of an electronic copy of the free white pages directory.
 4. The provider must abide by the following additional billing provisions.
 - a) The provider must offer California LifeLine discounted services on a non-discriminatory basis to any customer residing within the service territory where the provider offers retail residential telephone services. The provider must only provide California LifeLine discounts to participants that are approved by the California LifeLine Administrator.
 - b) The provider must offer an option with monthly rates and without contract or early termination penalties.

- c) The provider may offer features and/or enhanced services in plans that could potentially be eligible for California LifeLine support, if the plans meet or exceed the California LifeLine minimum standards set by the CPUC. However, providers must not obligate participants to also subscribe to service bundles that require subscription to data and/or video services as a condition of receiving the California LifeLine discounts.
5. The provider must offer access to California Relay Service pursuant to Public Utilities Code § 2881 for deaf or hearing-impaired persons or individuals with speech disabilities.
6. The provider must provide participants free blocking for 900/976 information services and a one-time free billing adjustment for 900/976 information services related charges inadvertently or mistakenly incurred, or without authorization.
7. The provider must provide free access to operator services.
8. The provider must provide the ability to receive free, unlimited incoming calls.
9. The provider must provide access to local directory assistance (DA). Each provider shall offer to its participants the same number of free DA calls that the provider provides to its retail customers.
10. The provider shall offer and file a schedule of California LifeLine service rates and charges.
11. The provider must provide free, unlimited access to 800 or 800-like toll-free services.
12. The provider must provide free, unlimited access to customer service for information about California LifeLine, service activation, service termination, service repair, and bill inquiries. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls.

13. The provider must provide free, unlimited access to customer service representatives fluent in the same language (English and non-English) in which California LifeLine was originally sold. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls.
14. The provider must provide free access to Toll-Blocking Service.
15. The provider must provide free access to Toll-Control Service, but only if (i) the California LifeLine Service Provider is capable of offering Toll-Control Service, and (ii) the California LifeLine subscriber has no unpaid bill for toll service.
16. The provider must provide access to two California LifeLine discounted telephone lines to Deaf and Disabled Telecommunications Program participants or teletypewriter users.
17. The provider must provide free access to the California Relay Service via the 711 abbreviated dialing code.

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Appendix A-3

Service Elements of California LifeLine Wireless

The California LifeLine service elements for wireless telephone services are as follows:

1. The provider must offer participants the ability to place and receive voice grade calls over all distances utilizing the public switched telephone network or successor network.
 - a) The provider must, at a minimum, enable calls to be sent and received within a local exchange or over an equivalent or larger-sized local calling area.
 - b) The provider must provide a voice-grade connection to the public switched telephone network or successor network.
 - c) The provider must disclose to each participant before activating service that they are entitled to a voice grade connection and the conditions under which the participant may terminate service without penalty if one cannot be provided.
 - d) If at any time, a participant fails to receive a voice-grade connection and notifies the provider, the provider is required to (1) promptly restore the voice-grade connection, or if not possible (2) provide telephone service to that participant using a different technology if offered by the provider and if the participant agrees; or (3) allow the participant to discontinue service within 14 days of service activation without incurring early termination fees, if applicable. The provider shall also refund in full any applicable service connection charges and deposits if a participant terminates service within three days of service activation, excluding national holidays. These rules also do not preclude the participant from terminating service for any reason within 14 days of service activation without incurring early

termination fees. Nothing in these rules alters or modifies the service obligation of a COLR to ensure continuity and functionality of basic service within the customer's residence.

2. The provider must provide free, unlimited access to 911 emergency services, in compliance with current state and federal laws and regulations.
 - a) Each provider must provide its potential and existing customers information regarding its 911 emergency services, in compliance with current state and federal laws and regulations.
3. The provider shall offer a choice of a California LifeLine plan with 1,000 or more voice minutes, and may include domestic messaging or of a California LifeLine plan with 501 to 999 voice minutes, and may include domestic messaging.
4. The provider must abide by the following additional billing provisions.
 - a) The provider must offer at least one California LifeLine plan that meets or exceeds the California LifeLine service elements, and is not bundled with any video or data services.
 - b) The provider shall apply the applicable California LifeLine discount to the participant's selected plan.
 - c) The California LifeLine eligible plans may be offered on a pre-paid or post-paid basis.
 - d) The provider must offer California LifeLine discounted services on a non-discriminatory basis to any customer residing within the service territory where the provider offers retail wireless telephone services. The provider must only provide California LifeLine discounts to participants that are approved by the California LifeLine Administrator.
 - e) The provider shall not require contracts lasting more than two years for participants; and the terms must be comparable to the provider's retail

customers for the same service and/or device, except as needed to comply with California LifeLine rules.

- f) The provider may add features and/or enhanced services as part of its California LifeLine offerings if they meet or exceed the California LifeLine minimum standards set by the CPUC. Nothing in these rules alter or modify the obligation of the provider to offer at least one plan that meets or exceeds the minimum service elements, and is not bundled with any video or data services.
 - g) The provider must allow CaLL participants to purchase an additional voice minutes at the lowest rate that is offered to its retail customers for comparable plans with similar services and/or features.
 - h) The provider may offer plans that cease phone operation when all of the allotted minutes are used. The provider shall provide participants an option to purchase additional minutes. The provider must prominently disclose the charges, terms, and conditions associated with the purchase of additional minutes.
 - i) The provider shall not assess a fee to participants for paying their bills in person by cash, check or other form of payment - if the service is on a pre-paid basis.
 - j) The provider shall not assess a restocking fee to participants for devices returned within three days of service activation.
5. All handsets shall be available to participants on the same basis as the provider's retail customers.
6. The provider must offer access to California Relay Service pursuant to Public Utilities Code § 2881 for deaf or hearing-impaired persons or individuals with speech disabilities.

7. The provider must provide participants free blocking for 900/976 information services and a one-time free billing adjustment for 900/976 information services related charges inadvertently or mistakenly incurred, or without authorization.
8. The provider must provide access to operator services commensurate to its retail customers. The provider must disclose any charges or fees associated with using operator services.
9. The provider shall prominently disclose and disseminate terms and conditions, including their rates and fees, the charges, terms, and conditions associated with purchasing additional minutes, 911 emergency services location accuracy and reliability standards, potential service coverage and service quality issues, safety related considerations when handsets are removed from the home and when there is poor mobile reception, any charges associated with calling 800 or 800-like toll-free services, and the device's condition if refurbished, the device's applicability on other provider's wireless networks if the participant switches providers, and power back-up requirements for the system that supports California LifeLine wireless service including limitations due to power for equipment on towers or other facilities, e.g. that wireless telephone service may not work if the tower the wireless handset is trying to reach loses commercial or backup power. Additional disclosures must include the entitlement to a voice grade connection, the conditions under which the participant may terminate service without penalty, and the charges or fees associated with using operator services.
10. The provider must provide access to local directory assistance.
11. The provider shall offer and file a schedule of California LifeLine service rates and charges.
12. The provider must provide access to 800 or 800-like toll-free services and provide a full disclosure to the participant concerning how charges for 800 or

800-like toll-free services would apply if the participant does not subscribe to unlimited voice service.

13. The provider must provide free, unlimited access to customer service for information about California LifeLine, service activation, service termination, service repair, and bill inquiries. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls.
14. The provider must provide free, unlimited access to customer service representatives fluent in the same language (English and non-English) in which California LifeLine was originally sold. Calls to the provider's customer service shall not count against the participant's allotted voice minutes or number of calls.
15. The provider must provide free access to Toll-Blocking Service.
16. The provider must provide free access to Toll-Control Service, but only if (i) the California LifeLine Service Provider is capable of offering Toll-Control Service, and (ii) the California LifeLine subscriber has no unpaid bill for toll service.
17. The provider must provide access to two California LifeLine discounted telephone lines to Deaf and Disabled Telecommunications Program participants or teletypewriter users.
18. The provider must provide free access to the California Relay Service via the 711 abbreviated dialing code.
19. The provider must provide free, unlimited access to public safety N11s (211, 311, 511, 811, 711 and 911). Calls to these special services N11s shall not count against the participant's allotted voice minutes or number of calls. Only the call to the 711 relay service is required to be free and not counted against minutes, not the associated call made using the 711 relay service.

20. The provider must provide free, unlimited access to 611 for service provider billing and repair services. Calls to 611 shall not count against the participant's allotted voice minutes or number of calls.
21. The provider must provide access to 411, and disclose charges and conditions associated with 411 access and information.

(End of Attachment D)

ATTACHMENT E

AT&T WIRELESS HOME PHONE AND FREE 611

ATTACHMENT E

AT&T WIRELESS HOME PHONE AND FREE 611

Learn how to use your AT&T Wireless Home Phone

Find out how to set up and use your phone on the [Device How-To Center](#). Click **Select your device** and choose **Other** as your device type, **AT&T** as your brand, and **Wireless Home Phone (WF720)** as your device model to view instructions on using your Wireless Home Phone.



[Open all](#)

Features

The following features are included with the service:

- Call Waiting
- Call Forwarding
- Caller Id (number only)
- 3 Way Calling
- Basic Voicemail
- TTY/TTD compatibility
- 411*, 611, E911

* Per use charges apply.

(End of Attachment E)