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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 20-02-008

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the category, issues to be addressed, and schedule of the proceeding pursuant to Public Utilities (Pub. Util.) Code § 1701.1 and Article 7 of the California Public Utilities Commission's Rules of Practice and Procedure.

1. Procedural Background

On February 27, 2020, the California Public Utilities Commission (Commission) filed Order Instituting Rulemaking (OIR) 20-02-008 to update the California Universal Telephone Service Program (California LifeLine or Program). This rulemaking is the successor to Rulemaking (R.) 11-03-013, where the Commission implemented revisions to the Program.

As noticed in the OIR, the Commission held a prehearing conference (PHC) on March 10, 2020 to discuss the issues of law and fact and determine the need for hearing and schedule for resolving the matter. Parties filed PHC statements on March 26, 2020.¹

¹ Public Advocates Office, Cox California Telcom, LLC, Center for Accessible Technology, National Lifeline Association, TruConnect Communications, Inc., The Utility Reform Network, TC Telephone Inc., Assurance Wireless / Sprint Spectrum, L.P, and Cox California Telecom,
Footnote continued on next page.

After considering the discussion at the PHC and reviewing PHC statements, I have determined the issues and schedule of the proceeding to be as set forth in this scoping memo.

2. Issues

In the OIR, the Commission initially established the scope of the rulemaking to include (a) updates to implementation rules to improve the Program, (b) updates to the Program to address changes to state and federal policies and communications technologies, and (c) unresolved issues from R.11-03-013. I affirm this scope for the proceeding and note our intention to provide flexibility to address new issues as they arise over the next two years.²

As requested in party comments, at the PHC and in PHC statements, I will also identify our top priorities for this proceeding in this scoping ruling.

The OIR established that one of our first priorities will be to work with stakeholders to determine the appropriate levels of Program-funded support for communications services going forward. This process will reflect our continued commitment to ensure access to voice services across the state, as federal subsidies for voice services decline, and our policy goals for increasing program participation and access to broadband services.

Further, I emphasize that any decision to authorize Program funds to supplement or replace declining federal support will require a robust record with sufficient information from Program carriers to justify such a commitment.

L.L.C., the Greenlining Institute, TracFone Wireless, Inc., and California Emerging Technology Fund filed and served PHC statements.

² For example, several parties raised the issue of National Verifier compliance. The Federal Communications Commission has confirmed that the California LifeLine process is currently in compliance with National Verifier requirements. The scope of this rulemaking is flexible enough to address any future issues regarding compliance with federal Lifeline requirements.

In Decision (D.) 20-02-004, the Commission temporarily authorized the Program fund to replace the \$2.00 reduction of monthly federal support for wireline Program service plans from December 1, 2019 through November 30, 2020. In that decision, the Commission made a commitment to conduct a thorough review and reassessment of Program subsidy levels and the potential impact of replacing reduced federal subsidies on the Program fund before deciding whether to authorize use of Program funds to supplement federal support after November 30, 2020.³

I stand by this commitment to manage the Program's budget responsibly. The ongoing COVID-19 pandemic has underscored the importance of both ensuring that California LifeLine participants receive the communications services they need to stay connected to essential services, and establishing subsidy levels that support higher levels of participation in the Program. For example, the Commission will consider whether to authorize funding to incentivize wireless carriers to meet or exceed future federal minimum broadband requirements for Lifeline. We will also gather information about the potential to incentivize carriers to provide broadband packages for wireline participants. However, the Commission will only authorize additional funding if carriers provide sufficient market pricing or cost information to support a determination that an incentive is necessary and what incentive amount would be reasonable.

As a related matter, we will reexamine California LifeLine's minimum service standards. Federal support for service plans that do not meet increasing federal minimum broadband service standards is scheduled to decline to zero

³ D.20-02-004 at 7-8.

support over the next few years. Accordingly, California LifeLine minimum service standards for plans that only receive Program support will not need to remain tethered to federal requirements.

Second, we will prioritize improving the Program based upon recommendations of a holistic Program Assessment. The Commission's Communications Division staff will work with an external contractor to conduct a Program Assessment that will identify opportunities to overcome barriers to participation and renewals, and to make California LifeLine more attractive to eligible households.

Many of the priorities raised by parties at the PHC and in PHC statements will be included in this Program Assessment, including: streamlining the application and renewals processes, setting program goals, enhancing education and outreach, coordinating with other Commission programs, providing more attractive service options (such as family plans, better handsets, broadband offerings), lessons learned from pilot programs, and identifying whether any changes to General Order (GO) 153 are needed to implement any recommended improvements to the Program.

We recognize that improving the renewals process is a priority for nearly every party who has commented on the scope of this proceeding.⁴ We agree and specifically make improving the renewals process a priority for this proceeding.

Before the Program Assessment is completed, we will also implement updates to GO 153 to reflect all Commission decisions and resolutions to date. The vast majority of parties who filed PHC statements recommended that we

⁴ Most of the parties who filed PHC statements commented that improving the renewals process should be a top priority for this proceeding.

prioritize these updates,⁵ and many of these parties volunteered to participate in a working group to propose updates.

We also recognize that a broad range of parties supported prioritizing the issue of emergency relief for California LifeLine participants at the PHC. In PHC statements, several parties recognized that the Commission continues to prioritize ensuring access to communications services during emergencies that result in the loss or disruption of utility service, or the degradation of the quality of utility service, in R.18-03-011. The scope of this rulemaking will include issues of emergency relief that do not fall within the scope of R.18-03-011 as such issues arise. We will prioritize measures to support access to the Program during the COVID-19 emergency.

Finally, with respect to unresolved issues from R.11-03-013, we will prioritize determining whether any of the pending pilot applications should be approved.⁶ We agree with the Public Advocates Office that we must keep this rulemaking focused on current priorities.⁷

In summary, here is the list of our top priority issues for this rulemaking.

- a. Should we adjust the Program's Specific Support Amounts and/or minimum service standards to support policy goals including, but not limited to, voice services as federal subsidies for voice services decline, our policy goals for

⁵ Most of the parties who filed and served PHC statements supported prioritizing updates to GO 153.

⁶ Several carriers recommended that we prioritize addressing the port freeze or connection or activation reimbursements. These issues were previously addressed in R.11-03-013 and there has been no material change to circumstances warranting prioritization of these issues at this time. If appropriate, we may address one or more of these issues in this proceeding as part of one of the issues we have prioritized.

⁷ Public Advocates Office's PHC statement at [INSERT page].

increasing program participation, and access to broadband services?

- b. Should we make changes to the Program to reflect the recommendations of the holistic Program Assessment, if any?
- c. Should we update GO 153 to reflect Commission decisions, resolutions and applicable laws? and if so how?
- d. Can we improve the Program's renewals process?
- e. Should we approve any of the pending pilot applications?
- f. Given the ongoing COVID-19 emergency, should the Commission consider any expedited and/or temporary program modifications?

3. Need for Evidentiary Hearing

In the OIR, we made the preliminary determination that no hearings would be needed. No party recommended evidentiary hearing in PHC statements or at the PHC. Accordingly, no evidentiary hearing is needed on this issue.

4. Schedule

Although I have determined that evidentiary hearings are not needed, I hereby set a Status Conference on June 23, 2020 at 10:00 a.m. regarding the Program's Specific Support Amounts (SSA) and minimum service standards (MSS). At the Status Conference, the assigned Administrative Law Judge (ALJ) and I will ask each Program carrier to answer any remaining questions we may have about its Responses to the Scoping Ruling.

The following schedule regarding the SSA and MSS is adopted here and may be modified by the ALJ as required to promote the efficient and fair resolution of the proceeding.

Program carriers file and serve Responses to Scoping Ruling questions in Attachment A (no longer than 15 pages)	May 4, 2020
Parties file and serve Reply Comments in accordance with Attachment A (no longer than 15 pages)	May 26, 2020
Status conference held	June 23, 2020 at 10:00 a.m. at the Commission's hearing rooms in San Francisco and/or by teleconference
Status conference comments due (no longer than 15 pages)	July 7, 2020
Status conference reply comments due (no longer than 10 pages)	July 17, 2020
Proposed decision issued	August or September 2020
Commission decision issued	No sooner than 30 days after the proposed decision

Since many parties recommended the use of working groups and workshops to expedite the process of updating GO 153, to reflect Commission decisions and resolutions, and to improve the renewals process, we authorize parties to form one or more working groups to address these two specific issues. The working group(s) will consist of equal numbers of representatives for each of the following categories of parties: (a) wireline Program carriers, (b) wireless Program carriers, and (c) consumer/participant advocates.

The following schedule for other priorities identified in this scoping ruling is adopted here and may be modified by the ALJ as required to promote the efficient and fair resolution of the proceeding.

Proposed decision on Assigned Commissioner's Ruling regarding emergency COVID measures	April 2020
Proposed decision on pending pilot applications	May or June 2020

Working group will serve a proposal to update GO 153 to reflect Commission decisions and resolutions	Q3 or Q4 2020
Commission will update GO 153 to reflect Commission decisions and resolutions	Within 90 days of service of the GO 153 proposal
Working Group will file and serve a proposal to improve the renewals process	Q4 2020 or Q1 2021
Proposed decision on proposal to improve the renewals process	Within 90 days of filing and service of the renewals process proposal
Commission will conduct a Program Assessment	Q3 2020 - Q2 2021
Workshop on the Program Assessment	Q3 2021
Party comments and reply comments on the Program Assessment	Q3 2021
Proposed decision on Program Assessment recommendations	Q4 2021

Due to the complexity and number of issues in this proceeding, it is the Commission’s intent to complete this proceeding within 24 months of the date this decision is adopted. (Pub. Util. Code § 1701.5(b).)

5. Alternative Dispute Program

The Commission’s Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJ who have been trained as neutrals.⁸ At the parties’ request, the assigned ALJ can refer this proceeding to the Commission’s ADR Coordinator. Additional ADR information is available on the Commission’s website.

Any settlements between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules of Practice and Procedure and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is

⁸ See D.07-05-062, Appendix A, Section IV.O.

reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding/*Ex Parte* Restrictions

This ruling confirms the Commission's preliminary determination in the OIR that this is a quasi-legislative proceeding. No party raised concerns with this categorization at the PHC or in PHC statements. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

7. Public Outreach

Pursuant to Pub. Util. Code § 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by distributing to 500 contacts among community-based organizations and local governments across the state.

In addition, the Commission served the OIR on the service list of R.11-03-013, the previous rulemaking that addressed California LifeLine.

8. Intervenor Compensation

Intervenor Compensation is permitted in this proceeding. Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days after the PHC. Parties new to participating in Commission proceedings may contact the Commission's Public Advisor.

All intervenor compensation filings and findings from R.11-03-013 were transferred to this rulemaking, and such parties need take no further action to transfer these findings.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. See Pub. Util. Code § 1701.1(g). Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the docket card for the proceeding.

11. Service of Documents on Commissioners and Their Personal Advisors

Rule 1.10 requires only electronic service on any person on the official service list, other than the ALJ.

Parties are instructed to only serve documents on the assigned Commissioner, advisors to the assigned Commissioner, and the assigned ALJ by electronic copy and *not* by paper copy, unless specifically instructed to do otherwise.

12. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Stephanie S. Wang is the assigned Administrative Law Judge for this proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above.
2. The schedule of this proceeding is as set forth above.
3. Evidentiary hearings are not needed.
4. The category of the proceeding is quasi-legislative.

Dated April 13, 2020, at San Francisco, California.

/s/ GENEVIEVE SHIROMA

Genevieve Shiroma
Assigned Commissioner

Attachment A

Attachment A

Questions Regarding Specific Support Amounts and Minimum Service Standards

Questions for Wireline Providers:

1. Do you have California LifeLine participants with plans that do not meet the federal minimum service standards? If so, how many? What actions are you taking to meet these standards?
2. Have you met the federal minimum service standards from FCC 16-38 in other states? If so, which states and what are the subsidy amounts?
3. How should broadband be subsidized for low-income Californians? Should the CPUC mirror the federal minimum service standards and provide more subsidy for data plans than voice service? Please address what a program offering could look like including speed and allowances, costs to customers, and suggested subsidy amounts for mobile and/or fixed broadband. If this were added, should this be a part of LifeLine?
4. For carriers receiving California Advanced Service Fund (CASF) funding, what do your broadband service offerings look like for California LifeLine participants and how many are currently enrolled?
5. Is your company offering low-income broadband in other states? If so, please share information by State including speed and allowances, costs to customers, subsidy program and amounts, and other relevant data.
6. Provide information regarding current offerings to low-income and/or LifeLine program participants in response to COVID-19. Please describe additional marketing, education and outreach efforts to promote the program and how they differ from typical efforts.

Questions for Wireless Providers

1. Do you have California LifeLine participants with plans that do not meet the federal minimum service standards? If so, how many? What actions are you taking to meet these standards?

2. Have you met the federal minimum service standards from FCC 16-38 in other states? If so, which states and what are the subsidy amounts?
3. In the chart below, provide monthly information for Year 2019 regarding California LifeLine participant usage for voice, domestic message (text), and broadband services.

Month in Year 2019 (January-December)	Average Number of Voice Minutes Used by California LifeLine Participants	Average Amount of Megabytes Used by California LifeLine Participants	Average Amount of Domestic Texts Sent and Received by California LifeLine Participants

4. Are there additional offerings that are provided to California LifeLine program participants, such as handsets? Please provide a list of the different items, the number of offerings (or participants offered these), and the conditions for which they are offered including leveraged subsidies/funds, territories.
5. Do you offer California LifeLine participants services that work in conjunction with family plans? If so, please provide information regarding the number of participants.
6. Provide information regarding market rate family plans for March 2020. How many types of family plans are available? How many participants are enrolled in family plans in total, as well as from 1-2, 3-4, and 5+? Please provide information for your most affordable (lowest cost) family plans with 1 to 6 lines in chart format below.

Family Plan	Cost per line (\$)	Total plan cost (\$)	Voice (minutes)	Data (GB)	Texts

7. If applicable, how much does your company charge California customers who are not LifeLine participants for 1 additional gigabyte (GB) of data? For several additional GBs of data? What is the market rate for the same data? What factors should we consider when analyzing the price of a GB of data?
8. How should broadband be subsidized for low-income Californians? Should the CPUC mirror the federal minimum service standards and provide more subsidy for data plans than voice service? Please address what a program offering could look like including speed and allowances, costs to customers, and

suggested subsidy amounts for mobile and/or fixed broadband. If this were added, should this be a part of LifeLine?

9. Is your company offering low-income broadband plans in other states? If so, please share information by State including speed and allowances, costs to customers, subsidy program and amounts, and other relevant data.

10. Provide information regarding current offerings to low-income and/or LifeLine program participants in response to COVID-19. Please describe additional marketing, education and outreach efforts to promote the program and how they differ from typical efforts.

Questions for reply comments:

1. What conclusions would you draw from carrier responses?
2. What additional or follow-up questions should we ask all carriers or individual carriers?
3. What reports or other sources of information about pricing or costs of communications services in California or other states should we consider? What conclusions would you draw from this additional information?
4. What changes to the Program's Specific Support Amount and/or minimum service standards would you recommend based on information received through carrier responses or other sources?