

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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

Rulemaking 20-02-008

**REPLY COMMENTS OF THE PUBLIC ADVOCATES OFFICE ON
ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENTS ON
STRAW PROPOSAL ADDRESSING SPECIFIC SUPPORT AMOUNTS FOR
CALIFORNIA LIFELINE**

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I. INTRODUCTION

Pursuant to Administrative Law Judge Stephanie Wang's July 17, 2020, *Administrative Law Judge's Ruling* ("Ruling") seeking comments on the Communications Division's Straw Proposal ("Straw Proposal") Addressing Specific Support Amount ("SSA") and Minimum Service Standards ("MSS") for California Universal Telephone Service Program ("LifeLine") in Rulemaking (R.) 20-02-008, the Public Advocates Office at the California Public Utilities Commission ("Cal Advocates") submits the following reply comments.

Cal Advocates reaffirms its support for the Straw Proposal's recommendation to incorporate wireline broadband service in LifeLine to provide broadband to low-income families. A broadband connection is essential to attend school through distance learning, obtain medical care through telehealth and for some, to telework for their job. Cal Advocates provides these reply comments in response to select opening comments filed by parties on July 30, 2020.

To provide broadband services to LifeLine's customers, the California Public Utilities Commission ("Commission") should modify the Straw Proposal and implement the following recommendations: (1) adopt standalone wireline broadband service in LifeLine; (2) incorporate existing affordable retail broadband plans into LifeLine; (3) eliminate or phase out measured rate services of wireline plans; (4) establish clear guidelines on out-of-pocket costs for wireless plans to ensure affordable rates for LifeLine customers; (5) require wireless providers to offer all tiers of service, not just a select number of tiers; and (6) continue to cover \$2 of the subsidy reduction of monthly federal support, instead of the full subsidy of \$4, for wireline voice customers.

II. DISCUSSION

1. **The Commission should provide a standalone wireline broadband plan to LifeLine customers.**

The Commission should require that any service providers wishing to participate in wireline broadband plans offer a standalone wireline broadband plan in addition to any wireline bundled voice and broadband option to LifeLine customers. Several parties

support offering standalone wireline broadband plans to LifeLine customers.¹ LifeLine customers should be able to apply their LifeLine discount to standalone wireline broadband services which meet California’s MSS. A LifeLine standalone wireline broadband plan expands customer choice and helps customers avoid paying an additional cost for voice service which they may not need.²

Cal Advocates also supports the California Emerging Technology Fund’s (“CETF”) suggestion to require standalone wireline broadband plans to include interconnected Voice over Internet Protocol (“VoIP”) telephone service that connects to the Public Switched Telephone Network (“PSTN”) and receives E-911 service.³ In 2018, over one million California 9-1-1 calls were made through a VoIP connection.⁴

2. The Commission should incorporate existing affordable retail broadband plans into LifeLine.

As some parties indicate in their comments,⁵ major retail broadband service providers already have a program that offers an affordable broadband plan for qualifying low-income households. The Commission should incorporate these retail programs into LifeLine and offer LifeLine customers an alternative way to receive affordable wireline broadband service. As CETF suggests in their opening comments, LifeLine could partner with these programs to expand marketing and availability.⁶ The LifeLine program could also offer discounts to customers enrolling in existing retail low-cost broadband programs

¹ See the Opening Comments of Center for Accessible Technology (“CforAT”) and the Greenlining Institute (“Greenlining”), p. 5, Consolidated Communications of California (“Consolidated”), p. 5, Frontier California (“Frontier”), p. 4, the Small Local Exchange Carriers (“Small LECs”), p. 7, and the Center for Accessible Technology (“CETF”), p. 9.

² Opening Comments of Cal Advocates on Administrative Law Judge’s Ruling Requesting Comments on Straw Proposal Addressing Specific Support Amounts for California Lifeline, R.20-02-008, July 30, 2020, p. 4.

³ Comments of the CETF on Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 30, 2020, p. 9.

⁴ CalOES 2018 9-1-1 Call Statistics, Slide 8
<https://www.caloes.ca.gov/PublicSafetyCommunicationsSite/Documents/AdvisoryBoardFeb2019.pdf>

⁵ See Opening Comments of CETF, p. 2, Public Advocates Office, p. 3, and CforAT and Greenlining, p. 4.

⁶ Comments of the CETF on Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 30, 2020, p. 2.

and create a standardized set of eligibility criteria and service standards. This approach will allow the Commission to leverage the existing affordable broadband programs to improve LifeLine enrollments, which is consistent with the Straw Proposal’s policy goals.

3. The Commission should phase out measured rate service from LifeLine.

The Commission should phase out measured rate wireline voice service over the next year. The transition period would give service providers operating under the measured rate structure ample time to inform customers of the switch to flat rate as well as perform any required backend technological changes. Several parties agree⁷ with the Straw Proposal⁸ that measured rate services should be phased out or removed.⁹ Cal Advocates agrees with Cox California Telcom, LLC’s (Cox) comments that the Commission has the authority to eliminate measured rate services¹⁰ as it removed measured rate service from the definition of basic service in Decision (D.) 12-12-038.¹¹ The Straw Proposal also finds that measured rate service customers receive over double the monthly support as flat rate customers.¹² As noted by Center for Accessible Technology (“CforAT”) and The Greenlining Institute (“Greenlining”), this creates an untenable competitive advantage for measured rate service providers.¹³ Consistent with

⁷ See Opening Comments of CforAT and Greenlining at p. 1, Small LECs at p. 8, AT&T at p. 4, CETF at p. 6, and Cox Communications, p. 5.

⁸ Specifically, the Straw Proposal suggests grandfathering in existing measured rate customers and capping their reimbursements at the maximum SSA for flat rate customers, \$14.85 per month. See Straw Proposal, p. 14.

⁹ Cox also suggests that existing customers be grandfathered in but that no new customers should be enrolled into measured rate service.

See, Comments of Cox to Administrative Law Judge’s Ruling Dated July 17, 2020, R.20-02-008, July 30, 2020, p. 4.

¹⁰ Comments of Cox California Telcom, LLC (U-5684-C) to Administrative Law Judge’s Ruling, Dated July 17, 2020, R.20-02-008, July 30, 2020, p. 4.

¹¹ D.12-12-038, Decision Adopting Basic Telephone Service Revisions, Attachment A – Basic Telecommunications Service Elements, R. 09-06-019, December 20, 2012.

¹² Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 17, 2020, p. 6.

¹³ Opening Comments of CforAT and Greenlining on the Straw Proposal Addressing Specific Support
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the goals of the Moore Universal Telephone Service Act to make basic service affordable to the greatest number of California residents,¹⁴ the Commission should phase out measured rate services over the next year and convert existing measured rate customers to flat rate service as soon as possible.

4. The Commission should establish clear caps on customers' out-of-pocket costs to ensure the affordability of wireless plans for LifeLine customers.

Cal Advocates shares several parties' concerns regarding the affordability of the Straw Proposal's wireless tiered plans due to additional out-of-pocket costs for low-income customers.¹⁵ To ensure affordability of the wireless tiered plans, the Commission should set clear caps on out-of-pocket amounts for plans offered to customers as well as for each extra Gigabyte ("GB") of data.¹⁶ Cal Advocates supports The Utility Reform Network's ("TURN") recommendation that the Commission should review and evaluate the affordability of any plans with any out-of-pocket costs proposed by wireless carriers and of plans that require payments from customers.¹⁷ To ensure quality service and customer protections, the Commission should establish consumer protection measures, such as preventing disconnections or downgrading to lower tiers of service, in the event a customer misses a payment.¹⁸

Cal Advocates opposes Telrite Corporation d/b/a Life Wireless's ("Telrite") proposal of decreasing the broadband data allowance across tiers.¹⁹ Telrite's proposal

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Amount for California LifeLine, R.20-02-008, July 30, 2020, p. 9.

¹⁴ Public Utilities (P.U.) Code section 871.7.

¹⁵ Opening Comments of Cal Advocates, p. 7, the Utility Reform Network (TURN), p. 2, CforAT and Greenlining, p. 1, CETF, p. 6, TracFone, p. 2, the National Lifeline Association (NaLA), p. 2, Telrite, pp. 3, 6.

¹⁶ Opening Comments of the Cal Advocates, p. 8. See also Response of the California Emerging Technology Fund to Administrative Law Judge Ruling of June 8, 2020, R.20-02-008, June 22, 2020, p. 3 (recommending that the out-of-pocket costs to LifeLine subscribers should be affordable with current affordability estimated in the range of \$10 -\$20 per month).

¹⁷ Opening Comments of TURN, p. 6.

¹⁸ Opening Comments of TURN, p. 3.

¹⁹ Comments of Telrite Corporation DBA Life Wireless (U4442C) to Communications Division Straw

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places a maximum data allowance of 4 GB in two out of three of the proposed tiers (specifically, Tiers 2 and 3).²⁰ This maximum allowance is considerably lower than the Straw Proposal’s mobile broadband allowance of 5-Unlimited GB in Tiers 2 through 5.²¹ Therefore, the Commission should not adopt Telrite’s proposal as it goes against the goal to provide improved broadband services to customers.²²

National Lifeline Association and its participating members in California (collectively “NaLA”) and TracFone Wireless, Inc. (“TracFone”) propose an Enhanced Tier with unlimited broadband allowance; but this new tier requires a substantially higher California SSA of \$36.85, which is 286% and 248% higher than the SSA of the basic plan, and the standard plan, respectively.²³ Due to LifeLine’s budget constraints, the Commission should not adopt this plan as it will substantially increase the California SSA.²⁴ Additionally, NaLA and TracFone propose offering their plans only if the Commission institutes LifeLine program improvements, including improvements to the renewal process.²⁵ Cal Advocates opposes this conditionality in NaLA and TracFone’s proposals for two reasons. First, if the Commission waits to implement plans that enhance broadband access until programmatic changes are made, this will limit consumer choice in the interim as LifeLine participants will effectively have limited access to plans with expanded broadband offerings. Second, NaLA and TracFone’s proposals undercut discussions on programmatic improvements, including changes to the renewal process,

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Proposal Addressing Specific Support Amount for California LifeLine, R.20-03-008, July 30, 2020, p. 4.

²⁰ Comments of Telrite Corporation DBA Life Wireless (U4442C) to Communications Division Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-03-008, July 30, 2020, p. 4.

²¹ Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 17, 2020, p. 12.

²² Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 17, 2020, p. 2.

²³ Opening Comments of NaLA, p. 2, 4-5, and TracFone, pp. 4-5.

²⁴ Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 17, 2020, p. 11.

²⁵ Opening Comments of NaLA, pp. 2, 4-5, and TracFone, pp. 4-5

that are currently underway in working groups.²⁶ The Commission should not delay implementing wireless plans that expand broadband access to low-income households and should not accept NaLA and TracFone’s proposals that result in further delays.

5. The Commission should require wireless providers to offer all tiers of service, not just a select number of tiers.

The Straw Proposal developed four tiers of wireless plans, not including the family plan, with varying levels of MSS to increase customer choices, particularly for mobile data allowance.²⁷ Cal Advocates opposes the proposals to limit customer choices from Assurance Wireless USA, L.P. (U 4327 C) (“Assurance”), Telrite, NaLA,²⁸ and TracFone.²⁹ The Commission should require LifeLine wireless providers to offer all tiers of service rather than only a select number of tiers. Additionally, Cal Advocates supports CETF’s and Assurance’s suggestion that the Commission review and revise the SSA and MSS across the tiers, at a minimum, annually³⁰ as customer data usage and bandwidth needs could change rapidly.³¹ Recommendations for SSA and MSS reviews at 5-year intervals from TracFone, NaLA, and Telrite would limit timely changes to LifeLine’s offerings in alignment with consumer needs.³²

²⁶ Assigned Commissioner’s Scoping Memo and Ruling (Ruling), R.20-02-008, April 13, 2020, pp. 5-8. The Ruling authorized the creation of separate working groups to discuss programmatic improvements.

²⁷ Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 17, 2020, p. 12.

²⁸ National Lifeline Association (NaLA) and its participating members in California (Boomerang Wireless, LLC, AmeriMex Communications Corp, dba SafetyNet Wireless, American Broadband & Telecommunications Company, and Global Connection Inc. of America, dba StandUp Wireless). TruConnect Communications, Inc. and i-wireless, LLC also filed opening comments along with NaLA.

²⁹ Opening Comments of Assurance, p.6, Telrite, p. 4, NaLA, p. 2, and TracFone, p. 4.

³⁰ Opening Comments of Cal Advocates, p. 9, CETF, p. 6, and Assurance Wireless, p. 9.

³¹ Comments of the CETF on Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 30, 2020, pp. 5-6.

³² Opening Comments of TracFone, p. 7, NaLA, p. 6, and Telrite, p. 6.

6. The Commission should maintain the existing \$2 support for wireline customers, instead of the full subsidy of \$4.

Cal Advocates agrees with CETF's recommendation³³ that the Commission should continue to replace the \$2 reduction of monthly federal support and opposes carriers'³⁴ suggestions of replacing the \$4 reduction in federal support, which is expected to begin on December 1, 2020. Cal Advocates supports CforAT's and Greenlining's proposal that the Commission should evaluate the economic situation and the impact of COVID-19 facing LifeLine customers and the sustainability of the LifeLine Fund.³⁵ Maintaining the existing \$2 make-up support balances the fiscal impact on the LifeLine fund, the cost to LifeLine customers, as well as the Federal Communications Commission's ("FCC") goals regarding the gradual reduction in voice support.³⁶ For customers who do not want broadband service, LifeLine will continue to provide the full \$14.85 SSA for voice service alongside the maximum federal SSA and the existing \$2 make-up funding. The Commission should avoid making another incremental response³⁷ to the FCC's phase down in voice support and should instead have a more thorough discussion in this proceeding to make one final decision on the matter. The Commission should continue the existing \$2 make-up funding until it determines a long-term solution to the issue of the FCC's reduction in voice support.

³³ Comments of the CETF on Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 30, 2020, p. 6.

³⁴ See Opening Comments of Frontier, p. 2, AT&T, p. 2, Consolidated, p. 2, Small LEC, p. 5, and Cox, p. 6.

³⁵ Opening Comments of CforAT and Greenlining on the Straw Proposal Addressing Specific Support Amount for California LifeLine, R.20-02-008, July 30, 2020, p. 1.

³⁶ FCC 16-38, Third Report and Order, Further Report and Order, and Order on Reconsideration, April 27, 2016, WC Docket Nos. ¶6.

³⁷ D. 20-02-004 authorized the LifeLine Fund to replace the \$2 reduction in monthly federal support for wireline customers from December 1, 2019 until November 30, 2020. See, D.20-02-004, Decision Authorizing the Program Fund to Replace Federal Support for Wireline Participants, R.20-02-008, February 10, 2020, Ordering Paragraph 1, p. 13.

III. CONCLUSION

Cal Advocates recommends that the Commission leverage existing affordable wireline broadband programs to improve LifeLine enrollments, establish clear caps on out-of-pocket costs for wireless plans to protect low-income households, require wireless LifeLine carriers to offer all tiers of wireless service which will expand consumer choices and safeguard affordability, phase out measured rate services, and continue the existing \$2 in support to make up for the reduction in federal funding.

Respectfully submitted,

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