



**PUBLIC UTILITIES COMMISSION**

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July 7, 2022

**Agenda ID #20783**  
**Quasi-Legislative**

TO PARTIES OF RECORD IN RULEMAKING 20-02-008:

This is the proposed decision of Commissioner Shiroma. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's August 25, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ ANNE E. SIMON

Anne E. Simon

Chief Administrative Law Judge

AES:mph

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER SHIROMA**  
(Mailed 7/7/2022)

**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

**DECISION ADDRESSING ADDITIONAL FEDERAL SUPPORT FOR  
CALIFORNIA LIFELINE SERVICE PLANS**

**Summary**

This decision addresses how California LifeLine support should be applied to a service plan that receives additional federal support through the Affordable Connectivity Program or any other federal program.

California LifeLine subsidy levels were designed to leverage \$9.25 of federal support to provide affordable communications services that meet specific service standards to eligible California residents.

This decision determines that California LifeLine subsidies will be reduced when total federal monthly support applied to a California LifeLine service plan is greater than \$9.25. If the total federal monthly support applied to a service plan exceeds the sum of \$9.25 and the applicable California subsidy, such as when the \$30 Affordable Connectivity Plan subsidy is applied to a service plan, then no California LifeLine subsidy will be recoverable for that service plan.

This decision does not modify reimbursements of service connection fees or administrative fees for service plans that receive more than \$9.25 of federal

support. Nor does this decision modify California LifeLine subsidies for service plans that receive federal support equal to or less than \$9.25.

This proceeding will continue to consider whether to modify the monthly subsidies or minimum service standards for California LifeLine service plans.

This proceeding remains open.

## **1. Background**

The Moore Universal Telephone Service Act (Moore Act) established the California Universal Telephone Service Program (California LifeLine or ULTS or the Program). The Moore Act was enacted in 1987 to “offer high quality basic telephone service at affordable rates to the greatest number of California residents.”<sup>1</sup>

Over time, the Commission and Legislature expanded the purpose of the Moore Act to include offering additional basic communications services, including basic wireless and broadband services. Public Utilities Code Section 871.7.(c) directed the Commission to investigate “the feasibility of redefining universal telephone service by incorporating two-way voice, video and data services as components of basic service” and, to the extent feasible, “promote equity of access to high-speed communications networks, the Internet, and other services to the extent that those services provide social benefits.”<sup>2</sup> In Decision (D.) 14-01-036, the Commission incorporated wireless voice and data services into the Program. In D.20-10-006, the Commission concluded that California LifeLine should offer subsidies for fixed broadband service bundled with fixed Voice over Internet Protocol service that meets the requirements of D.16-10-039.

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<sup>1</sup> Public Utilities Code Section 871.7(a).

<sup>2</sup> Public Utilities Code Section 871.7.(c).

The Federal Communications Commission (FCC) established the federal Lifeline subsidy program in 1985 to provide discounts on phone service for low-income Americans. In 2016, the FCC modified federal Lifeline support levels to shift support from voice services to broadband services:<sup>3</sup>

- Reduce federal monthly support from \$9.25 to \$7.25 for service plans that do not meet its broadband service standards on December 1, 2019.
- Reduce federal support from \$7.25 to \$5.25 for service plans that do not meet its broadband service standards on December 1, 2020.
- Eliminate federal support for service plans that do not meet its broadband service standards on December 1, 2021.

In a series of decisions in 2020-2021, the Commission authorized the Program to replace all or a portion of reduced federal support for wireline voice participants.<sup>4</sup>

In D.18-02-006, the Commission created a category of Program participants who do not meet federal Lifeline eligibility criteria (California-Only Participants) and temporarily authorized the Program to replace reduced federal support for California-Only Participants. The Commission extended replacement of federal support for California-Only Participants in D.19-11-008 and D.20-02-042.

In February 2021, the FCC adopted the Emergency Broadband Benefit Program (EBB) Report and Order to support broadband services and connected devices to help low-income households stay connected during the COVID-19 pandemic.<sup>5</sup>

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<sup>3</sup> 31 FCC Rcd 3962 (2016) (2016 FCC Lifeline Order).

<sup>4</sup> See D.20-02-004, D.20-02-042, D.20-10-006, and D.21-09-023.

<sup>5</sup> 36 FCC Rcd. 4612 (2021).

The 2021 Infrastructure Investment and Jobs Act replaced the EBB with a longer-term broadband affordability program, the Affordable Connectivity Program (ACP). In January 2022, the FCC adopted Order FCC 22-2 to adopt rules for ACP.

On March 21, 2022, the assigned Administrative Law Judge issued a ruling (March 2022 Ruling) to request comments on a proposal by the Commission's Communications Division (Staff Proposal) addressing how to apply California LifeLine subsidies to service plans that receive ACP discounts. Parties filed opening comments on April 14, 2022 and replies on April 28, 2022.

## **2. Issues Before the Commission**

The issue before the Commission today is how to apply California LifeLine subsidies to Program service plans that receive additional federal support through ACP or another federal program.

## **3. Overview of the Staff Proposal**

The Staff Proposal recommends adopting a policy to adjust California LifeLine subsidies for service plans that receive federal ACP subsidies based on the following policy criteria and assessments:

- a. California LifeLine subsidies should be designed to ensure that ratepayer funds are used prudently and in a fiscally sound manner.<sup>6</sup>
- b. California LifeLine should leverage new federal funding and should focus on meeting needs unmet by federal programs.
- c. Current California LifeLine subsidies combined with federal Lifeline subsidies (\$25.48 total) are sufficient to provide participants with no-cost plans for wireless voice

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<sup>6</sup> D.14-01-036 at 37.

- service bundled with broadband service that meets the Program's minimum service standards.
- d. The Commission established the Program's minimum service standards based on participants' communications needs.
  - e. California LifeLine meets the wireless service data needs of participants.
  - f. All federal Lifeline participants are eligible for the federal ACP program, which provides a \$30 discount for any broadband plan. When combined with the \$9.25 federal Lifeline subsidy, participants in both the federal ACP and federal Lifeline programs will receive \$39.25 of federal support for qualifying broadband service plans.
  - g. California LifeLine should not provide a higher subsidy than needed to provide access to no-cost plans that meet the minimum service standards for federal Lifeline and California LifeLine.
  - h. Wireless plans offered at no-cost nationwide by California LifeLine providers with either the ACP discount alone (\$30.00) or the ACP discount combined with the federal Lifeline discount (\$39.25) provide a minimum of 8.5 GB of data, a median of 12.5 GB, and a maximum of unlimited data. These plans exceed California LifeLine's minimum service standards for wireless plans, including the requirement to provide at least 6 GB of data.
  - i. 81% of California LifeLine participants receive wireless voice bundled with data service. Less than 1% of California LifeLine participants apply their Program subsidy to a wireline service plan that includes broadband service.
  - j. Wireline voice service bundled with broadband that meets federal Lifeline's minimum service standards generally costs more than the combined support provided by federal ACP and Lifeline subsidies and California LifeLine subsidies.

The Staff Proposal includes the following recommendations for application of the California LifeLine subsidy when a participant elects to apply a federal ACP discount:

- i. California LifeLine wireless service plans that receive an ACP subsidy should receive a California LifeLine Specific Support Amount (SSA) of \$0.
- ii. California LifeLine SSA should apply to wireline service plans, regardless of whether the participant receives an ACP subsidy.
- iii. All California LifeLine service plans that receive an ACP subsidy should be eligible for California LifeLine reimbursements (administrative, service connection fee).

The Staff Proposal also recommends spending potential Program savings to support improved access to wireline voice service bundled with home broadband service. This decision will not address that element of the staff recommendations or party comments on how to spend potential Program savings. We will continue to build the record on this high priority issue in this proceeding to determine next steps to leverage potential Program savings. We will also continue to consider investments to improve Program access and outreach in this proceeding.

#### **4. Analysis of Staff Proposal**

In this decision, we will consider the Staff Proposal based on party comments and the following criteria:

- i) Is the factual basis for the Staff Proposal accurate?
- ii) Would the Staff Proposal advance the Moore Act?
- iii) Is the Staff Proposal consistent with existing law and Commission decisions and goals?

#### **4.1. Is the factual basis for the Staff Proposal accurate?**

Generally, with a few notable exceptions, the parties agreed with the factual basis of the Staff Proposal. For example, no party disputed the large disparity between the 81% of California LifeLine participants who receive wireless service bundled with high-speed data and the less than 1% of Program participants who receive wireline service bundled with broadband service.

The Greenlining Institute, The Utility Reform Network, and the Center for Accessible Technology (together, the Joint Consumers) agreed with the Staff Proposal's assessment that the Program's minimum service standards meet participants' wireless data needs, pointing out that most California LifeLine participants use less than one-quarter of their data allotment.<sup>7</sup>

Wireless service providers argued that the Program's existing minimum service standards, which requires standard wireless service plans to provide at least 6 GB of high-speed data, does not reflect participants' data needs. The National Lifeline Association (NaLA) asserted that some of its members saw average data usage above 6 GB for participants in its EBB service plans. However, NaLA did not offer data to support its assertion.<sup>8</sup>

California Emerging Technology Fund (CETF) similarly argued that the Commission should revisit the California LifeLine minimum service standards so that the Program does not provide second-class service.<sup>9</sup>

The Joint Consumers responded to these arguments by pointing out that no party argued that the ACP discount alone (\$30) or combined with the federal

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<sup>7</sup> Joint Consumers' opening comments on March 2022 Ruling.

<sup>8</sup> NaLA's opening comments on March 2022 Ruling.

<sup>9</sup> CETF's opening comments on March 2022 Ruling.



Lifeline subsidy (\$39.25) is insufficient to provide no-cost wireless plans that meet participants' wireless data needs.<sup>10</sup>

The Commission established the current minimum service standards for the Program in September 2021.<sup>11</sup> This decision will not modify the Program's minimum service standards, but we intend to revisit this issue in the near future. In the meantime, the Program's existing minimum service standards continue to define participants' basic communications needs.

The Joint Consumers also supported the Staff Proposal's assessment that wireline voice service plans bundled with broadband that meets federal Lifeline's minimum service standards generally cost more than the combined support provided by federal ACP and Lifeline subsidies and California LifeLine subsidies.<sup>12</sup>

CETF argued that the Staff Proposal's assessment of the cost of basic home broadband service plans is no longer accurate since major internet service providers now offer no-cost home broadband service with the ACP discount. CETF acknowledged that these new ACP-oriented service plans may not be available in rural locations.<sup>13</sup>

The Commission's staff intend to review the new service plans offered to ACP-eligible customers. We will continue to develop the record in this proceeding on whether wireline voice service plans bundled with broadband that meets federal Lifeline's minimum service standards generally cost more than

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<sup>10</sup> Joint Consumers' reply comments on March 2022 Ruling.

<sup>11</sup> D.21-09-023 at Ordering Paragraph 3 adopted Specific Support Amounts and minimum service standards effective December 1, 2021.

<sup>12</sup> Joint Consumers' opening comments on March 2022 Ruling.

<sup>13</sup> CETF's opening comments on March 2022 Ruling.

the combined support provided by federal ACP and Lifeline subsidies and California LifeLine subsidies.

#### **4.2. Would the Staff Proposal advance the Moore Act?**

The Joint Consumers and the Public Advocates Office of the Commission (Cal Advocates) supported the Staff Proposal for advancing the goals of the Moore Act.<sup>14</sup> The Joint Consumers urged immediate approval of the Staff Proposal and argued that allowing wireless providers to stack a California LifeLine subsidy on top of the federal ACP and Lifeline subsidies would result in a “windfall” to wireless providers and would constitute waste, fraud, and abuse.<sup>15</sup>

However, Cal Advocates also argued that it is necessary to create a standalone broadband subsidy option for California LifeLine to effectively provide participants with affordable access to home broadband service.<sup>16</sup> The Small LECs<sup>17</sup> strongly supported Cal Advocates’ argument and asserted that their affiliated rural internet service providers do not offer bundled broadband and voice to their customers.<sup>18</sup>

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<sup>14</sup> Joint Consumers’ and Cal Advocates’ opening comments on March 2022 Ruling.

<sup>15</sup> Joint Consumers’ reply comments on March 2022 Ruling.

<sup>16</sup> Cal Advocates’ opening comments on March 2022 Ruling.

<sup>17</sup> The Small LECs consist of Cal-Ore Telephone Co., Happy Valley Telephone Company, Sierra Telephone Company, Inc., Calaveras Telephone Company, Ducor Telephone Company, Hornitos Telephone Company, The Siskiyou Telephone Company, Kerman Telephone Co., Pinnacles Telephone Co., The Ponderosa Telephone Co., Volcano Telephone Company, Winterhaven Telephone Company, and Foresthill Telephone Co.

<sup>18</sup> Small LECs’ reply comments on March 2022 Ruling.

Wireless service providers strongly opposed the Staff Proposal, arguing that it does not support consumer choices to subscribe to wireless service plans with high or unlimited data allotments.<sup>19</sup>

This argument is not supported by the Moore Act. As discussed in Section 1 above, the purpose of the Moore Act is to offer high quality basic communications service at affordable rates to the greatest number of California residents. Further, the Moore Act directs the Commission to maximize all available federal funds.<sup>20</sup>

The Commission established the Program's minimum service standards based on participants' communications needs. Providing Program subsidies for participants that receive an ACP discount to receive wireless data allotments that are far above the Program's minimum service standards would reduce the number of Californians that the Program could serve and is not consistent with the purpose of the Moore Act.

Wireless service providers also argued that the Staff Proposal violates the Moore Act's requirement for California LifeLine to support competitive neutrality by offering a higher subsidy for wireline service than wireless service.<sup>21</sup> The Joint Consumers responded by arguing that the Staff Proposal follows precedent; the Commission has found that LifeLine wireline and wireless services are not similarly situated and may require different rules and treatment.<sup>22</sup>

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<sup>19</sup> Opening comments of TracFone Wireless, Inc. and Cellco Partnership d/b/a Verizon Wireless (TracFone/Verizon) on March 2022 Ruling; NaLA's opening comments on March 2022 Ruling.

<sup>20</sup> Public Utilities Code Sections 270(c) and 875.

<sup>21</sup> Opening comments on March 2022 Ruling by NaLA, TracFone/Verizon, and CTIA.

<sup>22</sup> Joint Consumers' reply comments on March 2022 Ruling.

The Commission previously authorized the Program to replace all or a portion of reduced federal support for wireline voice participants, but not for wireless participants on the basis that wireline and wireless services are not similarly situated and require different treatment.<sup>23</sup>

As discussed in Section 4.1 above, we do not have sufficient record to determine whether additional California LifeLine subsidies are needed in addition to federal ACP and Lifeline subsidies to make basic wireline voice service plans bundled with broadband affordable to participants. Accordingly, we cannot determine whether wireless and wireline services are similarly situated at this time.

We will continue to build the record on this topic in conjunction with our review of the Program's minimum service standards and Specific Support Amounts. This will also allow the Commission to explore how California LifeLine subsidies can support voice service plans bundled with wireline broadband that support customer access to clean energy programs like real-time pricing, smart home appliances, and demand response programs.

#### **4.3. Is the Staff Proposal consistent with existing law and Commission decisions?**

NaLA argues that the Staff Proposal is in conflict with Order FCC-22-2 (ACP Order). NaLA argues that California cannot elect to not provide state subsidies for California LifeLine service plans that receive an ACP discount because (i) the ACP Order requires an ACP provider to offer an ACP discount on any service plan that it offers, and (ii) the ACP Order specifies that states can apply their subsidies before or after the application of the ACP discount.<sup>24</sup>

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<sup>23</sup> See D.20-02-004, D.20-02-042, D.20-10-006, and D.21-09-023.

<sup>24</sup> NaLA's opening comments on March 2022 Ruling.

The Staff Proposal would not affect an ACP provider's ability to comply with the ACP Order. An ACP provider can offer the ACP discount on California LifeLine service plans regardless of whether California offers additional state subsidies. Further, the ACP Order permits states to apply their supplemental subsidies before or after the ACP discount but does not mandate that states continue to provide supplemental subsidies. Accordingly, there is no conflict between the ACP Order and the Staff Proposal.

The California LifeLine SSA is currently \$16.23 for wireline plans and standard wireless plans. In D.20-10-006, the Commission found the California LifeLine SSA to be the "highest supplemental state subsidy for Lifeline services in the nation."<sup>25</sup>

The Staff Proposal's recommendation to adjust the California LifeLine SSA in response to new federal support available to Program participants is consistent with Commission decisions. California LifeLine subsidy levels were established to leverage \$9.25 of federal support to meet California LifeLine's minimum service standards.<sup>26</sup>

When the FCC reduced or eliminated federal Lifeline subsidies for certain California LifeLine participants or service plans, the Commission increased California LifeLine support for these participants and service plans. Section 1 above lists the series of recent Commission decisions to authorize California LifeLine to replace lost or reduced federal Lifeline support for wireline voice participants and California-Only Participants. It is reasonable and consistent

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<sup>25</sup> D.20-10-006 at 10 and Findings of Fact 6. The 2020 decision noted that several California LifeLine providers offered Lifeline services in other states which provided supplemental LifeLine subsidies ranging from \$0-\$3.50, and that most of those other states did not reimburse connection/activation fees.

<sup>26</sup> D.14-01-036 at 37-41 and Findings of Fact 12.

with these decisions to reduce California LifeLine support for a Program service plan when federal support above \$9.25 is applied.

As the Staff Proposal explains, this Program's leveraging approach extends to how the California LifeLine SSA is applied. The Program fund reimburses service providers for lost revenues up to the authorized SSA amount after federal subsidies are applied to the provider's rate. In other words, the federal subsidies are applied first, and the California SSA is applied to the remainder of the service rate. Federal support should continue to be applied to all service plans prior to application of California LifeLine supplemental support.

In D.00-10-028, the Commission directed California LifeLine to reimburse service providers for "reasonable costs and lost revenues they incur to provide ULTS to the extent that such costs and lost revenues meet all of the following criteria: (i) directly attributable to the ULTS program, (ii) would not be incurred in the absence of the ULTS program, and (iii) not recovered by the utility from other sources, such as the rates paid by ULTS customers, the utility's general rates, or the federal programs."<sup>27</sup> The Commission concluded that "it is essential to place a reasonable limit on the amount of lost revenues that utilities may recover from the ULTS Fund. Failure to do so would allow some utilities to game the ULTS program to reap unreasonably high profits."<sup>28</sup>

The Commission will apply that rationale to the issue at hand. Some wireless service providers have requested reimbursement from California LifeLine for lost revenues for service plans that receive federal ACP and Lifeline discounts. These wireless service plans have high speed data allotments that are

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<sup>27</sup> D.00-10-028 at Ordering Paragraph 18.

<sup>28</sup> D.00-10-028 at 104.

far higher than California LifeLine's minimum service standards. The high data allotments and associated high monthly rates of these service plans are not attributable to California LifeLine.

This decision determines that if the total federal support applied to a service plan from any federal program or funding source (Total Federal Support) is equal to or greater than the sum of \$9.25 and the applicable California LifeLine SSA (Target Support), then no California LifeLine SSA should be recoverable for that service plan. If Total Federal Support is greater than \$9.25 but less than Target Support, then the difference between Target Support and Total Federal Support shall be recoverable for such service plan. This decision does not change the application of the California LifeLine SSA when Total Federal Support is less than \$9.25.

Here are two examples.

Example 1: If a service provider chooses to offer a service plan at a monthly subscription rate of \$50 to a California LifeLine participant who elects to apply their \$30 federal Affordable Connectivity Program discount and their \$9.25 federal Lifeline discount to the service plan, and if the currently applicable California LifeLine SSA is \$16.23, then the service provider would not be eligible to recover any reimbursement from California LifeLine for the monthly subscription rate because the Total Federal Support (\$39.25) exceeds Target Support (\$25.48).

Example 2: If a service provider offers a service plan at a monthly subscription rate of \$50 to a California LifeLine participant who elects to apply their \$9.25 federal Lifeline discount and an additional \$10 in other federal support to the service plan, and if the applicable California LifeLine SSA is \$16.23, then the service provider would be eligible to receive in California

Lifeline SSA the difference between Target Support and Total Federal Support. Since Total Federal Support (\$19.25) is less than Target Support (\$25.48), the service provider would be eligible to receive \$6.23 in California LifeLine SSA.

The Staff Proposal recommends allowing reimbursement of wireline service providers for lost revenues for bundled service plans that receive ACP discounts since staff found that wireline bundled service plans generally cost more than the combination of the California LifeLine SSA and federal ACP and Lifeline discounts. As discussed in Section 4.1 above, we do not have sufficient record to make a finding regarding the costs of wireline bundled service plans at this time. Accordingly, this decision does not differentiate between treatment of wireless and wireline service plans that receive additional federal support. The Commission may revisit this issue in a future decision.

The Staff Proposal also recommends that California LifeLine service providers should continue to receive reimbursement from the Program for service connection fees and administrative fees for California LifeLine service plans that receive ACP discounts. No party raised a sufficient justification for prohibiting reimbursement for these service plans. It is reasonable for the Program to provide reimbursements for service connection fees and administrative fees for California LifeLine service plans that receive federal monthly support above \$9.25.

The Commission shall modify General Order 153 as set forth in Attachment A to this decision.

## **5. Comments on Proposed Decision**

The proposed decision of Commissioner Shiroma in this matter 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 \_\_\_\_\_, and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

## **6. Assignment of Proceeding**

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

### **Findings of Fact**

1. The purpose of the Moore Act is to offer high quality basic communications service at affordable rates to the greatest number of California residents.

2. California LifeLine subsidies were designed to leverage \$9.25 of federal support to meet the Program's minimum service standards.

3. When the FCC reduced or eliminated Lifeline subsidies for certain Program participants or service plans, the Commission increased California LifeLine support for these participants and service plans.

4. Providing Program subsidies for participants that receive a federal ACP discount to receive wireless data allotments that are far above the Program's minimum service standards would not be consistent with the purpose of the Moore Act.

5. The Commission needs additional information to determine how to make basic wireline voice service plans bundled with broadband service available and affordable to Program participants.

6. There is no conflict between the ACP Order and the Staff Proposal.

### **Conclusions of Law**

1. It is reasonable to reduce the California LifeLine SSA for any Program service plan when monthly federal support above \$9.25 is applied.

2. If Total Federal Support is equal to or greater than Target Support, then no California LifeLine SSA should be recoverable for such a service plan.

3. If Total Federal Support is greater than \$9.25 but less than Target Support, then the difference between Target Support and Total Federal Support should be recoverable for such service plan.

4. This decision should not change the application of the California LifeLine SSA to a service plan when Total Federal Support is less than \$9.25.

5. This decision should not affect the reimbursements for service connection fees or administrative fees when more than \$9.25 of monthly federal support is applied to a California LifeLine service plan.

6. General Order 153 should be modified as set forth in Attachment A.

**O R D E R**

**IT IS ORDERED** that:

1. General Order 153 is modified as set forth in Attachment A.
2. Rulemaking 20-02-008 remains open.

This order is effective today.

Dated \_\_\_\_\_, at Sacramento, California.

# **ATTACHMENT A**

**Attachment A**

## General Order 153 Adopted Modifications

## Section 1.4

The California LifeLine Program provides support to participating California LifeLine Service Providers through a Specific Support Amount (“SSA”) prescribed by the Commission that reduces the rate for eligible services purchased by LifeLine Subscribers. Where Subscribers also qualify for **federal** support ~~through the federal Lifeline program~~, Subscribers may be eligible for further reduced rates based on both federal and state support, subject to certain limitations set forth in this General Order. Where Subscribers are not eligible for federal ~~Lifeline~~ support, Subscribers may continue to receive California LifeLine support, provided that they qualify for support under this General Order.

## Appendix C

## Specific Support Amounts Available for California LifeLine Service Providers

Pursuant to GO 153, Section 9.2.1, California LifeLine Service Providers may recover the Specific Support Amount (SSA) and other amounts expressly approved by the Commission as set forth below in this Appendix.

**Part A: LifeLine Customers That Qualify Under Federal Eligibility Criteria**

1. Wireline California LifeLine Service Providers offering the Service Elements of California LifeLine Wireline as set forth in Appendix A-1 on a stand-alone basis or with a broadband service that does not meet federal Lifeline minimum standards may recover up to the maximum SSA.

~~In addition, between December 1, 2020 and November 30, 2021 a wireline California LifeLine Service Provider may recover from the California Lifeline Fund up to \$2.00 per Subscriber in reduced monthly federal Lifeline support for LifeLine Subscribers who do not subscribe to qualifying broadband plans that meet the federal Lifeline minimum standards.~~ Effective December 1, 2021, a wireline California LifeLine Service Provider may recover from the California Lifeline Fund: (i) \$2.00 per month if federal Lifeline support remains \$5.25 (or is reduced by less than \$2.00) for service plans that do not meet federal Lifeline broadband standards, (ii) \$5.25 if federal Lifeline support is eliminated for service plans that do not meet federal Lifeline broadband standards, or (iii) if federal Lifeline support is reduced by more than \$2.00 for service plans that do not meet federal Lifeline broadband standards, the difference between \$5.25 and the amount of federal Lifeline support.

2. Wireline California LifeLine Service Providers offering the Service Elements of California LifeLine Wireline as set forth in Appendix A-1 with a broadband service that meets federal Lifeline minimum standards may recover up to the maximum SSA **in accordance with Part C.**

3. Wireless LifeLine Providers offering Plans, as set forth in Appendix A-2 (and which thereby meet federal Lifeline minimum standards), **and under the provisions of Part C**, may recover the corresponding SSA:

| Plan                    | California SSA                  |
|-------------------------|---------------------------------|
| Basic Plan*             | \$12.85                         |
| Standard Plan*          | <del>\$14.85</del> <b>16.23</b> |
| Family Plan (Line 1) ** | <del>\$14.85</del> <b>16.23</b> |

\* *Basic Plans and Standard Plans that require co-payments or prepayments are subject to Tier 2 advice letter review for affordability and compliance with California LifeLine rules.*

\*\* *Family Plan additional lines do not receive a California LifeLine subsidy. Family Plan Line 1 terms and conditions are subject to Tier 2 advice letter review. A Family Plan is an addition to the Standard Plan. If a participant fails to make Family Plan co-payments, Family Plan Line 1 reverts to the Standard Plan.*

4. Fixed VoIP LifeLine Providers offering voice service as set forth in Appendix B, whether as a stand-alone service or with broadband service, may recover the portion of the SSA necessary to reimburse the provider for discounts provided to its California LifeLine Subscribers **in accordance with Part C**.

### **Part B: LifeLine Customers That Qualify Under California Eligibility Criteria (and not Federal Eligibility Criteria)**

In addition to the SSA and other amount expressly approved by the Commission set forth in Part A above, for California-Only Subscribers (as defined in GO 153, Section 5.1.5.4), California LifeLine Service Providers may collect the lost federal **Lifeline** support, as applicable, from the California LifeLine Fund equal to the amount that California-Only Subscribers would have received if they had met federal eligibility requirements under 47 C.F.R. Sections 54.409 and 54.410.

### **Part C: LifeLine Customers with Additional Federal Subsidies Applied to Their Service Offering**

**1. Total Federal Support is defined as the total federal subsidies applied to a California service plan from any federal program or funding source.**

**2. Target Support is defined as the sum of \$9.25 and the applicable California LifeLine SSA.**

**3. If Total Federal Support is equal to or greater than Target Support, then no California LifeLine SSA shall be recoverable for such service plan.**

**4. If Total Federal Support is greater than \$9.25 but less than Target Support, then the difference between Target Support and Total Federal Support shall be recoverable for such service plan.**

**5. If Total Federal Support is less than \$9.25, this Part C of Appendix C does not apply.**

(END OF ATTACHMENT A)