BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Update the California LifeLine Program.	Rulemaking 25-11-005 (Filed November 20, 2025)

OPENING COMMENTS OF AT&T (U 1001 C) ON SSA STAFF PROPOSAL

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Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C) ("AT&T") hereby submits opening comments on the *Staff Proposal on LifeLine Specific Support Amount and Minimum Service Standards* (2025 Staff Proposal) appended to the *Order Instituting Rulemaking to Update the California LifeLine Program* (OIR) issued November 26, 2025.[1] On December 8, 2025, the Administrative Law Judge issued an email ruling extending the deadline to file opening comments on the 2025 Staff Proposal to January 9, 2026; therefore, AT&T's opening comments are timely filed.

I. INTRODUCTION

In the OIR, the California Public Utilities Commission (Commission) "invite[d] parties to provide comments on the Staff Proposal and/or provide alternative proposals to calculating the SSA."[2] The 2025 Staff Proposal includes proposed updates to California LifeLine program for wireless voice,[3] standalone wireline voice,[4] and bundled wireline voice/broadband[5] service. AT&T's comments focus on Commission Staff's proposal to set the specific support amount (SSA) for standalone wireline voice service[6] at "55 percent of a wireline service provider's combined rate and end user common line charge (EUCL) or the SSA cap of $19 [], whichever is lower" (Staff's proposal).[7]

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[1] *OIR*, Rulemaking (R.) 25-11-005 at Appendix B (2025 Staff Proposal) (Nov. 26, 2025).

[2] *Id*. at 6-7.

[3] 2025 Staff Proposal at 15-17.

[4] *Id*. 18-20.

[5] *Id*. at 20.

[6] To date, AT&T has participated in the LifeLine program for its standalone wireline voice service; therefore, AT&T limits its comments on Commission Staff's Proposal to standalone wireline voice.

[7] 2025 Staff Proposal at 19.

In short, the Commission should lift the temporary SSA freeze for standalone wireline voice service[8] and revert to the SSA/Carrier of Last Resort (COLR) methodology adopted in Decision 10-11-033.[9] But if the Commission is inclined to adopt a new SSA methodology for standalone wireline voice service, the Commission should not adopt Commission Staff's proposal. Instead, the Commission should either adopt a modified version of Commission Staff's proposal or revert to the existing SSA/COLR methodology[10] with a slight modification for calculating the SSA as discussed herein.

II. The Commission Should Lift the Temporary SSA Freeze for Standalone Wireline Voice Service and Revert to the SSA/COLR Methodology Adopted in Decision 10-11-033.

For more than a decade, the SSA has been based on the highest basic residential price for the COLRs.[11] In 2024, the Commission appeared to take issue with the fact that AT&T had the highest basic residential price of the COLRs for 10 years and that AT&T planned another rate increase in 2025.[12] As a result, in Decision 24-12-006, the Commission temporarily froze the SSA "at $19.00 per month [] from January 1, 2025 through December 31, 2026, or until the Commission adopts a new methodology for calculating the [SSA], whichever occurs first."[13] In that Decision, the Commission explained:

> we are concerned that allowing the current SSA methodology to continue unchecked and heavily dependent on one provider's (AT&T's) rate increases

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[8] D.24-12-006, *Decision Freezing Specific Support Amount*, R.20-02-008 at OP 1 (Dec. 5, 2024).

[9] D.10-11-033, *Decision Adopting Forward Looking Modifications to California LifeLine in Compliance with the Moore Universal Telephone Service Act*, R.06-05-028 at OP 6 (Nov. 19, 2010).

[10] *Id*. (ordering "[t]he California LifeLine Specific Support Amount shall be set at 55% of the highest basic rate (as of July 31) of the Carriers of Last Resort as reported to the Commission on August 1 of the previous year. The Specific Support Amount shall be effective as of January 1 of each year.").

[11] *Id*.

[12] *Administrative Law Judge's Ruling Requesting Comments on Freezing the Specific Support Amount*, R.20-02-008 at 1-2 (May 6, 2024).

[13] D.24-12-006 at OP 1.

> places an unreasonable burden on Californians who pay a surcharge to fund the SSA. To protect this public interest, we agree with parties that the Commission should modify the SSA methodology established in D.10-11-033 so that the SSA is better aligned with the benefits Californians receive and more transparent.[14]

But any burden on Californians who pay the surcharge or any overburdening of the California LifeLine Fund (Fund) unlikely results from LifeLine wireline service because it is a small part of the LifeLine program. Subscriber line counts posted on the Commission's website for October 2025 reflect total wireline participation at 85,898 with overall participation, including wireless, at 1,821,193, making wireline less than 5% of LifeLine supported lines.[15]

Moreover, Commission Staff previously concluded, in its 2023 Staff Proposal, "the COLR methodology does not pose significant issues with wireline service providers based on the existing policy."[16] The changes proposed by the 2025 Staff Proposal[17] do not counter or contradict that prior conclusion. Because the Commission Staff has not established a need nor provided a compelling reason for proposing a new SSA methodology for standalone wireline voice service, the Commission should not change the SSA/COLR methodology as applied to standalone wireline voice service.

Accordingly, AT&T asks the Commission to lift the temporary SSA freeze for standalone wireline voice service and revert to the SSA/COLR methodology adopted in Decision 10-11-

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[14] *Id*. at 10.

[15] California Public Utilities Commission, *Third Party Administrator LifeLine Subscriber Counts*, https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/lifeline/lifeline-related-forms-and-notices-for-service-providers (last visited Jan. 7, 2026).

[16] *Administrative Law Judge's Ruling on Subsidy and Service Standards Staff Proposal*, R.20-02-008 at Attachment, p. 7 (Nov. 6, 2023).

[17] 2025 Staff Proposal at 1 (explaining Commission Staff proposed updates to the COLR methodology in 2023 but after receiving the parties' feedback, it analyzed data sources "to refine and improve the affordability of wireless plans with Commission-set copayments for enhanced service tiers").

033. And, if the Commission's objective is to protect the public interest and the Fund,[18] then the Commission should instead reconsider other Commission initiatives that draw from the Fund. A couple of recent examples of such initiatives include the Home Broadband Pilot[19] and the Commission's decision to allow the Fund "to make up for any loss of federal subsidy for those California LifeLine participants who enroll in the California LifeLine program without social security numbers[.]"[20]

III. Alternatively, as Applied to Standalone Wireline Voice Service, the Commission Should Adopt Either a Modified Version of Commission Staff's Proposal or a Modified Version of the Existing SSA/COLR Methodology.

If the Commission is inclined to adopt a new SSA/COLR methodology for standalone wireline voice service, the Commission should adopt a modified version of Commission Staff's proposal. Specifically, the Commission should: (1) eliminate the proposed $19 SSA cap;[21] (2) set each wireline provider's SSA at 55% of that provider's combined EUCL charge and basic residential price;[22] and (3) permit wireline providers to adjust their LifeLine prices annually based on their SSA.[23] By doing this, each wireline provider would receive an SSA appropriate for its circumstances, without one carrier setting the SSA for all wireline providers.

Alternatively, the Commission should revert to the existing SSA/COLR methodology adopted in Decision 10-11-033 with a slight modification. Specifically, instead of linking the

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[18] D.24-12-006 at 10-11; OIR at 3; 2025 Staff Proposal at 14.

[19] D.25-08-050, *Decision Approving Home Broadband Pilot*, R.20-02-008 at OP 3 (Aug. 28, 2025).

[20] D.25-10-033, *Decision Implementing California LifeLine Enrollment Path for Californians Without Social Security Numbers*, R.20-02-008 at OP 3 (Oct. 30, 2025).

[21] 2025 Staff Proposal at 19.

[22] *Id*.

[23] *Id*.; *see also* Cal. Pub. Util. Code § 873(a)(2) (requiring Commission to annually set LifeLine rates and charges); D.10-11-033 at 45 (adopting the SSA/COLR methodology "with some modifications to only permit carriers to update their LifeLine rate once a year and to cap each carrier's LifeLine rate at 50 percent of its basic rate.").

SSA calculation to the highest basic residential price for the COLRs,[24] the Commission should calculate the SSA annually based on the benchmark for fixed voice service as determined by the Wireline Competition Bureau (Bureau) and the Office of Economics and Analytics (OEA) in the annual Urban Rate Survey for fixed voice service.[25] For 2026, the Bureau and OEA established the reasonable comparability benchmark for fixed voice service at $61.29.[26] Using the SSA/COLR methodology adopted in Decision 10-11-033, the SSA would be set at $33.71[27] and subject to change annually based on the benchmark the Bureau and OEA determine each year. Reliance on the Urban Rate Survey provides the Commission with an objective, data-driven standard that eliminates concerns regarding any single carrier's influence on rates. Adopting a methodology tied to this federal benchmark ensures California's prices remain reasonable and comparable to national urban standards.

Either of these proposals would ensure that all similarly situated wireline LifeLine providers are treated equally.[28]

IV. CONCLUSION

For the reasons discussed herein, the Commission should lift the temporary SSA freeze for standalone wireline voice service and revert to the SSA/COLR methodology adopted in

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[24] D.10-11-033 at OP 6.

[25] Federal Communications Commission, Urban Rate Survey Data & Resources, https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources (last visited Jan. 7, 2026).

[26] Federal Communications Commission, 2026 Urban Rate Survey – Fixed Voice Service, https://www.fcc.gov/sites/default/files/2026%20Urban%20Rate%20Survey%20Voice%20Methodology%20Report%20Final.pdf (last visited Jan. 9, 2026).

[27] Calculated as follows: $61.29 x 55% = $33.71.

[28] Cal. Pub. Util. Code § 871.5(d) (requiring Commission to "implement the [LifeLine] program in a way that is equitable, nondiscriminatory, and without competitive consequences for the telecommunications industry in California.").

Decision 10-11-033. Alternatively, the Commission should either adopt a modified version of Commission Staff's proposal or revert to the existing SSA/COLR methodology adopted in Decision 10-11-033 with a slight modification for calculating the SSA as AT&T proposes.

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Respectfully submitted,

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