BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Update the California LifeLine Program.	R. 25-11-005 (Filed Nov. 26, 2025)

OPENING COMMENTS OF VERIZON ON SSA STAFF PROPOSAL

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Verizon Value. Inc. dba TracFone ("Verizon") respectfully submits these comments on the California Public Utilities Commission ("CPUC" or "Commission") Staff Proposal regarding LifeLine Specific Support Amount ("SSA") and Minimum Service Standards ("MSS") (the "Staff Proposal").[1] Verizon's comments are timely filed pursuant to the Administrative Law Judge's Email Ruling Extending Deadlines to File Opening and Reply Comments on the Staff Proposal.[2]

INTRODUCTION

Verizon is the second largest California LifeLine provider[3] and has valuable and unique perspectives from recent LifeLine pilot programs, including as the sole provider for both the current California Foster Youth Program and the past wireless LifeLine pilot associated with the Affordable Connectivity Program ("ACP"). Verizon appreciates the Commission's efforts to update the LifeLine MSS and SSA methodology to protect the integrity of the program and

[1] *Staff Proposal on LifeLine Specific Support Amount and Minimum Service Standards*, Cal. Pub. Util. Comm., Communications Division (Nov. 3, 2025) ("Staff Proposal").

[2] *Email Ruling Extending Deadlines to File Opening and Reply Comments on the Staff Proposal*, R.25-11-005 (Dec. 5, 2025).

[3] *2025 Third Party Administrator LifeLine Subscriber Counts*, cpuc.gov (Oct. 2025) (California LifeLine Related Forms and Notices for Service Providers).

ensure that low-income Californians have access to essential and affordable wireless communications services.

While Verizon supports modernizing the outdated SSA methodology to reflect market changes, such as the overwhelming shift to wireless LifeLine services,[4] specific substantive and methodological issues exist in the Staff Proposal that should be addressed. Given the various uncertainties related to the program at this time, Verizon believes it would be prudent to delay implementation until those issues are resolved.

DISCUSSION

I. THE COMMISSION SHOULD RECONSIDER CERTAIN PROPOSALS AIMED AT COST CUTTING THAT COULD HARM CONSUMERS

Verizon applauds the Staff Proposal's efforts to maintain LifeLine program integrity and prevent waste. While Verizon understands why the Staff Proposal proposes certain revisions to reduce program costs, it is not clear that the Staff Proposal truly considers the implications of the proposed changes.

A. The Commission should reconsider reducing the activation/connection charge.

The purpose of the activation/connection charge is to help reduce connection charges for participants when initiating service for the first time and transferring between service providers.[5] While Verizon does not oppose the concept of revising how the activation/connection charge is structured the Staff Proposal fails to explain the basis for its drastic reduction and fails to analyze how higher churn rates within the wireless LifeLine market might affect costs incurred by wireless LifeLine providers, which the activation/connection charge was meant to help offset by avoiding the need to pass those costs on to subscribers.

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[4] Staff Proposal at 7 (finding 91% of LifeLine subscribers choose wireless services).

[5] *See* Staff Proposal at 17.

Moreover, the Staff Proposal does not acknowledge how a change in the activation/connection charge might affect the LifeLine program as a whole. The current structure of the activation/connection charge has allowed service providers to offset costs associated with customer churn within the LifeLine space. This has arguably helped shape the program into the robust form it takes today and has encouraged ever-increasing service offerings, upgraded handsets, etc. Such a drastic change in this charge will inevitably require service providers to reassess how to recoup the costs previously covered by the activation/connection charge and could stifle innovation and stagnate service offerings.

Based on the foregoing, Verizon suggests that the topic of the activation/connection charge and how (and if) it should be adjusted warrants additional analysis and careful consideration of the potential broader-reaching effects to the program.

B. Enforcing non-usage rules against subscribers paying for their LifeLine plan is contrary to California and federal Lifeline rules.

Verizon strongly opposes a 60-day non-usage rule for subscribers that make monthly payments for the LifeLine plans ("co-payments"). Doing so is contrary to federal rules and will sow further potential conflicts in the bifurcated administration of the FCC and Commission programs.

The Commission has established a non-usage rule for California LifeLine that mirrors the federal Lifeline rules and definitions that properly consider a monthly co-payment a form of "usage."[6] This is a sound approach. A customer who makes a monthly co-payment, even if discounted through state and federal subsidy, is *using* their plan within the applicable state and

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[6] *See* Staff Proposal at 17 ("The California LifeLine program's non-usage rule mirrors the federal Lifeline non-usage rules"); *see also Guidance Regarding the Lifeline Usage Requirement Released by the FCC on May 23, 2024 (Administrative Letter 6)*, Cal. Pub. Util. Cmn. (Oct. 25, 2024) ("California LifeLine service providers must track the usage of subscribers who are not paying a monthly fee… If a subscriber is not paying a monthly fee, the subscriber must use the service at least once every 30 days to remain eligible for California LifeLine service").

federal rules and definitions.[7] Despite this clear and reasonable framework for preventing undue waste, and its alignment with the current federal rules, the Staff Proposal recommends abandoning existing policy without any demonstration that LifeLine plan co-payments are currently unaffordable or somehow wasting California LifeLine funds.[8] In light of the recent revocation of the NLAD waiver, the Commission should seek to minimize—not sow further—potential conflicts in state and federal Lifeline program requirements. In addition, enforcing two different non-usage rules—one state and one federal—in the future will likely become untenable. Any LifeLine subscriber paying for a service plan that is not otherwise used in a particular month would lose the California benefit but remain eligible for federal Lifeline support. To retain their service, subscribers may need to offset the lost California LifeLine SSA with unanticipated out-of-pocket payments, increasing the risks to their affordable and uninterrupted access to service. Differing non-usage rules for copayment plans will only create additional customer confusion and uncertainty for program administrators and providers. This approach also eliminates consumer choice. A consumer who proactively pays a copayment for a LifeLine plan is making a choice to do so and, therefore, making a choice to keep their LifeLine service active.

Moreover, co-payment subscribers represent a small proportion of LifeLine participants.[9] Making these plans the basis for a change in the non-usage rule is also likely to undermine consumer choice and decrease the availability of higher value plans for those that need additional

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[7] 47 C.F.R. § 54.407(c) (imposing usage criteria only for plans not requiring a monthly assessment of a service charge) (emphasis added).

[8] Staff Proposal at 2.

[9] *See* Staff Proposal at 9 (finding less than 2% of LifeLine participants subscribed to co-payment plans).

mobile data. The Commission should not further regulate or restrict these plans absent any identified source of waste from those customers who pay to meet their service needs.

II. THE COMMISSION SHOULD RECONSIDER CERTAIN ASPECTS OF THE PROPOSED SSA METHODOLOGY

A. The survey approach requires refinement.

The Staff Proposal's underlying analysis and conclusions need recalibration. Overall, Verizon supports and commends Staff for surveying the wireless retail market to determine the MSS and SSA. As the Commission is aware, Verizon and others have long advocated for the Commission to survey the prepaid wireless market where many LifeLine plans are also sold. The prepaid wireless market is the best measure of "both the value and the affordability of LifeLine offerings."[10] However, the Staff Proposal relies on a retail survey that does not adequately measure these two key criteria of value and affordability.[11]

To be clear, Verizon endorses the Staff Proposal's coupling of a new SSA methodology to an annual market analysis "to evaluate affordability and any market changes."[12] Verizon further agrees with the proposed approach of recurring retail surveys. This approach, once tailored as recommended here, will enable the Commission to monitor market trends.[13] The Commission may benefit from analyzing historical offerings at different points in time to inform

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[10] *TracFone Wireless, Inc. (U-4231-C) Comments on CPUC Staff's LifeLine SSA Straw Proposal*, R.20-02-008 at 7 (July 30, 2020) (2020 TracFone Comment) ("TracFone recommends that every five years the CPUC review the wireless SSA and MSS by surveying the wireless retail marketplace and compare the retail usage, prices, and offerings with the available LifeLine offerings and the service usage by LifeLine customers"); *See also Comments of the National Lifeline Association et al. on Communications Division Staff's Straw Proposal Addressing Specific Support Amount for California LifeLine*, R.20-02-008 at 5 (July 30, 2020) ("NaLA recommends that the Commission collect usage and retail price data… and review SSA and [MSS] levels every five years").

[11] Staff Proposal at 1-2.

[12] Staff Proposal at 1.

[13] 2020 TracFone Comment at 7.

its current proposals. For the same reasons it is critical to continue this exercise in the future, retrospective analysis would measure past trends and avoid the risk of special or promotional offers skewing the data.

Again, while a retail survey-based methodology is the right approach, Verizon suggests that staff re-analyze the wireless retail market so that it more properly compares prepaid wireless offerings.[14] Specifically, the survey data was collected on May 1 and may not reflect what these plans offer today.[15] The survey also ignores important limitations and requirements of certain wireless plans surveyed that could result in misleading inputs for setting of the new LifeLine MSS and SSA. In essence, Verizon advises more thorough vetting of plans selected in the Staff's survey based upon the needs of LifeLine consumers for certain hallmarks of wireless LifeLine plans, including no or very low up-front cost and limited to no contractual term requirements.

The Staff Proposal's sole focus on average pricing at certain data allotments provides an incomplete or misleading picture of the prepaid wireless market. As a result of this incomplete view, the Staff Proposal errs in distorting the market's average pricing. For plans offering 15 GB to 17 GB, staff suggest an average price is $31, and that 10 GB to 11 GB plans are actually *more expensive* at an average price of $32.[16] A more appropriate retail survey would consider the month-to-month cost of prepaid service plans that are all alike. As presented, the survey's tiers fail to allow the Commission to achieve an "apples-to-apples" comparison and should therefore be reevaluated.

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[14] Staff Proposal at 9-10.

[15] *Id.* Additionally, if the CPUC pauses this proceeding, the staff should redo the retail survey closer to the time that it re-preposes the MSS/SSA.

[16] Staff Proposal at 9.

Instead of relying on the Staff Proposal's current high-level survey, Verizon advocates a more systematic prepaid wireless market survey. The survey should categorize all plans by looking at month-to-month prices for the same or similar allotments of voice, text, and mobile and hotspot data, including consideration of any data speed limitations or changes after certain usage levels. Verizon recommends these considerations to help ensure the proposed wireless MSS and SSA are data driven and the product of easily replicable analysis of the prepaid market.

B. The five-tier approach is unnecessarily complex.

Verizon recommends simplifying the MSS and SSA methodology to the extent practicable and making it more predictable. Simple and clear indicators of future standards will avoid customer confusion and encourage participation among eligible households and providers. The Staff Proposal recommends the following wireless framework without any clear indication of a methodology or process for future adjustments[17]:

- Tier 1: 6 GB at $13.00 SSA
- Tier 2: 15GB at $19.00 SSA (Standard)
- Tier 3: 15GB at $19.00 SSA (Family Line 1)
- Tier 4: 25GB + 10GB hotspot at $20.00 SSA + $5 copay
- Tier 5: 40GB + 20GB hotspot at $20.00 SSA + $10 copay

This prioritizes the wrong types of plans, adds complexity that does not make the LifeLine program more accessible, and will only cause customer confusion.

The current two-tier MSS and SSA underscores the Staff Proposal's complicated standards and subsidies. Currently, there are essentially two wireless MSS and SSA tiers:

(1) $12.85 subsidy for a plan offering at least 4.5 GB, unlimited voice and texts, and

[17] Staff Proposal at 1-2.

(2) $19.00 for a 6 GB or greater plan offering unlimited voice and texts.

Despite there only being two tiers today, few providers offer a 4.5 GB plan.[18] Rather than using this information to inform a reasonable continuation of a simplified two or three tier standard, one perhaps incentivizing continued increases in access to mobile hotspot data, the Staff Proposal departs from a simple approach by adding three additional MSS and SSA tiers without clear rationales.

Rather than complicate the analysis, the Commission should use a well-designed retail survey to tailor the SSA to the *minimum* levels of voice, text, and mobile and hotspot data services subscribers' need based on what the prepaid market is able to provide. Verizon believes this simplified approach would reduce confusion among participants who may not have the time or familiarity to parse the differences between numerous tiers. A simpler approach would also ease administrative burdens for the Commission, TPA, and providers. And it would increase the certainty of future MSS and SSA levels, likely incentivizing more providers to offer LifeLine services. In setting standards and SSA for fewer tiers, the Commission would allow competitive forces to drive better offerings, as has occurred in the prepaid market since the Commission last established the LifeLine MSS and SSA tiers.

To be clear, Verizon supports the Commission moving away from the existing methodology to one that is based in the prepaid wireless market, which is most analogous to LifeLine's wireless services. But a methodology making the program more complex and uncertain in the future will make it harder for eligible Californians to meet their communication

[18] *See e.g.* "Provider Search, Cell Phone Results (last accessed Dec. 5, 2025) (returning only 4 out of 59 plans offering 4.5 GB in a representative Los Angeles zip code).

needs and discourage providers from participating. Verizon proposes creating an alternative, simplified structure through a revised Staff Proposal.

III. THE TIMING OF THE STAFF PROPOSAL SHOULD BE LINKED TO THE RESOLUTION OF UNCERTAINTIES RELATED TO THE PROGRAM.

Verizon agrees with the Commission that a decision on the SSA should not be proposed until the third quarter of 2026 at the earliest, but it respectfully notes that further delay might be necessary. Numerous uncertainties exist that could affect implementation of this plan. Verizon urges the Commission to wait until those issues are resolved before moving forward with implementation of any new MSS and SSA standards.

As California faces necessary operational changes related to how subscribers enroll in the state LifeLine and federal Lifeline programs,[19] it calls into question the key assumptions underlying the Staff Proposal. The fundamental changes the NLAD transition will introduce may require the Commission to revise the Staff Proposal to account for the new requirements and potential limitations on accessing the federal Lifeline subsidy. As such, the Commission should wait for certainty and settled expectations regarding these issues before implementing a new MSS and SSA approach.

Moreover, the administrative burdens associated with implementing operational changes for both the updated enrollment processes and new MSS and SSA requirements may disrupt LifeLine consumers and the entire California LifeLine market. The Commission should time any changes to the current MSS and SSA structure to account for process changes that will be required for both the Third Party Administrator and LifeLine service providers.

[19] *Order*, W.C. Docket No. 11-24 (Nov. 20, 2025) ("FCC Order").

CONCLUSION

Verizon appreciates the opportunity to continue its participation in the Commission's proposed LifeLine reforms. Verizon respectfully believes the Commission should revise the Staff Proposal as recommended here.

Respectfully submitted January 9, 2026.

/s/
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